



MAGISTRATES' COURTS

Enforcement of Financial Penalties

Annual Report
2002 – 2003

Prepared by the Department for Constitutional Affairs

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Enforcement of Financial Penalties **by Magistrates' Courts**

1. The following tables present data on the annual figures on enforcement for the financial year 2002/3 based on the returns supplied by the 42 Magistrates' Courts Committees.
2. The main findings are that some progress has been made in making fine enforcement more effective but more still needs to be done. In particular the annual figures show:
 - an increase in the total impositions from £387m. in 2001/2 to £426m. in 2002-3, an increase of £39m. (10%);
 - an increase in money collected from £228m. in 2001/2 to £236m. in 2002-3, an increase of £8m. (3.6%); and
 - an annual Payment Rate figure of 55% for 2002-3, which compares with 59% in 2001/2. These figures are depressed by the inclusion of Confiscation Orders and debt that is subsequently reduced/removed by way of a judicial decision (i.e. cancelled). The Note below explains what the Department is doing in relation to these anomalies.

NOTE:

- (i) The formulation of the current Payment Rate has been reviewed by DCA's Internal Assurance Division. Their proposals are being considered to ensure the Payment Rate properly discounts and shows separately, the amounts relating to Confiscation Orders, fines judicially reduced/cancelled and payments made in relation to the magistrates' courts family jurisdiction.
- (ii) Data collection procedures are currently under review and improvements will be implemented during 2003-4.
- (iii) Table B's footnotes identify some continuing data collection issues which are being explored. We do not expect any resulting adjustments to alter the overall picture significantly.

