



HM Courts &
Tribunals Service

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Annual Report and Accounts 2024-25





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For the period 01 April 2024 to 31 March 2025

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Foreword



This has been a year of both achievement and challenge for the Courts and Tribunals. For such an operationally and institutionally complex organisation, every year is likely to throw up challenges. The goal is to respond quickly and effectively, while continuing to work to improve services for everyone.

Sir Richard Broadbent

Independent Chair of HM Courts
and Tribunals Service Board





The over-riding challenge facing Courts and Tribunals is the volume of demand which, despite a lot of hard work, is resulting in rising case backlogs to the detriment of effective criminal justice and the efficient resolution of civil complaints. As I write, the Courts and Tribunals are operating at near full capacity. Work is underway, both within the Courts and Tribunals and more widely, on ways of increasing productivity and changes in policy which are urgently needed if the system is not to reach a dangerous state of over-load.

Against this background, a great deal has been achieved; we have stabilised and improved our expanding digital services, improved our probate service, reduced call waiting times, and collected more financial impositions. These, and other improvements, have been achieved with fewer staff as we realise greater efficiencies through modernised working practices.

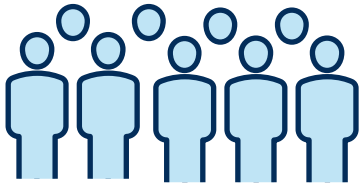
Improving and extending digital justice provides a better service to users but is also one factor in revealing shortcomings, particularly in data. The Board is giving particular attention to data quality, and more broadly to the scale and nature of risks being run by the organisation. It is important not only to understand but to prioritise risk management so that we concentrate available resources on managing the most unacceptable risks.

The year saw substantial changes to Board membership, with a further non-executive commencing their tenure, all three judicial representatives handing over to their respective successors. Within the executive members of the Board, we welcomed a new Chief Financial Officer and Operations Director to the Board. The scale and rapidity of these changes calls for all Board members to devote time and energy to learning and team building, of which there is already much evidence and I thank them all for that.

I would also like to thank all those who work in HMCTS for their hard work in delivering for Courts and Tribunals across the country over the past year, often in the face of near-overwhelming demand. It is a testament to our staff that so much has been achieved.

Sir Richard Broadbent
Independent Chair of
HM Courts and Tribunals
Service Board

HMCTS at a glance



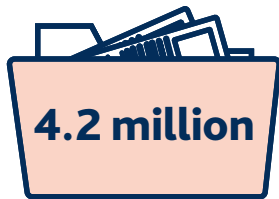
We have around
18,500 members of staff
across HMCTS
(approximately 16,200 full time
equivalent - FTE)



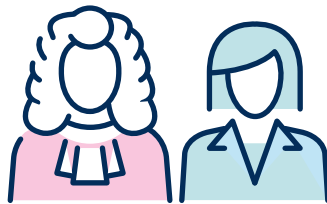
We operate from over
350 venues¹
across England, Wales,
and Scotland



Our net expenditure
was **£1.9 billion**



We received over
4.2 million cases
of which **36%**
were criminal cases



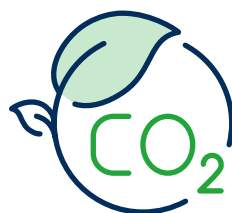
We support around **23,000**
judicial office
holders, including over
14,500 magistrates



We sat over
550,000² days across our
courts and tribunals and
facilitated over **3 million**
hearings



87% of complaints
were resolved at first contact



We reduced our
greenhouse gas emissions
by **35%** against our 2017-18
baseline

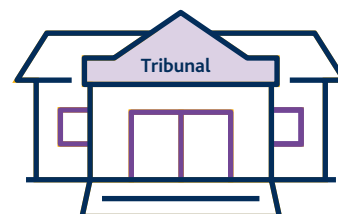
1. In addition to our permanent estate, we utilised a total of 20 Nightingale courtrooms across 9 venues during 2024-25. The number of courtrooms open at any one point, fluctuated as our needs and those of the venues changed. 15 courtrooms across 6 venues remained available for use from 1 April 2025.
2. The number of sitting days includes those in the High Court and the Royal Courts of Justice. The sitting day methodology has been revised and there are differences in counting methods for civil and family jurisdictions compared with 2023-24.



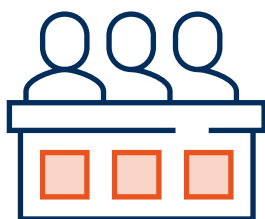
We received over **560,000 cases** in the **Family Court**³ and we held over 98,000 sitting days



We received over **1.8 million cases** in the **County Court**⁴ and over 48,000 hearings were held over 70,000 sitting days



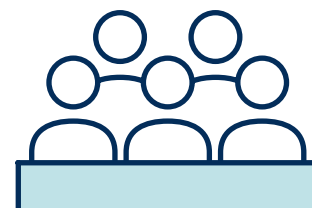
We received over **340,000 cases** in the **Tribunals** and over **169,000 hearings**⁵ were held over **155,000** sitting days



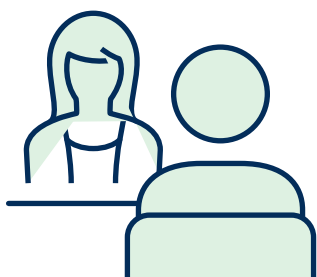
We received over **1.3 million cases** in the **magistrates' courts** and over **1.9 million** hearings were held over 111,000 sitting days



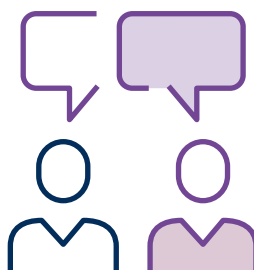
We received over **121,000 cases** in the **Crown Court** and over **814,000** hearings were held over **107,700** sitting days



Over **468,000 jurors** were summoned and over 221,000 sat on a jury in the Crown Court



We held **39,000 mediation sessions** in civil cases, and **39%** led to a settlement



In 2024, we booked over **125,500 interpreters and translators**—58% for criminal courts—across more than 190 languages

3. Information about family hearings are not currently captured centrally, with the exception of family public law and financial remedy, where 76,800 and 38,400 hearings respectively took place during 2024-25. Total cases received include probate, divorce and the Court of Protection. Sitting days include box work.
4. In the County Court, 3% of the cases received are resolved through a trial. Over 96% of cases are resolved through judgments in default of a defence, shorter judicial hearings, or settlement between parties. Sitting days include box work.
5. The Employment Tribunal is transitioning to a new database. We do not currently have hearing data from legacy and reform cases management systems.

Section 1: Performance section

Chief Executive review



Nick Goodwin

Chief Executive Officer of
HM Courts and Tribunals Service


Last year was a milestone year for HMCTS. We concluded our Reform Programme and, in so doing, digitised 14 services across every jurisdiction, making them faster, simpler, and easier to use. The direct benefits of these reforms are already apparent - over 4.5 million digital cases have been submitted since April 2019 with user satisfaction as high as 93%. The future benefits that come about from modern, centralised, resilient and data-rich systems will come to fruition over the coming years.

The backdrop to this was, of course, the sheer hard work and determination of my 18,500 colleagues. They adapted to new ways of working, responded to pressures experienced across the justice system and, no matter what, they ensured access to justice for those involved in the 4.2 million cases we handled last year.

We never, ever lose sight of the fact that behind every case are real people – and they're often using the justice system at an already difficult and unexpected point in their lives. Someone may have suffered sad loss of a loved one and need our probate service when dealing with their estate. An individual may find themselves owed money by a person or business and need the help of our civil money claims service to resolve the problem. A person may need to appeal life changing decisions like unfair dismissal at work or about the benefits they rely on to provide for their family. Or someone accused of or affected by a crime will look to the criminal courts to deliver justice so they can try to move on with their lives.

At times like these we all deserve to access efficient services that won't make a tough situation more difficult. Alongside these ongoing efforts to modernise and improve, staff have continued to go above and beyond in operating our courts, tribunals and national services each and every day.

Although the open caseload in the Crown Court remains far higher than anyone would like, we disposed of more than 1.4 million cases in our criminal courts. The number of probate applications waiting to be dealt with fell by 33,000 this year thanks to hard work and innovation, with the average waiting time for a grant to be issued falling by 4 weeks. We've completed the introduction of requiring free mediation sessions to be held for money claims applications, saving parties the time and cost of going to court for a judge to resolve their case. And we kept our operations running while working with our partners to rise to a range of challenges such as prison estate capacity and last summer's civil unrest, where our coordinated response enabled swift justice, demonstrating what we can achieve when working together.



We put over £116 million into maintaining, renovating and renewing our courts and tribunals.

We're already seeing the results of this investment, opening new rooms and using spaces creatively to provide additional capacity for local areas.

During the last year we've worked with focus towards this conclusion across our jurisdictions. We focused on addressing identified issues with Common Platform, the digital case management system in the criminal courts with the aim of significantly improving the stability of the platform. We also rolled out reformed digital services for civil courts, developed a new digital service for the Family Court, and for the Employment Tribunal, which resulted in single claims now being able to be submitted, responded to, and managed online.

Lots of these services are keeping cases out of physical buildings where it's appropriate to do so – whether it be our continued maximisation of remote hearings over video or the digital services themselves, supported by our five national Service Centres. But – while we know there remains much work to do – we have placed considerable focus on improving the fabric of our buildings.

In the upcoming year we will continue to modernise our services through a process of continuous, focused improvement that will lead to transformation. Our core mission will remain to support people to access justice when they need it, working together with our partners across the justice system to improve the efficiency and effectiveness of our courts and tribunals services. We must do so against an ever-evolving landscape of the known – such as technological and AI developments and an increasing demand for our services in volume and complexity – as well as

those challenges we do not yet know. But importantly, we now have the building blocks in place to meet these and to continue modernising the vital public services we provide each and every day.

Over the coming year, I know my colleagues, the judiciary, legal professionals and others will continue to work in close partnership across the justice system. I am immensely proud of what we've achieved together so far, and my sincere thanks to you all.



Nick Goodwin
Chief Executive and Accounting Officer

1.1 Overview

The overview summarises information about our organisation. It includes our purpose, how we are structured, the main risks to achieving our objectives, and a summary of how we have performed during the year. You can find more detailed information on our performance from page 15.

1.1.1 Who we are and what we do

HMCTS is an executive agency of the Ministry of Justice (MoJ). We are responsible for the administration of criminal, civil and family courts and tribunals in England and Wales, as well as non-devolved tribunals in Scotland and Northern Ireland.

The HMCTS Framework¹ sets out the partnership between the Lord Chancellor, the Lady Chief Justice, and the Senior President of Tribunals. It describes our responsibilities and includes information on how we are governed and funded. Our Governance Statement from page 42 has more detail on our governance structure.

Our role and responsibilities

The work we do has a direct impact on everyday lives. We deliver a vital public service, relied on by victims, families, and businesses. We aim to run a fair, efficient, and effective courts and tribunals system. Those who rely on our services include:

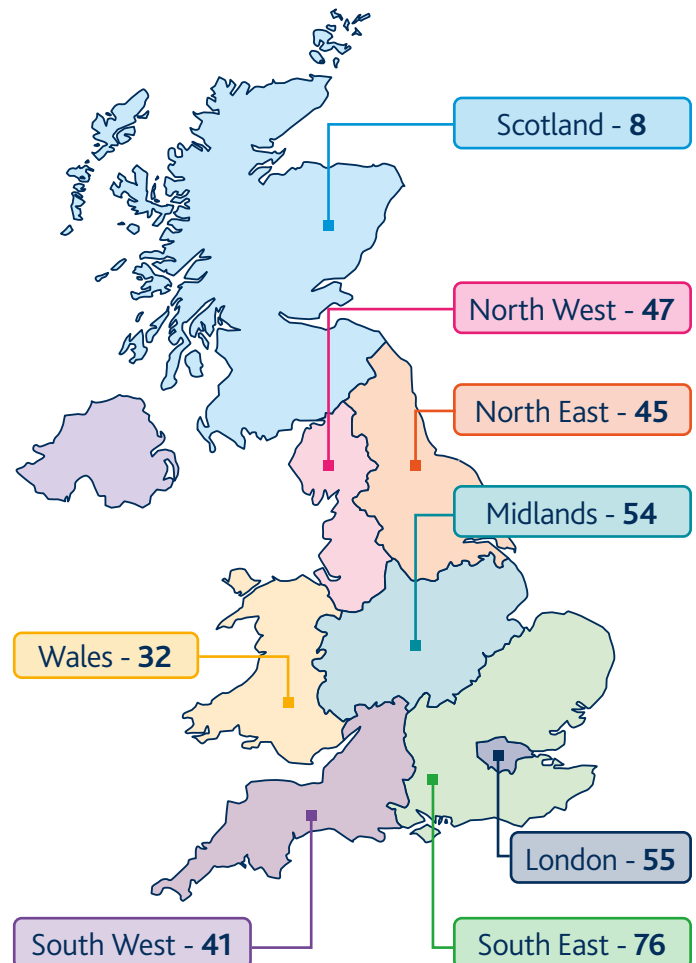
- victims and witnesses of crime
- defendants accused of crimes
- people in debt or with other disputes
- people involved in the adoption or protection of children
- people affected by relationship breakdown
- businesses involved in commercial disputes
- individuals asserting their employment rights or challenging the decisions of government bodies

You can find out more about our work at www.gov.uk/hmcts.

