

# ANNUAL REPORT 2010/11

BUILDING THE BEST JUDICIARY  
FOR A DIVERSE SOCIETY

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JUDICIAL APPOINTMENTS COMMISSION  
ANNUAL REPORT  
AND ACCOUNTS  
2010/11

Presented to Parliament pursuant to paragraphs 31(7) and 32(4) of Schedule 12 of the  
Constitutional Reform Act 2005

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# PART 1: ANNUAL REPORT



## CHAIRMAN'S FOREWORD

I am delighted to have been appointed as Chairman of the Judicial Appointments Commission (JAC) in February 2011, thus catching the last two months of the 2010/11 reporting year. First I should pay tribute to my predecessor, Baroness Prashar. In her five years as Chairman she turned the concept of an independent judicial appointments body into a working reality, recognised for making high quality recommendations. The JAC's statutory duty is to make selections based solely on merit. This principle has been established and we remain absolutely committed to this, while recognising that we need the widest possible pool of candidates in order to increase diversity.

In my early months, I have heard much praise for the quality of our recommendations but have also become aware of areas which need more work. I want to understand these more fully and address them. I am particularly concerned, for example, by the length of time the appointments process takes and the underrepresentation of some groups in the judiciary. I am committed to working with the Ministry of Justice, Judicial Office, members of the Diversity Taskforce and others to ensure the JAC continues to play its part in addressing these.

The JAC has made real progress in 2010/11. I am impressed that it has made more recommendations than previous years with a smaller budget and fewer staff, a trend which is forecast to continue. However, this is just the start. I want to build on this, continuing to refine, simplify and improve our selection processes so that the JAC is recognised as a centre of excellence in recruitment for transparent, fair and efficient processes.

In addition to Baroness Prashar, I would like to thank all the JAC Commissioners for their support and commitment, particularly Lord Justice Toulson who, as Vice Chairman, did a tremendous job of leading the JAC between



the departure of Baroness Prashar and my arrival. I am grateful to Nigel Reeder, Interim Chief Executive, for the leadership he has provided during a particularly challenging and uncertain period and I extend my thanks to his predecessor, Clare Pelham. I have been impressed by the engagement, commitment and thoroughness of our staff.

The year ahead will present the JAC with many new challenges. Much has been achieved in the last five years and the JAC is in a good position to look to the future. None of us are complacent. We are determined to work with our partners to shorten the appointments process, further enhance judicial diversity and to improve the candidate experience. All of that should be subject to our overall aim to continue to make high quality selections, based on merit, from the widest possible pool of candidates.

A handwritten signature in black ink, appearing to read 'Chris Stephens', written in a cursive style.

**Christopher Stephens**  
Chairman  
Judicial Appointments Commission

# INTERIM CHIEF EXECUTIVE'S INTRODUCTION

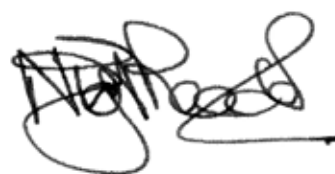
This Annual Report, for 2010/11, covers a period of enormous change at the JAC. We said goodbye to both our inaugural Chairman and Chief Executive, who were integral to creating a professional, independent, credible, effective and resilient organisation. I extend the thanks of all staff to both of them, for their vision, hard work and support.

In 2010/11 the JAC was subject to an end-to-end review of judicial appointments, conducted by the Ministry of Justice. This sought to identify areas of the judicial appointments process which could operate more efficiently and effectively. Our response to the outcome of the review, and the need to identify financial savings, was a People, Processes and Performance programme which is detailed in this report. Phase one of that programme has helped us to meet the challenges of the Government's Spending Review and the proposals arising from the Lord Chancellor's review. This has acted as a building block for us to continue to make further process and organisational improvements.

During this time of increased pressure I am proud of the way that staff have responded. They have shown an appetite for change and a willingness to identify areas for improvement. At a time of significant budgetary constraint we have continued to deliver the programme of selection exercises agreed with the Ministry of Justice and have also shown flexibility in the delivery of that programme, including running some unprogrammed exercises. Despite reductions in both staff and funding we made over 50% more recommendations than in the previous year and handled a 50% increase in applications.

I am grateful to the rest of my senior management team for the support they have given me and for the guidance they have shown to their teams. They have taken forward significant changes; including combining the Courts and Tribunals selection exercise directorates into one, while maintaining high levels of staff engagement. I was particularly pleased with the results of this year's staff survey, which had an excellent response rate and showed high levels of engagement compared to the Civil Service benchmark. I do not fail to recognise that there are areas for improvement but I feel positive about the fact that JAC staff are being given the opportunity to contribute to the future direction of the organisation.

Finally I would like to thank our Vice-Chairman, Lord Justice Toulson, for his leadership of the Commission, and his support to me in an interim role, during the interregnum between Baroness Prashar's departure at the end of September 2010 and the arrival of Chris Stephens as Chairman in February of this year. While resisting any tendency towards complacency, I think the JAC is in a good position for the year ahead and I look forward to continuing to develop this.



**Nigel Reeder**  
Interim Chief Executive

*"[A] major change of our new constitutional arrangements was the creation of an independent Judicial Appointments Commission... I like to think that the selection of our judges and in particular the senior judiciary is now as immune from the political process as it is possible to be in a democratic society."*

**Lord Judge, the Lord Chief Justice**

# KEY FACTS

## JAC Background

The JAC started operating on 3 April 2006.

It is an executive non-departmental public body, sponsored by the Ministry of Justice.

## JAC role

The JAC is an independent Commission that selects candidates for judicial office in courts and tribunals in England and Wales, and for some tribunals whose jurisdiction extends to Scotland or Northern Ireland.

The Commission may be required to select a candidate for immediate appointment or to identify candidates for vacancies which will arise in the future.

The JAC selects one candidate for each vacancy and recommends that candidate to the Lord Chancellor who can accept or reject a JAC recommendation, or ask the Commission to reconsider it.

## Key statutory duties

- To select candidates solely on merit
- To select only people of good character
- To have regard to the need to encourage diversity in the range of persons available for selection

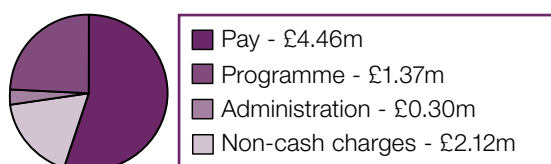
## Budget

The JAC's funding in 2010/11 was £6.86m.

It spent £6.13m.

In addition to funding received the JAC incurred £2.12m of non-cash charges such as rent and IT support.

## Total expenditure in 2010/11



Administration includes £0.03m utilisation of provision.

The JAC's funding for 2011/12 is £5.52m.

The forecast funding for non-cash charges is £1.7m.

## Activity in 2010/11

Exercises run	Applications received	Recommendations made
21	4,684	684

## Staff

As at 31 March 2011 – 77 staff

## The Commission

The JAC is the organisation as a whole and the Commission is its board.

The Commission must consist of a lay Chairman and 14 Commissioners.<sup>1</sup> The Commissioners must include:

- five judicial members;
- one barrister;
- one solicitor;
- five lay members;
- one tribunal member; and
- one lay justice member.

## Strategic objectives

The JAC's strategic objectives in 2010/11 were:

- to select high quality candidates based on the selection exercise programme agreed with business partners;
- to develop fair, open and effective selection processes and to keep them under continuous review;
- to encourage a wider range of eligible candidates to apply; and
- to ensure that the JAC is fully equipped to carry out its statutory objectives and achieve continuous improvement.

<sup>1</sup> Constitutional Reform Act (CRA) 2005, Schedule 12, part 1 (1).

# SELECTION EXERCISE ACTIVITY

## The Selection Exercise Programme

The JAC is responsible for recommending candidates for appointment to judicial offices listed in Schedule 14 of the Constitutional Reform Act 2005, as well as to the offices of the Lord Chief Justice, Master of the Rolls, President of the Queen's Bench Division, President of the Family Division, Chancellor of the High Court, Lords Justices of Appeal and High Court Judges.

The selection exercise programme is developed jointly with the Ministry of Justice and is published on the JAC website. It is made up of selection exercises needed to fill the majority of judicial vacancies forecast by Her Majesty's Courts and Tribunals Service and a small number of other tribunals which are not overseen by the Ministry of Justice.

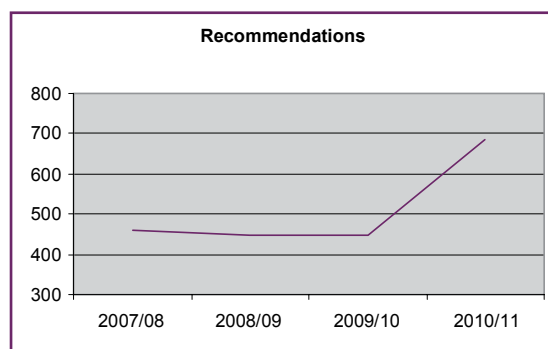
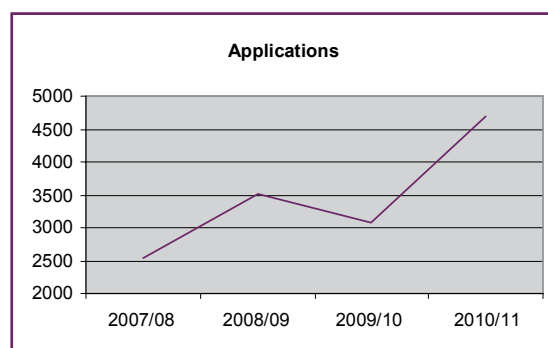
In consultation with the Ministry of Justice, the JAC also publishes a programme of the main selection exercises which will run over the next three years.

The JAC worked closely with the Ministry of Justice and Her Majesty's Courts and Tribunals Service to respond to their emerging requirements, recognising that some changes during the year are inevitable. Changing priorities arose throughout the year and the JAC adapted the programme to meet these.

The average length of selection exercises will always vary year on year, depending on what exercises make up the overall programme. The programme balances the need to run exercises as quickly as possible with:

- accommodating as many exercises and selecting for as many vacancies as possible;
- the JAC's funding; and
- judicial availability to conduct exercises.

In 2010/11 the JAC ran 21 exercises and all exercises were completed by the date agreed with MoJ. In 2010/11 over 50% more recommendations were made than the previous year and there was a 50% increase in applications.



*"I found the selection process to be scrupulously fair, professional and rigorous. I appreciate the care that you have obviously put into designing the assessment and selection day, which enables candidates from all backgrounds to demonstrate their ability."*

**Candidate from the Fee Paid Employment Tribunal exercise**

	2006/07 (partial) <sup>2</sup>	2007/08	2008/09	2009/10	2010/11
Exercises reporting to the Lord Chancellor in year	9	27	24	25	21
Total number of applications for those exercises	694	2,535	3,518	3,084	4,684
Total number of recommendations for those exercises	78	458	449	446	684

During the year the Lord Chancellor rejected one recommendation where he considered the candidate was not suitable for the particular function of the office for which they were selected. In this instance the JAC made another recommendation, which was accepted.

The JAC selection process for vacancies up to and including High Court is outlined at Appendix A.

### Senior appointments

The CRA lays out the membership of the panels for selection for judicial offices above High Court level. These panels are committees of the Commission. In these instances, when a vacancy arises, the Lord Chancellor must consult the Lord Chief Justice before making a request to the Commission to convene a panel to make a selection.

These panels, chaired by the Lord Chief Justice, determine the process they will follow, make a selection, and report to the Lord Chancellor, who can then accept the selection, reject it or require the panel to reconsider. If practicable, the panel must consult the current holder of the office for which a selection is being made.

Three Lords Justices of Appeal were appointed in 2010/11. For each of these appointments, the selection panel comprised the Lord Chief Justice, a second senior judicial member designated by the Lord Chief Justice, the JAC Chairman and a lay Commissioner of the JAC designated by the JAC Chairman.<sup>3</sup>

### Concurrences

In addition to its responsibility for making selections for judicial appointments, the JAC's concurrence is also required for nominations for the authorisation of Circuit Judges and Recorders to act as deputy judges of the High Court.<sup>4</sup> The Lord Chief Justice, or a judicial office holder nominated by him,<sup>5</sup> may make such a request to the Commission only after consulting the Lord Chancellor. In 2010/11 the Commission concurred with the authorisation of 22 individuals.

“This is the first time I have been involved with the JAC and I was not sure what to expect. What I found was care, professionalism and almost military precision... There was a real drive not only to make the process work administratively but also to ensure that it was fair to candidates and that the competition produced competent tribunal judges.”

### Judicial Panel Member

<sup>2</sup> 2006/07 included a number of exercises which had been begun by the DCA and run using DCA processes. Figures here relate only to exercises run using JAC processes.

<sup>3</sup> The membership of the panel for selecting Lords Justices of Appeal is prescribed in section 80 of the CRA.

<sup>4</sup> Under the provisions of section 9(1) of the Senior Courts Act 1981.

<sup>5</sup> As defined in section 109(4) of the CRA

## Selection exercises in 2010/11

### Exercises in progress on 1 April 2010 and completed in year

#### Tribunals

Salaried (full time and salaried part time working), or fee-paid (part time)	Position	Selections made
Fee-paid	Specialist Medical Member, Mental Health Review Tribunal for Wales	4
Fee-paid	Specialist Medical Member, First-tier Tribunal, Health, Education and Social Care Chamber (Mental Health)	41
Fee-paid	Deputy Judge, Upper Tribunal, Immigration and Asylum Chamber	35
Fee-paid	Employment Judge, Employment Tribunal (England and Wales)	53
Fee-paid	Chairman of the Copyright Tribunal (run as combined exercise with Patents County Court)	1
Salaried	Immigration Judge, First-tier Tribunal, Immigration and Asylum Chamber	21
Salaried	Regional Employment Judge, Employment Tribunals (England and Wales)	2
<b>Total</b>		<b>157</b>

#### Courts

Salaried (full time and salaried part time working), or fee-paid (part time)	Position	Selections made
Fee-paid	Deputy District Judge (Civil)	193
Fee-paid	Recorder Civil	40
Salaried	Circuit Judge	30
Salaried	Senior Circuit Judge, Patents County Court (run as combined exercise with Copyright Tribunal)	1
Salaried	Senior Circuit Judge – Specialist Senior Circuit Judge (Chancery); and Designated Civil Judge (North Eastern and Northern Circuits)	3
Salaried	Taxing Masters of the Senior Courts (known as Costs Judges)	2
Salaried	High Court Judge	13
<b>Total</b>		<b>282</b>

## Exercises which started and completed in 2010/11

### Tribunals

Salaried (full time and salaried part time working), or fee-paid (part time)	Position	Selections made
Fee-paid	Medical Member, First-tier Tribunal, Social Entitlement Chamber (Social Security and Child Support)	165
Fee-paid	Specialist Member, First-tier Tribunal, Health Education and Social Care Chamber, (Special Education Needs and Disability)	30
Fee-paid	Lawyer Chairman of the Residential Property Tribunal Service	28
Salaried	Immigration Judge, Upper Tribunal, Immigration and Asylum Chamber	9
Salaried	Employment Judge, Employment Tribunals (England and Wales)	8
Salaried	Chamber President of the Immigration and Asylum Chamber; the Tax Chamber; and General Regulatory Chamber of the First-tier Tribunal	3
<b>Total</b>		<b>243</b>

### Courts

Salaried (generally full time), or fee-paid (part time)	Position	Selections made
Salaried	Senior District Judge (Chief Magistrate)	1
Salaried	Registrar of Criminal Appeals, Master of the Crown Office and Queen's Coroner and Attorney	1
<b>Total</b>		<b>2</b>

## Exercises which started in year (2010/11), which will complete in 2011/12

### Tribunals

Salaried (full time and salaried part time working), or fee-paid (part time)	Position	Forecast vacancies
Fee-paid	Medical Member, First-tier Tribunal, Social Entitlement Chamber (Social Security and Child Support)	155
Fee-paid	Judge of the First-tier Tribunal, Social Entitlement Chamber (Social Security and Child Support)	129
Fee-paid	Immigration Judge, First-tier Tribunal, Immigration and Asylum Chamber	97
Salaried	Medical Member, First-tier Tribunal, Social Entitlement Chamber (Social Security and Child Support)	7
Salaried	Judge of the First-tier Tribunal, Social Entitlement Chamber (Social Security and Child Support)	37
Salaried	Regional Judge of the First-tier Tribunal, Social Entitlement Chamber; (Social Security and Child Support)	3
Salaried	Designated Immigration Judge, First-tier Tribunal, Immigration and Asylum Chamber	11
Salaried	Regional Employment Judge, Employment Tribunals (England and Wales)	2
<b>Total</b>		<b>441</b>

### Courts

Salaried (full time and salaried part time working), or fee-paid (part time)	Position	Forecast vacancies
Fee-paid	Recorder	Up to 98
Salaried	Senior Circuit Judge (Crime)	9
<b>Total</b>		<b>Up to 107</b>

## KEY OPERATIONAL ISSUES

### People, Processes and Performance programme

In October 2010 the JAC started an internal review programme designed to introduce greater efficiency and to ensure the organisation was well prepared to meet the challenges from the Government's Spending Review. This also provided an opportunity to look for improvements in processes and procedures.

Between October 2010 and March 2011 the JAC completed phase one of the programme. This identified areas where immediate change was possible and generated 140 ideas from JAC staff, and some of our partners. The programme and the resulting changes the organisation is making are expected to realise savings of over £0.5m.

The Ministry of Justice, Judicial Office, Her Majesty's Courts and Tribunals Service and the Judicial Studies Board are supportive of this initiative and have worked closely with the JAC to establish more effective joint working, and to avoid duplication of effort across the end-to-end process.

Phase two of the programme will evaluate options for more significant change in the operation of the JAC's processes, for example increasing the use of IT in selection.

### Review of judicial appointments process

In June 2010 the Lord Chancellor wrote to the then Chairman, Baroness Prashar, confirming a review of the end to end judicial appointments process. The review was conducted internally by the Ministry of Justice and in particular addressed:

- the proper balance between executive, judicial and independent responsibilities;

- the clarity, transparency and openness of the process;
- the quality and speed of service to applicants and the courts and tribunals the process serves; and
- governance, efficiency and value for money.

In November 2010 the Lord Chancellor confirmed that both he and the Lord Chief Justice believed the JAC to be a valued independent body, which does much to bring openness to the way candidates are selected for judicial appointment, and that it should be retained. The Lord Chancellor set out his detailed conclusions in a letter to Baroness Jay, Chair of the Constitution Committee, in January 2011.<sup>6</sup> In this letter the Lord Chancellor welcomed the programme of reform the JAC had begun, which closely mirrored the proposals identified by the review.

**"The Judicial Appointments Commission and the Judicial Appointments and Conduct Ombudsman will remain in place as valued independent bodies, which do much to bring openness to the way candidates are selected for judicial appointments."**

**Kenneth Clark, Lord Chancellor and Secretary of State for Justice**

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<sup>6</sup> <http://www.parliament.uk/documents/lords-committees/constitution/LordChancellor/LetterfromLC040111.pdf>

## Developments in the selection process

During 2010/11, the JAC continued to develop and improve its selection process. The JAC takes feedback it receives from candidates and stakeholders seriously and many of the improvements to the processes stem from suggestions made from these parties. The JAC has put in place new arrangements to gather candidate satisfaction data from all the exercises it runs. The feedback gathered is used to inform further developments to the selection exercise process. When the system is fully embedded the JAC will publish the overarching data collected.

