

MEETING OF THE COURTS SERVICE BOARD

11th December 2017

The Courts Service Board met on 11th December, 2017.

The Chief Justice welcomed all members to the first meeting of the new Board and particularly new members including the Hon. Mrs. Justice Elizabeth Dunne (representative of the Supreme Court bench), Ms. Patricia King (ICTU) and Mr. Damian Downey (staff representative). He informed the meeting there were still two vacancies to be filled – the Minister’s nominee to represent court users and his nominee with financial, commercial or administrative knowledge. These vacancies are being filled through PAS (Public Appointments Service).

Minutes and Documentation from Committees of the Board

The Board noted minutes of meetings of Committees of the Board as follows

- Minutes of the Finance Committee Meeting, 4th October, 2017
- Minutes of the Building Committee 15th June, 2017

The Board considered and approved the following Reports:

Report on Committees of the Board

The Board established and approved terms of reference for the following committees:

- Finance Committee
- Audit & Risk Committee
- Family Law Court Development Committee and
- Building Committee.

The membership of the Committees will be considered again at the next meeting and in the meantime nominations will be sought and members were asked to express their interest in serving on any particular committee.

The Board also ratified the meeting and proceedings of the Finance committee on 4th December.

Report on Expenditure and Budget 2017

The Chief Executive Officer briefed the Board on the key issues in the report including:

- **Financial position to end October, 2017 and forecast outturn to year end** –The projected underspend on Pay at year end has reduced considerably from position report at end October and this reflects the high level of staff movements which when full year costs are taken into consideration will ensure expenditure of the full budget in 2018. The high level of staff movement impacts on the management of the Pay Budget and an external analyst has been appointed to carry out a detailed payroll budget analysis to assess the capacity within the pay budget for 2018 and ensure that the necessary data and management information is available to maximise the potential of the budget in terms of additional appointments and succession planning in 2018.

The projected overspend in the Non Pay Budget for 2017 will be met by transfer of funds from the Pay budget leaving a surrender balance of €600,000 in accordance with Government Accounting Guidelines.

Sanction has also been received to carryover the underspend on capital into 2018. This underspend has arisen mainly due to the delay in the completion of the PPP projects.

- **Proposed Budgets for 2018** – the Chief Executive informed the Board the budget for the Courts Service in the 2018 Estimates is €131.575m. This represents an increase in real terms of 13% (excluding the Capital carryover) when account is taken of the once off allocation in 2017 of €23.8m for the upfront VAT payment relating to the new PPP Bundle. This 2018 budget provides for an increase in Payroll of €2.161m (4%), additional funding for courthouse maintenance of €1m (4%) and an additional €0.845m for ICT. The full allocation has also been provided for the CCJ PPP Unitary Payment and the PPP Unitary Charge for the 7 courthouses being delivered under the new PPP Bundle. The Appropriations in Aid figure has increased by 0.29% to reflect a small increase in the Pension Levy as a result of pay increases due in 2018.

The Capital Carryover of €6m will be included in the Revised Estimates to be published in early December.

The Chief Executive outlined the proposed allocations across the main expenditure headings, as set out in the Report, as follows:

- **Payroll – proposed budget of €53.975m** – increase of €€2.161m or 4%. This will meet the costs of restoration of pay under the Landsdowne Road Agreement and provide €0.500m for the appointment of additional staff
- **Non- Pay – proposed budget €28.583m** – increase of €1.0m or 4%. Additional funding has been allocated across a number of areas including
 - **Travel and Subsistence (proposed budget €3.066m (+4%))** - to meet increased T&S rates and increased travel needs
 - **Telecommunications (proposed budget €1.430m (+21%))** - to meet costs arising from the delay in the transfer of the Courts Service telephone network to the Government Cloud Network. Costs will decrease significantly when the transfer has taken place.
 - **Printing (proposed budget €0.415m (+131%))** - to meet cost of printing of summonses which has been outsourced to PrintPost as part of the print arrangement associated with the Fines (Payment and Recovery Act) 2014.
 - **Contract Services (proposed budget €1.183m)** - to provide for additional costs in relation to Jury Minding in the CCJ and property arbitrators
 - **Furniture and Fittings (proposed budget €0.240m (+140%))** - to meet costs associated with additional staff appointments
 - **Learning and Development (proposed budget €0.550m (+22%))** - to provide appropriate technical and management training and meet succession planning needs in the context of the age profile of staff which represents a major risk for the organisation.
 - **Law Books (proposed budget €0.570m (+ 21%))** - to provide for additional and essential purchases.
 - **Other Miscellaneous (proposed budget €0.362m (+72%))** - to meet additional costs such as Bank Charges.