How we are structured

We deliver our services in a variety of ways, such as face-to-face in court and tribunal buildings, remotely using video or telephone links, administratively via Service Centres, and through online services on GOV.UK.

Our estate



Details of individual venues can be found at: www.gov.uk/find-court-tribunal

Notes:

- Figure represents the number of sites in our estate.
- We use a venue in Belfast for immigration and asylum appeals through an arrangement with the Northern Ireland Courts Service.
- Many buildings hold more than one jurisdiction, so these numbers do not add up to the total number of courts and tribunals. Some non-devolved tribunal hearings in Northern Ireland are heard in Northern Ireland Courts and Tribunals buildings.

¹ www.gov.uk/government/publications/hm-courts-and-tribunals-service-framework-document

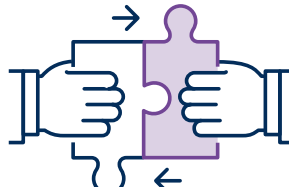
Our organisational structure



We work with the **independent judiciary** to provide a fair, efficient and effective justice system, and in partnership with a range of stakeholders and justice partners.



Our **Courts and Tribunals** teams oversee listings and hearings, facilitate open justice and also enforce civil cases.



Our **National Services jurisdictional teams** work in tandem with courts and tribunals teams to manage cases, process enquiries and provide central administration.



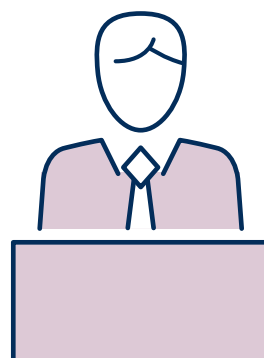
Our **National Services Enforcement teams** oversee the collection and enforcement of all criminal financial penalties.



Our **Regional Support Units** (RSUs) and our **National Support Unit** (NSU) provide business and operational support to regional teams.



Non-frontline services provide governance, direction and specialist support in areas like HR, finance, communications, technology, service development, property and strategy.



We support our **users in person** at our courts and tribunals and provide remote assistance through our national Service Centres. Our Digital Support Service offers help to those who cannot access our online services.



We have around **18,500** members of staff, of which 94% work in operational roles. You can find details on the composition of our workforce from page 63. Details of our governance and management structure are in the Accountability section from page 42.

Our strategic objectives and priorities

The HMCTS Board reviewed our strategic objectives and priorities, emphasising the importance of actively working with our partners to promote efficiency and effectiveness through facilitation and collaboration so that we can improve our courts and tribunals services together.

Our business plan for 2024-25 reflected this strategy, focussing on active consolidation, stabilisation, simplification, and continuous improvement, including opportunities to innovate in manageable packets, building towards high performance with excellent value for money. The Plan set out activities we planned to deliver, to achieve our priorities this year, and how we would monitor our operational performance. Below is a diagram setting out our objectives and priorities, and a summary of our performance is on page 13. We also contributed to the MoJ outcomes on 'swifter justice for victims' and 'a beacon for justice and the rule of law'.

Our strategy

To modernise justice and make a difference for the people we serve.



Our mission

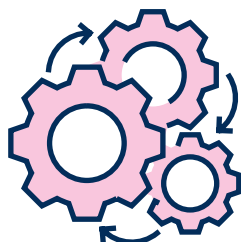
To support people to access justice when they need it, working together with our partners across the justice system, to improve the efficiency and effectiveness of our courts and tribunals services.



Our vision

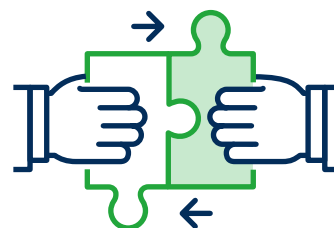
Supporting and enhancing access to the efficient and effective delivery of justice

Our strategic objectives



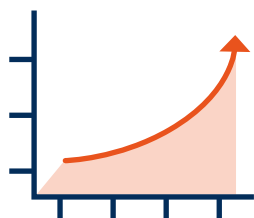
Consolidate

Become leaner and run core services with greater efficiency.
Use data to focus on getting things right first time and pursue opportunities for innovation to achieve value for money.



Collaborate

Work together with partners across the justice system to identify and provide joined-up services.
Learn from, and make good use of, local partnerships.



Continuously improve

Find ways to improve our work and enhance our services.
Share best practice across regions, professions, and jurisdictions.
Ensure our technology and physical environment work for our most vulnerable users.



Commit to our people

Improve our management structures to support better decision-making and empower our people.
Provide our people with the training, leadership, and tools to carry out their roles.
Continue to support and develop our people holding true to our values.

Our business plan priorities



**Perform at our
best**



**Enhance our
leadership
skills**



Live our values

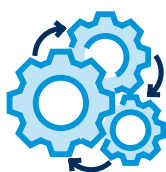


**Conclude
the Reform
Programme**



**Create a stable
environment
and continue to
improve**

To achieve these priorities, we focused on **specific actions under 10 objectives**:



Run efficient and
effective services



Maintain and improve
the capacity, safety, and
security of our buildings



Take advantage of
new opportunities to
improve services



Enhance our digital and
data infrastructure, fix
things that do not work,
and stabilise systems



Build our skilled and
diverse workforce to
meet the needs of court
and tribunal users



UK Government

Input into and respond
to government
priorities and policies



Innovate to find
the best solutions
to problems



Secure a foundation
for our medium- and
long-term plans



Develop a high-
performing
management
structure and
organisational culture



Modernise, standardise
and digitise services

Our values

Purpose

Justice matters. We are proud to make a difference for the public we serve.

Humanity

We treat others as we would like to be treated. We value everyone, supporting and encouraging them to be the best they can be.

Openness

We innovate, share, and learn. We are courageous and curious, relentlessly pursuing ideas to improve the services we deliver.

Together

We listen, collaborate, and contribute, acting together for our common purpose.

Our budget

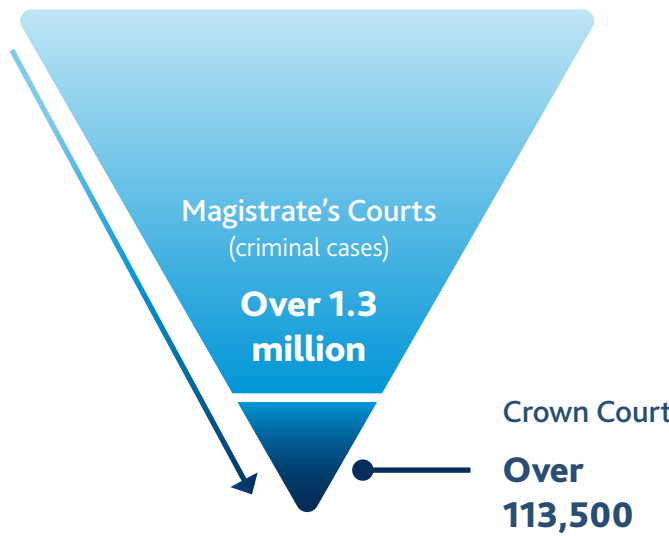
We are funded by Parliament through the MoJ, with separate budgets set for resource and capital expenditure, as part of an annual allocation process. Under the Concordat¹ agreement between ministers and the senior judiciary, the Lord Chancellor seeks to agree our budgets with the Lady Chief Justice and the Senior President of Tribunals. The net resource cost of running our organisation during 2024-25 presented in these accounts was £1.9 billion (£2.8 billion expenditure offset by £0.9 billion from income). You can find a more detailed breakdown of our expenditure in the financial performance review on page 19.

Delivering our services

We aim to deliver simple, easy-to-use services that reduce the time it takes for people to access justice and bring about a quick resolution. Our focus is on contributing to MoJ’s outcomes to ensure timely, just outcomes for victims and defendants through a modern and efficient criminal courts system; and deliver accessible and timely civil, family and tribunal services that are fair and efficient, enabling people and businesses to resolve their legal matters. During 2024-25 we received over 4.2 million cases. The charts below show the breakdown of disposals (cases dealt with and closed) across our jurisdictions. In addition, a large proportion of civil cases, approximately 1.5 million, were not contested and were either settled out of court or received a default judgment.

Disposal of cases in the criminal courts

The magistrates’ court is the first tier of criminal courts in England and Wales and around 92% of cases are completed there. While all cases will initially start in the magistrates’ courts, those which are for serious offences will be sent to the Crown Court for a trial and/or sentencing. You can find more detail on the background to the criminal court system in the published Guide to criminal court statistics².



Disposal of cases in the civil and family courts, and tribunals

The chart shows disposals in the Family Court and the tribunals. It also includes the number of civil defences in county court cases, which is approximately equal to the number of civil trials needed to resolve those cases. The majority of civil cases are resolved through judgments in default of a defence, short judicial hearings, or settlement between parties. You can find more detail on the background to the civil³ and family⁴ courts and the tribunals⁵ in the guides published on GOV.UK.

| All Tribunals | Civil defences | All Family Courts (including probate and divorce) |
|-----------------------|-----------------------|------------------------------------------------------|
| Over 279,500 (25%) | Over 257,000 (23%) | Over 577,500 (52%) |

Our risks

Our Risk framework was updated this reporting year to ensure it continues to accurately reflect our operating environment. It combines our risk strategy and practical guidance on managing risks at all levels in the organisation, so we can anticipate challenges we may face in implementing our plans and prepare for them effectively.

Our risk profile

Collaborating with our partners across the justice system to manage existing demand and constrain the open caseload.

Maximising productivity and our digital infrastructure so that we can minimise delays in providing access to justice for all who need it.

Contributing to wider government priorities that impact on courts and tribunals services.

Scenario planning for future trends, challenges and opportunities and horizon scanning for risks that may impact now and in the future.

Ensuring our people are equipped and empowered to deliver a truly exceptional service for all our users, including ensuring digital services are not a barrier to anyone accessing justice.

1 The concordat agreement between the Lord Chancellor and the judiciary is a framework that outlines their respective roles and responsibilities to ensure smooth cooperation and maintain judicial independence.
2 assets.publishing.service.gov.uk/media/5df2730840f0b60941ffefc6/a-guide-to-criminal-court-statistics.pdf
3 www.gov.uk/government/statistics/civil-justice-statistics-quarterly-april-to-june-2023/guide-to-civil-justice-statistics-quarterly
4 assets.publishing.service.gov.uk/media/5a7dd83740f0b65d88634c1e/guide-to-family-court-statistics.pdf
5 www.gov.uk/government/statistics/tribunals-statistics-quarterly-april-to-june-2024/guide-to-tribunal-statistics-quarterly

Following the refresh of the Risk framework, we developed a new corporate risk register which sets out principal (high level) and secondary (more detailed) risks to enable a more dynamic approach to risk management. Our risk register was endorsed by the Executive Team and approved by the Audit and Risk Assurance Committee and the HMCTS Board. The risk register is regularly reviewed and amended as required. The following risks arose during the year.

We worked with criminal justice system partners to mitigate the impact of **prison capacity issues**, by putting business contingency measures in place to help manage the flow of prisoners through the courts and minimise the impact on the day-to-day operations of the criminal courts.

Following the **civil unrest** in July 2024, we were directly impacted by the high number of arrests made. We worked closely with our criminal justice system partners to manage the increased volume of court cases and the impact on prison capacity as cases were dealt with in the criminal courts. We invoked contingency plans to minimise the impact on the operational running of the courts, using video technology where appropriate so cases could be dealt with without coming to a court building. Through early preparation, effective use of technology and close collaboration with our partners, we were able to maintain access to justice even in challenging circumstances.