In light of an increasing emphasis on the importance of leadership and management within a number of judicial roles, a new quality against which candidates may be assessed in the selection process was developed and applied during the year. The Leadership and Management quality is primarily used for those posts with a significant leadership or management role.

In addition to the new Leadership and Management quality being introduced, revised guidance has been issued to candidates on how to complete the self-assessment part of the application form, concentrating on specific examples. Referees have also been given guidance on the type of information to include in a reference.

In response to feedback from the judiciary the JAC has trialled the use of situational questions in an exercise towards the end of 2010/11. Candidates were given three scenarios relating to the jurisdiction of the position they were applying for and questioned on them allowing the panel to assess the level of the candidate's legal knowledge. This was in addition to the questions relating to qualities and abilities which still formed the main part of the interview. This approach will be assessed and in the future may be used in a broader range of exercises where specific legal knowledge is required.

The JAC has continued to publish feedback reports on qualifying tests. These are designed to help candidates understand what characterised a successful test, and to consider that in the light of their experience. Candidates have responded positively to these reports. While the JAC is aware concerns remain in some areas on the use of qualifying tests, since the introduction of feedback reports there has been a reduction in the number of complaints received relating to the tests.

## IT developments

The JAC's planned major IT upgrade project during the year was reliant on capital funding from the Ministry of Justice and was postponed in June 2010 as a result of the financial savings made across government. This was a disappointment as much of the preparatory work had been completed and potential solutions identified. The scope of the project had been to deliver upgraded IT systems for the JAC in four main areas:

- receipt of candidate applications through an online portal;
- an online facility for candidates to book qualifying tests;
- an online facility for candidates to take a qualifying test; and
- an upgraded database/case management system.

For the remainder of the year, the JAC focussed its efforts on improving existing IT systems and processes. This included greater use of e-mail to contact candidates, acceptance of applications by electronic means only (except where a candidate is entitled to a reasonable adjustment) and improvements to the layout of the application form.

Work to achieve IT supported improvements to the process will continue in 2011/12. The priority is to enable an online qualifying test and to deliver online applications. The achievement of this will largely depend upon the provision of technical and financial resources by the Ministry of Justice.

“We have noticed over the last year or so, particularly the last six or seven months, a considerable increase in the flexibility that is being displayed in relation to the achievement of objectives of the various exercises.”

David Latham, President of Employment Tribunals (England and Wales)

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## Parliamentary affairs

### The Equality Act 2010

The Equality Act received Royal Assent in 2010. It has two major implications for the JAC. First, it includes a positive action provision stating that when there are two candidates of equal merit, it is legal to select the candidate with a protected characteristic. The Act does not require a blanket policy, or practice of automatically treating people who share a protected characteristic better than others. Selecting the best person for the job is essential, regardless of any protected characteristic.

The second impact comes from the Public Sector Equality Duty which is applied to certain public bodies, including the JAC. Under the terms of the Act bodies covered by the duty are required to publish diversity objectives by April 2012 and report on progress annually. Further information is at Appendix B.

### The Public Bodies Bill

The JAC was originally included in Schedule 7 to the Public Bodies Bill, which in the future would have allowed Ministers to make changes to it through secondary legislation. However, along with other judicial bodies the JAC was removed from the Bill in January 2011, prior to the removal of the whole of Schedule 7. The JAC’s position as a public body was confirmed by the Cabinet Office in March in the Public Bodies Reform update which stated that the JAC would be retained on the grounds of performing a function which requires impartiality.<sup>7</sup>

### Justice Select Committee

On 7 September 2010 Baroness Prashar gave evidence to the Justice Select Committee, alongside Commissioners Edward Nally and Jonathan Sumption QC, on the work of the JAC.<sup>8</sup>

The position of Chairman of the JAC is subject to a pre-appointment hearing and Christopher Stephens appeared before the Justice Select Committee on 31 January 2011.<sup>9</sup>

“The institutional structures for judicial appointments were transformed by the establishment of the Judicial Appointments Commission... And the Commission itself has since its inception in 2006 made important and valuable changes to the procedures for judicial appointments.”

Lord Mackay of Clashfern

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<sup>7</sup> <http://www.cabinetoffice.gov.uk/sites/default/files/resources/public-bodies-proposals-for-change.pdf>

<sup>8</sup> <http://www.publications.parliament.uk/pa/cm201011/cmselect/cmjust/449-i/10090701.htm>

<sup>9</sup> <http://www.publications.parliament.uk/pa/cm201011/cmselect/cmjust/770/77002.htm>

## Events of 2010/11

### 2010

**1 July**  
JAC and MoJ published a ten year analysis of diversity trends for women and BME candidates, and diversity statistics for exercises from October 2009 to March 2010

**12 May**  
Kenneth Clarke MP was appointed Lord Chancellor

**16 April**  
JAC hosted a triilateral meeting with the Judicial Appointments bodies for Scotland and Northern Ireland

**12 August**  
Appointment of first Ilex Judge was announced

**7 September**  
JAC gave evidence to the Justice Select Committee

**21 September**  
JAC gave evidence to the Senior Salaries Review Body

**29 September**  
Collection of essays on judicial appointments published

**30 September**  
Baroness Prashar stepped down as Chairman of the JAC

**1 October**  
Equality Act 2010 becomes law

**9 November**  
Lord Chancellor announced the JAC is to be retained as an independent body

**18 October**  
Clare Pelham stepped down as Chief Executive of the JAC. Nigel Reeder appointed as Interim Chief Executive

**2 December**  
Official statistics published on diversity of recommendations in exercises from April – September 2010

### 2011

**7 February**  
Christopher Stephens appointed as Chairman of the JAC

**20 January**  
JAC and MoJ published an analysis of trends in appointment of solicitors

**21 February**  
Consultation on merit criterion launched

**31 January**  
All non judicial Commissioners reappointed for a further year

**28 February**  
Schedule 7, including the JAC, removed from the Public Bodies Bill

**28 June**  
Lord Chancellor announced review of end-to-end judicial appointments process

**28 May**  
Consultation on data sharing closed

## REACHING A WIDER AUDIENCE

The JAC selects candidates on merit and wants to do so from a wide range of applicants. Its diversity strategy continues to work through three strands:

- outreach;
- fair and non-discriminatory selection processes; and
- working with others to break down barriers.

Activity during the year against each of these strands is published at pages 18-20.

### Statistics

#### Official statistics

The JAC has continued to produce official statistics bulletins twice a year, showing the diversity profile of recommendations and how under-represented groups progressed from application to selection. This progress is compared against the pool of candidates eligible to apply.

These bulletins are signed off by the head of statistics in the Ministry of Justice to guarantee their quality and accuracy. The bulletins have now been produced for two years and improvements to the format continue to be made. The JAC is grateful to the Society of Legal Scholars and others for their helpful feedback on bulletins.

The Official Statistics Bulletins for exercises in 2010/11 showed progress in a number of areas. In the High Court selection exercise, two of the 13 successful were women and two were black and minority ethnic (BME) candidates. In the Deputy District Judge exercise the first ever Fellow of the Institute of Legal Executives (ILEX) was selected. The statistics also showed areas for continued work. For example, in exercises that completed between April and September 2010 solicitors did not perform as well as they had in previous comparable exercises. As described on page

18 the JAC will continue to work with the Law Society to tackle any perceived barriers to application for solicitors who wish to become judges.

#### Trends in judicial diversity

In 2010/11 the JAC and the Ministry of Justice jointly undertook a full analysis of the changes in the diversity of selections since judicial appointments data was first published in 1998/99. The first volume, which covered women and BME candidates, was published in July 2010<sup>10</sup> and the second volume, covering solicitors, was released in January 2011.<sup>11</sup> The new analysis provided a picture of diversity trends in judicial appointments over the past decade. This research has been shared with relevant partners to identify what needs to be done collectively to make further progress.

It is difficult to assess accurately our progress in attracting candidates with a disability. The numbers are naturally smaller and the Law Society and Bar Council do not, as a matter of course, hold data on members' disability. As a result we cannot define the eligible pool for disabled candidates for each exercise. We are continuing to work with the Law Society, the Bar Council and ILEX to attract talented candidates with disabilities.

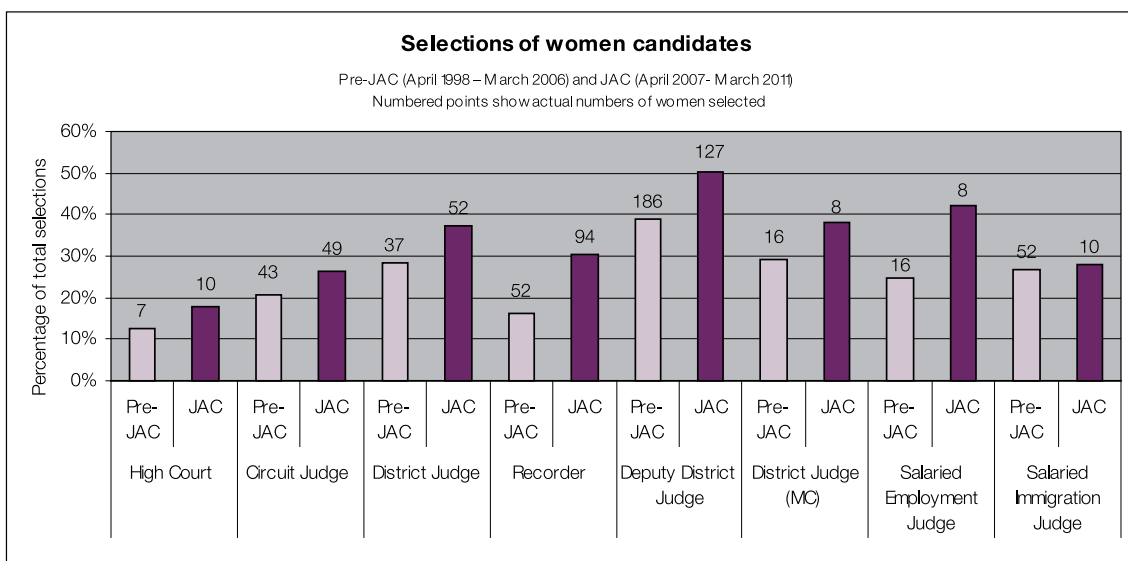
#### Women candidates<sup>12</sup>

The long term analysis indicated that women are applying and being selected in increasing numbers under the JAC. They are performing well across the board, including in applications and selections for the High Court, Circuit Bench and Recordships. Progress has been slower for women in terms of applications and selections for some tribunals such as the Mental Health Review Tribunal and the Asylum and Immigration Tribunal.

<sup>10</sup> Available at: <http://jac.judiciary.gov.uk/about-jac/1005.htm>

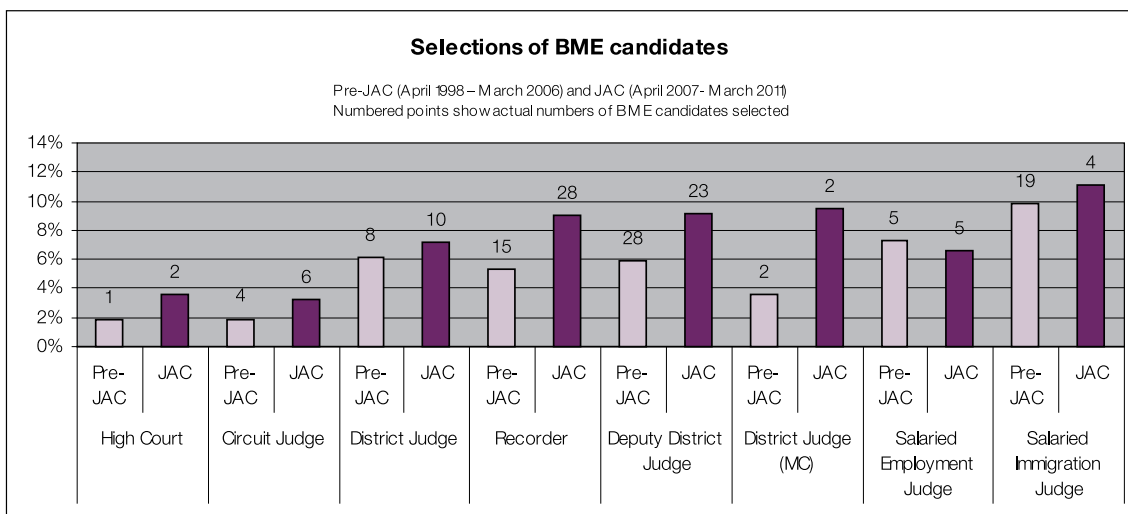
<sup>11</sup> Available at: <http://jac.judiciary.gov.uk/about-jac/1181.htm>

<sup>12</sup> Graph data taken from the statistical digest of judicial appointments of women and BME candidates from 1998/99 to 2008/09 and JAC Official Statistics Bulletins, available on the JAC website. 2006/07 is excluded as it was a transitional year where exercises were run by JAC, but under former DCA processes.



### BME candidates<sup>13</sup>

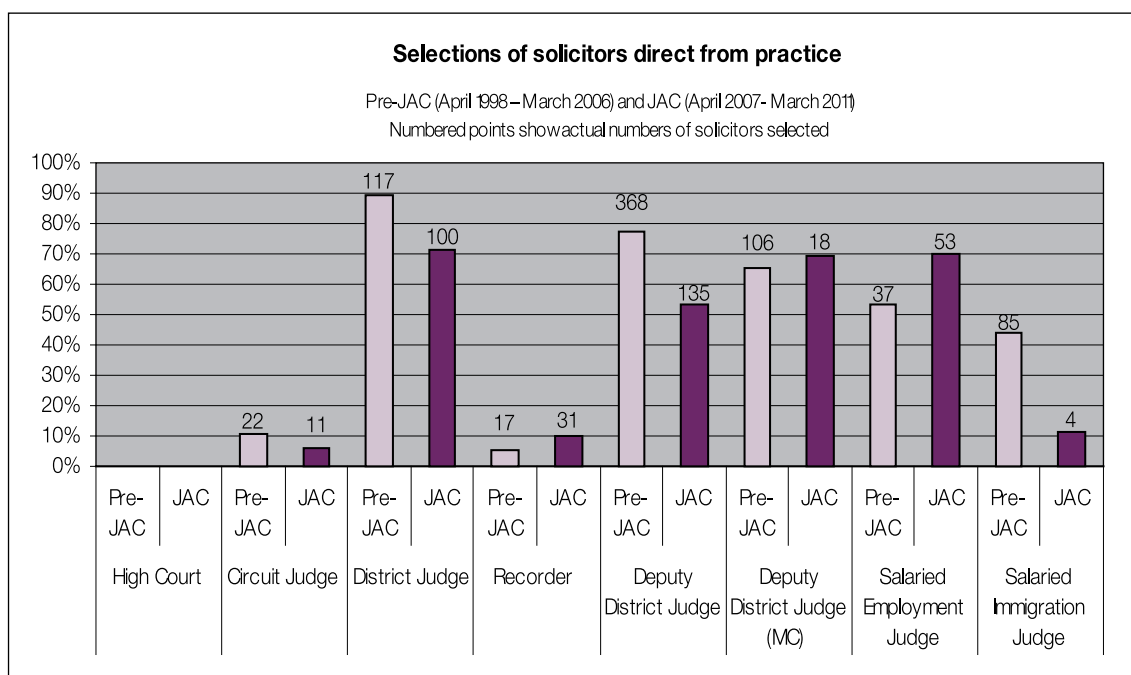
BME lawyers are applying in larger numbers, and BME candidates are doing well in selection exercises for posts such as Recorder and Deputy District Judge, which are traditionally the first step on the judicial ladder. The JAC wants to see BME candidates continue to progress through the judiciary. BME applications for the High Court and Circuit Bench have increased significantly and selections have also increased, though to a less significant degree.



<sup>13</sup> Graph data taken from the statistical digest of judicial appointments of women and BME candidates from 1998/99 to 2008/09 and JAC Official Statistics Bulletins, available on the JAC website. 2006/07 is excluded as it was a transitional year where exercises were run by JAC, but under former DCA processes. The numbers above each bar show the actual number of selections made. The percentage of selections may rise while the actual number of selections made (shown above the bar) may be lower.

### Solicitor candidates<sup>14</sup>

Progress has been slower on solicitor applications than for women and BME candidates. There has been little difference in the proportion of solicitors applying for most roles over the past ten years – there have been small increases but no dramatic leap forward. For some judicial roles – for example Circuit judge – the number of solicitors applying and being appointed has not increased. Following the publication of these findings the JAC and the Law Society agreed a joint action plan to drive up applications from solicitors and support those applying to perform to their best advantage in the selection process.<sup>15</sup>



### Outreach

The JAC focuses its outreach activity on explaining and demystifying the selection process and attracting high quality candidates from under-represented groups. The strategy for doing this is informed by meetings with stakeholders, feedback from candidates and previous independent research.

### Outreach events

The JAC has continued to work with partners including ILEX, the Law Society, the Bar Council, the Association of Women Solicitors, the Society of Asian Lawyers and Interlaw among others to deliver 36 outreach events round the country in 2010/11.

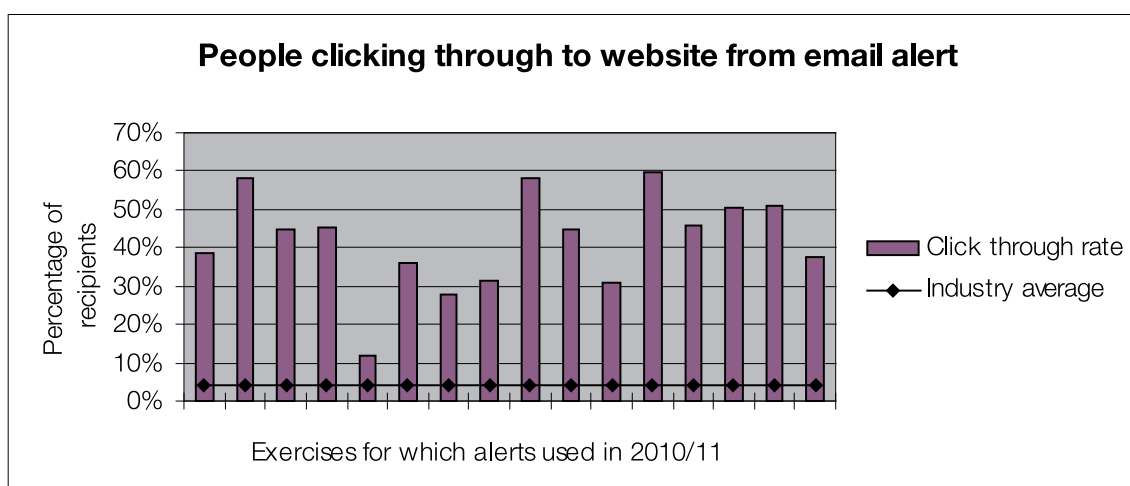
### Online activity and social media

The JAC website has continued to provide information and support to prospective and current candidates. Following a successful trial the JAC now has a LinkedIn profile and in February 2011 a Facebook page and a Twitter feed were launched.

<sup>14</sup> Graph data taken from the statistical digest of judicial appointments of solicitor candidates from 1998/99 to 2008/09 and JAC Official Statistics Bulletins, available on the JAC website. 2006/07 is excluded as it was a transitional year where exercises were run by JAC, but under former DCA processes.