Debt Analysis *including* Confiscation Orders : April 2002 - March 2003

	New Amount Imposed Total	Net Amount Transferred In Total	New Amount Owed Total	Amount Cancelled Total	Amount Paid Total	Net Amount Written Off Total	Amount Completed Total	Closing Balance Owed	Closing Arrears Total	Completion Rate indicator	Payment Rate Indicator	Write Off Rate Indicator	Cancellation Rate Indicator	Balance Ratio Indicator	Arrears Rate Indicator
Avon & Somerset	10,624,127	-2,442,339	8,181,788	2,260,854	5,259,280	893,123	8,413,257	8,677,895	5,931,973	103%	64%	11%	28%	1.03	68%
Bedfordshire	2,794,017	686,777	3,480,794	643,813	2,025,001	680,204	3,349,018	2,694,399	1,376,692	96%	58%	20%	18%	0.80	51%
Cambridgeshire	3,837,868	3,374,715	7,212,583	1,170,156	3,238,169	1,172,659	5,580,984	16,889,372	12,397,285	77%	45%	16%	16%	3.03	73%
Cheshire	6,037,202	306,774	6,343,975	994,605	3,528,927	404,674	4,928,206	7,923,677	4,741,354	78%	56%	6%	16%	1.61	60%
Cleveland	3,375,400	841,277	4,216,677	1,073,601	1,975,152	457,044	3,367,765	12,715,576	4,184,228	80%	47%	11%	25%	3.78	33%
Cumbria	4,162,212	-430,550	3,731,662	486,022	2,775,099	158,734	3,419,855	3,183,174	798,728	92%	74%	4%	13%	0.93	25%
Derbyshire	7,136,411	883,580	8,019,991	1,559,435	4,686,960	228,246	6,474,641	16,793,890	13,191,285	81%	58%	3%	19%	2.59	79%
Devon & Cornwall	10,079,609	-1,290,201	8,789,409	1,567,320	5,532,765	627,862	7,727,947	6,447,913	2,249,425	88%	63%	7%	18%	0.83	35%
Dorset	2,992,995	136,358	3,129,353	482,410	2,389,428	264,642	2,837,084	3,188,410	1,858,507	91%	76%	8%	15%	1.12	58%
Durham	3,388,003	422,249	3,810,252	764,590	2,824,406	388,921	3,977,917	4,403,084	2,072,827	104%	74%	10%	20%	1.11	47%
Dyfed Powys	2,538,721	459,554	2,998,274	510,643	1,960,800	108,182	2,579,625	3,023,899	1,097,804	86%	65%	4%	17%	1.17	36%
Essex	10,217,220	824,464	11,051,684	1,539,326	8,218,465	2,107,217	11,865,008	11,462,744	8,309,227	107%	74%	19%	14%	0.97	72%
Gloucestershire	2,469,623	340,565	2,810,188	257,890	2,354,218	675,000	3,287,108	4,577,485	2,731,629	117%	84%	24%	9%	1.39	60%
Greater London	64,793,641	46,553,373	111,347,014	23,649,931	44,495,021	13,688,849	81,833,801	145,031,779	72,288,339	73%	40%	12%	21%	1.77	50%
Greater Manchester	23,091,892	692,582	23,784,474	3,929,471	15,219,139	9,780,791	28,348,966	15,499,978	7,746,231	119%	64%	41%	17%	0.55	50%
Gwent	4,515,314	597,550	5,112,864	727,478	2,928,599	219,038	3,875,115	4,843,923	2,771,555	76%	57%	4%	14%	1.25	57%
Hampshire & Isle of Wight	8,212,631	1,351,992	9,564,623	2,230,768	7,373,651	1,650,845	11,255,265	15,903,971	12,542,873	118%	77%	17%	23%	1.41	79%
Hertfordshire	5,757,721	844,127	6,601,848	857,079	4,435,570	1,401,904	6,694,553	2,825,444	1,673,115	101%	67%	21%	13%	0.42	59%
Humberside	4,734,941	701,044	5,435,985	1,105,836	3,624,952	865,651	5,596,439	6,995,903	1,855,435	103%	67%	16%	20%	1.25	27%
Kent	11,442,989	-2,008,038	9,434,951	1,634,840	5,730,421	1,486,407	8,851,668	11,533,206	5,698,285	94%	61%	16%	17%	1.30	49%