We identified some inaccuracies in our **Crown Court data** and successfully addressed these within the year. Further details about the issues we identified, and action taken, can be found on page 27.



Key

Risk movement (from date risk identified to end of March 2025)



Risk increase



Risk decrease



No risk movement

Relation of risk to main priorities



Perform at our best



Enhance our leadership skills



Live our values



Conclude the Reform Programme



Create a stable environment and continue to improve

Principal risk

Trend this year

Link to business plan priority

Performance:

There is a risk to the delivery of both our day-to-day services and our change activity



Health, safety and security:

There is a risk to the safety and security of our staff, the judiciary and users



Digital and technological:

There is a risk we are unable to provide our services



Data:

There is a risk our data is incomplete and/or of poor quality



People:

There is a risk to the capacity and capability of our workforce and the wellbeing of our people



Finance:

There is a risk we fail to make best use of the resources we have within our budget without overspending



You can find further details on our risks, including the controls we put in place to mitigate them, in the Accountability section from page 47.

1.1.2 Summary of our performance

We have measured our performance against each of our 5 strategic priorities, which were monitored by the HMCTS Board throughout the year. These priorities were underpinned by objectives with each having one or more deliverable activity. Overall we achieved 77% of our deliverables and the remaining were partially achieved. Details of how we performed against our main operational performance indicators are in the Performance analysis section from page 27.

The table below sets out the priorities in our business plan for 2024-25. It shows how they relate to our corporate risk register, alongside examples of what we achieved during the year. Further details on how we delivered our business plan priorities are from page 21 and further information on how we managed our risks are from page 47.

| Assessment and link to corporate risks | Summary performance in 2024-25 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Key priority 1: Perform at our best, and provide quality services to the people that need them</p> <div><div><div></div><div></div><div></div></div><div>Partially achieved</div></div> <p>60% of deliverables achieved</p> <p>Principal risks: Performance; Digital and technology; Health, safety and security; Finance</p> <p>Further details can be found on page 21.</p> | <p>We continued to focus on using the sitting days within our financial allocation, including sitting over 107,700 days in the Crown Court. Due to the volume and complexity of cases we received, we have been unable to keep pace with demand in the Crown Court, and the open caseload continues to rise.</p> <p>We saw continued positive improvements in performance throughout the year in the family jurisdiction, especially in completing the oldest cases.</p> <p>We reduced the total probate open caseload by 49% to just under 35,500 during 2024-25. We also improved how we forecast and manage resources in some of our Service Centres to significantly improve telephony performance.</p> <p>We invested over £116 million in capital and resource to conduct over 254,600 maintenance and repairs works across our estate and continued to improve the data we collect on our buildings to give us better insight for assessing our estate and prioritising spend.</p> <p>We did not meet all of our deliverables due to a number of factors, including delays caused by the collapse of ISG limited and slight delays in the completion of the complex project to modernise Crown Court audio and transcription services.</p> |
| <p>Key priority 2: Enhance our leadership skills throughout the organisation and maximise the impact of evidence-based decision-making</p> <div><div><div></div><div></div><div></div></div><div>Partially achieved</div></div> <p>50% of deliverables achieved</p> <p>Principal risks: Performance; People</p> <p>Further details can be found on page 23.</p> | <p>We reconfigured our top-level executive governance structure to better focus our resources on strategic and operational matters.</p> <p>We completed and published access to justice assessments on the Immigration and Appeal First-tier Tribunal and the Single Justice Service, to collate the evidence required to support decisions on how we can improve access to justice for all.</p> <p>We invested in our leadership skills at all levels, using internal and cross-government learning and development, impacting over 3,000 colleagues. We have aligned our learning and development to Civil Service standards, and organisational priorities including change and continuous improvement.</p> <p>We only partially achieved all our deliverables, as following our governance review, we undertook to consider further recommendations which will be finalised and taken forward during 2025-26.</p> |

Assessment and link to corporate risks

Summary performance in 2024-25

Key priority 3: Live our values and support our people



Achieved

100% of deliverables achieved

Principal risks: Performance; People

Further details can be found on page 24.

We launched our Disability Strategy 2024-27 and recruited a number of staff to be disability allies. We promoted the cross-MoJ Men's Mental Health Group as a safe, supportive environment where men feel empowered to talk openly about their mental health, share their experiences, and connect with others.

To help address the shortage in legal advisers, we secured an increase in allowances for those in Tiers 1 and 2 and a new organisational design will be implemented during 2025-26 to help improve leadership and career opportunities.

To help us attract and retain bailiffs, we increased engagement with prospective applicants throughout the recruitment process to reduce the drop-out rate and delivered a new entrant bailiff training course.

Key priority 4: Deliver the final phase of the Reform Programme and grasp new opportunities



Achieved

100% of deliverables achieved

Principal risk: Performance

Further details can be found on page 25.

Our Reform Programme ended in March 2025 and set strong foundations for future change. We took difficult decisions during the lifetime of the programme to reduce the scope so we retained a deliverable plan. During 2024-25 we focused on addressing identified issues with Common Platform, the digital case management system in the criminal courts with the aim of significantly improving the stability of the platform.

We also rolled out reformed digital services for civil courts, developed a new digital service for the Family Court, and for the Employment Tribunal, which resulted in single claims now being able to be submitted, responded to, and managed online. As well as concluding the programme, we have put the structures in place to continue to deliver change beyond the Reform Programme.

We have introduced a new central change function designed to identify and evaluate change demands across our organisation. This function will assess the necessary resources and capabilities to effectively deliver these changes. By supporting and driving delivery and performance, it ensures that best practices are consistently applied.

Key priority 5: Create a stable environment and continue to improve at a steady pace



Partially achieved

88% of deliverables achieved

Principal risks: Performance; Digital and technology; Data; Finance

Further details can be found on page 26.

Since 2024, all small claims money claims under the value of £10,000 have been automatically referred to our Small Claims Mediation Service. During 2024-25, this service carried out over 39,000 mediations, and over 15,000 claims settled.

We began piloting Domestic Abuse Protection Orders to help tackle violence against women and girls.

We worked closely with the Ministry of Housing, Communities and Local Government to implement the legislative impacts of the Leasehold and Reform Act and the Renters' Rights Bill.

1.2 Performance analysis

This section provides a detailed view of how we performed against our business plan priorities and main performance indicators this reporting year. It also includes our plans for 2025-26.

The modernisation of HMCTS

Our Reform Programme was launched in 2016 to improve the accessibility and efficiency of the UK justice system. The £1.3 billion change programme was, according to an independent review, the most ambitious programme of its kind in the world. Centred on the principle that the system should be designed around its users, the programme was created to make our courts and tribunals better to use, easier to run, and cheaper to operate. The Lord Chancellor and Lord Chief Justice published a joint statement in 2016 setting out the fact that, despite our courts and legal systems being world-renowned, much of the system was antiquated, paper-based, and not fit for the future. It recognised that unnecessarily complicated processes were not designed around users, leading to frustration and confusion, as well as costing far too much to run.

"The vision for the HMCTS Reform Programme is to modernise and upgrade our justice system so that it works even better for everyone, from judges and legal professionals, to witnesses, litigants and the vulnerable victims of crime."

'Transforming Our Justice System', joint statement from the Lord Chancellor, Lord Chief Justice and Senior President of Tribunals (2016)⁶.

The HM Treasury (HMT) approval of the Programme Business Case in 2021 set the total budget for reform at £1.28 billion; the final total expenditure for reform was £1.23 billion. Adjustments to the scope of the programme reduced the total expenditure, and further details are below.

The Reform Programme has delivered the following modernised services:

Reform Programme scope summary

| Crime | Civil | Family | Tribunals |
|--------------------------------|-----------------|--------------------|-----------------------------------|
| Common Platform* | Money claims* | Divorce | Social Security and Child Support |
| Single Justice Service | Damages claims* | Financial remedy | Employment |
| | | Probate | Immigration and Asylum |
| | | Family private law | Ten smaller tribunals services |
| | | Family public law | |
| | | Adoption | |
| Royal Courts of Justice | | | |
| Royal Courts of Justice | | | |

Items descoped:

- Crime: The scope of the Common Platform was reduced, with the Crown Prosecution Service retaining and improving their existing case management system.
- Money claims and Damages claims: Service for bulk claimants, Damages Service for litigants in person, complex cases and other low volume elements.
- Adoption: This service is limited to submission of the application digitally.
- Ten smaller tribunals: 9 smaller tribunals were descoped with just one, the Criminal Injuries Compensation Tribunal, reformed.
- Two service projects were descoped completely: Housing possession and civil enforcement.

What the Reform Programme has achieved at the point of programme closure

By the end of March 2025 we had:

- Installed video technology in 70% of courtrooms, including 90% of Crown courtrooms, allowing parties to join hearings remotely
- Designed and developed in-house significant digital platform and case management systems, with ownership of intellectual property
- Moved to a service-based organisation to better serve users, centralising administration which has improved user experience, managing around 3 million calls each year across criminal, civil, family and tribunals
- Rationalised our property estate, which means our limited maintenance budget can be focused on fewer, better utilised sites; the closure of under-utilised and inadequate buildings allowed costs savings to be reinvested into the Reform Programme
- Improved links with key partners (Crown Prosecution Service, police, Children and Family Court Advisory and Support Service, other government departments)
- Larger and more capable in-house digital technology services, which allows us to continue to improve the digital services responsively and continually
- Developed a modern platform for further cost-effective change and enhancement of our digital services

⁶ www.gov.uk/government/publications/transforming-our-justice-system-joint-statement

- Enabled a range of wider economic benefits to be delivered. In particular, the thousands of parties (including other government departments) who use our digitised services each day benefit from considerable time savings and improved accessibility
- Used new data and our access to justice assessments to drive efficiencies and to solve common problems faced by particular groups in accessing justice

We published a collection of case studies⁷ across crime, civil, family, tribunals and cross-cutting services to demonstrate how our digital transformation has improved access to justice.

The benefits of our modernised services

- Faster, simpler services. Online services are faster and easier to use.
 - In probate, for example, our data shows that probate applications which are made online using our digital service, from submission to grant of probate, are processed 4 times quicker than using the paper service.
 - In crime, between April 2017 and March 2025 we received over 310,000 online pleas through the Single Justice Procedure, providing faster access to justice for lesser offences such as speeding, driving without insurance, and TV licence evasion.
 - The new online divorce service has received a high digital uptake, with 94% of users completing the form online without the need of a solicitor.
- Technology and accessibility
 - The use of video technology has been transformational, especially during the pandemic lockdowns, as it allows parties to join hearings remotely, when approved by a judge.
 - Greater virtual attendance means fewer parties are required to travel, saving costs, and reducing environmental impacts.
- Operational and financial efficiencies
 - Reformed systems have also driven efficiency in data sharing and accuracy between criminal justice partners.

We expect approximately £1.49 billion of cumulative net benefit will be realised over the lifetime of the Reform Programme, compared to the final total expenditure of £1.23 billion which therefore ensures that reform remains a positive financial investment. In future years from 2026-27 onwards, recurring net benefits (excluding those relating to the decommissioning of legacy systems) are estimated to be approximately £135 million annually.

Adjustments to the scope of the Reform Programme

Although the programme has come in under budget, it has not achieved the entirety of the initial scope, which is common with other major transformation programmes. We had to prioritise some services to take account of policy and operational

challenges which have emerged along the way, and to make sure we delivered the changes which have the biggest benefits for our organisation and our users.

We have taken difficult decisions along the way to reduce the scope to ensure that we retained a deliverable plan. However, although we have not delivered everything we set out to achieve, reflecting on the words outlined in the vision of reform, we have still delivered on the ask, which was to “revolutionise the justice service”.

Nonetheless, the vast majority of scope has been completed with 14 paper-based processes, from small civil money claims disputes, to divorce proceedings and the management of criminal cases, now being modern digital services, with over 2 million cases submitted online to date.

Going forward, in crime we will continue to focus on improving existing functionality of our systems and progressing those changes with the most impact. In civil, we will prioritise the functionality which will digitise the highest volume of cases, driving the greatest user and financial benefits. In family we will rollout the reformed family private law service, and in tribunals, we will design a digital service for housing possession claims.