<sup>15</sup> [http://www.judicialappointments.gov.uk/static/documents/JAC\\_TLS\\_News\\_release\\_Jan\\_20\\_2011.pdf](http://www.judicialappointments.gov.uk/static/documents/JAC_TLS_News_release_Jan_20_2011.pdf)

The vacancy alert tool allows potential candidates to sign up for email alerts for any of the forthcoming judicial vacancies that interest them. 9,642 people signed up to receive jobs alerts for exercises launching in 2010/11. These alerts proved effective in directing candidates to the JAC website, with the rate of those clicking through to the website from the email well above the industry standard.<sup>16</sup>



### Advertising and media

The JAC was granted an exemption from the government-wide advertising freeze in recognition of the importance of reaching the target audience. However, the JAC spent 55% less on selection exercise advertising in 2010/11 than the previous year. This saving was achieved through efficiencies such as combining several selection exercises in each advertisement wherever possible. Where an exercise is run for a specialist, non-legal vacancy, advertisements are placed in the appropriate press publications.

With reductions in the advertising budget, other forms of outreach and relationships with stakeholders are increasingly important. The JAC has developed a wide network of partner organisations who circulate advertisements and vacancy alerts to their members at no cost, and their continued support is appreciated. The JAC has continued to boost awareness and understanding of judicial vacancies and the selection process through, for example, articles which help dispel myths that exist around the selection process and/or the particular judicial role.

*'Judicial Appointments: Balancing Independence, Accountability and Legitimacy'* – a collection of essays, instigated by the former JAC Chairman, Baroness Prashar, brought together a distinguished group of academics, commentators and practitioners to analyse the changes to judicial appointments in England and Wales, five years after the passage of the Constitutional Reform Act 2005. Funded by the Bar Council, Law Society and ILEX, it is available for download on the JAC website.<sup>17</sup>

“...the JAC process is more objective than the previous system. While it is eroding the historical trend to appoint barristers and solicitors to different branches of the judiciary, more work is needed. Our continuing challenge is to ensure that talented solicitors are aware of, and able to apply for judicial appointment opportunities.”

Linda Lee, Law Society President

<sup>16</sup> Figures provided by Mailchimp.com

<sup>17</sup> Available at: <http://jac.judiciary.gov.uk/about-jac/1053.htm>

## Fair and non-discriminatory selection processes

### Fair treatment in selections

Independent quality assurance gives confidence that processes are free of bias and in 2010/11 selection materials were checked by representatives from the Law Society, Bar Council and, where appropriate, ILEX. In 2010/11, 40 formal equality proofing sessions were carried out on exercises with qualifying tests or role-plays launching in the year, covering 11 exercises with relevant materials.

The JAC monitors the progression of its four agreed target groups (women, BME, solicitors and disabled candidates) at the application, shortlisting and recommendation stages of each selection exercise, to detect any evidence of unfairness. The JAC's reasonable adjustments policy seeks to make the selection process as accessible as possible to candidates with a disability and to meet the requirements of relevant legislation. In 2010/11, reasonable adjustments were made on 66 occasions.

In addition to the statutory eligibility criteria for selection exercises run by the JAC, the Lord Chancellor sometimes introduces further requirements, such as previous judicial experience, or knowledge of a particular area of law. Recommended candidates must be able to carry out the business of the courts and tribunals. However, when appropriate, the JAC challenges non-statutory eligibility criteria applied by the Lord Chancellor if it believes these will unnecessarily restrict the diversity of applicants. For example, lack of part-time working opportunities can act as a disincentive to some potential applicants.

**“The InterLaw Diversity Forum has been delighted to work with the JAC on taking steps forward for LGBT judicial diversity.”**

**Daniel Winterfeldt, founder of the InterLaw Diversity Forum**

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## Working with others to break down barriers

The JAC convened the Judicial Appointments Diversity Forum in 2006, with other members who can influence the diversity agenda, including the Ministry of Justice, legal profession, Legal Services Board, Judicial College and Attorney General's Office. In 2011 the forum was re-launched and the position of Chairman at the quarterly meetings is now rotated around members, to give all partners ownership of the forum and its objectives.

### Lord Chancellor's Advisory Panel on Judicial Diversity

In February 2010 the Lord Chancellor's Advisory Panel on Judicial Diversity, chaired by Baroness Neuberger, published its report. It made 53 recommendations, 15 of which referred directly to the JAC. The previous Chairman, Baroness Prashar, accepted these recommendations, joined the Judicial Diversity Taskforce and began the work of putting the recommendations in place with the Taskforce reporting progress in May 2011. The JAC is committed both to working on the 15 recommendations allocated to it specifically, and supporting partners as they implement their recommendations.

During 2010/11 the JAC made progress on all recommendations. Notable successes include:

- data sharing (recommendation 6) - this is now in place;
- feedback for candidates (recommendation 27) - new reports on tests provide feedback for exercises in a cost effective way;
- appraisals of panel members (recommendation 33) - a system of appraisals and further training if necessary is now in place.

# THE ORGANISATION

## JAC values

Fairness	We are objective in promoting equality of opportunity and we treat people with respect.
Professionalism	We are committed to achieving excellence by working in accordance with the highest possible standards.
Clarity and openness	We communicate in a clear and direct way.
Learning	We strive for continuous improvement and welcome and encourage feedback.
Sensitivity	We are considerate and responsive in dealing with people.

## Commissioners

Each Commissioner is appointed in their own right, not as a delegate or representative of their profession. Twelve Commissioners, including the Chairman, were selected through open competition and three by the Judges' Council. At the end of January 2011 all Commissioners whose contracts came to an end were offered reappointment for a period of one year.

## Changes to the Commission

Baroness Prashar stepped down as Chairman of the JAC in September 2010 at the end of her five year tenure. Christopher Stephens was appointed as the new Chairman in February 2011.

Upon taking up her appointment as Chairman of the Judicial Studies Board (now the Judicial College) Lady Justice Hallett stepped down as Vice Chairman of the JAC in July 2010. As the most senior remaining judicial member Lord Justice Toulson became the Vice Chairman of the Commission on her departure.<sup>18</sup>

Lady Justice Black was appointed a Lady Justice of Appeal in June 2010 and in November 2010 was appointed as the second Court of Appeal Judge on the Commission, having previously served as a Commissioner in her capacity as a High Court judge. Mr Justice Bean was simultaneously appointed to the Commission to fill the vacant seat of the High Court Judge.

Frances Kirkham stepped down from the Commission in January 2011 at the same time as her retirement from the judiciary. Edward Nally stepped down at the end of March 2011 following his appointment to the Legal Services Board.

The Commission currently has two vacancies; a professional (solicitor) member and a judicial member. In summer 2011 the Ministry of Justice expects to commence recruitment for these roles, and for those which will need to be filled when other Commissioners' terms expire at the end of January 2012.

<sup>18</sup> CRA 2005, Schedule 12, part 1, 11

## The Commissioners (at 31 March 2011)



### **Christopher Stephens, Chairman**

Christopher Stephens is a non-executive director of WSP, a global engineering consultancy and Holidaybreak plc, a travel and education business. Until 2011 he was Chairman of the DHL (UK) Foundation, a charity committed to community development and education projects both in the UK and worldwide. Until 2004, he was Group Human Resources Director of Exel (now DHL), the international logistics company. Christopher was a Civil Service Commissioner until July 2009 and a Member of the Senior Salaries Review Body until February 2011.



### **Lord Justice Toulson (judicial), Vice Chairman**

Roger Toulson was appointed a Lord Justice of Appeal in January 2007. He was Chairman of the Law Commission from 2002 to 2006.



### **Mr Justice Bean (judicial)**

David Bean was appointed a Justice of the High Court, assigned to The Queen's Bench Division, in 2004. He has been Chairman of the Bar Council (2002), and is a former member of the Civil Justice Council. He was a Presiding Judge of the South Eastern Circuit from 2007 to 2010.



### **Lady Justice Black DBE (judicial)**

Jill Black was called to the Bar at Inner Temple in 1976 and appointed a QC in 1994. In 1999 she was appointed a Recorder, and later that year a Justice of the High Court, assigned to the Family Division. She served as Family Division Liaison Judge for the Northern Circuit from 2000 to 2004. Jill Black was Chairman of the Family Committee of the Judicial Studies Board from 2004 until she joined the JAC in 2008. She was appointed to the Court of Appeal in June 2010.



### **Dame Lorna Boreland-Kelly DBE JP FRSA (lay justice)**

Lorna Boreland-Kelly is a presiding magistrate at the City of Westminster Magistrates' Court, where she has been a magistrate since 1991. She is employed by the London Borough of Croydon as the Strategic Advisor and Head of the Social Work Academy, Children, Young People and Learners. She is also the Chair of Governors at Lambeth College.



### **Professor Dame Hazel Genn DBE (lay)**

Hazel Genn is Dean of the Faculty of Laws and Professor of Socio-Legal studies at University College London (UCL) where she is an honorary fellow. She is co-director of the UCL Judicial Institute. Hazel is a former member of the Committee on Standards in Public Life.



### **Sir Geoffrey Inkin OBE (lay)**

Geoffrey Inkin was Chairman of the Cardiff Bay Development Corporation from 1987 until 2000 and Chairman of the Land Authority for Wales from 1986 until 1998. He is a former member of Gwent County Council and Gwent Police Authority, and commanded The Royal Welsh Fusiliers from 1972 to 1974.



### **Mr Edward Nally (professional – solicitor)**

Edward Nally is a partner in Fieldings Porter Solicitors of Bolton and was President of the Law Society of England and Wales between 2004 and 2005. He is a Governor of the College of Law and a member of the Solicitors Disciplinary Tribunal. He was Chair of Governors at Pendleton Sixth Form College, Salford between 2000 and 2007. Edward stepped down from the Commission at the end of March 2011.



### **Ms Sara Nathan OBE (lay)**

Sara Nathan is a journalist. She has held several public appointments and is currently Chair of the Animal Procedures Committee, an editorial adviser to the BBC Trust and sits on the Board of the Solicitors Regulation Authority. Previously she was editor of the morning programme on the BBC's Radio 5 Live and is a former editor of Channel 4 News.



### **District Judge Charles Newman (judicial)**

Charles Newman was admitted as a solicitor in 1972 and appointed Registrar of the County Court in 1987. He has served as Chair of the District Judges IT Working Group. He is currently a member of the Judicial Advisory Group for IT and Chairman of the Northern Circuit Association of District Judges.



**Judge David Pearl (tribunal)**

David Pearl was called to the Bar in 1968 and lectured in law at Cambridge and the University of East Anglia. He has been the Chief Adjudicator, Immigration Appeals; the President of the Immigration Appeal Tribunal and the President of the Care Standards Tribunal. He sits on the Restricted Patients Panel in the Upper Tribunal and as a Deputy High Court Judge.



**Mr Francis Plowden (lay)**

Francis Plowden works as an independent adviser on public policy and management. He is a non-executive director of the Serious Organised Crime Agency, Chairman of the Child Exploitation and Online Protection Centre and of the Greenwich Foundation for the old Royal Naval College. He was formerly a partner at PriceWaterhouseCoopers, where he was responsible for work for governments worldwide.



**Ms Harriet Spicer (lay)**

Harriet Spicer co-runs Working Edge Coaching and Mentoring, is a governor of the London School of Economics, and acts as a mentor for various organisations. She was a member and Chair of the National Lottery Commission and Chair of the Friendly Almshouses, Brixton. She was a founder member and Chief Executive of Virago Press.



**Mr Jonathan Sumption OBE QC (professional - barrister)**

Jonathan Sumption is a barrister and joint head of Brick Court Chambers. He is a Judge of the Courts of Appeal of Jersey and Guernsey and a governor of the Royal Academy of Music.

## Commissioners who left in 2010/11



### **Baroness Prashar CBE (lay, former Chairman)**

Usha Prashar stood down from the Commission in September 2010, having been Chairman since it began operation in 2006. She was the first Civil Service Commissioner between 2000 and 2005 and Executive Chairman of the Parole Board for England and Wales from 1997 to 2000. Since 1999 she has sat in the House of Lords as a cross-bencher, and is a member of the ongoing Iraq inquiry.



### **Lady Justice Hallett DBE (judicial, former Vice Chairman)**

Heather Hallett stood down from the Commission in July 2010. She had been Vice Chairman since 2007. She was called to the Bar at Inner Temple in 1972 and began sitting as a part-time judge in 1985. She was Chairman of the General Council of the Bar in 1988, and has been a High Court Judge and Presiding Judge on the Western Circuit. In 2005 she was appointed to the Court of Appeal.



### **Judge Frances Kirkham (former judicial member)**

Frances Kirkham stood down from the Commission in January 2011. She was appointed a Senior Circuit Judge in October 2000 and, until 2011, was a designated Technology and Construction Court Judge in Birmingham. She founded the West Midlands Association of Women Solicitors and was a founder member of the United Kingdom Association of Women Judges.

## Staff

With a funding reduction of 10% in 2010/11, and in preparation for a further reduction of 20% in 2011/12 the JAC made a number of efficiencies, both in the way it operates and in the number of staff employed. Following the departure of the former Chief Executive to take up a new appointment, the organisational structure was reviewed. This resulted in a move from four directorates to three to continue the delivery of the planned selection exercises with fewer senior staff.

The initiatives of the People, Process and Performance programme have allowed a reduction in the number of staff (excluding Commissioners and panel members) from 105 at 31 March 2010 to 77 by 31 March 2011.<sup>19</sup> Workforce planning is monitored and at peak periods temporary agency staff are employed. This allows increased flexibility and supports the reduction in the core workforce.

The opinions of staff were surveyed at the end of 2010 and 83 per cent of staff responded. The high overall engagement score of 70 per cent was an improvement from the previous year and exceeded the Civil Service benchmark, with more staff indicating that they would recommend the JAC as a good place to work.

Staff sickness absence continued to fall in 2010/11. There was an average of 3.5 sick days for each member of staff. This is lower than the civil service average of 8.7 days. This has been the result of careful monitoring of sickness absence trends, conducting regular return to work meetings and the use of workplace support.

JAC staff continue to choose to be involved in charitable activities, such as sponsored runs, at no cost to the public. A charity is selected by staff each year to benefit from the proceeds. In 2010 the charity was Cancer Research UK and over £1,600 was raised. The charity the JAC has chosen to support in 2011 is the Stillbirth and Neonatal Death charity (SANDS). The JAC has a lively social committee which has organised a number

of after-work events, while the Staff Forum is available to provide an avenue for staff to express views. “Green Champions” are supported to promote initiatives which have improved the environmental sustainability of the JAC.

The JAC is committed to equal opportunities and to ensuring that everyone who works for, or with, the JAC is treated fairly and with respect. An equality data survey of staff was conducted which will help to ensure HR policies are fair to all.

The JAC invests in improving the skills of staff so that they have the relevant competencies to deliver the core business. A revised induction manual has been produced and a specific learning and development programme and personal development record has also been produced. These provide a framework for learning and development activity which both staff and line managers can use when considering their individual requirements. This programme was developed following a skills audit across all staff and will be reviewed regularly.

The JAC is managed by its leadership team, comprising the Interim Chief Executive and three Directors.

<sup>19</sup> This includes three members of staff on maternity leave and one on loan to another government department

## Leadership team



### **Interim Chief Executive – Nigel Reeder**

Nigel was appointed Interim Chief Executive in October 2010 when the previous Chief Executive, Clare Pelham stepped down. Nigel joined the JAC in March 2008 from the MoJ, where he developed the Government's policy on legal services reform and led the subsequent Bill team. Previously he worked for the Ministry of Defence.



### **Change Programme Director - Jane Andrews**

Jane joined the JAC from HM Revenue and Customs in September 2007. Her background was originally as a tax specialist, and more recently in organisational change management and delivery. Jane was previously Director of Courts Appointments.



### **Director of Selection Exercise Directorate - Sarah Gane**

Sarah joined the JAC in March 2009. She was previously head of the Tribunals Services Administrative Support Centres in Leicestershire. Alongside managing the day to day running of the centres she also provided the jurisdictional lead on Asylum and Immigration and Mental Health for the Tribunals Service. This included experience in forecasting judicial requirements and assigning new judges into the Tribunals business. Sarah was previously Director of Tribunals Appointments and Corporate Accounting.



### **Director of Operational Services - John Rodley**

John joined the JAC in February 2009. His first career was in the Royal Navy, where he undertook a wide variety of appointments at sea, in the UK and overseas, before leaving to become the Justices' Chief Executive in Suffolk in 2001. When Her Majesty's Court Service was created, he became the first Area Director of Suffolk. He is involved with a number of charities and is a trustee of Concordia, a charity placing young people with volunteer projects.



### **Former Chief Executive - Clare Pelham**

Clare left the JAC in October 2010 to become Chief Executive of Leonard Cheshire Disability. Clare had been Chief Executive of the JAC since February 2006.

## CASE STUDIES

### Dr Joan Rutherford



**Dr Joan Rutherford was appointed as a Salaried Member (Specialist Medical) of the First-tier Tribunal, Health, Education and Social Care Chamber (Mental Health) in August 2010.**

**The main purpose of the First-tier Tribunal (Mental Health) is to review the cases of patients detained under the Mental Health Act and to direct the discharge of any patients where the statutory criteria for discharge have been satisfied.<sup>20</sup>**

Having been a Consultant psychiatrist in the NHS for 17 years, I had been doing fee-paid (part-time) work for the tribunal since 2008 and it had become the highlight of my week. So when I saw the advert for the salaried (full-time) job, I thought I'll definitely apply for that. I had spent many years on the hospital side of the table at tribunals giving evidence, so sitting on the other side, looking at all the legal issues in relation to the clinical facts is fascinating.

My role is Chief Medical Member and is split into 60% doing sittings (mainly in London and the South) and 40% management work. It has been a big change leaving my clinical and management work in the NHS, but a very good one.

My selection day involved giving a presentation, spelling out the challenges for the role, with follow-up questions at interview from the panel. Beforehand, I thought about current management issues and what would make me stand out as being different. I did rehearse until I could complete the presentation in 30 seconds under the time limit!

My advice for future candidates is to think not just about what the job is now, but also what it will be in three to five years time. On the application form, you need to put down facts to back up each statement. You are applying for a judicial role, so you need to give evidence of your ability. Also, do research into the tribunal system before you apply.

Now is a very interesting time to be a doctor in the tribunal. My current work includes exploring options for appraisal and re-validation of medical members. In terms of tribunal hearings, I sit on the same types of cases as the other medical members. The vast majority of patients are suffering from a psychiatric illness, for example schizophrenia. The medical member's role, along with the legal member and a lay specialist, is to decide whether the patient should be detained. A three-day induction is provided and doctors observe tribunal hearings before they sit.

A high point for me has been inducting the intake of 44 new fee-paid medical members at the end of last year. They have to become judges as well as doctors – they are there to give a judicial view. How often do you get the chance for a career change like this?

<sup>20</sup> <http://www.justice.gov.uk/guidance/courts-and-tribunals/tribunals/mental-health/index.htm>

## Ian Ashley-Smith



**Ian Ashley-Smith was appointed as a Deputy District Judge (Civil) last August and started sitting in December. He is the first ILEX Fellow to be appointed as a judge and sits in County Courts around Kent. He continues to practise at Heringtons in Eastbourne, focussing on family law and general civil litigation.**

**Deputy District Judges sit on a fee-paid (part time) basis in the County Courts and district registries of the High Court for between 15 and 50 days a year. In general their jurisdiction is the same as that of a district judge and can involve a wide spectrum of cases such as claims for damages and injunctions, possession proceedings against mortgage borrowers and property tenants and insolvency proceedings.**<sup>21</sup>

I have so far sat as a Deputy District Judge on more than a dozen occasions. Although always challenging, I have really enjoyed it. The judges have been so helpful - Deputy District Judges, District Judges and those on the Circuit bench. They are anxious to ensure you succeed. My firm, ILEX and family have also been very supportive.