An additional €0.169m has been allocated to **Courthouse Maintenance** to bring the proposed budget of €6.499m. (.e. €0.507m increase on the forecast outturn for 2017) which will provide for the necessary repair, and maintenance works on a prioritised basis. The additional funding allocations set out above are also partially offset by savings on expenditure on Digital Audio Recording (DAR), Leases and Light, Heat & Fuel, Meals for Jurors

- **Capital – Proposed Budget €55.017m including the Capital Carryover of €6m.**
– an increase of €6m. to be allocated as follows:
 - **ICT Capital – Proposed Budget €9.055m** which, when account is taken of the €3.0m provided in 2017 for the PPP bundle, is an increase in real terms of €0.845m or 11 %.
 - **Courthouse Capital – Proposed Budget €6.263m**, an increase of €1.383m or 28%
 - **PPP CCJ Unitary Payment – Proposed budget €22.163m** in line with 2017 budget
 - **PPP Regional Unitary Payment – Proposed Budget €13.799m**, an increase of €11.348m
 - **PPP VAT Payment – Proposed budget €3.737m** – a decrease of €17.132m
- **Appropriations in Aid - €47.969m**, an increase of 0.29%

In summary the funding provided in the 2018 Estimates including the Capital Carryover is considered sufficient to meet the planned expenditure by the courts Service. As always expenditure will be closely monitored throughout the year and the Board will be kept fully briefed.

The proposed Budget was considered by the Finance Committee at its meeting on 4th December, 2017 and the Committee agreed to recommend the Budget to the Board for approval. The Board considered the report and the proposed budget allocations for 2017 and approved the proposed allocations as set out in the report.

- **Management of Court Funds** – the Report also provided briefing for the Board in relation to investment management and performance of court funds for the year ending 30th September, 2017 which continues to be closely and proactively managed

by the Investment Committee. This is an area which also continues to be the subject of considerable political attention - the Courts Service recently appeared before the Joint Oireachtas Committee on Justice and Equality and had already been examined on the matter by the Public Accounts Committee in July.

Chief Executive Officer's Report

The Chief Executive presented his report and briefed the meeting on some of the major issues outlined in his report including

- **Strategic Plan 2017 – 2020** – has been submitted to the Minister for Justice and Equality for approval with or without amendment. The Corporate Business plan 2018 will be brought to the Board for consideration in early 2018 and a report on the implementation of the Corporate Business Plan for 2017 shows considerable progress in achieving the objectives of the Courts Service for 2017.
- **Oversight Agreement** – has been agreed with the Department of Justice and Equality and sets out the role and mutual commitments of each body and targets which mirror the objectives of the corporate business plan approved by the Board.
- **Learning and Development** – significant progress continues to be made in the implementation of the Learning and Development Strategy with the development of technical and other training, eLearning facilities and identification of priority learning needs.
- **Human Resources** – a HR strategic plan is being developed and will be brought to the Board for consideration.
- **ICT** – considerable progress continues to be met in relation to the ICT infrastructure and networks; ICT Security including the technical security issues and the development of an appropriate ICT security framework, governance and policies and the development of new ICT systems including eLicencing, Bankruptcy Conversion Register, online application for leave to appeal to the Supreme Court and systems to support the new Legal Costs Adjudicator Regime. A system to provide for the 3rd Payment Option in relation to the payment of fines has been completed and the next development under the Criminal Justice Hub will be the electronic lodgement of charge sheets and provision of court outcomes. The funding provided by the Prisons Service in 2017 has supported the delivery of 10 newly provisioned Video Conferencing courtrooms and 4 technology refreshes of existing court venues. Progress is also being made in the refresh of DAR technology in courtrooms throughout the country.