The table below shows examples of how our organisation has changed over the past 14 years.

| Example | In 2011 | In 2025 |
|--------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Number of staff (FTE ⁸) | Around 22,200 (19,900 FTE) | Around 18,500 (16,200 FTE) |
| Number of venues | Around 600 | Around 350 |
| 36 services requiring submission of applications/ case material on paper | Primarily paper based | Fourteen paper-based processes are now modern digital services, with over 4.5 million cases submitted online to date |
| Video/remote hearing capability | Basic video link capability between criminal courts and prisons | Ability to hold hearings using video technology (in over 70% of our courtrooms) or in person as appropriate |
| Fee payments | Predominately by cash or cheque | Multiple payment methods now available including online telephony and direct debit |
| Publication of operational performance management information | Annual Report | Monthly publication of management information on workload and timeliness and ad hoc publications, such as 2024 civil unrest |
| Social media presence | None | X, Facebook, WhatsApp, YouTube, LinkedIn and podcasts |

⁷ www.gov.uk/government/collections/modernised-court-and-tribunal-services?utm_medium=email&utm_source=

⁸ FTE – full time equivalent

Examples of benefits from the Reform Programme

Since 2019, **over 2.3 million criminal cases**



...have been processed through Common Platform

Common Platform is live



...at every Crown Court, magistrates' court and police force in England and Wales

All 43 police forces can use **Common Platform...**



...to prosecute lesser offences via the Single Justice Service

4 in 5 pleas to a single justice case are made online



Those charged with lesser offences can respond online...



...helping more defendants put forward their mitigating circumstances

Over 500,000 people and businesses...



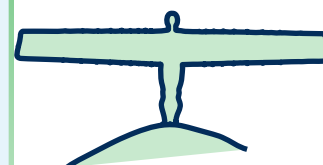
...have made civil money claims online since 2019, improving speed and access

Over 90%



of people using the online civil money claims service rated it as 'very good' or 'good'

3.7 million sheets of paper saved through digital civil applications since 2019



...equal to a pile 19 times the height of the Angel of the North

Over 500,000 divorce applications made online since 2019.



94% now choose digital (4x increase), with 4 in 5 rating it 'good' or 'very good'

98% of family public law applications...



...from legal professionals are now digital

Probate applications



Digital uptake has risen from 17% in 2019 to 80% in 2025

Over 480,000 benefits and child support appeals made online since 2019



Nearly 90% of appeals where digital is available

Going digital has saved over 18 million sheets of paper- enough to stretch from London to New York



The share of social security appeals handled digitally is now 2.5x higher than in 2019

90% of asylum appeals are now handled digitally



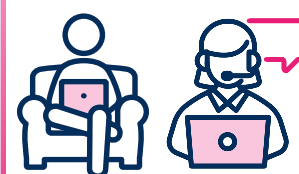
During 2024, our **Service Centres** handled:



2.8 million telephone calls (inc. National Business Centres)

Providing access to justice and direct support to help people with their cases

Over 7,000 free digital support sessions...



...run with We Are Group since 2022, helping people access online services

Moving beyond the Reform Programme

The Reform Programme has delivered a solid foundation for change delivery. We have created essential building blocks that enable our organisation to continuously evolve, meet legislative requirements and the needs of our users. Embracing change should always be viewed as the way forward and the pathway to improving delivery. We have now introduced a culture of change within our organisation, and this mindset will drive further improvements, benefiting HMCTS as a whole.

Our Chief Executive provided an update on the Reform Programme to the Justice Committee on 12 March 2025⁹. This included a summary of the projects, costs and outcomes.

Our year in context

This reporting year we have seen a mixture of change, challenges, and opportunities. Following the change in government in July 2024, the MoJ welcomed a new Lord Chancellor and ministerial team. We worked closely with the MoJ to look at how we will deliver the government's priorities, participating in the 2024 and 2025 Spending Review process.

The biggest challenges we faced this year, and continue to face, are around the increased demand for our services, responding to emerging issues, and managing our deteriorating estate. Examples are below and more detailed information on delivering our business plan priorities is from page 21.

Increasing demand for our services

There has been an increased demand for our services over recent years, and jurisdictions such as the Crown Court, probate, Employment Tribunal and the First-tier Immigration and Asylum Tribunals have been significantly affected. However, the work of our Reform Programme (as detailed from page 15) to modernise our services has aided us in managing this change in demand.

Responding to challenges emerging during the year

Our investment in digital technology has increased our flexibility and resilience to respond to unforeseen circumstances. For instance, in February 2025, Storm Éowyn caused us to close 7 out of our 8 tribunal buildings in Scotland. However, due to our technology, we only had to postpone 2 cases; the rest were converted to video hearings and were heard on the same day as planned.

The criminal justice system has faced continuous challenges for a number of years, with prison capacity, civil unrest, and Operation Early Dawn (a temporary measure to manage prison numbers), adding to the pressures in 2024-25. Civil unrest in the summer of 2024 put rapid pressure on our criminal justice system, but our technology, staff, and contingency planning enabled us to respond quickly and effectively. The increased use of video technology was crucial in managing cases and

overcoming logistical challenges, such as conducting hearings from police stations, allowing cases to be dealt with without coming to court. In collaboration with our justice partners, we were able to maintain access to justice in these challenging circumstances.

Crown Court open caseload

There has been ministerial and press interest during the year on the open Crown Court caseload. During 2024-25 we sat over 107,700 days (2023-24: over 107,000). The volume of new work into the Crown Court, which exceeded the volume which could be cleared, coupled with the level of open caseload, has resulted in cases taking longer to conclude. To help divert cases from the Crown Court, in October 2024, the government doubled the sentencing powers for magistrates' courts handing down custodial sentences for single offences, reserving court time for the most serious and complex cases. However, even with these measures, the open caseload will continue to increase without significant additional policy changes or changes to the system. To help address this, the government commissioned an independent review of the criminal courts¹⁰ by Sir Brian Leveson. The review will look at how we can use the criminal courts more efficiently to speed up access to justice and recommendations are expected to be published during 2025. Additionally in March 2025, the Lord Chancellor confirmed that the number of Crown Court sitting days would be increased to 110,000 for 2025-26.

Our estate

Our estate is extensive, ranging from courts housed in office blocks to listed buildings, with many sites requiring secure docks, judges' retiring rooms, juror rooms, and cells, and is predominantly made up of older buildings. Historic underinvestment and an ageing estate have led to significant maintenance backlogs in 2024-25. We invested over £116 million capital and resource spending in maintenance and repair works to improve the condition of our buildings, but we still have a substantial number of outstanding works that are continually being prioritised within our funding allocation. Overleaf is an example of how water leaking through a ceiling in a courtroom is being managed at Nottingham Crown Court until the project to replace the roof completes in June 2026. In March 2025, the government confirmed the funding for maintenance and major capital funding would be increased in 2025-26 to £148.5 million (2024-25: £120 million).

⁹ committees.parliament.uk/publications/47089/documents/243796/default/

¹⁰ www.gov.uk/guidance/independent-review-of-the-criminal-courts?_hsenc=p2ANqtz--UdYZSstJPfYrzkYcYx7r_hvVijRDFUuZtpSRmpR7MMenSX63sSP9xKsFW2lGJHKVU4sls

Before and after photos to show how water leaks were addressed at Nottingham Crown Court



Before: Diverters put in place to capture multiple water leaks seeping into a courtroom



After: Diverters have been fitted above the ceilings to enable courts to resume sittings until the roof replacement project is complete

Due to the age of our estate, most of our buildings were not designed to meet modern sustainability requirements. Therefore, meeting our Greening Government Commitments is challenging, as our older buildings often have structural limitations, resulting in increased costs or technical barriers to make the necessary improvements. This is in addition to the large-scale financing required to implement sustainability commitments. We continue to seek investment for sustainability initiatives through available funding streams and collaboration with local partnerships. For example, we secured government funding that enabled us, in partnership with the University of Bradford and Bradford College, to sign a 20-year landmark agreement to join Bradford Combined Court Centre and Magistrates' Court to a new low-to-zero carbon district heating network. This groundbreaking air source heat pump-powered network represents a major step toward reducing our carbon emissions. More details can be found in our climate change and sustainability report on page 33.

1.2.1 Our financial performance

Our financial statements for the year ending 31 March 2025 are presented later in this document from page 73. We are financed by funding provided by the MoJ from money approved by Parliament, and from income generated from fees for services and from other government departments. We operate within the control framework set by HM Government and set out in Managing Public Money¹¹.

In 2024-25 we had total operating expenditure of £2,744 million (2023-24: £2,621 million) on the day to day running costs of the organisation, which included £45 million of resource spending (2023-24: £56 million) to support the Reform and change Programme.

Funding for our capital investment programme (excluding reform) was £152 million (2023-24: £162 million). The MoJ set, in agreement with us, our total expenditure levels, which exclude income from most fees for court services.

We continued to invest in our Reform Programme with £15 million capital spent on our new case management and other digital systems. We invested a total of over £116 million in capital (£84 million) and resource (£32 million) on maintenance, renovations and renewal of our courts and tribunals buildings.

Financial pressures

During the year, we faced increases in our costs from inflation and other pressures. Judicial salaries rose by 6%, and staff salaries by an average of 5%. In addition, there was also an increase in the employer contribution rates for the judicial pension scheme. We saw increased security and facilities management costs.

Financial performance

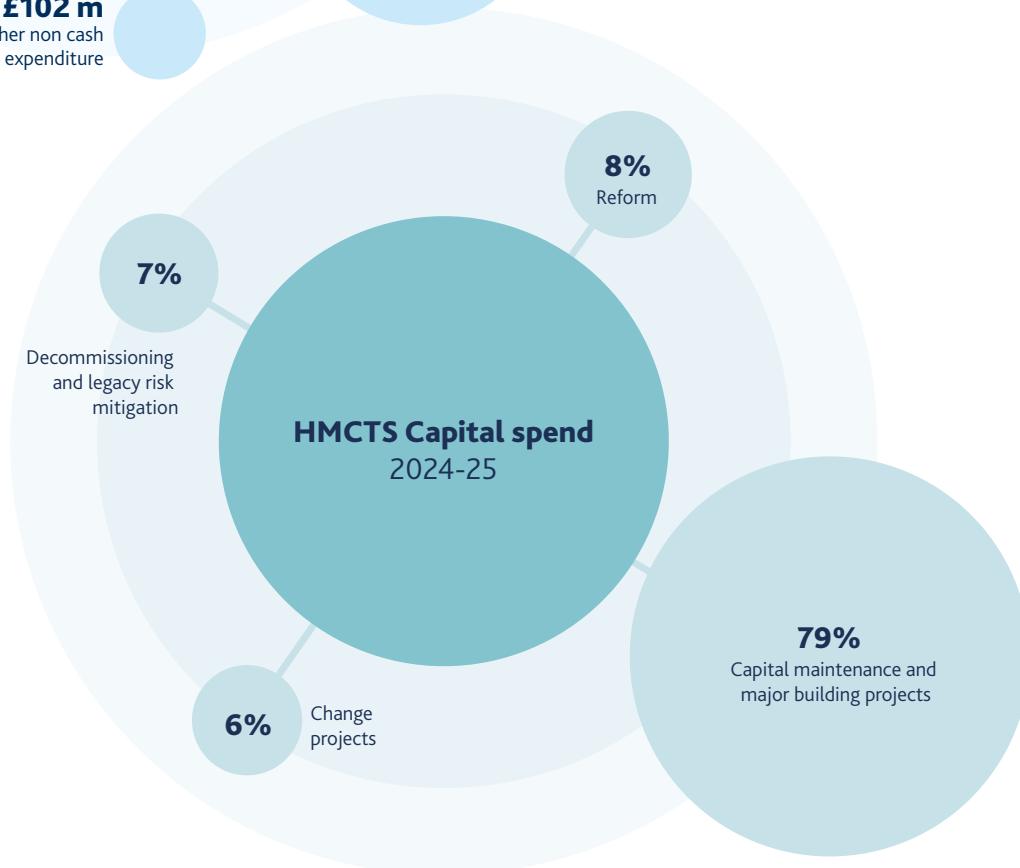
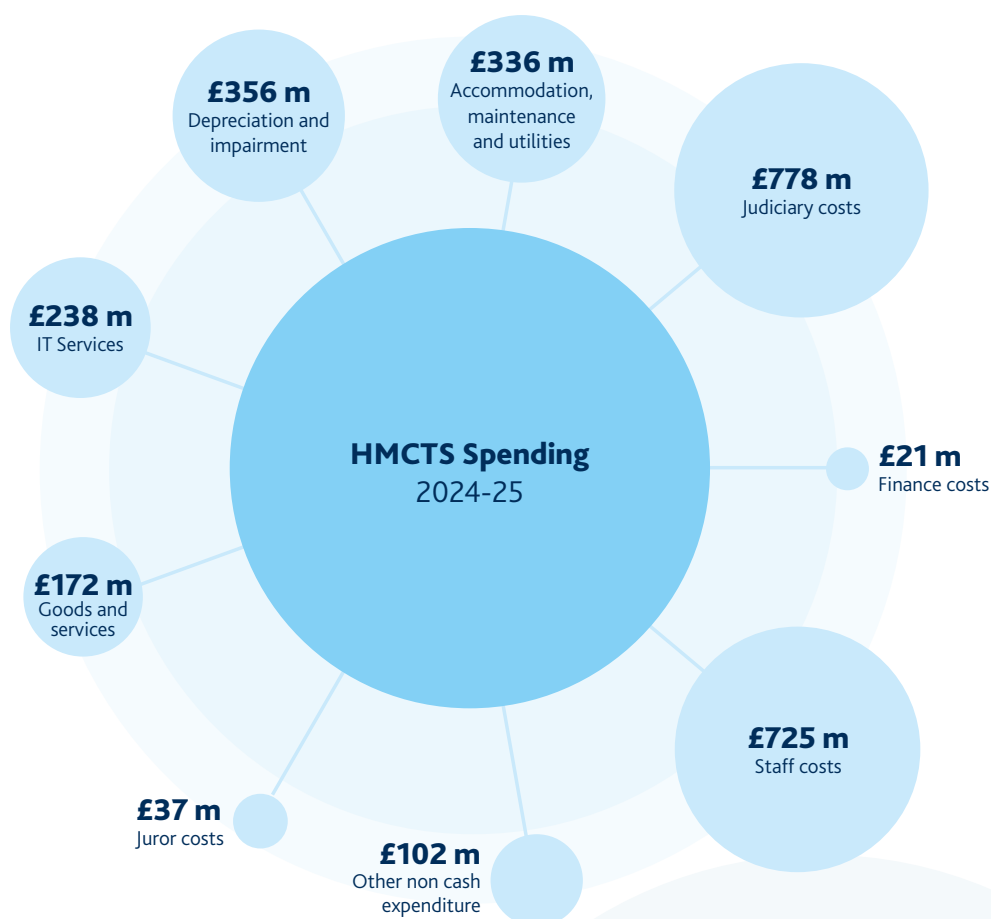
The diagrams overleaf present our resource and capital spend for the financial year. Further detail can be found in the annual accounts.