I am enjoying sitting at the different courts where I have practised over the years. As Deputy District Judges we hear a wide variety of cases – housing, family, divorce, contracts, road accidents – I always ask the listing officer for the court I am due to appear at for my list for the following day. Even so, changes in listing, where cases have settled for example,

often means you do not really know what cases you will be hearing from one sitting to the next and this keeps me on my toes. Fortunately, my 40 odd years in general practise has helped me considerably and it is fascinating to see matters from the other side of the bench.

The key to a successful application for judicial office is preparation. The first thing I did was some judicial shadowing. It was arranged for me by the local circuit administrator and I spent three days in a County Court with a District Judge. It was wonderful preparation because you learn how to stop being an advocate and start being a judge.

I also attended a Judicial Appointments Commission (JAC) candidate seminar and I was impressed by the JAC representative because he emphasised the importance of filling in the application form properly. It took me about a week to complete the application form and before I did, I devoured everything on the JAC website – it is all there and fantastically easy to navigate.

To my immense surprise my application was successful and I was invited to attend a test day. I went back to the JAC website where there are lots of previous exam papers and guidance. I cannot emphasise enough the importance of going through the test papers and completing them under test conditions – it is the only real way you can prepare. There were not any traps - all you needed to do was think about your answers and get them down in time.

Having got through the test, I was then invited back to a selection day, which was a day of two halves. The first half was an interview and the second was role play. In preparation for the interview, I spent some time going over my application form. I also spent some time on the JAC website – it is all there, they tell you exactly what they are looking for. There is video footage of an example of role play and plenty of written material about what is expected.

<sup>21</sup> <http://www.judiciary.gov.uk/about-the-judiciary/the-judiciary-in-detail/judicial+roles/judges/district-judge-role>

## Michael Fordham



**Michael Fordham was appointed as a Recorder (Civil) in the autumn of 2010. He is a QC, and continues to practise at Blackstone Chambers specialising in judicial review, human rights and immigration/asylum.**

**Recorders may sit in both Crown and County Courts, but most start by sitting in the Crown Court. Their jurisdiction is broadly similar to that of a circuit judge, but they will generally handle less complex or serious matters coming before the court. Recorders are expected to sit for at least 15 days a year but not normally for more than 30 days a year. Recordership is often the first step on the judicial ladder to appointment to the circuit bench.<sup>22</sup>**

For me, becoming a judge is more about vocation than ambition. It is a new way in which to contribute to the law. If you think a full-time judicial post might be for you, the fee-paid Recorder option is a great way to sit part-time to see if it is right for you and you for it. If you are contemplating what could some day be a turn down a big one-way street for your career, it is good if you can get out for a stroll to see what it is like down there.

I went to a state grammar school in Lincolnshire, but got a big break to get into Oxford and, thanks to Gray's Inn scholarship money, was able to go to the Bar. Now after 20 years - four years of interlocutory banking, and the rest in judicial review and human rights

- I have also become a Recorder and will start sitting in June.

In terms of experience which I feel prepared me for the role, I've frequently found myself on steep learning curves and trying to look at other people's sectoral niches of law as an outsider. That helps with counteracting the fear of adjudicating on something new and unknown. Balancing a conscientious desire for thoroughness with the need to try and analyse papers at top speed is also an everyday preparation for this new role. The ideas in the back of your mind, that law is bigger than lawyers, and that the law has a heart as well as a head, also helps.

The JAC selection process is extremely well-intentioned. It is borne out of ideas of fairness and transparency. It takes out the 'who you know'. I did feel I had to sell myself for a judicial job and found the process rigidly criterion-led. It nearly squeezed the vocational life out of me. I got rejected, twice, for Criminal Recorder, but what kept me going was the idea that I was applying to do a job in which I really felt I had something to offer.

To prepare for the selection process, I bought lots of books on general practice, and did not get time to read any of them. But I made sure I had some clear time before the test and selection days. I also put in quite a lot of time doing the application form because the JAC want detailed illustration and the form needs careful thought.

I feel future candidates should go for it and not give up if you think you have the skills. If you find a 'hard-sell' of yourself rather uncomfortable that is good. In my mind you are precisely the sort of person the system really needs.

<sup>22</sup> <http://www.judiciary.gov.uk/about-the-judiciary/the-judiciary-in-detail/judicial+roles/judges/recorder>

## Simon Barker



**Simon Barker was appointed as a Specialist Senior Circuit Judge (Chancery), based in Birmingham, in October 2010. He was a QC, Assistant Recorder and Recorder.**

**Circuit judges are appointed to one of seven regions of England and Wales and sit in the Crown and County Courts within their particular region. Senior circuit judges take on additional responsibilities, for example the running of the largest court centres, and/or hearing particularly demanding or specialist cases.<sup>23</sup>**

When I applied to be a Recorder, before the JAC was created, the selection process was quite different. An initial expression of interest was followed by a silence of 18 months to two years, and then a short interview.

For my current role, I was required to complete a detailed application form and to undergo an in-depth interview.

When completing the application form, an applicant has to be fairly shameless about his/her strengths. This does not come easily to many; but it is necessary to put oneself forward in the best light in order to get through the paper sift.

The interview is challenging. The questions are probing. However, the style and atmosphere is designed to put the candidate at ease. It is important to be as relaxed as possible and, in particular, to be oneself. The panel will

discover whether the candidate has the right qualities. The interview-based system works very well.

I have been a judge since 1995, and I have always been interested in the decision making aspect of dispute resolution. When I applied to be a Chancery Senior Circuit Judge, I had been in practice as a barrister for 30 years, and a Recorder for 15 years. I was approaching 60, and wanted to commit to a full-time judicial role for the final 10 years of my working life.

The most valuable preparation for the new role was to have been a Recorder. From the outset as a Recorder, I found myself working in unfamiliar territory (initially crime and then family law) and regularly dealing with litigants in person, who were often daunted by and hostile to the legal process. This was an excellent introduction to the role of being a judge.

I started sitting in Birmingham the day after my appointment as a Chancery Senior Circuit Judge. Some of the areas of law were unfamiliar and had not formed part of my practice, at least not in the past two decades. This was part of the interest. Somewhat to my surprise, the majority of the cases here fight rather than settle. Even in the Chancery field, there is an increase in the number of cases where parties appear as litigants in person. Humanity and patience are important qualities in a judge, particularly when the litigant fixes only on the issue that matters to that individual and fails to adapt to or follow the case as it progresses and unfolds.

I am one of three Chancery Circuit Judges based in Birmingham. We are 'ticketed' to deal with a range of other High Court work. The judges and court staff are very friendly, and there is a tremendous spirit at the Birmingham Civil Justice Centre.

<sup>23</sup> [http://www.judiciary.gov.uk/about-the-judiciary/the-judiciary-in-detail/judicial+roles/judges/circuit-judge.htm?wbc\\_purpose=Basic&WBCMODE=Presentation&wbc\\_unpublished%2cPresentationUnpublished](http://www.judiciary.gov.uk/about-the-judiciary/the-judiciary-in-detail/judicial+roles/judges/circuit-judge.htm?wbc_purpose=Basic&WBCMODE=Presentation&wbc_unpublished%2cPresentationUnpublished)

## Navdeep Deol



**Navdeep Deol is a Fee-paid Employment Judge, sitting in the London Central Employment Tribunal, appointed in 2010. He also heads up the employment law team at British Airways and prior to that worked in private practice for Rowley Ashworth Solicitors.**

**Employment Tribunals determine disputes between employers and employees over employment rights. They hear claims about matters to do with employment. These can include unfair dismissal, redundancy payments and discrimination.<sup>24</sup>**

Having acted for both claimants and respondents, I was interested in using the skills I had gained in a different way. The Employment Judge role was the perfect opportunity to do this.

I was unsuccessful in the 2009 selection exercise, but was encouraged by solicitors and barristers who had been through this very competitive process to try again. The JAC was also very supportive and re-assured unsuccessful applicants that a rejection should not be considered to be a bar to future applications.

The selection process can be quite daunting and it runs over a lengthy period. If you are interested in applying, you need to devote quite a bit of time and energy to it, even if you have been through it before, or you

practice employment law from day to day. The analytical skills required for the role, and tested through the written test and role play, are not necessarily instinctive, even to the most experienced litigators.

The JAC gives you guidance on the selection process and what you are required to know, including a very helpful video of a role play. Look through this carefully, even if it seems obvious. And if you have some time, go to the Employment Tribunals to watch cases and take notes on the behaviour of the judges, as an observer with no stake in the particular case.

After being shortlisted through a qualifying test, I was invited to a selection day consisting of an interview and two short role plays. The staff at the JAC were very helpful and supportive in organising this.

The role plays are a challenge, but probably a really effective way of seeing how you will behave in certain types of circumstances. It is not just about whether you know the correct statutory provisions, but also how you interact with others.

The questions at my interview were challenging. You need to be able to demonstrate the relevant skills, for instance give examples of your ability to see different sides of an argument.

I have decided to work part-time at British Airways to allow myself plenty of time to develop the skills required for a judicial role. It is good to be learning again – and the training for the role is very interesting and motivating. It feels, even at this early stage in my judicial career, that the role is likely to make me a better lawyer too.

<sup>24</sup> <http://www.justice.gov.uk/guidance/courts-and-tribunals/tribunals/employment/index.htm>

## Lucy Theis



**Lucy Theis was appointed to the High Court in October 2010. She was a QC, Assistant Recorder, Recorder and a Deputy High Court Judge.**

**High Court judges are assigned to one of the three divisions of the High Court - the Chancery Division, the Queen's Bench and the Family Division. High Court judges usually sit in London, but they also travel to major court centres around the country. They try serious criminal cases, important civil cases and assist the Lord Justices to hear criminal appeals.<sup>25</sup>**

Being appointed to the High Court Bench is an enormous honour and a great privilege. I want to encourage women who have the requisite qualifications to consider applying for judicial posts. I hope this will lead to a further increase in the number of women being appointed as judges, in particular to the High Court.

I first decided to apply to become a judge after I had been in practice at the Family Bar for about 15 years. I had a young family and wanted to see what sitting as a judge was like. Before being eligible to sit full-time as a judge you normally need to apply to sit as a fee-paid judge. If your application is successful, there is a period of training, after which you are able to sit as a judge for up to four weeks a year. Being part-time enables you to continue in practice as either a solicitor or a barrister.

During my time sitting fee-paid, I did a wide cross-section of work. I greatly benefited from hearing criminal cases. Jury trials in the Crown Court provide invaluable experience, as situations often arise at short notice, requiring urgent decisions to be made. In addition, doing a day of sentencing can test even the most experienced practitioner.

Having decided to apply to sit full-time, I found the JAC selection process somewhat daunting, but it did make me think very hard about why I wanted to apply and what the necessary qualities are.

Future candidates who apply to sit full or part-time should not be afraid to seek advice and guidance, when either deciding whether to apply or during the application process. Speaking to people who have been through the selection procedures before can be extremely helpful. The Judicial Office runs a judge shadowing scheme which provides an excellent opportunity to see first hand what judicial work involves. Finally, make sure you leave plenty of time to fill in your application form – it will take (at least) twice as long as you think!

<sup>25</sup> <http://www.judiciary.gov.uk/about-the-judiciary/the-judiciary-in-detail/judicial+roles/judges/high-court-judges#headingAnchor3>

## Darren Howe



**Darren Howe was appointed as a Deputy District Judge (Civil) in August 2010 and started sitting in February 2011 on the South Eastern Circuit. He is a barrister and continues to practise at 1 Garden Court Family Law Chambers.**

**For a description of the role of a Deputy District Judge see page 29.**

I applied to become a judge because I have been appearing before them for 18 years and thought I would have a go at doing it myself. I felt well prepared from all my court room experience and hearing so many judgments being given.

It is a very enjoyable new challenge that is interesting and different day to day. I am working in a different area of law and carrying out a different function so I am still learning a lot. I do children work at the Bar and as a Deputy District Judge I do everything other than children work - from personal injury applications, to bankruptcy petitions to general fast-track and small claim disputes and giving directions in multi-track claims. The jurisdiction of the District Bench is extremely wide and familiarising myself with areas of law outside my practice at the Bar is a welcome challenge.

I am enjoying having responsibility for making the decisions rather than persuading a judge to make a particular decision. What was initially quite a challenge was getting through all the files and familiarising myself with correct procedures before hearing cases. As a Deputy I cannot take court files home, so when I arrive at court around

8am, I have to read through all the files for the day before I start sitting at 10am!

For the position, I sat a qualifying test, had two role plays and an interview. I had been through similar selection exercises before and had the benefit of that experience. I have always said to anybody who has any ambition to become a judge that they should apply, even if they do not get through on their first, second or more attempts.

Filling out the application form takes time and should not be left to the last minute. There is a very definite way to complete the form – you need to give examples which meet the competencies. You need to think very carefully beforehand about the examples and make a list.

The qualifying test was very good. There is a clear methodology to answering the questions. The JAC publishes previous test papers and it is a good idea to practice those and time yourself. The test feedback reports on the JAC website also provide insight into how questions from previous tests should have been answered.

In the role plays I thought the actors carried out their parts well and that this is a very good way of judging whether somebody can cope with the stress of a court room. For the interview you need to go back to your list of examples and expand on these.

More than anything, you need to be yourself. I am openly a gay man who is in a civil partnership and I feel that the make-up of judiciary should reflect all sections of the community. Lesbian, gay, bisexual and transgender (LGBT) candidates need encouragement to apply for judicial roles and those with the ambition to become judges should put themselves forward.

In my working life, I have never been worried about being open about my sexuality. Some people are more conservative and judges can be perceived to be this way. But most judges these days are open and unconcerned about different sexualities. Unless more LGBT candidates apply and realise there is no need to hide their lifestyle, little will change.

## Manjinder Robertson



**Manjinder Robertson became a Salaried Judge of the First-tier Tribunal, Immigration and Asylum Chamber in September 2010. Last year she was also appointed as a Deputy Judge of the Upper Tribunal, Immigration and Asylum Chamber, and has continued sitting as a fee-paid Judge of the First-tier Tribunal, Social Entitlement Chamber. She is based in Birmingham and is a former fee-paid Immigration and Asylum Judge, Lawyer Chairman of the Residential Property Tribunal Service, and solicitor, practising both in firms and in-house.**

**The First-tier Tribunal (Immigration and Asylum Chamber) handles appeals against decisions made by the UK Border Agency in immigration, asylum and nationality matters. These include appeals against decisions to: refuse a person asylum in the UK; refuse a person entry to, or leave to remain in, the UK; and to deport someone already in the UK. Appeals are heard by one or more Immigration Judges who are sometimes accompanied by non legal members of the Tribunal.**<sup>26</sup>

I first considered becoming a judge when I was on a career break with young children and wanted to maintain my professional life. I did not have prior experience of the jurisdictions, but arranged to sit in on tribunal hearings and also spoke with some of the judges before applying for a fee-paid position and being appointed in 2001. Over time, I increased the

number of days I worked by applying for fee-paid positions in different jurisdictions.

I have found that being from a solicitor background is not a problem. I had left behind my litigation experience many years ago, and so if anyone was going to find it difficult to become a judge, I was. But in practice this has not been the case; if you enjoy learning and are prepared to put in the extra work to get up to speed, lack of prior experience is not a handicap. The judicial training is excellent and there is a very good, formal appraisal system through which any issues will be picked up quickly. This is not to underestimate the commitment that a judicial post requires.

The immigration and asylum jurisdiction is very challenging sometimes frustrating but always interesting, due to frequent rule changes, human rights issues, the European dimension and the growing body of case law. There is ongoing training and bulletin alerts, and informally, my colleagues are very helpful, always prepared to discuss new cases and their implications. However, whatever the academic challenges, the most difficult aspect of judicial work is making finely balanced decisions which will have an impact on the lives of appellants.

The selection process is long, but very thorough. I have been through both JAC and non JAC processes for judicial roles. A lot of people who have done this have doubts about qualifying tests. I think they create a level playing field, rather than give a flavour of what occurs in a typical working day. Someone like me - who is a solicitor, from an ethnic minority background and female - can compete on content and delivery with, in no particular order, advice workers, barristers, professors and judges. The test does need preparation; it can be a shock to be in an exam situation, facing time pressures and formal question structures. Overall, there is lot of opportunity in the whole process to demonstrate what you have to offer.

<sup>26</sup> <http://www.justice.gov.uk/guidance/courts-and-tribunals/tribunals/immigration-and-asylum/first-tier/index.htm>



PART 2:  
ANNUAL ACCOUNTS 2010/11



# DIRECTORS' REPORT

## Introduction

The Judicial Appointments Commission (JAC) commenced operation on 3 April 2006, as part of the changes brought about by the Constitutional Reform Act 2005. For the purposes of this report, directors are defined as those who influence the decisions of the JAC as a whole, including Commissioners and the Leadership Team. Commissioners and members of the Leadership Team who served during 2010/11 are set out in the Remuneration Report, Page 42.

## Statement of the accounts

The financial statements for the period 1 April 2010 to 31 March 2011 have been prepared in a form directed by the Lord Chancellor with the approval of the Treasury in accordance with paragraph 31(2) of Schedule 12 to the Act.

## Equal opportunities and diversity

The JAC promotes equal opportunities, both in the selection of candidates for judicial office and in the recruitment, training and promotion of staff. The JAC meets all its responsibilities under the Equality Act 2010. The consideration and implementation of reasonable adjustments is fully integrated into the work of the JAC in relation to our dealings with both judicial candidates and our own staff.

## Employee involvement and wellbeing

The JAC works directly with staff through regular team meetings between directors and team leaders, and between team leaders and staff. Each directorate holds a meeting at least monthly for all their staff, where information from Commission meetings and Leadership Team meetings is discussed. In addition our Interim Chief Executive holds face-to-face meetings with all staff where significant information, or changes that apply to all, are discussed. All staff are encouraged to ask about organisational issues and how these relate to themselves and their work.

We continue to review the JAC's internal intranet to ensure that it contains relevant information in a format that is easier to communicate more readily with staff, and allows information to be retained for future reference.

Our Health and Safety Policy and responsibilities as set out in the Statement of Intent, signed by the Interim Chief Executive in November 2010, are published on our intranet for staff. The JAC Commissioners were additionally alerted to the Statement of Intent and how health and safety procedures affect them.

We communicate other health and safety information to staff through the intranet and by notices. All senior managers have been appropriately trained. A JAC Assistant Director has been trained as the Fire and Incident Control Officer for the building. A number of staff attended manual handling training. The JAC has sufficient trained first aiders and fire wardens in place. Each Directorate has trained health and safety co-ordinators who meet regularly with the 'Competent Person' as a working group, to identify issues and review progress. The JAC Assistant Director, Business Services, chairs the Health and Safety Building Committee, as well as attending the MoJ Corporate Health and Safety Committee meeting every quarter. There were no reportable health and safety incidents.

In November 2008 the JAC set up a Staff Forum comprising eight staff representatives from all parts of the organisation. The Forum's aim is to make use of the diverse experience and expertise of JAC staff to improve our performance and working life. This includes establishing and managing a staff suggestion scheme, providing advice on staff opinion surveys and promoting good practice and successes. The Forum reviewed its membership during the year and meets at least monthly, including regular meetings with the Leadership team to discuss relevant issues.