- **PPP Courthouse Bundle** – the Drogheda courthouse development was completed in June and sittings commenced in early July. There has been some slippage against target dates in the other 6 projects due to the shortage of skilled M&E labour and supply chain capacity issues arising from the sudden upturn in construction activity. The courthouse in Wexford is due to be handed over next week and the remaining projects will be handed over in the coming months. The new courthouses will have state of the art accommodation and facilities for judges, court staff, practitioners and court users.
- **Hammond Lane** – The issue in relation to the level of funding which is to be made available for the Hammond Lane project remains a cause of concern and this is being pursued with the Department of Justice and Equality.
- **Future Provincial projects** – the acquisition of sites where needed for the 5 provincial city/county town projects– Galway, Tralee, Portlaoise, Roscommon and Wicklow is being progressed. There is capacity on site for the redevelopment of the Wicklow courthouse. The acquisition of necessary space in the Courthouse in Roscommon which will allow for the refurbishment of the courthouse is being finalised and progress is being made in relation to the acquisition of a greenfield site in Portlaoise. Discussions are still continuing in relation to the acquisition of sites in Galway and Tralee
- **Four Courts** – work on the Dome to replace the 24 Capitols is continuing and is expected to take another two years. OPW are also commencing exploratory works in the New Year to replace mouldings over the doorways to the courtrooms in the Round Hall.
- **Courthouse Maintenance** - Regular planned maintenance of courthouse buildings is necessary to keep buildings in a good state of repair and and it is proposed to tender for a firm to carry out a survey of the Court estate in 2018 which will enable the Courts Service to make the necessary key decisions about how best to provide for the maintenance of court buildings in the future. Initial steps involve a small number of pilot surveys.
- **Four Courts** – work on the Dome of the Four Courts is continuing and is likely to take a further 2 years to replace the 24 capitols. Along with the restoration of the exterior of the dome OPW will, in the New year, commence exploratory works to replace the artwork in the niches above the doorways into each courtroom.
- **Reform and Development** –work is continuing to support the Rules Committees and legislative developments including the new Assisted Decision Making and Legal Costs Adjudicators regimes. The latter is expected to be in operation in mid-2018.

The Board considered the Report and discussed the issues raised. It was agreed that a report would be brought to the next Board on progress made in relation to ensuring that the impact

on the Courts Service and the courts of proposed legislation being introduced by any Government Department. The matter has already been raised with the Taoiseach's Department and the Department of Justice and Equality. This is a critical issue, particularly in the light of recent legislation e.g. the impact of the Voice of the Child provisions and the Fines Act. It was also agreed that future meeting agendas would include special topic items looking at key strategic or operational issues. It was agreed that the Chief Justice would provide the topic for the next meeting of the Board to be followed by other topics put forward by members as the year progresses.

Extension of Managed Infrastructure Services Contract

Declaration of Conflict of Interest

The Chairperson advised the meeting that as a major procurement proposal is under consideration, and, while the Ethics in Public Office Acts do not apply to the Courts Service Board or Committees, it is appropriate as a matter of good governance that any member of the Board, who considers that he or she may have an interest which may represent a conflict in the consideration of this matter, should absent themselves for discussion on this item. The minutes of the meeting will record any such abstentions. No member of the Board absented themselves from the meeting.

The Chief Executive presented the report as circulated which proposed the extension for a further year of the existing ICT Infrastructure Managed Service contract with ATOS. The duration of the contract covers an initial 3 year period which expires at the end of April 2018 and the contract allows for two further one year extensions. A review of the delivery of service under the contract has been carried out and it is considered on foot of this review and the service provided over the initial 3 year period that the contract should be extended for a further year.

In line with the governance arrangements approved by the Board, where the total estimated cost of a contract is in excess of €1m and does not exceed €5m. it is a function of the Finance Committee to approve or otherwise the proposal. Where the total estimated cost of a contract is in excess of €5m, it is a function of the Board to approve the proposal and it is a function of the Finance Committee to recommend to the Board acceptance or otherwise of the proposal. Although the estimated cost of the extension to the contract with ATOS for a further year is under €5m, it is considered that as total expenditure over the lifetime of the

contract will exceed the €5m threshold, it is appropriate that the proposal be approved by the Board.

The Finance Committee considered the report at its meeting on 4th December and agreed to recommend to the proposed extension of the contract to the Board for approval. The Board considered the Report and approved the extension of the Contract with ATOS for one further year from 30th April, 2018 in accordance with the terms set out in the Report.