The largest part of our funding is for our core operations, which is primarily to support our users and the work of the courts and judiciary. Although we are working to digitise many of the court administration functions, the courts and tribunals still predominantly operate from buildings, of which we have over 350, many of which are specialised in their nature, for example, secure docks, cells, juror facilities and chambers. As a result, our accommodation costs account for £336 million, 12% of spending. We also employ over 16,200 (FTE) to facilitate the work of the courts which accounts for £725 million (26%) of our expenditure; this included the implementation of the staff pay award from August 2024.

Investment funding

During 2024-25, we continued to invest in our estate and equipment including over £177 million in additions to our non-current assets, excluding leased properties as detailed overleaf.

¹¹ www.gov.uk/government/publications/managing-public-money



Financial priorities for 2025-26

Our priorities for 2025-26 will be to continue to utilise our resources to maximise the services that we provide to the public. We are anticipating that we will continue to face challenges with cost of living increases and a large maintenance backlog that will need to be managed within our spending allocation.

1.2.2 Performance against our business plan priorities

This section has more detailed information on what we have delivered and our main operational performance data.



Key priority 1:

Perform at our best, and provide quality services to the people that need them

Overall assessment of performance: Partially achieved

Proportion of deliverables achieved:



Link to principal risks: Performance; Digital and technology; Health, safety, and security; Finance

Focus: Run efficient and effective services; maintain and improve the capacity, safety, and security of our buildings; enhance our digital and data infrastructure.

Our focus has been on using the sitting days within our financial allocation to manage the workload within each of the jurisdictions. As set out in Our year in context, we have been unable to keep pace with the number of cases coming into the Crown Court and the open caseload continues to increase. Performance against our main operational performance metrics is from page 27.

Following the civil unrest in summer 2024, there were a high number of arrests that increased the number of cases flowing into the criminal courts. We reacted swiftly to an evolving situation, putting contingency plans in place, including the effective use of video technology and close collaboration with our criminal justice partners, and were able to maintain access to justice in the most challenging circumstances. Our staff demonstrated their resilience and adaptability, in responding to these challenges.

In summer 2024 we identified concerns about the quality of our Crown Court data. We worked closely with the MoJ statistics teams and found that some of the closed cases in the data were misreported as open, and vice versa. This has not affected the operation of the courts and was purely an issue for reporting the data. Further information about the issues we identified can be found in the section on our main operational performance metrics. As part of lessons learned, we established a Data Quality Programme to ensure the continuing quality of our data across our jurisdictions.

We recognised there was a high volume of open probate cases and recruited extra staff to handle the applications. We have reduced the total open probate caseload from in excess of 69,000 at the end of March 2024 to around 35,500 at the end of March 2025 (49% decrease). However, within these numbers there are a proportion of cases that are on hold pending clarification or further information from the applicant, which means they cannot currently be progressed. The remaining 'workable'¹² cases have reduced from over 35,000 to less than 9,000 (75% decrease) during the same period. We are being more proactive in managing those cases that have been 'placed on hold' for a long time by contacting people to discuss the outstanding information waiting to be submitted, and increased engagement with professional users to gain their feedback and to try and resolve any issues.

We knew there were inefficiencies in some of our Service Centre practices so we worked with experts in contact centre environments to help us improve how we forecast, plan, and optimise management of our resources and telephony performance. We started by looking at the divorce service, and we implemented a series of targeted actions such as reallocating resources to manage incoming demand, used a dashboard to show real-time performance against productivity standards, and deployed a work



Pauline MacNeil in HMCTS, won the Prime Minister's Award for Exceptional Public Service, for her extraordinary work during the Civil Disorder period over the summer, when she led the Response and Command functions within Courts and Tribunals.

12 'Workable' probate cases are those where we have all the information we need to progress the application.

categorisation tool to identify and remove duplicate or multiple emails which was driving up repeat contact. These measures led to significant improvements in the divorce service. For example, since September 2024 when this activity began, we have seen a 90% reduction in the average waiting times for calls to be answered. We applied lessons learned to other services and have seen improvements in Online Civil Money Claims, and the Single Justice System services. We will continue to drive forward improvements across all our services.

Our year in context outlined the challenges with our varied estate. We invested a total of over £157 million in our estate, over £40 million of which was spent on major refurbishments and new building projects. For example, in April 2024, work was completed on the Leeds Business and Property Court, which decides specialist business, financial and property litigation and is a centre of excellence for high value dispute resolution. This court provides a much needed, dedicated space for this jurisdiction outside of London, and helps position Leeds as a leading legal hub.

We continue to improve the data we collect on our buildings, which gives us a better understanding of our estate and supports strategic planning on issues such as maintenance spend, energy performance and climate risks, such as flooding.

Examples of challenges we faced

ISG Construction Limited ceased trading and went into administration in September 2024. This contractor was carrying out maintenance works at 2 of our sites and was also appointed to design and develop 2 additional buildings, including a new courthouse in Blackpool. We put in place a range of measures to address the immediate impact and plan for the delivery of these projects. We secured the sites where work was underway and made sure that, where appropriate, court business could continue with minimal disruption.

We secured an alternative provider to complete the maintenance projects and the commercial process is underway for a replacement contractor to design and development the 2 additional buildings. Unfortunately, it is highly likely that there will be increased costs and delays in completion; however, we will aim to minimise the impact and ensure that necessary contingency arrangements for court users remain in place. In the meantime, we reviewed our pipeline of capital projects and brought forward additional projects that could be completed within the year.



When James lost his father, he was worried about dealing with the estate. Friends had told him **probate** was confusing and full of legal jargon. But using the new online service, James could apply for probate at a time that suited him—no need to visit an office or deal with piles of paperwork.

The **digital process was simple and flexible**. He could save his progress, track the status online, and didn't have to swear an oath in person. It saved him time, money, and stress.

Thanks to the digital service, James could manage the estate more easily and focus on what really mattered.

How we did

Below are examples of what we achieved.



Across our reformed services, the average time to answer a call improved by 68% to 8 minutes and 6 seconds as at the end of March 2025.



This year we reduced the time to process probate applications from 6 weeks to just over 5 weeks for digital applications, and from just over 23 weeks to under 13 weeks for paper applications.



We carried out over **254,600** maintenance and repairs works across our estate.



Key priority 2:
Enhance our leadership skills throughout the organisation and maximise the impact of evidence-based decision-making

Overall assessment of performance: Partially achieved



Link to principal risks: Performance; People

Focus: Developing a high-performing management structure and organisation culture.

We continued to implement recommendations from our corporate governance review to streamline processes and decision-making and reduce costs. Details of our governance framework and management structure are in the Accountability report on page 42.

Our reformed services have made it possible to collect a wider range of data on our users, including their protected characteristics, so we can better understand how to improve access to justice. We can make better decisions based on evidence to understand underlying causes, develop solutions, and monitor data to assess the impact of changes. This year, we completed assessments on the Immigration and Asylum First-tier Tribunal and the Single Justice Service. Summary findings and actions for these assessments and updates for previous ones carried out, are published at www.gov.uk/government/publications/assessing-access-to-justice-in-hmcts-services/assessing-access-to-justice-in-hmcts-services-december-2024.

Becoming a new line manager carries significant responsibility, stepping into a role that ultimately shapes how our organisation looks and feels. In October 2024, we launched a line manager induction programme for new and returning line managers, aligned with the new Civil Service Line Management Standards, to enhance leadership capability. We also invested in developing our senior operational leaders, focusing on the knowledge, skills, and behaviours needed for their roles, providing learning solutions to develop and grow in these areas.

Examples of challenges we faced

Our People Survey result for the core theme on learning and development has remained at 51% for the past 2 years, and therefore this remains a continuing area for improvement. We are aware that operational staff, in particular, have found it challenging to make time for their learning and development while learning new and revised ways of working following the implementation of the Reform Programme, alongside delivering our day-to-day services. Recognising the ongoing time pressures faced by staff, we have continued to refresh, update, and promote our interactive learning and development hub to help them navigate what is available.

During the annual **learning at work week** in May 2024, our staff had the opportunity to attend a variety of online events around the theme of 'Learning power'.



How we did

Below are examples of what we achieved.



We delivered 9 five-day line manager induction events since the launch in October 2024, to 171 managers from grades Executive Officer to Grade 7.



We launched three practical workshops for managers on dispute resolution, attendance, and discipline—helping them build confidence in applying HR policies at work.



We published steps we will take to address the findings of our access to justice assessments.



Key priority 3:

Live our values and support our people

Overall assessment of performance: Achieved

Proportion of deliverables achieved:



Link to principal risks: Performance; People

Focus: Build an appropriately skilled, diverse, sustainable workforce to meet the needs of court and tribunal users.

We are committed to creating an inclusive workplace. Just over 15% of our staff have a disability or long-term health condition and we want to improve their career progression and wellbeing at work. In December 2024, we launched our Disability Strategy 2024-27, aligning it with our Disability Confident leader accreditation, the MoJ Inclusion Approach, and the Civil Service Diversity and Inclusion Strategy and People Plan. We recruited staff with lived experiences of disabilities and workplace adjustments to be disability allies, providing confidential support for staff and managers.

Due to a shortage of qualified legal advisers in the magistrates' courts, we developed a new workforce allocation model to provide a 3-year recruitment plan from 2024-2027. During 2024-25 we recruited over 160 trainee legal advisers, of which 79% were assigned to criminal cases and 21% assigned to family cases. As we have historically experienced challenges in retaining legal advisers, we recruited 10% above our allocation to offset attrition, and secured increased allowances for Tiers 1 and 2 legal advisers. To help improve the direction, guidance, and supervision of our legal teams, we will be implementing a new organisational design during 2025-26 for our legal operational staff which will help to improve leadership and career development opportunities. We hope the above measures will help improve attraction and retention into the profession.