As mentioned on Page 26, the JAC surveys the opinions of staff annually and undertakes exit interviews/questionnaires on all staff who leave. The outcomes indicate a healthy engagement index score of 70% well above the average for most Government Departments.

### Timeliness in paying bills

The JAC aims to pay all properly authorised and undisputed invoices in accordance with contractual conditions or, where no such conditions exist, within 30 days of the presentation of a valid invoice. For the financial year 2010/11, 99% (2009/10: 95%) of invoices were paid within this timescale, based on the start of processing at our accounting services provider. No interest was paid under the Late Payment of Commercial Debts (Interest) Act 1998.

### Pension liabilities

Details regarding the treatment of pension liabilities are set out in notes 1f and 2 to the financial statements, pages 58 to 60.

### Significant outside interests

In accordance with the Code of Conduct for the Judicial Appointments Commissioners, a register of financial and other interests was maintained and updated throughout the year by the Commissioners' Secretariat, who can be contacted at the offices of the JAC, Steel House, 11 Tothill Street, London SW1H 9LH.

### Auditors

Under paragraph 31(7) Schedule 12 of the Constitutional Reform Act 2005, the Commission's external auditor is the Comptroller and Auditor General. The cost of the audit is disclosed in note 3 to the financial statements, page 61, and relates solely to statutory audit work.

So far as the Accounting Officer is aware, there is no relevant audit information of which the external auditors are unaware.

The Accounting Officer has taken all steps that he ought to have taken to make himself aware of any relevant audit information, and to establish that the JAC's auditors are aware of that information.

The JAC Framework Document requires that internal audit arrangements should be maintained in accordance with the Treasury's Government Internal Audit Standards. The MoJ Internal Audit (IA) service provides an independent and objective opinion to the Accounting Officer on the adequacy and effectiveness of the organisation's risk management, control and governance arrangements through a dedicated internal audit service to JAC. IA attends the JAC Audit and Risk Committee, which provides oversight on governance and risk management.

### Events after the reporting period

Events after the reporting period, of which there are none, are set out in note 14 to the financial statements, page 64.

### Likely future business developments

Likely future developments and how they will affect our business are set out in the management commentary, below.

# MANAGEMENT COMMENTARY

## Financial review

### Accounting standards

The financial statements for the JAC are prepared in accordance with the Treasury's *Financial Reporting Manual* and applicable accounting standards.

### Commentary on the accounts

In 2010/11 the JAC made an increased number of selections compared to 2009/10 and this was achieved with a reduced financial allocation. The Net Expenditure Account shows that net expenditure for the year was £8,220k compared with £9,880k the previous year, a 17% decrease. Operating charges (including the costs of panellists, accommodation and IT for qualifying tests, and actors for role-plays) decreased by £1,136k (51%) and employment costs reduced by £410k (8%), resulting from organisational changes following staff departures. For the purpose of the summary financial data on pages 6 and 75 panel chair and lay panel member pay costs are treated as programme.

In response to the impending reductions in budgets, as a result of the Spending Review in 2011/12 and beyond, the JAC gradually reduced its staff during the year. This was achieved by not replacing those staff whose loans and secondments came to an end. In addition, the Cabinet Office and HM Treasury imposed a number of spending restrictions on certain types of expenditure, throughout Whitehall, which cut costs further. Finally, we secured efficiencies through the start of our People, Process and Performance Programme and lower costs for qualifying tests and role-play actors after re-tendering contracts. The result of these measures meant that the JAC underspent on its allocation of £6,860k by £730k (11%), spending just £6,130k of its allocation, which also takes account of the utilisation of the provision established in 2009/10 to fund the early retirement. We therefore did not draw down our full grant-in-aid allocation.

The JAC continues to make extensive use of shared services for central functions, such as the provision of accommodation, HR and IT by the MoJ, to benefit from economies of scale. These costs are generally 'soft' charged, with no funds exchanged, although some are 'hard' charged. Further details of the 'soft' charges can be found in note 4 to the financial statements.

The closing bank balance relates to grant-in-aid drawn down by the JAC in readiness to pay its liabilities.

## Development and performance

### Overview of the year

As described in Part 1, the JAC completed 21 selection exercises in 2010/11, and began a further 10 continuing into 2011/12. The JAC made 684 recommendations in 2010/11 (446 in 2009/10), and received 4,684 applications for these positions.

The JAC has continued to improve its selection processes and ensure that these deliver good value for money. We have delivered fair and non-discriminatory selection processes and worked with others to encourage applications from a wider range of people. In 2010/11 the JAC continued to work with partners through the JAC Diversity Forum to encourage a collective approach to diversity, and we also continued to play a key role in the Judicial Diversity Taskforce, which was set up in March 2010 by the Lord Chancellor following the report of the Advisory Panel on Judicial Diversity (Neuberger Report). Progress against the recommendations of the report was published in May 2011.

The JAC key relationships are with the MoJ, as sponsoring department, the Lord Chancellor, the Lord Chief Justice, the Tribunals Service and Her Majesty's Courts Service (now merged as Her Majesty's Courts and Tribunals Service).

Members of the judiciary participate in each element of the selection exercise process, setting qualifying tests for selection exercises and participating as interview panel members. As disclosed in the Remuneration Report, the services of judicial Commission members, as well as the cost of the judicial input to the selection process, are provided without charge.

There were no losses of personal data during the year (Nil in 2009/10).

### Progress in relation to corporate objectives

For further details of the progress made by the JAC against the strategic objectives set out in the 2010/11 Business Plan, see Appendix C: Performance in 2010/11.

### Forward look and future developments

The grant-in-aid allocation provided by MoJ will decrease from £6,860k in 2010/11 to £5,519k in 2011/12 (a 20% reduction). The Business Plan 2011/12 gives further details of the JAC's objectives for the year ahead and how these will be achieved, including working with the Judicial Diversity Taskforce and Steering Group to continue appropriate implementation of recommendations of the Neuberger report. We shall also be working closely with the MoJ to ensure a smooth transition in relation to the appointment of any new Commissioners.

The JAC will contribute to the consideration of any legislation dealing with judicial appointments that may be introduced by the Lord Chancellor and Coalition Government.

### Principal risks

The principal risks for the JAC are set out in the Corporate Risk Register and are explained fully in the Statement on Internal Control on pages 49 to 52.

The Leadership Team constantly monitors these corporate risks (via the Corporate Risk Register), takes action to ensure that the risks are, to the extent possible, mitigated and reports to the Commission. The Audit and Risk Committee monitors and discusses the Corporate Risk Register and the actions taken with the Leadership Team each quarter. The Statement on Internal Control also provides a description of the key elements of the risk and control framework.

### Going concern

The Statement of Comprehensive Net Expenditure Account shows a deficit in 2010/11. Due to grant-in-aid funding the Statement of Financial Position at 31 March 2011 shows an excess of assets over liabilities of £443k.

We know of no intention to suspend the JAC's activities. As outlined in the review of judicial appointments process described on page 12, the conclusion was that the JAC should be retained. It has therefore been considered appropriate to adopt a going concern basis for the preparation of these financial statements. Grant-in-aid for 2011/12, taking into account the amounts required to meet the JAC's liabilities, has already been included in the departmental estimate.

### Environmental, social and community matters

Staff sickness absence fell again in 2010/11 and was an average of 3.5 days per year for each member of staff. This has been the result of careful monitoring of sickness absence trends, conducting regular return to work meetings and the use of workplace support. Efforts have been made to support a healthy lifestyle and a no cost event was held where we invited organisations such as the British Heart Foundation, Civil Service Sports Council and the Nutrition Society to provide advice and guidance to staff.

JAC staff are encouraged to be conscious of sustainability and energy-saving issues. Two members of staff have volunteered as Green Champions working with the MoJ Sustainability team and promoting good practice via the intranet. For example, desk-side bins have been removed to encourage recycling of paper, plastics, cans and food waste, etc. Printers are set up to default to double-sided printing and PCs and monitors are checked to ensure they are switched off when not in use.

Details of the JAC's charitable activities are set out on page 26.

# REMUNERATION REPORT

This Remuneration Report has been prepared in accordance with Chapter 6 of the Companies Act 2006 as interpreted for the public sector context. It summarises JAC policy on remuneration as it relates to Commissioners and members of the Leadership Team.

The two principal features of this report are:

- a summary and explanation of the JAC's remuneration and employment policies and the methods used to assess performance; and
- details of salaries, benefits in kind and accrued pension entitlement (details of remuneration and benefits are set out in the tables within this report and have been subject to audit by the Comptroller and Auditor General under the Constitutional Reform Act 2005).

## Appointment policy

The Lord Chancellor, under the provisions of the Constitutional Reform Act 2005, approves the appointment of the Interim Chief Executive of the JAC and the terms and conditions for staff and Commissioners. Independent panels select the Chairman and 11 Commissioners following full and open competitions. The Judges' Council selects three Commissioners, all of whom are either a judge of the Court of Appeal or a High Court judge, and at least one of each.

## Leadership Team

Members of the Leadership Team are permanent members of the JAC, public servants on fixed term contracts, or are civil servants seconded to the JAC from the MoJ, the Home Office and Her Majesty's Revenue & Customs. The terms and conditions of their appointments, including termination payments, are governed by their contracts. The Leadership Team during 2010/11 and details of their contracts are set out on Page 45.

The remuneration of senior civil servants, which the JAC applies equally to public servants at that level, is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. The Review Body also advises the Prime Minister from time to time on the pay and pensions of Members of Parliament and their allowances; on peers' allowances; and on the pay and pensions and allowances of ministers and others whose pay

is determined by the Ministerial and Other Salaries Act 1975. In reaching its recommendations, the Review Body is to have regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- government policies for improving public services, including the requirement on departments to meet the output targets for the delivery of departmental services; and
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at [www.ome.uk.com](http://www.ome.uk.com).

## Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. JAC staff are employed as Public Servants, rather than Civil Servants, but the principles of this Act still apply. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the Leadership Team members covered by this report hold appointments which are governed by their contracts. Early termination, other than for misconduct, results in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at [www.civilservicecommission.org.uk](http://www.civilservicecommission.org.uk).

## Panel Chairs and Panellists

The JAC has appointed panel chairs and independent panellists who are used, when required, to assess candidates for selection. The panel chairs provide a summary report for Commissioners on candidates' suitability for selection. These panel chairs and panellists are paid a fee for each day worked and are entitled to reimbursement for travel and subsistence. The taxation on such expenses is borne by the JAC, as agreed by HM Revenue and Customs. They do not have any pension entitlements.

## Commissioners

Commissioners are appointed for fixed terms in accordance with Schedule 12 of the Constitutional Reform Act 2005. No Commissioner may serve for periods (whether or not consecutive) for longer than

10 years. Commissioners are public appointees, and they provide strategic direction to the JAC and select candidates for recommendation for judicial office to the Lord Chancellor.

Commissioners, excluding the Chairman and those who are members of the judiciary, are paid an annual fee of £12,180 (£12,180 in 2009/10) in respect of three days' service a month. The fee is neither performance-related nor pensionable. If Commissioners work additional days, these are paid at £406 per day (£406 in 2009/10). Any increase in the level of fees is at the discretion of the Lord Chancellor. Commissioners who are in salaried state employment, including judges, receive no additional pay for their work for the JAC. Commissioners do not receive any pension benefits.

The members of the Commission during 2010/11 and details of their appointments are set out below.

	Date of original appointment	Date of re-appointment	Length of current term
<b>Chairman</b>			
Christopher Stephens	07/02/2011		3 years
Baroness Prashar CBE (left 30/09/10)	12/09/2005		5 years
<b>Commissioners</b>			
Mr Justice Bean (joined 01/09/2010)	01/09/2010		5 years
Lady Justice Black DBE	01/10/2008		5 years
Dame Lorna Boreland-Kelly DBE JP FRSA	01/02/2006	01/02/2011	1 year
Professor Dame Hazel Genn DBE	01/02/2006	01/02/2011	1 year
Lady Justice Hallett DBE (left 31/07/2010)	01/02/2006	01/02/2011	1 year
Sir Geoffrey Inkin OBE	01/02/2006	01/02/2011	1 year
Judge Frances Kirkham (left 31/01/2011)	01/02/2006	01/02/2011	1 year
Mr Edward Nally (left 31/03/2011)	01/02/2006	01/02/2011	1 year
Ms Sara Nathan OBE	01/02/2006	01/02/2011	1 year
District Judge Charles Newman	01/02/2006	01/02/2011	1 year
Judge David Pearl	01/02/2006	01/02/2011	1 year
Mr Francis Plowden	01/02/2006	01/02/2011	1 year
Ms Harriet Spicer	01/02/2006	01/02/2011	1 year
Mr Jonathan Sumption OBE QC	01/02/2006	01/02/2011	1 year
Lord Justice Toulson	01/10/2007		5 years

The majority of Commissioners' contracts were extended on 1st February 2011 for a further year and now terminate on 31st January 2012.

### Commissioners' remuneration

The Commissioners' remuneration (audited) for the year is as shown below:

			2010/11	2009/10
	Remuneration	Benefits in kind	Total	Total
	£000	(to nearest 100)	£000	£000
Mr Justice Bean (joined 01/09/2010)	-	-	-	-
Lady Justice Black DBE	-	-	-	-
Dame Lorna Boreland-Kelly DBE JP FRSA	14	1,300	15	15
Professor Dame Hazel Genn DBE	13	-	13	15
Lady Justice Hallett DBE (left 31/07/2010)	-	-	-	-
Sir Geoffrey Inkin OBE	11	2,500	14	15
Judge Frances Kirkham (left 31/01/2011)	-	-	-	-
Mr Edward Nally (left 31/03/2011)	12	3,900	16	16
Ms Sara Nathan OBE	12	-	12	13
District Judge Charles Newman	-	-	-	-
Judge David Pearl	-	-	-	-
Mr Francis Plowden	14	-	14	13
Ms Harriet Spicer	10	-	10	13
Mr Jonathan Sumption OBE QC	9	-	9	11
Lord Justice Toulson	-	-	-	-
<b>Total</b>	<b>95</b>	<b>7,700</b>	<b>103</b>	<b>111</b>

In the above table, remuneration includes payments to Commissioners for acting as panellists in selection exercises.

#### Benefits in kind

Commissioners may be reimbursed for their travel and subsistence costs in attending Commission business if the cost of their journey is greater than what they would otherwise incur with their other employment. Since non-judicial Commissioners are deemed to be employees of the JAC, the amounts of these reimbursements are treated as benefits in kind and are disclosed in the table above. The taxation on such expenses is borne by the JAC. There are no other benefits in kind.

#### Staff

For a breakdown of average staff numbers see note 2 to the accounts.

## Appointments

The members of the Leadership Team during 2010/11 and details of their appointments are set out below:

		Date of appointment	Contract	Leaving date
Interim Chief Executive	Nigel Reeder	18/10/2010	Permanent member of staff (effective 21/06/2010)	
Chief Executive	Clare Pelham	07/02/2006	Secondment: 5 years 9 months	31/10/2010
<b>Directors:</b>				
Operational Services	John Rodley	04/02/2009	Fixed Term Contract: 4 years	
Courts Appointments	Jane Andrews	17/09/2007	Secondment: 4 years	
Tribunals Appointments	Sarah Gane	30/03/2009	Fixed Term Contract: 4 years	

Nigel Reeder was appointed the Strategy and Outreach Director on 31/03/2008. He was appointed Interim Executive on 18/10/210 in succession to Clare Pelham.

## Remuneration of Leadership Team, including the Chairman

The salaries of the Leadership Team at the JAC (audited), including the Chairman, were as follows:

	2010/11			2009/10		
	Salary	Bonus Payments	Benefits in kind	Salary	Bonus Payments	Benefits in kind
	£000	£000	(to nearest £100)	£000	£000	(to nearest £100)
Baroness Prashar	45-50 <sup>1</sup>	-	-	95-100	-	-
Christopher Stephens	5-10 <sup>2</sup>	-	-	-	-	-
Clare Pelham	60-65 <sup>3</sup>	5-10	-	105-110	10-15	-
Nigel Reeder	70-75 <sup>4</sup>	0-5	-	60-65	5-10	-
Jane Andrews	80-85	5-10	-	80-85	5-10	-
Sarah Gane	65-70	-	-	65-70	0-5 <sup>5</sup>	-
John Rodley	75-80	-	-	75-80	-	-
Sue Martin	-	-	-	35-40 <sup>6</sup>	0-5	-

### Notes:

<sup>1</sup> The figure quoted is for 1 April 2010 to 30 September 2010. The full-year equivalent is in the range £95-100k

<sup>2</sup> The figure quoted is for 7 February 2011 to 31 March 2011. The full-year equivalent is in the range £50-55k

<sup>3</sup> The figure quoted is for 1 April 2010 to 31 October 2010. The full year equivalent is in the range £105-110k

<sup>4</sup> The figure represents the actual salary paid in the year, but was in the range £60-65k for 1 April 2010 to 17 October 2010, and £80-85k for 18 October 2010 to 31 March 2011

<sup>5</sup> Bonus from previous employment

<sup>6</sup> Figure quoted is for 1 April 2009 to 5 October 2009. The full-year equivalent is in the range £75-80k

Salary includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This presentation is based on the cash payments made in the year by the JAC.

**Benefits in kind**

Leadership Team members have no entitlement to benefits in kind. In 2010/11 no member of the Leadership Team received any benefits in kind.

**Pension entitlements**

The following sections provide details of the pension interests of the Leadership Team and Chairman of the JAC.

**Pension Benefits**

The pension entitlements (audited) of the Leadership Team, including the Chairman were as follows:

	<b>Total accrued pension at pension age as at 31/03/2011 and related lump sum</b>	<b>Real increase in pension and related lump sum at pension age</b>	<b>CETV at 31/03/11</b>	<b>CETV at 31/03/10</b>	<b>Real increase in CETV</b>	<b>Employer Contribution to partnership pension account</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Baroness Prashar	10-15 plus Lump sum 40-45	0-2.5 plus Lump sum 0-2.5	327	317 <sup>2</sup>	5	-
Christopher Stephens <sup>1</sup>	-	-	-	-	-	-
Clare Pelham	35-40 plus Lump sum 110-115	0-2.5 plus Lump sum 0-2.5	647	597 <sup>2</sup>	1	-
Nigel Reeder	30-35 plus Lump sum 90-95	2.5-5 plus Lump sum 7.5-10	608	462	80	-
Jane Andrews	15-20 plus Lump sum 45-50	2.5-5 plus Lump sum 12.5-15	527	484	(1)	-
Sarah Gane	25-30 plus Lump sum 80-85	0-2.5 plus Lump sum 2.5-5	228	194	4	-
John Rodley	0-5 plus Lump sum 0-5	0-2.5 plus Lump sum 0-2.5	28	26	(4)	-

<sup>1</sup> Is not entitled to pension benefits

<sup>2</sup> Relates to CETV at leaving date

The actuarial factors used to calculate CETVs were changed in 2010/11. The CETVs at 31/3/10 and 31/3/11 have both been calculated using new factors, for consistency. The CETV at 31/3/10 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.

The CETV figures are provided by approved pensions administration centres, who have assured the JAC that they have been correctly calculated following guidance provided by the Government Actuary's Department.

**Civil Service Pensions**

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil and public servants may be in one of four defined benefit schemes: either a final salary scheme (**classic, premium** or **classic plus**) or a whole career scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium, classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in premium. In **nuvos** a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with the Pensions Increase legislation. In all cases, members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted, is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for **classic, premium** and **classic plus** and 65 for members of **nuvos**.