Lancashire	13,368,616	-2,042,771	11,325,845	3,264,467	7,126,465	1,203,108	11,594,040	10,085,741	5,289,807	102%	63%	11%	29%	0.87	52%
Leicestershire	7,316,353	-455,607	6,860,746	824,267	4,714,845	1,097,522	6,636,634	5,828,071	2,578,862	97%	69%	16%	12%	0.88	44%
Lincolnshire	6,216,383	-1,104,181	5,112,202	1,262,348	3,022,844	383,923	4,669,115	4,240,310	3,656,904	91%	59%	8%	25%	0.91	86%
Merseyside	8,104,675	5,293,413	13,398,088	1,379,933	4,377,442	2,219,070	7,976,445	21,088,745	16,371,750	60%	33%	17%	10%	2.64	78%
Norfolk	3,568,287	220,239	3,788,526	536,041	2,844,567	501,188	3,881,796	3,141,406	2,076,522	102%	75%	13%	14%	0.81	66%
North Wales	5,958,824	-545,824	5,413,000	940,400	2,887,586	1,168,052	4,996,038	4,833,706	2,543,095	92%	53%	22%	17%	0.97	53%
North Yorkshire	2,911,282	292,730	3,204,012	501,471	2,485,638	68,120	3,055,229	2,844,025	1,353,468	95%	78%	2%	16%	0.93	48%
Northamptonshire	7,282,252	-1,837,389	5,444,863	2,784,357	3,447,419	293,908	6,525,684	4,981,979	3,253,851	120%	63%	5%	51%	0.76	65%
Northumbria	7,331,703	1,492,004	8,823,707	2,261,723	5,231,567	998,296	8,491,586	7,264,632	3,157,655	96%	59%	11%	26%	0.86	43%
Nottinghamshire	5,678,632	1,223,067	6,901,699	1,594,516	4,503,754	1,088,462	7,186,732	4,358,389	2,509,999	104%	65%	16%	23%	0.61	58%
South Wales	8,922,624	613,693	9,536,317	1,462,319	4,936,250	730,008	7,128,577	14,135,235	8,612,159	75%	52%	8%	15%	1.98	61%
South Yorkshire	7,908,264	553,477	8,461,741	1,714,469	5,127,542	1,430,149	8,272,160	7,559,789	4,336,975	98%	61%	17%	20%	0.91	57%
Staffordshire	9,101,598	-1,126,654	7,974,944	1,886,372	4,533,341	414,916	6,834,629	6,658,032	4,007,178	86%	57%	5%	24%	0.97	60%
Suffolk	3,264,714	140,571	3,405,285	519,708	2,366,200	521,184	3,407,092	3,548,858	1,817,980	100%	69%	15%	15%	1.04	51%
Surrey	6,597,178	-1,169,467	5,427,711	890,328	4,414,523	932,632	6,237,483	3,718,845	2,607,247	115%	81%	17%	16%	0.60	70%
Sussex	8,114,927	-1,712,369	6,402,558	0	3,958,078	2,580,129	6,538,207	5,971,744	3,068,646	102%	62%	40%	0%	0.91	51%
Thames Valley	13,499,309	-1,253,541	12,245,768	1,178,339	8,450,928	1,668,565	11,297,831	16,743,901	12,493,470	92%	69%	14%	10%	1.48	75%
Warwickshire	4,020,257	-1,004,315	3,015,942	752,234	2,612,689	605,736	3,970,659	2,996,599	1,259,423	132%	87%	20%	25%	0.75	42%
West Mercia	6,269,008	538,387	6,807,395	402,600	4,845,635	2,935,862	7,213,931	10,183,421	6,512,135	106%	71%	43%	6%	1.41	64%
West Midlands	22,406,358	1,367,830	23,774,188	3,933,799	11,759,135	4,864,237	20,557,171	27,691,371	14,785,351	86%	49%	20%	17%	1.35	53%
West Yorkshire	12,307,773	5,945,104	18,252,877	5,441,672	8,550,736	3,196,606	17,189,014	10,729,248	6,354,754	94%	47%	18%	30%	0.62	59%
Wiltshire	4,848,926	379,142	5,228,069	1,137,362	3,546,903	812,784	5,209,915	3,459,687	2,706,278	100%	68%	16%	22%	0.66	78%
ENGLAND & WALES	367,200,480	58,653,392	425,863,872	82,114,793	236,320,110	66,974,450	383,134,190	486,679,456	276,870,306	90%	55%	16%	19%	1.27	57%