We are piloting a case co-ordinator role in the Crown Court, funded by the MoJ, to improve case progression, with a focus on preparation for preliminary hearings and trials and mitigating the risk of wasted court time. The pilot will conclude in the autumn 2025 and will then be fully evaluated prior to any decision being taken on implementing the role nationally.

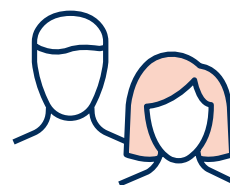
We have faced difficulties in attracting and retaining County Court bailiffs, so we tried innovative approaches to increase recruitment. We increased engagement with prospective applicants, resulting in a significant reduction in the drop-out rate before interviews. We used our new podcast and are producing a targeted recruitment video to share our bailiff stories. We reviewed findings of a survey to better understand key issues affecting bailiffs and are taking action to address them. This includes a new national bailiff training course, facilitated by experienced bailiffs, and a bailiff learner journey. In the 2024 pay award, we more than tripled the bailiff allowance and continue to increase the safety of bailiffs by introducing body-worn cameras and policy guidance on their use.

Examples of challenges we faced

The challenge of retaining legal advisers has been the primary reason for our inability to meet our full allocation of sitting days in the magistrates' courts in recent years. In the 2024 pay award, we successfully secured an increase for legal advisers to improve the pay parity gap compared to similar roles in other government departments. This included significant increases in allowances for Tier 1 and Tier 2 staff, the largest they have received in many years. We hope this will aid in retaining legal advisers. At the end of March 2025, 25% of our legal advisers were in a period of training. This provides a promising pipeline of future talent, but it does mean there were challenges around deploying the resource immediately. There was also significant pressure on experienced legal advisers to train and mentor new recruits, which take both 'teacher and pupil' out of court. To improve our workforce planning, we will transition from an annual recruitment campaign to a bi-annual one in 2025. We will review the effectiveness of this approach and adjust the frequency of campaigns as needed.

How we did

Below are examples of what we achieved.



We recruited and onboarded over 160 legal advisers across the magistrates' courts and the Family Court.



Job applications rose 55% in the past year, with strong uptake via direct apprenticeship recruitment for bailiffs and legal advisors, and successful pilots of targeted marketing like video and podcasting.



In 2024-25, our apprenticeship withdrawal rate was 1.79%, the lowest in the MoJ. Of our graduates, 76% were retained, and 57% gained promotion after completing their apprenticeship.



Key priority 4:

Deliver the final phase of the Reform Programme and grasp new opportunities

Overall assessment of performance: Achieved

Proportion of deliverables achieved:



Link to principal risks: Performance

Focus: Modernise, digitise, and standardise services so they are efficient and work for users; improved and accurate management information; take advantage of new opportunities to improve services

Our ambitious Reform Programme ended in March 2025 and represents a step change in the modernisation of our services. Our reformed services are quicker and easier to use and as we met challenges along the way, we learnt lessons to apply to the future delivery of projects and programmes. During 2024-25 we focused on addressing identified issues with Common Platform, the digital case management system in the criminal courts, rather than delivering new functionality. This approach meant the stability and day-to-day performance of Common Platform has continued to improve significantly. From early 2025, all police forces in England and Wales were using Common Platform for Single Justice Procedure cases, helping to create a more efficient and streamlined justice service.

In October 2024 the new Online Civil Money Claims (OCMC) Service went live for litigants in person, having been previously only available to legal professionals. In December 2024, an end-to-end digital service for small and fast track claims up to the value of £25,000 went live for litigants, making the service quicker and easier to access.

In July 2024 we completed the rollout of the reformed Employment Tribunals service. Claimants, respondents and professional users across England and Wales can now digitally submit single claims, responses and manage cases online. We designed the system around our users so that the service is simpler to understand and providing a quicker resolution of the claim.

In addition, we implemented an online system for both legally represented and unrepresented appellants in the Immigration and Asylum Chamber (IAC) that allows parties to submit, track and manage their appeals all the way through to the First-tier Tribunal system.

Examples of challenges we faced

As the Reform Programme concluded, we have shifted our focus to our ongoing modernisation, continuous improvement, and collaboration across the justice system. To help deliver this, we created a new central change function to manage and implement the changes we need to improve our services. By assessing change demands and necessary resources, it supports critical work such as supplier contract re-procurement, meeting new legislative requirements, and service modernisation. In building this capability, we have incorporated lessons learned from the Reform Programme, and strengthened our approach to prioritisation to give better strategic alignment and support for projects. To address the challenge of transitioning and redeploying staff in timebound roles, we established a flexible resource pool of project delivery professionals who can be deployed to deliver projects. Overall, this has equipped us to better manage change in the future.

How we did

Below are examples of what we achieved.



Online Civil Money Claims are completed over 3 times faster compared with those submitted through the legacy paper application service (at 8 weeks compared with 29 weeks respectively).



Common Platform, the new case management system, has driven efficiency in data sharing and accuracy between criminal justice partners.



We made the IAC digital form shorter and easier to complete. Complex legal language was rewritten in plain English to make it more accessible for users with limited English.



Key priority 5:

Create a stable environment and continue to improve at a steady pace

Overall assessment of performance: Partially achieved

Proportion of deliverables achieved:



Link to principal risks: Performance; Digital and technology; Data; Finance

Focus: Input into and respond to government priorities; innovate to find the best solutions to problems; secure a foundation for our medium and long-term plans.

Mediation is now an integral part of the small claims process in the County Court, offering a faster, better, and more cost-effective method for resolving disputes without a hearing fee. From 22 May 2024, all new civil money claims under £10,000, submitted on paper or using our legacy online service, were required to attend a mediation session to try and find a resolution before proceeding to a court hearing. This was extended to all new claims through the Online Civil Money Claims service from 5 November 2024. This means all small money claims are now automatically referred to the Small Claims Mediation Service¹³.

The Domestic Abuse Act 2021 introduced new measures to protect victims, including the Domestic Abuse Protection Order (DAPO) for long-term protection across criminal, civil, and family courts. This joint policy between the MoJ and the Home Office is part of the government's Safer Streets Mission and the commitment to tackle violence against women and girls. In November 2024, we began piloting the DAPO in several courts and will continue to expand the pilot in 2025-26.

The Leasehold and Freehold Reform Bill received Royal Assent in May 2024, and the Renters' Rights Bill was introduced to Parliament in September 2024. We worked closely with the Ministry of Housing, Communities and Local Government to implement the legislative impacts of these Bills on the possession service in the County Court and the Property Tribunal. We will have interim processes in place to support the changes initially, while we continue to develop the end-to-end digital possession service so users can submit and respond to possession claims online. We are also putting in place significant changes to the Property Tribunal to meet the challenges of increased workloads.

Example of challenges we faced

In response to the findings of the Infected Blood Inquiry, the Infected Blood Compensation Authority (IBCA) was established to handle compensation claims. In August 2024, we had to rapidly establish an independent route of appeal for individuals dissatisfied with the outcome of their claim. We worked closely with the IBCA to ensure plans and service design thinking were aligned with Tribunal rules. By December 2024 we had established an interim manual appeals process as a contingency measure. While we did not need to use this immediately, it remains valuable for our business continuity purposes. In January 2025 we launched the initial phase of our digital service, which was fully delivered by the end of March 2025. It enables the Social Security and Child Support Tribunal to receive and digitally process appeals against decisions made on compensation claims.

How we did

Below are examples of what we achieved.



At the end of April 2025, Domestic Abuse Protection Orders were live in 4 areas.



In 2024-25, over 39,000 mediations took place in the County Court with 39% reaching a successful conclusion.



92% of all tribunals are now equipped to record remote and in-person hearings.

¹³ www.gov.uk/make-court-claim-for-money/mediation

Our main operational performance metrics

We continued to focus on making best use of our resources and increasing the number of cases we dealt with. We measure how well we are disposing of cases using a range of metrics and data captured throughout the year. This helps us understand the trends, with the aim of driving improvement.

Our main operational performance metrics this year were:

- disposal of cases in the Crown Court, Family Court (public and private law), Employment Tribunal, and the Immigration and Asylum Chamber (First-tier)
- open caseload in the Crown Court and the number of cases over 12 months old
- timeliness of completing cases in the magistrates' courts (average time from charge to completion)

The following charts show our performance against these metrics. We publish a range of monthly management information at www.gov.uk/government/collections/hmcts-management-information. Management information figures in the graphs overleaf reflect the data held on the relevant case management systems, so there are some definitions and timing differences from the MoJ official statistics. They are subject to the data quality issues associated with large administrative systems, including the late reporting of cases and regular updating of case details. The data presented here is as recorded on the date of extraction. The case management systems are continually updated and so the information presented may differ from previously published information and will be subject to future revision. These revisions are generally small and do not usually change the overall picture of performance. We voluntarily apply the Code of Practice for Statistics¹⁴ to the publication of our management information.

Criminal courts statistics

At the time of publishing our Annual Report and Accounts 2023-24, the release of the latest criminal courts statistics was postponed for further quality assurance on the data. In December 2024, the official statistics for the criminal courts was published together with an update on the investigation and impact of the Crown Court data issues, and the steps taken to ensure the data is now fit for purpose¹⁵.

The investigation, led jointly between HMCTS and the MoJ, found that there were 3 main issues that needed to be addressed: case records affected by human error, technical system issues, and data coding issues. These issues did not affect the operation of the courts, including having no impact on the listing or hearing of cases. We have made the necessary changes to administrative and performance monitoring systems to re-state our internal information and published official statistics. An independent review of the data methodology was carried out to provide an additional level of assurance and concluded that we could now have significant confidence in the Crown Court caseload statistics.

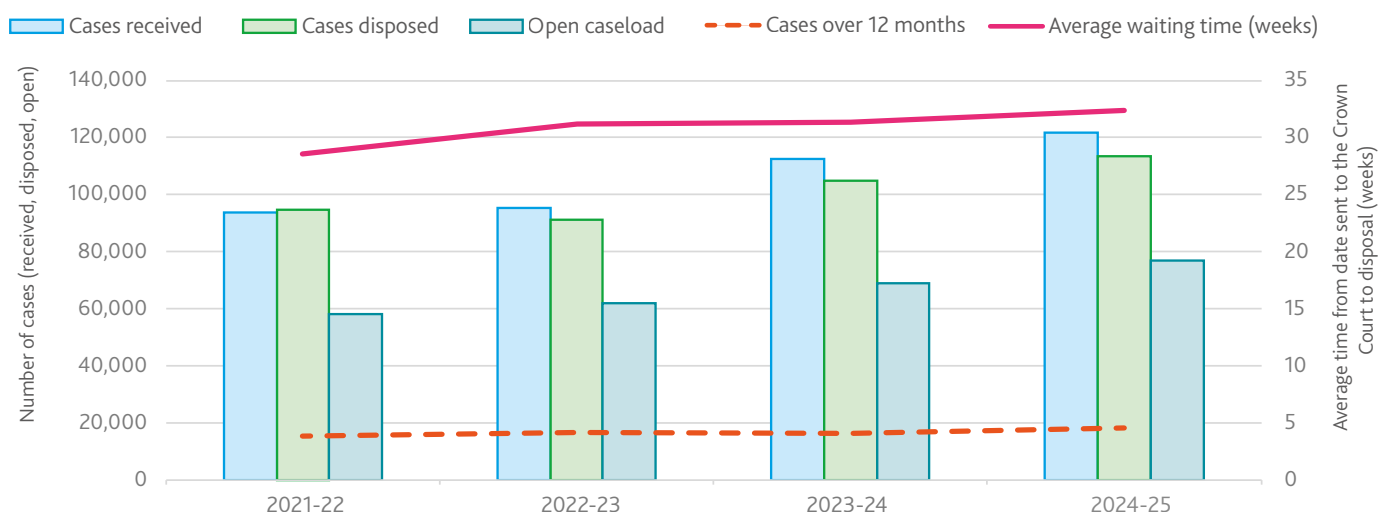
The impact of implementing these improvements has showed that while the headline impact on existing trends is minimal, addressing the issues has allowed a greater understanding of the types of cases (the case mix) and improved the estimates around the age of open cases.