Further details about the Civil Service pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk).

### Cash equivalent transfer values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### Real increase in CETV

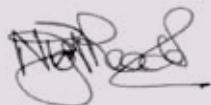
This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

### Compensation for loss of office

Five members of staff left under voluntary exit terms on March 2011. They received compensation payments totalling £133k. Details are provided in Note 2 to these accounts, page 60.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure.

### Signed on behalf of the Judicial Appointments Commission



**Nigel Reeder**  
Interim Chief Executive  
Judicial Appointments Commission  
29 June 2011

# STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Constitutional Reform Act 2005, the Lord Chancellor with the consent of HM Treasury has directed the Judicial Appointments Commission (JAC) to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the JAC and of its income and expenditure, recognised gains and losses, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by the Lord Chancellor including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;

- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

The Accounting Officer of the Ministry of Justice has designated the Interim Chief Executive as Accounting Officer of the JAC. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the JAC's assets, are set out in *Managing Public Money* published by HM Treasury.

# STATEMENT ON INTERNAL CONTROL

## Scope of responsibility

As Accounting Officer of the JAC I have responsibility for maintaining a sound system of internal control that supports the achievement of the JAC's policies, aims and objectives, while safeguarding the public funds and JAC assets for which I am responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*.

The JAC is an executive non-departmental public body established by the Constitutional Reform Act 2005. My responsibility to ensure compliance with the requirements of the JAC's Funding Agreement with the Ministry of Justice (MoJ) is supported by regular meetings I have with the Lord Chancellor's officials. These meetings include discussion on the progress the JAC has made in meeting our strategic objectives. They also help formulate our future business direction and highlight the inherent risks and opportunities in implementing our policies.

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the JAC's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage the risks efficiently, effectively and economically. The system of internal control has been in place in the JAC for the year ended 31 March 2011 and up to the date of the approval of the annual report and accounts, and accords with HM Treasury guidance.

## Capacity to handle risk

As Accounting Officer of the JAC I have overall responsibility for ensuring the JAC is committed to high standards of corporate governance – including an effective risk management system and internal control environment – which is fundamental to our success. I am accountable for the overall operational management of the risk management

and internal control systems, and have responsibility to delegate specific corporate risks to Directors as appropriate. All managers have responsibility for the effective management of operational risks that may impact on the efficient and effective achievement of our objectives.

The Accounting Officer and Board of Commissioners are supported by the Audit and Risk Committee in monitoring the key risks to achieving our strategic objectives through monthly updates of the Corporate Risk Register from the Leadership team. Commissioners have delegated to the Audit and Risk Committee responsibility for advising on the adequacy and effectiveness of risk management and internal control, including the risk management process. The Audit and Risk Committee reviews the Corporate Risk Register and progress on risk management at each of their quarterly meetings. They challenge staff on risk matters where appropriate.

All staff have been informed of their responsibility for managing risk and new staff receive a summary on managing risk in their induction pack. Most members of staff (at all grades) have attended a half-day Risk Identification Workshop. Representatives from our sponsoring department, Ministry of Justice, have also attended these workshops. The workshops were facilitated by the Risk Improvement Manager (RIM) and commenced with an interactive session on the principles of risk management. These sessions also included information about useful guidance material and a group review of a risk register. The aim was to further embed risk management at all levels within the organisation, not just the more senior grades.

Where appropriate teams have subsequently produced their own risk registers or have specific risks identified for them in their directorate risk register. Separate selection exercise risk registers are also produced for each selection exercise undertaken. These registers are being used and regularly updated. The RIM attends Leadership meetings to discuss risk, and provide guidance and assistance when necessary.

## The risk and control framework

The JAC's Risk Management Policy and Framework defines what is meant by risk and risk management, outlines the key principles underpinning the JAC's approach to risk management and explains the risk management processes and the roles and responsibilities of staff. The Framework aims to achieve best value for money in delivering services, by balancing the costs and benefits of either reducing or accepting those risks that have been highlighted. Key to this is the identification of those strategic risks that threaten to impact on the successful delivery of the JAC's corporate objectives. These may be risks to the JAC's reputation, business operations, programmes or activity associated with business innovation or development. The JAC has a low to medium risk appetite.

The JAC has a hierarchy of risk registers: the Corporate Risk Register identifies strategic risks and the directorate, team and selection exercise risk registers identify risks to the achievement of our business objectives at operational level. Detailed risk registers are in place to oversee the management of the corporate risks of health and safety and information assurance.

New or emerging risks are identified throughout the year. The Leadership team assesses, updates and feeds any significant issues in to the Corporate Risk Register on a monthly basis. The Leadership team always considers risks when decisions are taken or as the risk environment changes. We follow the guidance in HM Treasury's *The Orange Book*, with risks evaluated in terms of their impact on corporate objectives and likelihood of occurrence. The most appropriate response to that risk is then identified. Risks that have high impact and high likelihood are given the highest priority.

The strategic risks and the mitigations that make up the Corporate Risk Register as at the date these accounts are authorised for issue are listed below. As mentioned above, these risks and their ratings are considered on a monthly basis with new actions added to record the progress made in mitigating the risks.

### 1. IT and web-based application systems

The JAC relies on IT for the successful delivery of selection exercises and because of this IT failures, such as with the Equitas system, are seen as the most significant risk. To mitigate these risks the organisation has agreed a Memorandum of Understanding and service level agreement with our service providers and has completed additional staff training to deal with the most common IT issues, and work-arounds are in place should systems fail.

### 2. Knowledge/direction loss

The risk that strategic or key skills are lost would have a serious impact on the JAC delivering its key objectives, especially in relation to Commissioners, where the majority of contracts are due to end in January 2012. The JAC is working closely with MoJ to manage the specific risk relating to the contacts for the majority of the Commissioners ending in January 2012. More generally this risk is mitigated by maintaining a Business Continuity Plan, placing our process and induction manuals on the Intranet and an audit of staff training to ensure that knowledge is shared and that training is available. Furthermore, senior staff have a three month resignation period built into their contracts.

### 3. Progression of target group candidates

The JAC has a statutory duty to have regard to the need to widen the pool of candidates available for selection. If the JAC does not have this regard it could hamper progress towards a more diverse judiciary, to which the JAC is committed as a matter of policy. Targeted outreach, working with partners to break down barriers to applicants and a new role play video are among the strands of work which are proving to be effective controls in mitigating this risk.

### 4. Confidence in Selection

The JAC faces the risk that confidence in selection is not sustained. This could lead to a lack of support and the possible reduction in the ability to attract good quality candidates. This risk is mitigated by holding regular meetings with our stakeholders to discuss matters of mutual interest, continued outreach activity and ensuring our website is fully updated with information on the selection process.

### 5. Information security

The loss of sensitive data is a key risk with the potential to impact on candidates, undermine confidence in the JAC and adversely affect the organisation's reputation. The JAC mitigates this risk through staff training and guidance, evaluating any necessary departure from standard procedures and working with our partners to ensure the need for confidentiality is reflected beyond the JAC.

6. **Resources**

Insufficient resources will have a serious impact on our capability to deliver our selection exercise programme. We mitigate this risk by closely monitoring and reviewing budgets and conducting an efficiency programme to look at where costs can be reduced. The level of resources for 2011/12 are now expected to be more stable. We will be considering future years in light of the spending review.

7. **Litigation**

The JAC is at risk from some candidates pursuing litigation against the organisation which can lead to a disruption to the selection exercise process, reputational damage and budgetary pressure. We mitigate this risk in a variety of ways including regular testing of our processes, staff training including Freedom of Information and Judicial Review proofing and continued outreach with the aim of dispelling myths about our processes. For example, we have responded to candidate concerns about a lack of feedback of the qualifying test stage, and now publish feedback reports following each qualifying test. We are working with stakeholders to further improve the way role-plays are conducted.

8. **Selection Exercise Key Performance Indicators**

Risks to the selection exercise programme include higher than anticipated application numbers, IT issues and inaccurate vacancy forecasting by partners. These risks can adversely affect the organisation's ability to deliver selection exercises in a timely manner. These risks are mitigated through close liaison with our partners, particularly with regard to accurate forecasting and emerging requirements; longer term planning; effective outreach to attract appropriate candidates; and a flexible workforce to deal with peaks in activity.

9. **Change of Government policy and / or legislation**

Potential for significant legislation has the possibility of having a major effect on the structure and delivery of JAC operations. This risk is mitigated by working closely with the MoJ and through membership of working groups to ensure that the organisation is aware of, and able to adopt in the event of any new proposals.

The JAC assurance process is an integral part of the risk and control processes. Directors are required to sign assurance statements at the start of each year or on appointment, where they sign up to their responsibilities for risk management and internal control. These are followed by mid and end-year assurance statements. Directors are required to involve their teams in this process so that a full picture emerges across the organisation.

I took up the role of Accounting Officer part-way through the year, but I was able to take assurances from the outgoing Accounting Officer, as she had received mid-year assurance statements from Directors, which were reviewed at an Audit & Risk Committee meeting.

A key element of the mid and end-year statements is the requirement for Directors to:

- a) state the actions that have been taken to manage risk; and
- b) identify control exceptions i.e. where controls have not operated as intended or have not been followed, and state the remedial action that has been taken or is proposed to prevent recurrence of those exceptions.

In addition, Directors who are responsible for systems which support operational directorates are required to complete a statement to make assurances relating to the central support given for areas such as financial management and HR.

A further element of the risk and control framework is the establishment of the role of SIRO. This is one of several requirements to strengthen controls around information security set out in the report of the Data Handling Review, which was carried out in 2008 for the Cabinet Office. The SIRO provides an annual assessment of information risk management to the Accounting Officer, which contributes to the Statement on Internal Control.

The active role played by Leadership in managing, developing and embedding risk management within the JAC and the full involvement of staff at all levels were key to the achievement of the 'High/Medium (Green/Amber)' rating given by MoJ Internal Audit for our governance, risk management and control arrangements. The Annual Report from the Head of Internal Audit reflects well on the organisation and the view of Internal Audit is that the JAC is a well controlled and risk aware organisation.

### Review of effectiveness

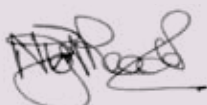
As Accounting Officer of the JAC, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the JAC who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their reports.

The key elements of the system of internal control are set out above and contribute to the system's effectiveness. The following also informs my view:

- The Commission meets regularly with the Interim Chief Executive and Leadership Team to review the JAC's priorities, oversee their delivery and the strategic framework within which detailed business planning takes place, and to review the strategic risks and the effectiveness of the risk management process;
- Audit and Risk Committee – the Committee comprises the Chairman (a Commissioner) and three other Commissioners and an independent member. The Committee meets four times a year and advises us on the adequacy and effectiveness of risk management and internal control, including the strategic risk register processes. The Committee also assesses the internal and external audit activity plans and the results of that activity; and
- Internal Audit – the JAC uses the MoJ's Internal Audit and Assurance service, which is accountable to me as Accounting Officer. The service operates to Government Internal Audit Standards and submits regular reports, which include the Head of Internal Audit's annual independent opinion on the adequacy and effectiveness of the arrangements for risk management, control and governance, together with recommendations for improvement.

I am able to confirm that there have been no significant internal control issues in the JAC up to 31 March 2011 and up to the date of this report.

### Signed on behalf of the Judicial Appointments Commission



**Nigel Reeder**  
Interim Chief Executive  
Judicial Appointments Commission  
29 June 2011

# THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements of the Judicial Appointments Commission for the year ended 31 March 2011 under the Constitutional Reform Act 2005. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## **Respective responsibilities of the Accounting Officer and auditor**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Constitutional Reform Act 2005. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the Audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Judicial Appointments Commission's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Judicial Appointments Commission; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the annual report to identify material inconsistencies

with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## **Opinion on Regularity**

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of the Judicial Appointments Commission's affairs as at 31 March 2011 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Constitutional Reform Act 2005 and Lord Chancellor's directions issued thereunder with the consent of HM Treasury.

## **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Lord Chancellor's directions issued with the consent of HM Treasury under the Constitutional Reform Act 2005; and

- the information given in the sections of the Annual Report entitled Key facts, The Commission, Key Operational Issues and The organisation; the Directors' Report; and the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

**Report**

I have no observations to make on these financial statements.

**Amyas CE Morse**

*Comptroller and Auditor General*

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London SW1W 9SP  
4 July 2011

# FINANCIAL STATEMENTS

## Statement of Comprehensive Net Expenditure

for the year ended 31 March 2011

	Note	2010/11 £000	2009/10 Restated £000
<b>Expenditure</b>			
Staff costs	2	5,032	5,442
Other expenditure	3	1,071	2,207
Services and facilities provided by sponsoring department	4	2,117	2,231
<b>Net expenditure</b>		<b>8,220</b>	<b>9,880</b>

The notes on pages 58 to 64 form part of these accounts. No other comprehensive expenditure was incurred during the year.

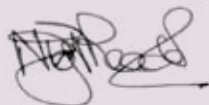
The prior year comparatives have been restated to remove the cost of capital credit of £47k.

## Statement of Financial Position

as at 31 March 2011

	Note	31 March 2011 £000	31 March 2010 £000
<b>Current Assets</b>			
Trade and other receivables	5	44	32
Cash and cash equivalents	6	1,179	1,410
<b>Total current assets</b>		<b>1,223</b>	<b>1,442</b>
<b>Total assets</b>		<b>1,223</b>	<b>1,442</b>
<b>Current liabilities</b>			
Trade and other payables	7	(60)	(106)
Other liabilities	7	(632)	(1,135)
<b>Total current liabilities</b>		<b>(692)</b>	<b>(1,241)</b>
<b>Non-current assets plus net current assets</b>		<b>531</b>	<b>201</b>
<b>Non-current liabilities</b>			
Provisions	8	(88)	(115)
<b>Total non-current liabilities</b>		<b>(88)</b>	<b>(115)</b>
<b>Assets less liabilities</b>		<b>443</b>	<b>86</b>
<b>Taxpayers' Equity</b>			
General reserve		443	86
		<b>433</b>	<b>86</b>

Signed on behalf of the Judicial Appointments Commission



**Nigel Reeder**  
Interim Chief Executive  
Judicial Appointments Commission  
29 June 2011

The notes on pages 58 to 64 form part of these accounts.

## Statement of Cash Flows

for the year ended 31 March 2011

	Note	2010/11 £000	2009/10 Restated £000
<b>Cash flows from operating activities</b>			
Net expenditure		(8,220)	(9,880)
Adjustments for non-cash transactions			
Services and facilities provided by sponsoring department	4	2,117	2,231
Increase in provisions		-	136
(Increase)/Decrease in trade receivables and other current assets	5	(12)	21
(Decrease) in trade payables and other current liabilities	7	(549)	(196)
Use of provision	8	(27)	(21)
<b>Net cash (outflow) from operating activities</b>		<b>(6,691)</b>	<b>(7,709)</b>
<b>Cash flows from financing activities</b>			
Grant from MoJ		6,460	7,610
<b>Net financing</b>		<b>6,460</b>	<b>7,610</b>
Net (Decrease) in cash and cash equivalents in the period	6	<b>(231)</b>	<b>(99)</b>
Cash and cash equivalents at the beginning of the period	6	<b>1,410</b>	<b>1,509</b>
Cash and cash equivalents at the end of the period	6	<b>1,179</b>	<b>1,410</b>

The notes on pages 58 to 64 form part of these accounts.

The prior year comparatives have been restated to remove the cost of capital credit of £47k.

## Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2011

	Note	Revaluation Reserve £000	I&E Reserve £000	Total Reserves £000
<b>Balance at 31 March 2009</b>		-	<b>125</b>	<b>125</b>
<b>Changes in taxpayers' equity in 2009/10</b>				
Grant from MoJ		-	7,610	<b>7,610</b>
Non-cash charges – services provided by sponsoring department	4	-	2,231	<b>2,231</b>
Comprehensive expenditure for the year		-	(9,880)	<b>(9,880)</b>
<b>Balance at 31 March 2010</b>		-	<b>86</b>	<b>86</b>
<b>Changes in taxpayers' equity in 2009/10</b>				
Grant from MoJ		-	6,460	<b>6,460</b>
Non-cash charges – services provided by sponsoring department	4	-	2,117	<b>2,117</b>
Comprehensive expenditure for the year		-	(8,220)	<b>(8,220)</b>
<b>Balance at 31 March 2011</b>		-	<b>443</b>	<b>443</b>

The notes on pages 58 to 64 form part of these accounts.

## Notes to the financial statements

for the year ended 31 March 2011

### Note 1 Statement of accounting policies

These financial statements are prepared on a going concern basis in accordance with the Constitutional Reform Act 2005 and with the 2010/11 Government *Financial Reporting Manual* (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the JAC for the purpose of giving a true and fair view has been selected. The particular policies adopted by the JAC are described below. They have been applied consistently in dealing with items that are considered material to the accounts, and are in a form as directed by the Lord Chancellor with the approval of the Treasury.

#### a) Accounting convention

The accounts are prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, in accordance with Treasury guidance.

#### b) Income and expenditure

Government grant-in-aid received for revenue expenditure is accounted for as funding through the general reserve.

#### c) Cost of capital credit

There was a change in accounting policy in relation to the cost of capital, as required by the Treasury. From 2010/11 no charge is made to the Statement of Comprehensive Net Expenditure for the notional cost of capital. The figures for the prior year have therefore been presented with no reference to cost of capital. As this was a notional charge there is no effect on the Statement of Financial Position, and therefore no prior period adjustment is required.

#### d) Accounting for value added tax

JAC is not permitted to recover any VAT on expenditure incurred. All VAT is therefore charged to the relevant expenditure category.

#### e) Property, plant and equipment

The JAC does not recognise any property, plant and equipment as such assets are held by the MoJ, which we utilise through the services and facilities provided by sponsoring department. Assets costing more than the prescribed capitalisation level of £5,000 are treated as capital assets. Where an item costs less than the prescribed limit but forms part

of an asset or grouped asset whose total value is greater than £50,000, the items are treated as a capital asset.

#### f) Pensions policy

Past and present employees are covered by the provisions of the PCSPS schemes. The defined benefit schemes are unfunded except in respect of dependants' benefits. The JAC recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from the employees' services, by payments to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS.

#### g) Services and facilities provided by sponsoring department

In accordance with the Framework Document, the JAC does not meet the costs of certain services as these are provided by the MoJ, which are non-cash charges. These services are agreed and managed through memoranda of understanding between the JAC and MoJ, and provide: legal services; finance training; accommodation; HR services; provision of IT equipment; and internet/intranet facilities. An analysis of these charges can be found in note 4, page 62.

#### h) Receivables

Receivables represent amounts that have been paid by the JAC, for which no service has been received, and therefore the balance represents amounts due back to the JAC at the year-end. There is no income, apart from the government grant-in-aid received, classed as funding.

#### i) Provisions

The JAC is required to pay the additional cost of benefits beyond the normal PCSPS benefits in respect of employees who retire early. The total cost has been provided in full when the early retirement was approved as the liability then became binding on the JAC.

#### j) Provisions, Contingent Liabilities and Assets

In accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets, the JAC provides for its obligations arising from past events where a reliable estimate of the obligation can be made and it is probable that the obligation will be required to be settled. Where material, the future costs are discounted using a rate directed by HM Treasury.

The JAC is required to pay the additional cost of benefits beyond the normal PCSPS benefits in respect of employees who retire early. The total cost has been provided in full when the early retirement was approved as the liability then became binding on the JAC.