Debt Analysis *excluding* Confiscation Orders : April 2002 - March 2003

	New Amount Owed Total	Confiscation orders imposed April 2002 - March 2003	New Amount Imposed without C/O	Amount paid total with C/O	Confiscation orders paid April 2002 - March 2003	New Amount Paid without C/O	Payment Rate With C/O	Payment Rate Indicator without C/O
Avon & Somerset	8,181,788	143,943	8,037,845	5,259,280	57,663	5,201,617	64%	65%
Bedfordshire	3,480,794	110,874	3,369,920	2,025,001	34,025	1,990,976	58%	59%
Cambridgeshire	7,212,583	2,388,821	4,823,762	3,238,169	2,244	3,235,925	45%	67%
Cheshire	6,343,975	405,989	5,937,986	3,528,927	10,954	3,517,973	56%	59%
***Cleveland	4,216,677	228,315	3,988,362	1,975,152	0	1,975,152	47%	50%
Cumbria	3,731,662	67,069	3,664,593	2,775,099	444	2,774,655	74%	76%
Derbyshire	8,019,991	318,207	7,701,784	4,686,960	311,679	4,375,281	58%	57%
Devon & Cornwall	8,789,409	177,898	8,611,511	5,532,765	105,000	5,427,765	63%	63%
Dorset	3,129,353	191,464	2,937,889	2,389,428	135,359	2,254,069	76%	77%
Durham	3,810,252	85,793	3,724,459	2,824,406	20,000	2,804,406	74%	75%
Dyfed Powys	2,998,274	12,915	2,985,359	1,960,800	5,746	1,955,054	65%	65%
Essex	11,051,684	228,523	10,823,161	8,218,465	31,430	8,187,035	74%	76%
Gloucestershire	2,810,188	31,706	2,778,482	2,354,218	69,207	2,285,011	84%	82%
Greater London	111,347,014	32,987,514	78,359,500	44,495,021	4,486,162	40,008,859	40%	51%
**Gtr Manchester	23,784,474	146,629	23,637,845	15,219,139	104,368	15,114,771	64%	64%
Gwent	5,112,864	34,039	5,078,825	2,928,599	1,192	2,927,407	57%	58%
Hampshire & IoW	9,564,623	5,318	9,559,305	7,373,651	243,525	7,130,126	77%	75%
Hertfordshire	6,601,848	136,078	6,465,770	4,435,570	383,637	4,051,933	67%	63%
Humberside	5,435,985	205,069	5,230,916	3,624,952	114,740	3,510,212	67%	67%
Kent	9,434,951	1,025	9,433,926	5,730,421	450,426	5,279,995	61%	56%
Lancashire	11,325,845	1,010,229	10,315,616	7,126,465	147,052	6,979,413	63%	68%
Leicestershire	6,860,746	4,067	6,856,679	4,714,845	2,201	4,712,644	69%	69%
Lincolnshire	5,112,202	754,312	4,357,890	3,022,844	145,289	2,877,555	59%	66%
Merseyside	13,398,088	2,186,520	11,211,568	4,377,442	119,832	4,257,610	33%	38%
Norfolk	3,788,526	224,298	3,564,228	2,844,567	213,300	2,631,267	75%	74%
North Wales	5,413,000	83,235	5,329,765	2,887,586	59,179	2,828,407	53%	53%
North Yorkshire	3,204,012	30,486	3,173,526	2,485,638	117,882	2,367,756	78%	75%
Northamptonshire	5,444,863	201,054	5,243,809	3,447,419	80,013	3,367,406	63%	64%
/Northumbria	8,823,707	10,000	8,813,707	5,231,567	0	5,231,567	59%	59%
Nottinghamshire	6,901,699	595,253	6,306,446	4,503,754	317,695	4,186,059	65%	66%
South Wales	9,536,317	39,921	9,496,396	4,936,250	33,381	4,902,869	52%	52%
South Yorkshire	8,461,741	1,066,031	7,395,710	5,127,542	57,084	5,070,458	61%	69%
Staffordshire	7,974,944	879,113	7,095,831	4,533,341	212,454	4,320,887	57%	61%
Suffolk	3,405,285	178,749	3,226,536	2,366,200	36,122	2,330,078	69%	72%
Surrey	5,427,711	48,608	5,379,103	4,414,523	64,992	4,349,531	81%	81%
*Sussex	6,402,558	0	6,402,558	3,958,078	0	3,958,078	62%	62%
***Thames Valley	12,245,768	178,770	12,066,998	8,450,928	0	8,450,928	69%	70%
Warwickshire	3,015,942	109,525	2,906,417	2,612,689	34,684	2,578,005	87%	89%
West Mercia	6,807,395	140,833	6,666,562	4,845,635	1,650	4,843,985	71%	73%
West Midlands	23,774,188	2,897,573	20,876,615	11,759,135	9,265	11,749,870	49%	56%
West Yorkshire	18,252,877	5,611,406	12,641,471	8,550,736	36,226	8,514,510	47%	67%
Wiltshire	5,228,069	396,871	4,831,198	3,546,903	193,524	3,353,379	68%	69%
ENG/WALES	425,863,872	54,554,043	371,309,829	236,320,110	8,449,626	227,870,484	55%	61%

* Sussex's system automatically deducts confiscation orders so the imposed and paid figures above reflect this and the figures are not available to be added back in