¹⁴ code.statisticsauthority.gov.uk/

¹⁵ www.gov.uk/government/statistics/criminal-court-statistics-quarterly-july-to-september-2024

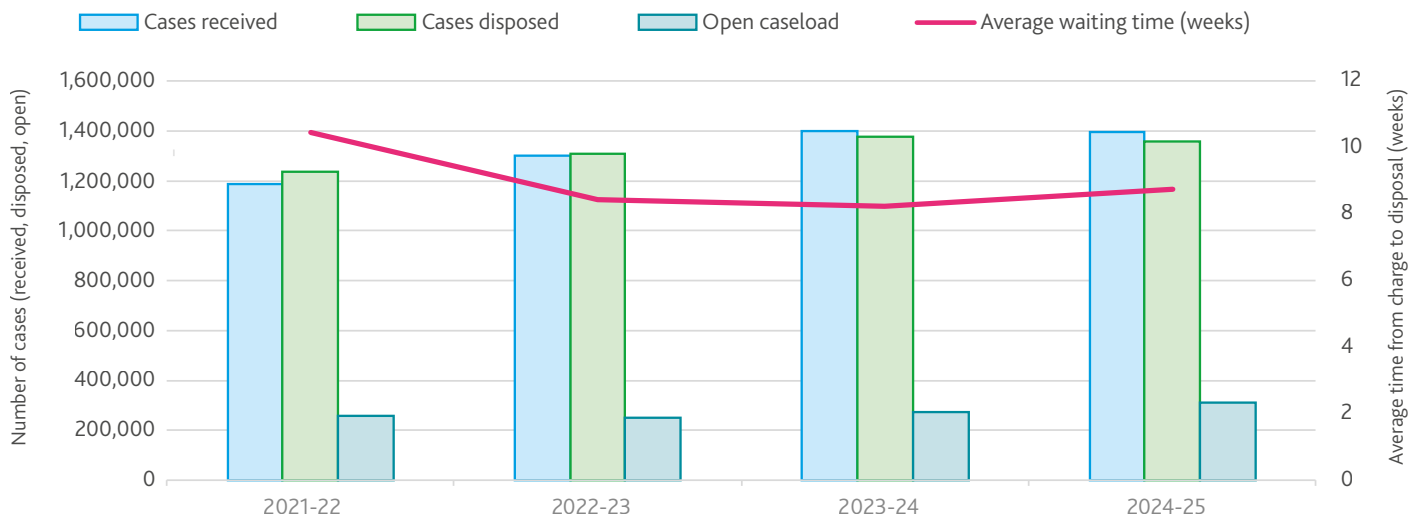
Performance metrics

Crown Court workload and timeliness



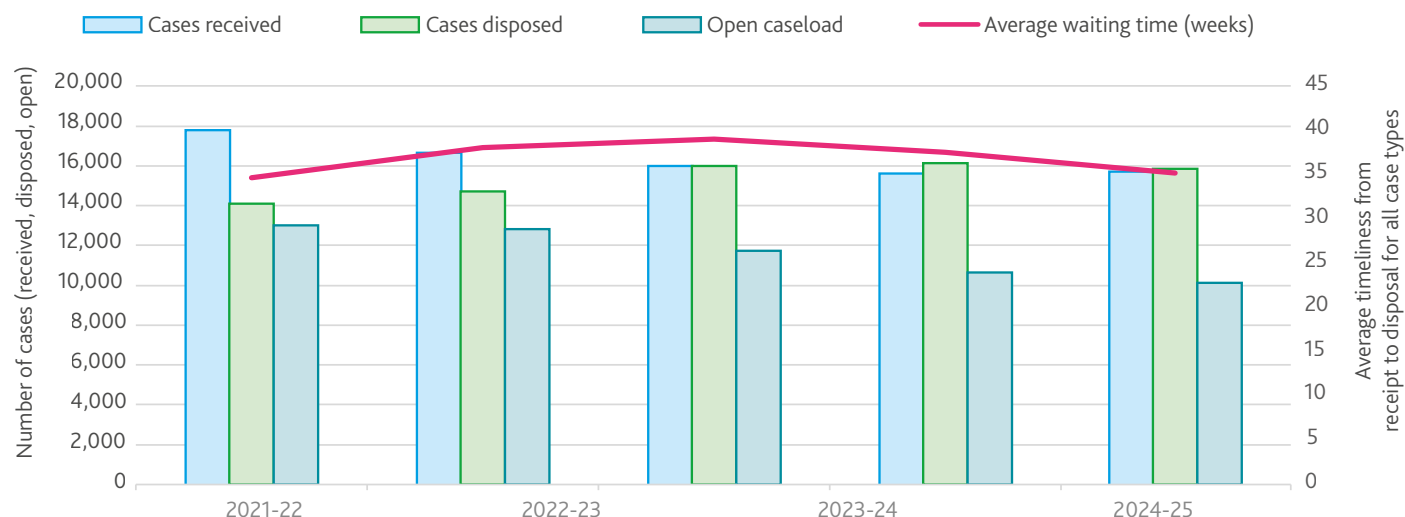
Sitting days in 2024-25 were the highest for a decade, with disposals (and our disposal rate) increasing, demonstrating improving productivity and performance. Demand into the Crown Court has been increasing over the last few years. Despite demand outstripping disposals, since December 2023 we are continuing to see a reduction in the volume of our oldest cases. 75% of open cases in the Crown Court are less than 12 months' old, with 8% of the open caseload being older than 2 years (down from 10% at the end of March 2023).

Magistrates' courts workload and timeliness (criminal cases)



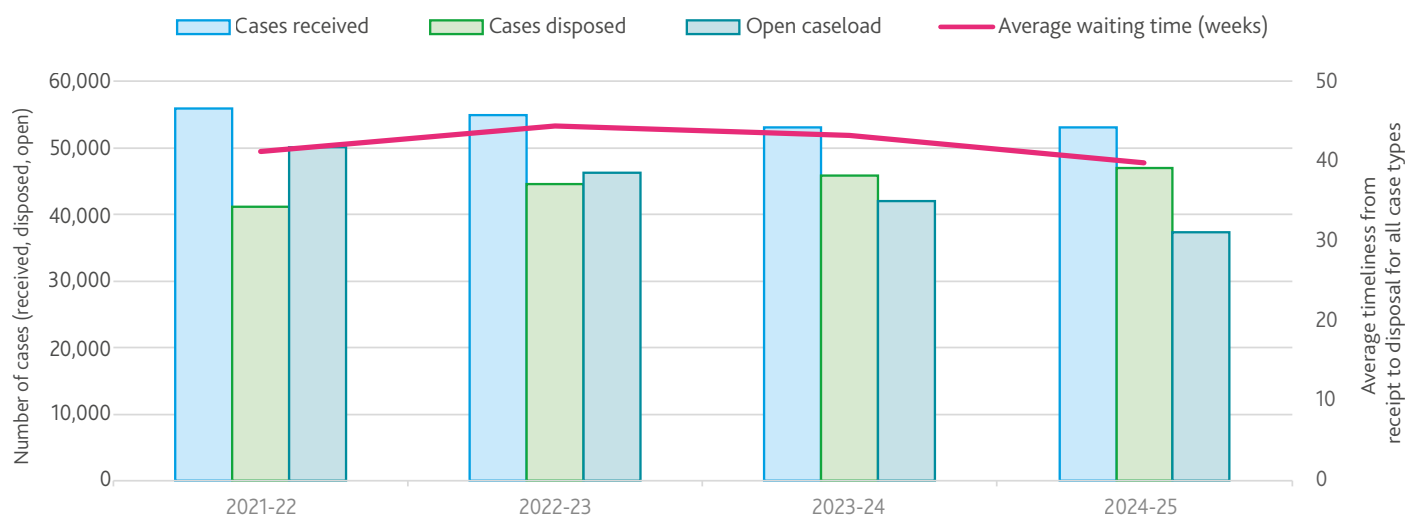
The level of receipts into the magistrates' court is very sensitive to changes in investigation and charging decisions in other parts of the criminal justice system. Despite receipts outstripping disposals, we have maintained the average length of time from charge to disposal at around 10 weeks. Legal adviser capacity has been the main constraint on productivity. We now have a full complement of legal advisers, although approximately a quarter are trainees which currently limits the range of work that they can undertake. We anticipate this position improving as their experience and capability grows, subject to ongoing retention risks.

Family public law workload and timeliness



In line with the priorities set by the Family Justice Board, the Family Court has been focusing on finalising older cases. As a result, the open caseload has reduced, and is now lower than it was 5 years ago. The focus on older cases means that the average waiting times have been slower to improve but they have still reduced by 2 weeks to 34 compared to the start of the financial year and are at the lowest since the pandemic began. We continue to work with the judiciary to support the relaunch of the Public Law Outline system and maximise the use of judicial sitting days on these cases.

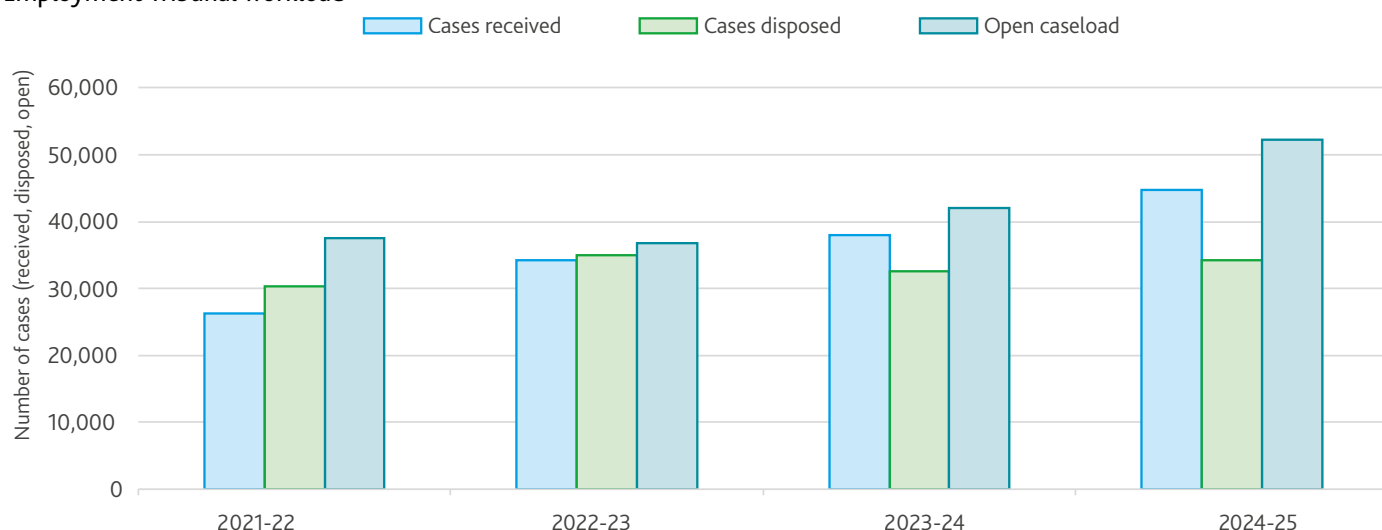
Family private law workload and timeliness



The number of private family law receipts and disposals in 2024-25 has been consistent with the previous 2 financial years, as the service stabilises following the pandemic. The open caseload has continued to fall this year and is now at the lowest level since July 2019. This is leading to improvements in timeliness which has been steadily improving throughout the year. Work continues to rollout the pathfinder programme¹⁶, and additionally, we launched a new end-to-end digital system for private law cases in 2 District Family Judge areas. We plan to rollout the system across the Family Court in 2025-26. This will reduce unnecessary administrative delay and assist hearings to run more smoothly through improved case files.

¹⁶ The Pathfinder programme is a multi-agency initiative that brings together local authorities, police, and support services to share information early in private family law cases, aiming to reduce delays and improve the efficiency and quality of hearings through better case preparation.