A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is disclosed where an inflow of economic benefits is probable.

#### k) Operating leases

All payments under operating leases are charged to the Statement of Comprehensive Net Expenditure as they are incurred. Operating lease incentives are accounted for on a straight line basis over the length of the lease. The determination of a lease is based upon the substance of that arrangement – whether the arrangement is dependent upon the use of a specific asset and conveys the right to use that asset.

The JAC has entered into an arrangement with an outsourced supplier, through the MoJ, to provide the use of assets, specifically the accounting system, in return for payments made. The payments made specifically for these assets have been accounted for as operating leases.

#### l) Impending Application of newly issued accounting standards not yet effective

The JAC provides disclosure where it has not yet applied a new accounting standard, and discloses

known or reasonably estimable information relevant to assessing the possible impact that initial application of the new standard will have on the JAC's financial statements.

IFRS 9 Financial Instruments was implemented in November 2009 and applied to financial assets. Additional requirements relating to the classification and measurement of financial liabilities are due for implementation in January 2013. The JAC will apply the new standards for the accounting period ending 31 March 2013 and for comparative periods. The amendments made to IFRS 9 are unlikely to impact upon the JAC as it is exposed to little credit, liquidity or market risk.

#### m) Financial Instruments

As the cash requirements of the JAC are met through Grant-in-Aid provided by the Ministry of Justice, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the JAC's expected purchase and usage requirements and the JAC is therefore exposed to little credit, liquidity or market risk.

### Note 2 Staff costs and numbers

							2010/11	2009/10
	Commissioners	Panel chairs and lay panel members	Permanent staff	Seconded staff	Fixed Term Contracts	Other contracted staff	Total	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Wages and Salaries	138	426	2,781	227	303	12	3,887	4,343
Social Security Costs	13	145	209	11	29	-	407	406
Other Pension Costs	12	-	521	27	45	-	605	693
	<b>163</b>	<b>571</b>	<b>3,511</b>	<b>265</b>	<b>377</b>	<b>12</b>	<b>4,899</b>	<b>5,442</b>
Early Departure	-	-	133	-	-	-	133	-
	<b>163</b>	<b>571</b>	<b>3,644</b>	<b>265</b>	<b>377</b>	<b>12</b>	<b>5,032</b>	<b>5,442</b>

In 2010/11, JAC employed its own staff (permanent staff and those on fixed term contracts) and had staff seconded from other government departments. Other contracted staff are supplied by agencies. All irrecoverable value added tax is included within wages and salaries. No VAT is included in social security or other pension costs.

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme, but the JAC is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. Details can be found in the Resource Accounts of the Cabinet Office: Civil Superannuation at [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk).

Employers' contributions for staff seconded from other government departments, payable to the PCSPS, are made from the sponsor department. The JAC is recharged the full cost of employing staff on secondment, including other pension costs. For 2010/11, pension costs, for staff employed by the JAC and seconded staff, of £605k were payable to the PCSPS (2009/10: £693k), at one of four rates in the range 16.7% to 24.3% (2009/10: 16.7% to 24.3%) of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2010/11 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

JAC and government department employees can opt to open a **partnership** pension account, a stakeholder pension with an employer contribution. These are handled through the MoJ (who provide the pension service for JAC staff) or the employee's sponsor department and are paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. There were no such contributions for 2010/11 (2009/10: Nil).

The average numbers of full-time equivalent persons employed during the year were as follows:

	Commissioners	Panel chairs and lay panel members	Permanent staff	Seconded staff	Fixed Term Contracts	Other contracted staff	Total
<b>2009/10</b>	3	4	76	16	12	1	<b>112</b>
<b>2010/11</b>	2	6	80	2	7	-	<b>97</b>

The average numbers for Commissioners, Panel chairs and lay panel members represents their total respective input into the JAC in full time equivalent terms.

<b>Reporting of Civil Service and other compensation schemes – exit packages</b>				
Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	
<£10,000	-	3	3	
£10,000 - £25,000	-	1	1	
£25,000 - £50,000	-	-	-	
£50,000 - £100,000	-	1	1	
Total number of exit packages by type	-	5	5	
<b>Total cost £000</b>	-	133	133	

There were no compulsory or voluntary departures in the previous year.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the JAC has agreed early departures, the additional costs are met by the JAC.

**Note 3 Other Expenditure**

	2010/11 £000	2009/10 £000
<b>Selection exercise programme</b>		
Panel members' travel and subsistence	254	280
Advertising	108	242
Catering	17	59
Equality proofing and translation services	15	15
Outsourced accommodation and IT	202	387
Actors' costs	104	210
Couriers	29	34
Staff travel and subsistence	15	32
Commissioners' travel and subsistence	9	12
Additional data inputters	11	36
Dry run fees	31	18
Design and print	7	2
	<b>802</b>	<b>1,327</b>
<b>Administration costs</b>		
Building improvements	21	3
Staff travel and subsistence	4	8
Commissioners' travel and subsistence	8	13
Equipment maintenance	-	1
Commissioners' events	1	-
Staff training and events	10	34
Research	8	36
Panellist training	3	46
Office expenses	7	17
Recruitment	2	30
Legal services	14	43
External audit	32	33
External audit fee for IFRS	-	5
	<b>110</b>	<b>269</b>
<b>Marketing and Publications</b>		
Printing and reprographic services	-	14
Translation services	1	2
Publications and library services	3	7
Publicity and advertising	13	29
Telecommunications	3	4
Outreach events	10	9
Longer term marketing – diversity agenda	-	217
	<b>30</b>	<b>282</b>
<b>Non-cash items</b>		
Approved early retirement	-	136
	<b>-</b>	<b>136</b>
<b>Shared Services</b>		
Internal audit	36	37
E-delivery/IT services	3	49
Financial services	90	107
	<b>129</b>	<b>193</b>
<b>Total</b>	<b>1,071</b>	<b>2,207</b>

The auditors received no remuneration for non-audit work.

There has been a general reduction in the expenditure during the year, due to budget cuts, and restrictions imposed by the Cabinet Office and HM Treasury across Whitehall impacting on spending, such as advertising and catering. Other reasons for the changes are as follows:

- Outsourced accommodation and IT: In 2010/11 the JAC completed a tender exercise, resulting in a lower cost.
- Actors' costs: In 2010/11 the JAC completed a tender exercise, resulting in a lower cost.
- There was also no longer specific panellist training, research and longer term marketing costs incurred.

Some of the 2009/10 expenditure for Staff training and events has been reclassified as Research to more fairly reflect the expense.

**Note 4 Services and facilities provided by sponsoring department (non-cash)**

	<b>2010/11</b> <b>£000</b>	<b>2009/10</b> <b>£000</b>
Legal and Judicial Services Group	71	68
Finance Directorate	15	15
Commercial Group	1,587	1,531
Human Resources Directorate	49	95
E-Delivery Group	390	513
Private and Crown Office	-	4
Communications	5	5
	<b>2,117</b>	<b>2,231</b>

The recharge information from MoJ does not provide for the legal advice received through the Legal and Judicial Group. The charge for 2010/11 is estimated based on approximately one member of staff.

**Note 5 Trade receivables and other current assets**

	<b>31 March</b> <b>2011</b> <b>£000</b>	<b>31 March</b> <b>2010</b> <b>£000</b>
<b>Amounts falling due within one year</b>		
Deposits and advances	11	19
Other receivables	29	5
Prepayments	4	8
	<b>44</b>	<b>32</b>
<b>Analysis of balances</b>		
Balances with central government bodies	13	3
Balances with bodies external to central government	31	29
	<b>44</b>	<b>32</b>

**Note 6 Cash and cash equivalents**

	<b>31 March 2011 £000</b>	<b>31 March 2010 £000</b>
Balance at 1 April	1,410	1,509
Movement	(231)	(99)
Balance at 31 March	<b>1,179</b>	<b>1,410</b>
The following balances at 31 March were held at		
Government Banking Service	1,179	1,410
Commercial banks and cash in hand	-	-
Balance at 31 March	<b>1,179</b>	<b>1,410</b>

**Note 7 Trade payables and other current liabilities**

	<b>31 March 2011 £000</b>	<b>31 March 2010 £000</b>
<b>Amounts falling due within one year</b>		
Trade payables	-	-
Other payables	60	106
	<b>60</b>	<b>106</b>
Other taxation and social security	117	121
Accruals	515	1,014
	<b>632</b>	<b>1,135</b>
	<b>692</b>	<b>1,241</b>
<b>Analysis of balances</b>		
Balances with government bodies	503	685
Balances with bodies external to government	189	556
	<b>692</b>	<b>1,241</b>

**Note 8 Provisions for liabilities and charges**

	<b>Approved Early Retirement £000</b>	<b>Total £000</b>
<b>Balance at 1 April 2010</b>	115	115
Provided in the year	-	-
Provisions utilised in the year	(27)	(27)
<b>Balance at 31 March 2011</b>	<b>88</b>	<b>88</b>

The provisions utilised in the year relate to the amount of the provision payable in relation to 2010/11, and was paid during the year. An amount of £27k is due to be released from the provision in the next 12 months, with a total of £53k in 2-3 years and £8k in 4-5 years. There is a degree of uncertainty around the payments that will be made, and these are provided at the year-end to the JAC from the MoJ.

**Note 9 Capital commitments**

There are no commitments for capital expenditure at 31 March 2011 (Nil 2010).

**Note 10 Commitments under leases**

	2010/11 £000	2009/10 £000
<b>Operating leases</b>		
Total future minimum lease payments under operating leases are given in the table below for each of the following periods		
<b>Obligations under operating leases comprise:</b>		
Not later than one year	13	13
Later than one year and not later than five years	9	22
Later than five years	-	-
	<b>22</b>	<b>35</b>

The operating lease commitments relate to the amount payable to our financial services provider for use of the hardware associated with the accounting system.

**Note 11 Contingent Liabilities**

There are no contingent liabilities at 31 March 2011 (Nil 2010).

**Note 12 Related party transactions**

The JAC is a Non-Departmental Public Body sponsored by the MoJ. The MoJ is regarded as a related party. During the period, the JAC had various material transactions with the MoJ. In addition the JAC has had material transactions with the Home Office and HM Revenue and Customs.

No board member, key manager or other related parties has undertaken any material transactions with the JAC during the year.

**Note 13 Losses and special payments**

There were no losses or special payments in the year ended 31 March 2011 (Nil 2010).

**Note 14 Events after the reporting period**

There were no significant events after the reporting period.

In accordance with the International Accounting Standard 10 'Events after the reporting period', accounting adjustments and disclosures are considered up to the point where the financial statements are 'authorised for issue'. In the context of the JAC, this is interpreted as the date on the Comptroller and Auditor General's audit certificate.

**Note 15 Liquidity, market and credit risks**

As the cash requirements of the JAC are met through Grant-in-Aid provided by the MoJ, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the JAC's expected purchase and usage requirements and the JAC is therefore exposed to little credit, liquidity or market risk.

# PART 3: APPENDICES



# APPENDIX A: OVERVIEW OF THE SELECTION PROCESS

## Qualities and abilities

Since 31 October 2006, all selection exercises up to and including High Court level, have been based on the JAC’s definition of merit. The JAC defines merit in terms of qualities and related abilities. A core set was agreed following discussions with key interested parties and these are set out below. These are adjusted as appropriate for different posts and new include a leadership and management set for senior roles.

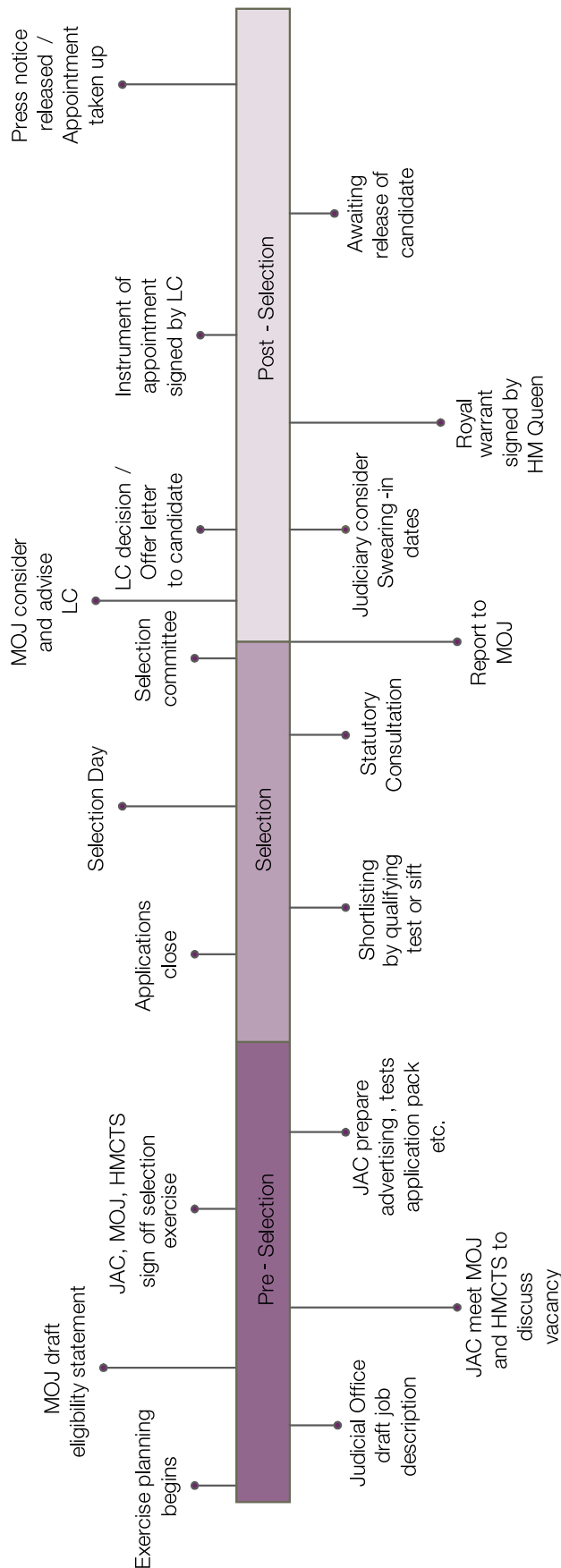
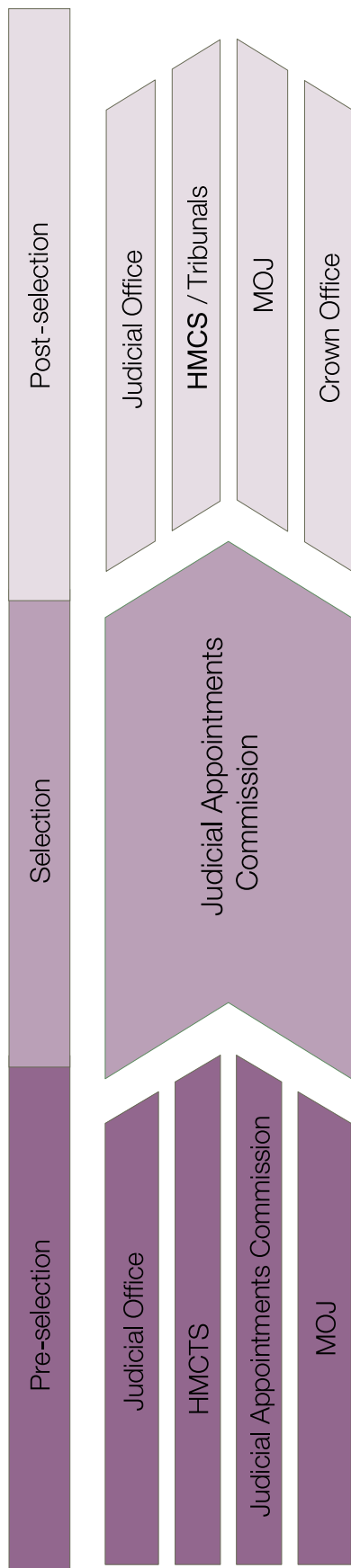
Intellectual capacity	<ul style="list-style-type: none"> <li>• high level of expertise in your chosen area of profession;</li> <li>• ability to quickly absorb and analyse information; and</li> <li>• appropriate knowledge of the law and its underlying principles, or the ability to acquire this knowledge where necessary.</li> </ul>
Personal qualities	<ul style="list-style-type: none"> <li>• integrity and independence of mind;</li> <li>• sound judgement;</li> <li>• decisiveness;</li> <li>• objectivity; and</li> <li>• ability and willingness to learn and develop professionally.</li> </ul>
An ability to understand and deal fairly	<ul style="list-style-type: none"> <li>• ability to treat everyone with respect and sensitivity whatever their background; and</li> <li>• willingness to listen with patience and courtesy.</li> </ul>
Authority and communication skills	<ul style="list-style-type: none"> <li>• ability to explain the procedure and any decisions reached clearly and succinctly to all those involved;</li> <li>• ability to inspire respect and confidence; and</li> <li>• ability to maintain authority when challenged.</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>• ability to work at speed and under pressure;</li> <li>• ability to organise time effectively and produce clear reasoned judgements expeditiously; and</li> <li>• ability to work constructively with others (including Leadership and Management skills where appropriate).</li> </ul>
Leadership and Management Skills	<ul style="list-style-type: none"> <li>• Ability to form strategic objectives and to provide leadership to implement them effectively</li> <li>• Ability to motivate, support and encourage the professional development for whom you are responsible</li> <li>• Ability to engage constructively with judicial colleagues and the administration, and to manage change effectively</li> <li>• Ability to organise own and others time and manage available resources.</li> </ul>

The Lord Chancellor’s Advisory Panel on Judicial Diversity recommended that the JAC replace its current criteria under ‘an ability to understand and deal fairly’ with a new statement. The JAC launched a consultation on the suggested wording in February 2011, which closed in May, and will take the responses into account in any changes made.

**The judicial appointments process**

The JAC run the middle section of the end to end judicial appointments process. The length of the process varies depending on the type and size of exercise. On average the JAC selection process takes around 20 weeks.

**The end to end appointments process**



# WHAT IS THE PROCESS FOR SELECTING CANDIDATES?

## Early Stages

The selection process typically starts when a vacancy request is received from the Lord Chancellor. The vacancy request contains the number and location of the posts, whether part-time working is available and the minimum eligibility requirements for appointment to the post laid down by the statute, as well as any additional criteria applied by the Lord Chancellor.

The JAC prepares an application form and accompanying information pack providing all that is required for a candidate. The JAC promotes the selection exercise through online and paper based media and through other representative bodies and other organisations. It is then launched on the JAC website, inviting applications. Once an application is received, it is checked to see whether the candidate meets the eligibility requirements.

## Shortlisting

Shortlisting of candidates can take two forms:

- Qualifying test – this consists of a written paper which tests a number of the qualities and abilities required for judicial office. Shortlisting is a competitive process, so the tests are designed to be challenging and include an element of time pressure. Qualifying tests do not have a pass mark; rather they identify those people with the highest scores to be invited to the selection day. Experienced judges generally prepare, mark and moderate qualifying tests to ensure appropriateness and consistency. Tests are anonymised when marked.

- Paper-based sift – a panel typically consisting of a panel chair, judicial member and independent member assesses the self assessment supplied by the candidate, and their references. The information is assessed against the qualities and abilities framework, and the candidates who best demonstrate these are invited to the next stage of the application process.