Information Security Policy

The Chief Executive presented the report and briefed the Board on progress made in relation to the security of the Court Service ICT systems, network and infrastructure including an information Security Maturity assessment, putting in place an Information Security Officer on a part time basis, establishment of an Information Security Committee and the development of appropriate frameworks, governance and policy. These measures are designed to provide an information security management system which protects the integrity of systems and information and aims to meet best international standards – ISO27001. As part of its work the Committee will oversee the preparation of a suite of security policy documents for the organisation covering all internal and external users. The Information Security Policy for consideration by the Board is a short high level document which sets out the broad principles of information security management with application to all users of the Court Service information and ICT systems. It also sets out the responsibilities of all users in this regard. The document will be supported by further documents, such as a usage policy, which will be brought back to the Board as appropriate.

The Board considered the matter and agreed that ICT security is an urgent and critical issue particularly in the current environment with increased threats to the integrity of systems and increased use and dependence on IT and taking account of the confidential nature of information held. It is necessary to protect against infiltration of the system which can result from poor usage practices of inadequacies in the security of systems themselves. The Board noted that the policy and supporting documentation will apply to all users, internally and externally. The Board approved the Information Security Policy as circulated.

Authentication of the Seal of the Service

The Chief Executive presented the report as circulated. The Board considered the report and authorised the following persons to authenticate the seal of the Service

- all members of the Board with the exception of the Chief Executive
- Ms. Marie Ryan, Secretary to the Board

- Ms. Linda Memery, Office of the Chief Executive

Review of Board Framework Document

The Chief Executive presented the Report as circulated in relation to the Board Framework document which defines the governance framework for the Courts Service, based on the Courts Service Act, 1998 and informed by the Code of Practice for the Governance of State Bodies and best governance practice. The Framework Document is reviewed periodically, most recently in the context of the development of the corporate governance framework document for the Courts Service and the implementation of the Code of Practice for the Governance of State Bodies 2016. The establishment of a new Board provides a further appropriate opportunity for a comprehensive review of the document including the determination and delegation of functions. The Framework Document is in compliance with best practice, meets corporate governance standards and are appropriate to the effective operation of the Courts Service. The only amendment proposed to the document relates to the inclusion of reference to the Court of Appeal to determine that the functions of the Courts Service in relation to the general direction of the Registrar for the Court of Appeal in all matters of general administration concerning the superintendence and control of the Office of the Registrar of the Court of Appeal be performed by the Chief Executive. The Registrar would remain subject to the directions of the President of the Court of Appeal in relation to matters of court business. This mirrors the determination in place for the Registrar of the supreme Court, the Registrar of Wards of Court and the officer managing the Central Office of the high Court.

The Board considered the Framework Document and approved the proposed amendment.

Contract Register

The Board noted the Contract Register as circulated.

Schedule of Board Meetings

The Board considered and approved the proposed schedule of meetings for the Courts Service Board for 2018.

Any Other Business

The Chief Executive informed the Board that Ms. Miriam O'Flanagan would be retiring in early January and this would be her last Board meeting. Ms. O'Flanagan has supported board meetings over many years and he paid tribute to and thanked her for her contribution to the courts and the Courts Service over the years. Ms. O'Flanagan will be replaced by Ms. Linda Memery.

The Chief Executive also informed the Board that there will be an RTE Investigates programme followed by Claire Byrne Live on the District Court on the following Monday.

Date of Next Meeting

The next meeting will take place on 5th February, 2018.

Attendance

Present: The Hon. Mr. Justice Frank Clarke, Chairperson

The Hon. Mr. Justice Peter Kelly

The Hon. Mrs. Justice Elizabeth Dunne

The Hon. Mr. Justice Michael Peart

The Hon. Mr. Justice Patrick McCarthy

Her Honour Judge Dóirbhíle Flanagan

Her Honour Judge Rosemary Horgan

Judge Gerard Haughton

Mr. Brendan Ryan

Mr. Paul McGarry S.C.

Mr. James McCourt

Mr. Damian Downey

(Two vacancies)

Apologies: The Hon. Mr. Justice Sean Ryan

The Hon. Mr. Justice Ray Groarke

Ms. Carol Baxter

Officials Present: Mr. Sean Quigley, Head of Resource Management

Mr. Paul Burns, Head of Infrastructure Services

Ms. Marie Ryan, Secretary

Ms. Miriam O'Flanagan

Ms. Linda Memery