



Lord Beecham
House of Lords
London
SW1A 0PW

28 June 2018

Dear Jeremy

COURTS AND TRIBUNALS (JUDICIARY AND FUNCTIONS OF STAFF) BILL

During the Second Reading debate on 20 June you asked me to respond to four recommendations from the National Audit Office (NAO) report '*Early progress in transforming courts and tribunals*'.

The NAO report is helpful and constructive, and rightly highlights the ambitious and transformational nature of the courts and tribunals reform programme. HMCTS is committed to implementing measures to address the recommendations, which will help ensure that this vital programme of reform is delivered effectively and efficiently. We are confident, therefore, that the current six-year programme is on track to deliver the benefits promised by 2022 and, in so doing, will help create a better, more straightforward, accessible and efficient justice system for all who use and need it.

The four particular recommendations you raised are as follows:

1. HMCTS should allow enough time to engage with affected parties within the justice system, to consult widely and respond to the results, to provide more detail of how the system will work and to carry the staff along with it.

Our reforms must support and integrate with modernisation programmes across the criminal justice system (CJS). The Crime Service Programme is overseen by the CJS Integration Board (CJSIB), which is made up of the HMCTS Chief Executive and senior representatives from agencies across the CJS to ensure HMCTS deliver the appropriate design of the reforms. This cross-agency working group is developing a delivery plan for transformation, which will ensure implementation is fully co-ordinated and delivered in a synchronised way.

Through specific recruitment, HMCTS are building the skills and capability to successfully deliver the reforms. HMCTS are also increasing capability across the organisation through a comprehensive programme focused on their processes, customer service and digital skills. They are communicating directly with all the staff in the organisation through engagement events during which they are providing information, setting out progress and collating feedback.

2. HMCTS should resist pressure to claim savings until planned changes are fully embedded.

HMCTS have implemented a more robust change control process which is required for any changes in costs, benefits, milestones or resources. This helps to ensure the programme is benefits-led and that HMCTS manage money carefully.

Where HMCTS know there are delays in project delivery, they have reviewed budget allocations accordingly and have also looked for additional opportunities to realise benefits and deliver savings ahead of targets in the programme.

HMCTS are already delivering benefits ahead of plan; for example, by September 2017 they were ahead of target by £48m for reform projects and £16m for estate sales proceeds.

More importantly, the reforms are already making a real difference for the public. During the first phase of the reforms, HMCTS focused on testing the basics behind the plans, testing early digital services (the earlier versions of the divorce, probate and online plea services, for instance); started to create national teams to deliver more consistent service (such as call handling, to make it easier to get hold of us); put in infrastructure (including more Wi-Fi); and started less visible, but important work to prepare for the next phase (such as procurement work, location analysis, building leases for buildings, demand modelling, and design work).

In the current second phase, HMCTS are starting to make these first services available to more people; starting work on their equivalents in other parts of the system (such as public family law); building 'enabling' services (such as video connections and technology to support listing); and delivering more national ways of working that give the public more responsive and consistent service (such as case-tracking and assisted digital support). As I said at Second Reading, over 16,000 people have already engaged with these services, and the first tranches of work are attracting very positive feedback (around 90% of users reporting a satisfactory experience on civil money claims, divorce and probate).

3. HMCTS should provide greater transparency on objectives and progress

The programme continues to invite external scrutiny from the NAO and the Infrastructure Projects Authority. In April 2018, the Major Projects Review Group completed an assessment on the portfolio, during which progress was validated by the change in delivery confidence to 'Amber'. This is an improvement in the confidence rating over the previous six months.

The six-year reform programme is broken down into 'interim states', with the intention to show how far along HMCTS expect to be at each stage of the programme. The first interim state was September 2017, the next is January 2019 and there is a third in May 2020 before the programme closes in 2022/23.

Since October 2017, HMCTS have placed considerable focus on planning across the portfolio to ensure they have realistic and achievable delivery milestones. In interim state one, HMCTS used design milestones to measure the success and progress of the programme. These outcomes were useful in driving and measuring our delivery but their binary nature, and the fact they were not weighted in terms of relative significance to our strategic outcomes, meant that totalling them up did not give a fully rounded view of our progress.

HMCTS have addressed this issue in setting measures for interim state two, though there will always be some extent to which milestone vary in size and significance. The key measures for interim state two cover a broader range of categories, in particular:

- Cost, including income from the proceeds of court sales;
- Benefits (including operational staffing/paybill reductions);
- Digital service delivery; and
- Enabling service delivery, including the delivery of Courts and Tribunals service centres.

4. HMCTS should work with the department and the Treasury to address the system-wide consequences of planned changes

HMCTS are working with CJS partners to gain a more detailed understanding of overall cross-CJS costs and benefits. This work has started and HMCTS will continue to work with partners to refine this in the coming months. The CJS Integration Board has also commissioned work to develop an Operational Research model which will provide better information on costs and benefits, and enable us to assess impacts of design decisions across the whole criminal justice system. This is currently in feasibility stages and HMCTS will continue to engage with the department and HM Treasury at portfolio level.

I will arrange for a copy of this letter to be placed in the Library of the House.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ken of Elie', written in a cursive style.

RT HON LORD KEEN OF ELIE QC