The JAC normally invites candidates to the selection day in a ratio of between two and three candidates per vacancy. The JAC uses qualifying tests for most selection exercises below the level of Senior Circuit Judge. However, processes are tailored to each post, so a paper-based sift may be used if the number of vacancies is small, or in other limited circumstances.

## References

References are used by the JAC to gain a view of a candidate's past performance, experience, track record and suitability for appointment. The JAC uses two types of reference: JAC nominated and candidate nominated. JAC nominated referees are tailored for each exercise and are listed within the information pack. Candidate nominated referees are expected to have direct knowledge of either the professional or voluntary work of the candidate.

### **Selection day**

Shortlisted candidates are invited to a selection day, which may consist of an interview only (possibly including a presentation or situational questions), or an interview and role-play.

These are conducted and assessed by a panel which usually consists of a panel chair, judicial member and independent member. The role-play, which is usually devised by judges or tribunal members, typically simulates a court or tribunal environment. This allows the candidate the opportunity to demonstrate that they have the required qualities and abilities, and that they can perform under pressure.

### **Panel assessment**

The panel members consider all the information about each candidate (their performance in the interview and role play, the candidate's self assessment and references) and assess them against the qualities and abilities. The panel chair then completes a summary report, providing an overall panel assessment. This report forms part of the information presented to Commissioners when they make their recommendations.

### **Statutory Consultation**

All candidates likely to be considered for recommendation are subject to statutory consultation.<sup>27</sup> Consequently, the panel chair's summary report is sent to the Lord Chief Justice and to one other person, nominated by him, who has held the post or has relevant experience.

When they consider candidates to recommend for appointment, Commissioners take into account the responses from statutory consultees with all the other information about a candidate. They may decide not to follow the views expressed by the consultees but if this happens, the Commission must give its reasons, when making recommendations to the Lord Chancellor.

### **Selection**

Commissioners make the final decision on which candidate to recommend to the Lord Chancellor for appointment. In doing so, they consider those candidates that the selection panels have assessed as best meeting the requirements of the role, having been provided with information gathered on those individuals during the whole process.

### **Checks**

In accordance with the JAC's statutory duty, the good character of the candidates is also assessed. If the candidate is an existing judicial office holder, the Office for Judicial Complaints is asked to check whether there are complaints outstanding against them. For other candidates financial, criminal and professional background checks are carried out.

### **Quality Assurance**

Quality assurance measures are applied throughout the selection process to ensure the proper procedures are applied and the highest standards are maintained. The quality checks include:

- assigning a Commissioner to each exercise, who works closely with the JAC selection exercise team to ensure standards are met;
- reviewing the progression of candidates through each stage of the process for any possible unfairness;
- observing interviews to share good practice across panels; and
- overseeing moderation in the marking of tests and the results of panel assessments to ensure consistency (because of the number of candidates, many exercises will use a number of test markers and more than one panel).

<sup>27</sup> CRA 2005, Part 4, chapter 2, 88 (3)

## APPENDIX B: EQUALITY ACT 2010 – COMPLIANCE WITH THE GENERAL EQUALITY DUTY

The Equality Act applied a general equality duty to the JAC. This duty has three arms:

- to eliminate unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act;
- to advance equality of opportunity between people who share a protected characteristic and those who do not; and
- to foster good relations between people who share a protected characteristic and those who do not.

The JAC's rigorous equality proofing of its selection processes and materials, by representatives of the legal profession, ensures that JAC selections are fair and free of bias against any group. Equality checks then take place at the application, shortlisting and selection stages of each exercise, to detect any unexpected or concerning trends and address them if necessary. Twice a year the JAC publishes the results of its selection exercises, reporting on the progress of statistically significant under-represented groups by gender, ethnicity, disability and professional background. This opens the JAC up to public scrutiny and ensures that it is held accountable. These safeguards eliminate, as much as possible, the discrimination, harassment and victimisation prohibited by the Act.

The JAC advances equality of opportunity for people with a protected characteristic through its programme of targeted outreach to under-represented groups. This has included women, solicitors, disabled, BME and lesbian, gay, bisexual and transgender (LGBT) lawyers. This work is informed by the research undertaken by the JAC, including 'Barriers to Application for Judicial Appointment' (2009), the analysis of judicial appointments since 1998, published in 2010 and 2011, and the biannual Official Statistics bulletins, published in December and June. The JAC engages with key interested parties, including numerous diversity groups (Society of Asian Lawyers, Black Solicitors Network, Association of Women Solicitors, Association of Women Barristers and many others), to develop the way in which we remove any barriers hindering the progress of groups with a protected characteristic.

The Judicial Appointments Diversity Forum brings together key interested parties and interest groups, for example Stonewall, who are able to present to all those with the ability to increase diversity in judicial appointments, including the Ministry of Justice, the judiciary, the professional bodies and the Judicial Studies Board.

The JAC considers that all this activity furthers the aims of the general equality duty.

## APPENDIX C: PERFORMANCE IN 2010/11

Ten key performance indicators were agreed with the Ministry of Justice to measure performance in 2010/11. Performance against these indicators is set out below.

Key Performance Indicator	Status	Commentary
<p>Timeliness of completion of selection exercises: at least 95% of exercises in the annual Selection Exercise Programme will be completed by the date in the programme; no exercise will be completed later than 4 weeks after that date or impact on future years' programmes.</p> <p>We will report on the average time taken to complete a selection exercise during 2010/11 at the end of March 2011.</p>	Met	<p>100% met at the end of the year.</p> <p>The average time to complete a selection exercise in 2010/11 was 21 weeks.</p>
<p>Sufficient candidates: we will recommend to the Lord Chancellor, within the agreed timeline set by the programme, candidates to fill at least 95% of the legal posts requested in the agreed Selection Exercise Programme for 2010/11.</p>	Met	<p>For the 466.5 legal vacancies 444 recommendations were sent = 95%.</p> <p>The shortfall occurred where there were insufficient selectable candidates for some exercises.</p>
<p>Complaints: We will keep the level of complaints fully upheld by the Judicial Appointment and Conduct Ombudsman at less than 1% of all complaints made to the JAC throughout the year.</p>	Met	<p>No complaints were fully upheld by the Ombudsman (0%).</p> <p>32 complaints were dealt with by the JAC this year.</p> <p>Two complaints were upheld in part by the Ombudsman this year.</p>
<p>Candidate Satisfaction: we will implement a system to monitor formally candidate satisfaction by the end of the second quarter and develop a plan for improvements in response to the data gathered.</p> <p>We will also discuss with our partners how best to measure their satisfaction objectively, and vice versa, with a view to reaching agreement by end of quarter 3.</p>	Met	<p>A new system was implemented by the end of the second quarter for exercises starting for the rest of the year. The new system of gathering candidate satisfaction resulted in high return rates for some exercises but will continue to be monitored.</p> <p>Partner satisfaction surveys were agreed by the end of quarter 3.</p>
<p>Profile of applicants: by March 2011 ensure applications from women and BME candidates reflect the eligible pool in at least 80% of statistically significant exercises completing in the year.</p>	Partially met (Met for BME candidates; not met for women)	<p>In total, there have been eight relevant exercises in the year, with the target being met in all cases for BME and in six of them for women, the exceptions being High Court where applications were 2% lower than the eligible pool and Recorder (Civil) where applications were 13% lower than the eligible pool.</p>
<p>Solicitor and Ilex applications: in all exercises where, in a previous comparable exercise, solicitors and Ilex fellows did not apply in line with the eligible pool increase the number of applications from solicitors by 5%.</p>	Not met	<p>Over the year there were six relevant exercises and the target was met in 5 cases. The target was missed in the Deputy District Judge (Civil) exercise where solicitors were already applying at a high rate (77%). The application rate in this exercise was 76%.</p>

Key Performance Indicator	Status	Commentary
Outreach activity: achieve a 90% satisfaction rating throughout 2010/11 from those who organise and attend our outreach events.	Met	Across the year a total of 36 outreach events were conducted, 30 with under-represented groups. Overall satisfaction rate was 97%.
Cost per applicant: using 2007/08 as the baseline, achieve a further 5% year-on-year reduction in the unit cost trend per applicant by the end of March 2011.	Met	This target was exceeded with a 21% reduction in unit cost.
Staff Survey: achieve an employee engagement index at least equal to the Ministry of Justice benchmark.	Met	The overall response rate was 83%, and the engagement score was 70%. This represented a 3% increase from the previous year and it significantly exceeds the Ministry of Justice benchmark of 53%.
Staff Development: carry out a skills analysis for our staff and establish a development programme for 2010/11 by the end of the second quarter.	Met	A new Learning and Development programme has been in use since October and managers and staff are using this to support career progression.

### Complaints

The JAC’s complaints procedure is set out in full on its website.<sup>28</sup> The information explains to candidates how they can make a complaint, the timescales and how to proceed if they wish to take matters further.

The JAC will respond to all complaints within 20 working days. If, very exceptionally, this deadline cannot be met, the complainant is informed of the reasons why and told when they can expect to receive a full reply.

All complaints are investigated by a member of staff who was not involved in the matter. Decisions are based on all the available evidence with the reasoning behind the decision clearly explained in the response.

Since the JAC began operation, 1.1 per cent of applications received for selection exercises have led to a complaint being made to the JAC. During 2010/11 the JAC dealt with 32 complaints, all but one of which were responded to within 20 working days. In the instance where this was not the case a later date was agreed with the complainant. Three complaints were partially upheld by the JAC resulting in two candidates being offered redress and the other, an apology.

Anyone who remains dissatisfied following the investigation of their complaint by the JAC may ask the Judicial Appointments and Conduct Ombudsman, Sir John Brigstocke, to investigate further.

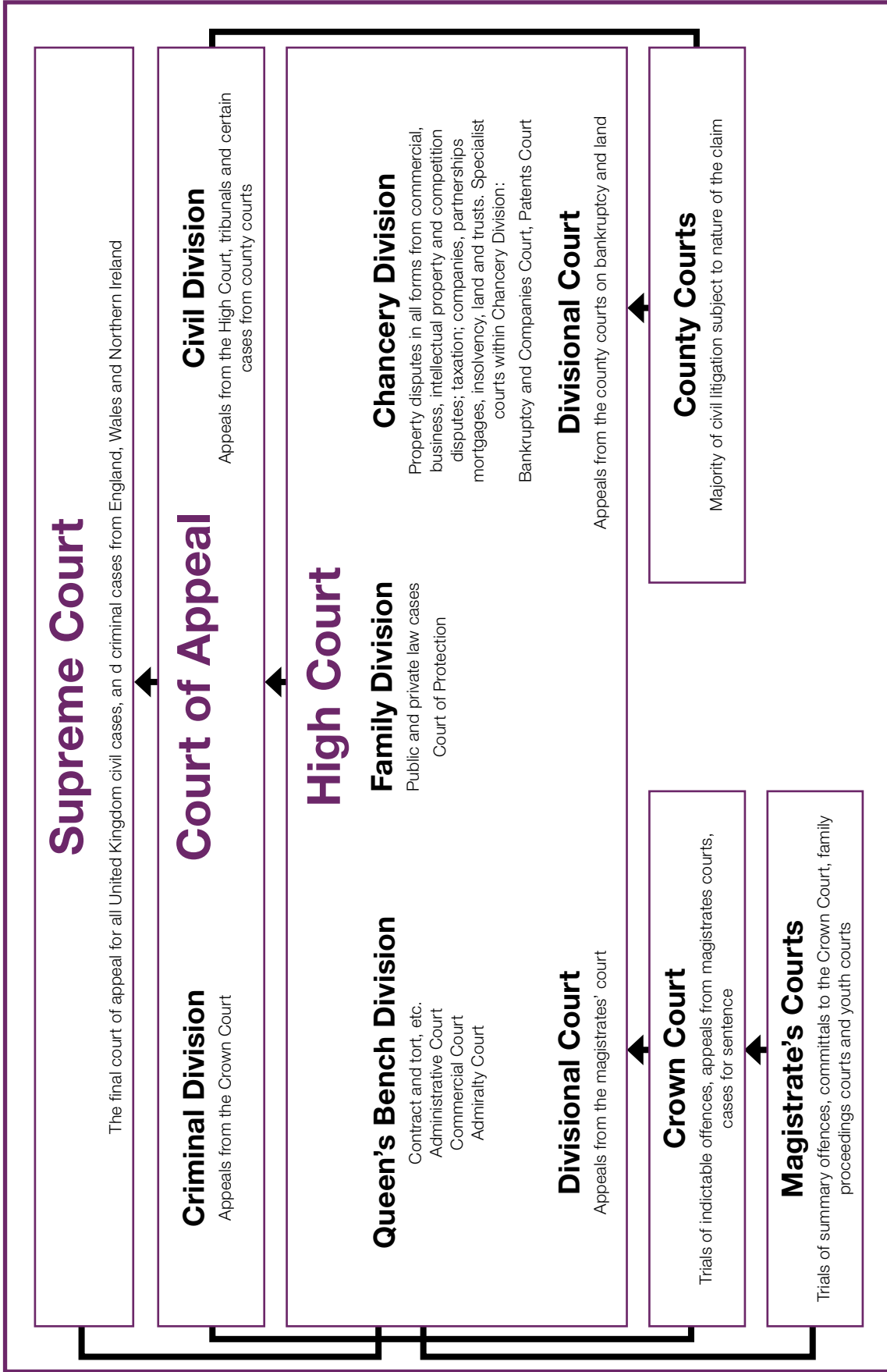
In 2010/11, 16 complaints were considered by the Ombudsman, of which eight had been carried forward from the previous year and two remained under investigation at the end of the year. Of those completed, two were upheld in part.

One of these related to the JAC’s written response to a complainant in February 2009, which the Ombudsman said failed to address every issue raised. The other related to the lack of documentation in support of a selection decision. The Ombudsman did not question the decision itself and the JAC has since amended the way in which it records selection decisions, based upon the Ombudsman’s recommendation. The JAC also agreed with the Ombudsman’s proposal that redress be offered in this case.

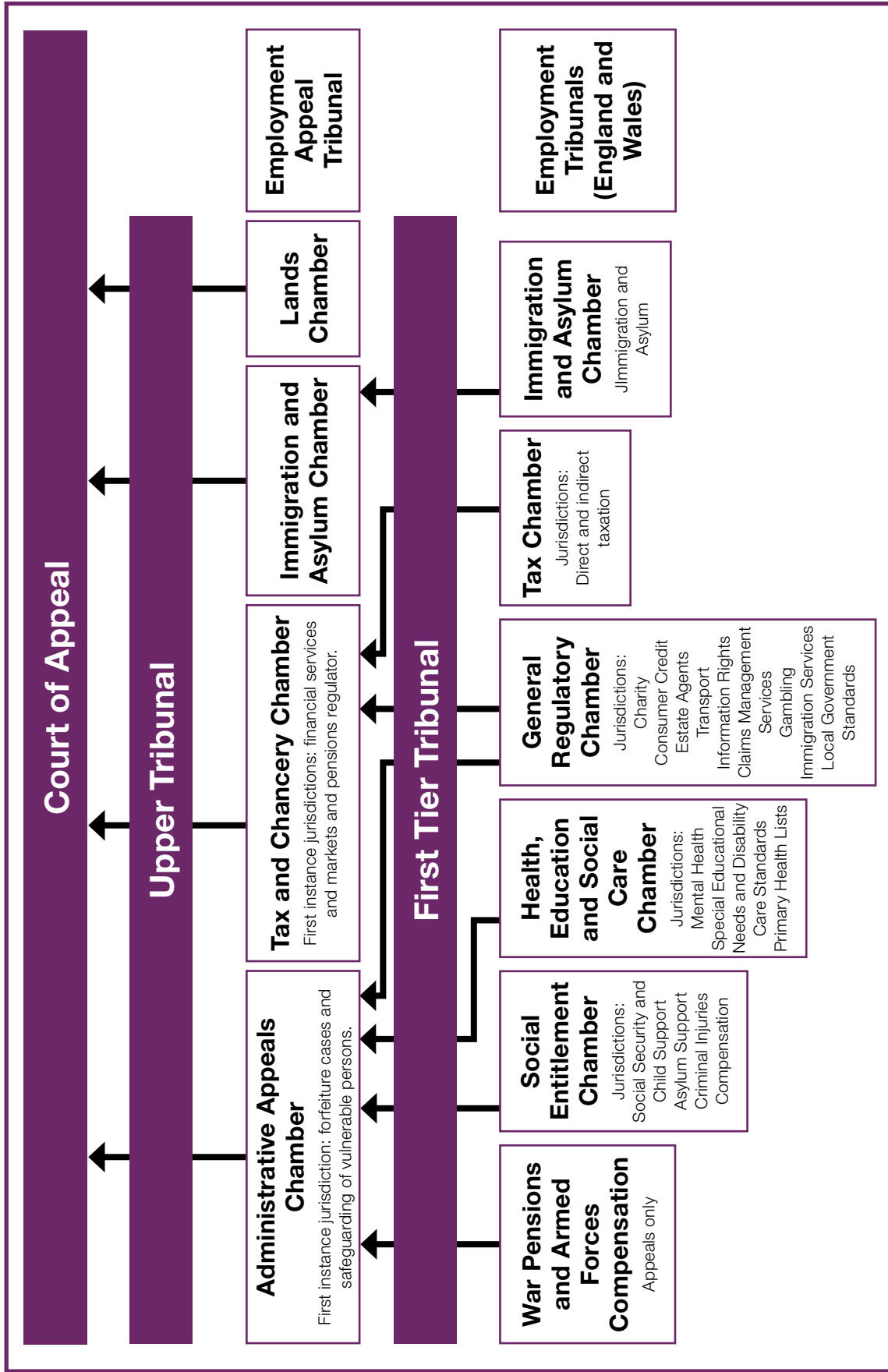
In addition to complaints made to the JAC using the complaints procedure the JAC receives feedback from stakeholders and special interest groups. This feedback can highlight areas of JAC processes with which stakeholders have concerns. The JAC takes all feedback seriously. Where it is practical and judged to be of benefit to all candidates the JAC will adapt its processes in response to this feedback, for example through the publication of qualifying test feedback reports. However, the views put forward by all stakeholders and groups are balanced against the need to maintain selection processes which are independent and fair to all candidates, regardless of background.

<sup>28</sup> Available at: <http://jac.judiciary.gov.uk/about-jac/complaints.htm>

# APPENDIX D: The structure of Her Majesty's Courts and Tribunals Service - Courts



# APPENDIX E: The structure of Her Majesty's Courts and Tribunals Service – Tribunals



	2007/08	2008/09	2009/10	2010/11
Exercises reporting to the Lord Chancellor in year	27	24	25	21
Total number of applications for those exercises	2,535	3,518	3,084	4,684
Total number of recommendations for those exercises	458	449	446	684
JAC staff numbers (average FTE over the year)	101	107	105	89

£m	2007/08	2008/09	2009/10	2010/11
<b>Total funding allocation</b>	<b>£7.13</b>	<b>£8.15</b>	<b>£7.61</b>	<b>£6.86</b>
Expenditure on pay (Staff and Commissioner pay)	£5.30	£5.54	£5.01	£4.46
Expenditure on the programme (including panel members' fees)	£0.70	£1.81	£1.76	£1.37
Expenditure on administration (including shared services)	£0.98	£0.79	£0.76	£0.30
<b>Total funded expenditure</b>	<b>£6.98</b>	<b>£8.14</b>	<b>£7.53</b>	<b>£6.13</b>
Soft charges (including accommodation costs)	£1.96	£2.40	£2.23	£2.12
Total expenditure	£8.94	£10.54	£9.76	£8.25



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