** These MCCs have had system problems therefore their figures exclude one or more quarter's data

*** The '0' amount paid figures are currently under investigation

Magistrates' Courts : Criminal Enforcement Business Analysis Returns

DEBT ANALYSIS : Explanatory Note

Tables A & B consists of information supplied by each Magistrates' Court Committee on a debt analysis return. Debt includes all criminal financial penalties with the exception of fixed penalties. The types of penalties include fines, fixed penalties registered as fines, confiscation orders made under the Drug Trafficking Offences Act 1995 and the Criminal Justice Act 1989, costs in criminal cases (both CPS and other prosecutor costs), VAT, back duty, compensation, legal aid contributions in criminal cases and penalties imposed under Customs and Excise Acts. Civil financial orders such as maintenance, costs in civil proceedings, police cost orders in dangerous dogs cases and forfeiture of recognisances are also included.

Payment Rate:

This has been to-date the **primary indicator** and is defined as the amount paid into court as a percentage of new amounts owed. A consistently high payment rate is desirable.

The payment rate for England and Wales has decreased by 4% from 59% in 2001/2 to 55% in 2002/3.

Write Off Rate:

Write-off is an accounting measure only, and does not remove from the offender the obligation to pay. Amounts are administratively 'written-off' if the sum is not recoverable (often when the offender proves untraceable), although the sum is subsequently 'written-back', for instance, if the offender is traced. Completion rate figures are improved but also distorted by writing off amounts deemed uncollectable. A continuously high write off indicator *might* indicate poor enforcement. Conversely, very low write off rates might mask administrative inefficiency in using the powers granted to JCs.

The write off rate for England and Wales has increased slightly from 15% in 2001/2 to 16% in 2002/2003.

Cancellation Rate:

A 'cancelled' debt is as a result of a *judicial* decision to reduce or cancel the debt originally handed out, in the light of further information being made available. The completion rate figures can also be improved yet distorted by the cancellation of debts. A high cancellation rate *might* indicate initial sentencing problems such as sentences given in the defendant's absence and later re-assessed.

The cancellation rate indicator has decreased from 23% in 2001/2 to 19% in 2002/3.

Balance Ratio:

This is defined as the closing balance compared with the amount completed in the period - gives an indication of how long it would take to clear all debts if nothing more were to be imposed. Although this is a theoretical indicator, it is useful to compare areas. In the rolling

year table, a value of 1 indicates one year to clear the current balance. The Balance Ratio has increased slightly from 1.17 in 2001/2 to 1.27 in 2002/3.

Arrears Rate:

This is defined as the percentage of the closing arrears over closing balances – gives an indication of the amount of money that was paid on time. The closing balance is the total debt owing, while the arrears acknowledges that fact that offenders are often given time to pay and only reflects the amount of debt treated as unpaid and which should have been. A lower percentage arrears means that a greater proportion of money owed to the court is paid on time. The most this can be is 100%, when all of the balance is in arrears. The arrears rate indicator has increased slightly from 56% in 2001/2 to 57% in 2002/3.

Completion Rate:

Completion rate figures can be improved, yet distorted, by the collection of one large fine or compensation order not imposed in the period. The completion rate has fallen from 97% in 2001/2 to 90% in 2002/3.

The difference between new amount owed and amount completed gives the change in balances for the period, which may be positive or negative. A negative change in balances means that the court has collected more than it imposed, which indicates improved debt management, whereas a positive change in balances, showing higher impositions than completions, means the opposite. However, either result should be further analysed to discover the underlying reasons because although an MCC area may improve the amount it collects, the collections may well be outstripped by the increase in impositions.

Confiscation Orders:

The Asset Recovery Agency was established in January 2003 under provisions in the Proceeds of Crime Act 2002 and it has extended the powers available for recovering criminal assets. In order to monitor performance in the enforcement of Confiscation Orders, the Home Office, in conjunction with DCA, introduced a new statistical return at the end of 2002. Information relating to Confiscation Orders for the whole of 2002/3 was then collected (where possible) and this has allowed Table B to be produced for the whole of 2002/3.

NOTE:

Given the manual nature of the confiscation order returns and the newness of the collection procedures for Confiscation Orders, caution must be applied to the figures, which should only be taken as indicative.