Employment Tribunal workload

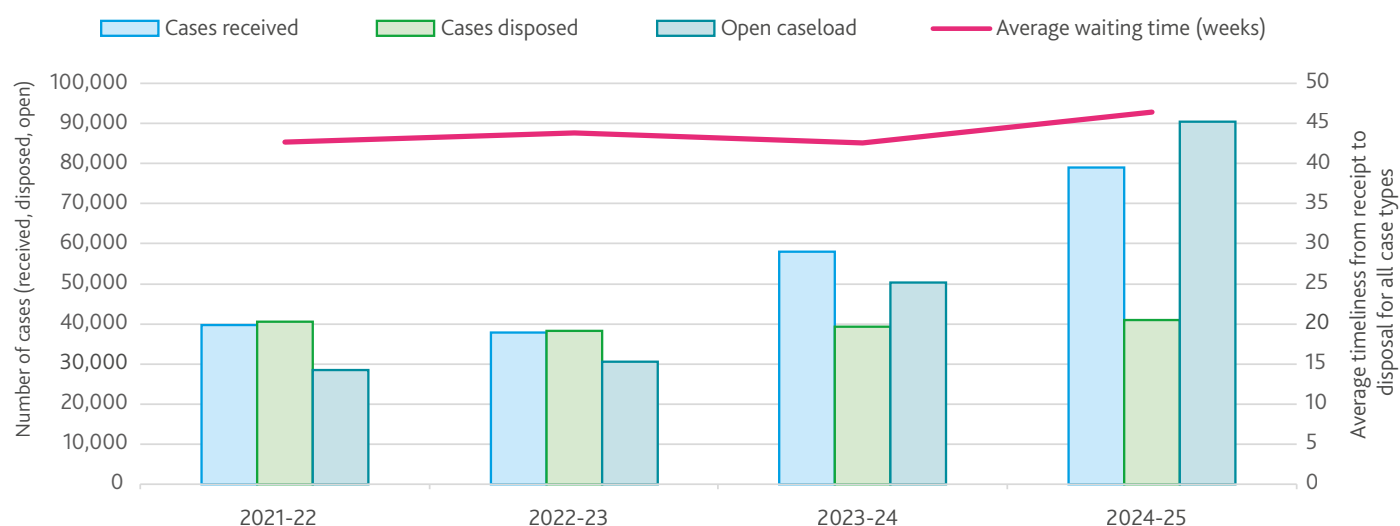


During financial year 2024-25, receipts into the tribunal were higher than disposals, meaning that the open caseload has continued to grow. The complexity of the current case mix has led to additional case preparation and hearing time being required.

The introduction of the Reform Programme technology will further improve our operation in the Employment Tribunal jurisdiction, as will the continued delegation of tasks such as case progression and hearing readiness to legal officers reducing the pressure on the judiciary, enabling them to spend more time on hearings.

Note: From September 2022, the Employment Tribunal (ET) migrated to a new case management system (ECM Reform) for Single cases only. The data presented from this time has been amalgamated with the ECM legacy system to provide a combined total for receipts, disposals, and open caseload. This data is produced from a combination of systems (ECM Reform and ECM Legacy) using a temporary tactical solution. We estimate there is a slight overcounting and the figures will be revised later this year following migration of all data to the reform system. Since March 2025, the MoJ has reported on reform cases only, including timeliness, which can be found at www.gov.uk/government/collections/tribunals-statistics.

Immigration and Asylum Chamber (First-tier) workload and timeliness



Since Autumn 2023, and in particular since October 2024, we have received a significant increase in Immigration and Asylum Tribunal receipts, as the Home Office clear the asylum decision-making backlog. While disposals have remained at a consistent level, this has led to an increase in the open caseload, and in the average waiting time for immigration and asylum appeals. Actions taken to improve disposals include deploying Upper Tribunal Judges to the First-tier, piloting a number of technological improvements to support the listing, hearing, and determining of appeals, and further investment in legal officers to take up work delegated through Practice Directions, to enable judges to focus their time on hearings.

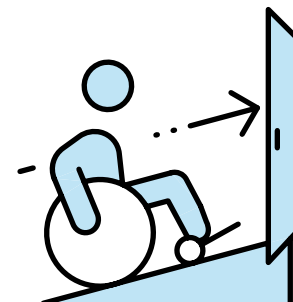
Promoting equality in delivering our services



We are committed to meeting our **Public Sector Equality Duty**. We consider how our policies, services, spending decisions and employment practices affect our diverse range of users and staff, and make sure we identify and address any negative impacts and promote equality.



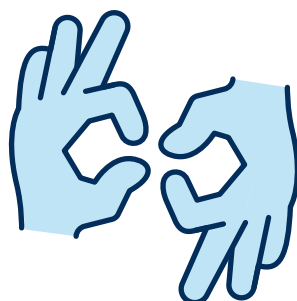
It is essential that our vulnerable users can access the justice system with safety and confidence, and they are not disadvantaged or discriminated against. '**How we support vulnerable users**'¹⁷ demonstrates what we do to make our courts and tribunals accessible.



We published **access to justice assessments**¹⁸ on 10 December 2024 for 2 more reformed services. These assessments, alongside other data, enable us to identify how access to hearings, case outcomes and durations vary by user groups and case type. When we identify a barrier to justice, we work to reduce it or remove it. The assessments also highlight areas where access to justice is working well and where it has improved.



We are partnered with **We Are Group** to provide a free national digital support service that removes the barriers some users face when accessing our online services. For example, those who cannot access the internet or a computer or are less confident in using online services. You can find further details published on GOV.UK¹⁹.



We supported 19 (2023-24: 25) deaf jurors who required a **British Sign Language interpreter** to carry out their jury service.



We are members of the **Hidden Disabilities Sunflower Network**. People who wear the hidden disabilities sunflower are discreetly indicating they may need support or help. Sunflower lanyards are available to collect in all our buildings for users, staff, and judicial office holders.

¹⁷ www.gov.uk/government/publications/hmcts-vulnerability-action-plan

¹⁸ www.gov.uk/government/publications/assessing-access-to-justice-in-hmcts-services

¹⁹ www.wearegroup.com/hmcts-partner

1.3 Our priorities for the year ahead

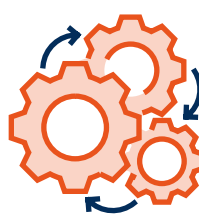
Our Business Plan for 2025-26 sets out how we intend to deliver our objectives of consolidation, collaboration, continuous improvement, and commitment in the year ahead. It focuses on 4 key priorities, and the objectives, activities, and milestones we have set to achieve them.



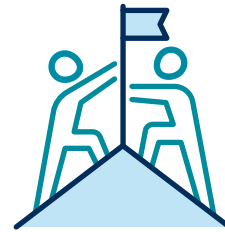
Perform at our best and drive productivity to provide the best possible quality services within the resources available, to the people who need them.



Improve services for users.



Stabilise and consolidate our operations and reduce associated risks.



Live our values and support our people while developing leadership and workforce skills throughout the organisation.

To achieve these priorities, we will focus on **specific actions under 12 objectives**.

Run efficient, effective and quality services, dealing with cases in as timely a way as possible.

Exploit technology to innovate and explore the best solutions to problems, find ways to speed up the progression of cases, constrain backlogs, and take opportunities to introduce service enhancements.

Address primary and secondary risks in a proportionate way, and build resilience and sustainability into our work to mitigate future risks.

Establish clear ways of working and leadership expectations, responsibilities and roles at all levels in the organisation.

Maintain an estate that is safe and secure and supports operational delivery.

Collaborate on opportunities to pursue cross-system improvement initiatives.

Drive consistency and standardisation across service delivery.

Build a sustainable, diverse workforce who are empowered, skilled and flexible to meet the needs of users.

Make the best use of our resources through establishing clear productivity expectations, seeking opportunities to maximise productivity, and delivering value for money for the taxpayer.

Contribute to, and deliver on, government priorities.

Improve our digital and data infrastructure and stabilise our systems.

Foster a culture that embraces our modernised services, promotes innovation, supports good quality service delivery, drives efficiency, and is aligned with standards and service expectations.

1.4 Climate change and sustainability

We are committed to changing the way we work to reduce our impact on the environment and responding to climate change. Our sustainability report follows HMT's Sustainability Reporting Guidance 2024-25 on our Greening Government Commitments²⁰.

Overall Greening Government Commitments performance

The UK government has made a binding commitment through the Climate Change Act (2008) to achieve net zero carbon emissions by 2050. This commitment flows through all government departments and is captured in the Greening Government Commitments (GGC) framework. Departmental GGC targets for 2021-25 were set by the Department for the Environment, Food and Rural Affairs (Defra), and we contribute to those targets given to the MoJ.

We monitor our GGC performance, and the table below shows our performance using current data for January to December 2024. A detailed breakdown of our data performance and wider climate change related activity is at Annex B. Carbon reduction targets remain challenging due to a high degree of uncertainty on the feasibility of renewable heat sources with our buildings, and the lack of ringfenced capital funding to decarbonise the estate. We will require significant investment to be able to decarbonise across our estate.

Summary GGC performance (against our 2017-18 baseline)

Key ■ Achieved target ■ Not achieved target

| MoJ target by 31 March 2025 | Jan-Dec 2024 performance | Status | Commentary |
|-------------------------------------------------------------------|--------------------------|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reduce greenhouse gas emissions by 41% | Reduced by 35% | ■ | We replaced lighting in over 50 courtrooms in Manchester Civil Justice Centre with an eco-friendlier system of LED lights, which is estimated to deliver an energy saving of 54.6% per year. |
| Reduce heating emissions by 23% | Reduced by 19% | ■ | We secured grant funding to connect Bradford Combined Court and Bradford Magistrates' Court to the Bradford Energy Network (low carbon heat network) and procured a supplier to replace the existing fossil fuel gas boilers in these 2 courts by April 2026. |
| Reduce water consumption by 8% | Increased by 6% | ■ | This target remains challenging due to our ageing estate and water infrastructure, however, around 65% of our estate has smart meter technology installed. This enables remote reporting of consumption data and allows us to identify and target water efficiency measures across the estate. |
| Reduce overall waste by 15% | Reduced by 56% | ■ | Our rollout of the Welsh Workplace Recycling Legislation resulted in a 10% shift from general waste to mixed recycling across the region, through a behavioural change campaign and provision of waste receptacles. |
| Recycle minimum of 70% of all waste | Recycled 68% | ■ | We increased our recycling from 64% to 68% in 2024. We continue to focus on the introduction of Simpler Recycling Reforms ²¹ , a legal requirement for workplaces in England to segregate waste from March 2025, and we expect this will result in an improvement in overall recycling rates. |
| Send less than 5% of total annual waste to landfill ²² | 9% sent to landfill | ■ | We continue to engage with waste suppliers and partners to reduce our waste landfill, including exploring non-incineration alternatives. |

²⁰ www.gov.uk/government/collections/greening-government-commitments

²¹ www.gov.uk/guidance/simpler-recycling-workplace-recycling-in-england

²² The waste to landfill target is 5% of total annual waste and not the 2017-18 baseline

| Moj target by 31 March 2025 | Jan-Dec 2024 performance | Status | Commentary |
|---------------------------------------------------------------|-----------------------------|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reduce paper use by 50% | Reduced by 67% | 🟢 | We have exceeded our target through the transition to digitised/online processes and services and local 'no print' campaigns. We continue to promote the reduction of paper use. |
| Reduce distance travelled by domestic business flights by 30% | Reduced by 79% | 🟢 | We exceeded our target, enabled by greater use of digitised/online processes and remote/digital working arrangements. |
| Reducing environmental impacts from ICT and digital | N/A | N/A | 25% of the wifi access points in our estate have been scheduled to switch off during periods when court buildings are not in use. This is currently saving 2 megawatt hours of electricity every week. More than 33 megawatt hours of electricity have been saved within a year. |
| Remove consumer single use plastics | N/A | N/A | We continue our efforts to reduce and remove avoidable consumer single-use plastic, wherever viable and practical. |
| Nature recovery and biodiversity action planning | N/A | N/A | We have an ecology management plan in place to protect and increase biodiversity at Snaresbrook Crown Court (Site of Special Scientific Interest). We also took part in the annual MoJ tree planting programme at 4 sites. |
| Procuring sustainable products and services | N/A | N/A | We adhere to the MoJ Sustainable Procurement Policy including use of Government Buying Standards. |
| Adapting to climate change | N/A | N/A | We adhere to the MoJ Climate Change and Sustainability Strategy and have established a Climate Action Group to oversee delivery of our complementary climate change adaptation action plan. |
| Rural proofing | N/A | N/A | We follow the Defra guidance, and conduct rural proofing tests where appropriate. |
| Sustainable construction | N/A | N/A | We adhere to the MoJ's Building Research Establishment Environmental Assessment Method policy (BREEAM) and apply this to new builds and major refurbishment projects. |

Taskforce on climate-related financial disclosures (TCFD) compliance statement

Our report on climate-related financial disclosures is consistent with the HMT TCFD-aligned disclosure guidance. As at 31 March 2025 we have not identified climate to be a principal risk for our organisation. Climate-related risks are identified, assessed, and managed through regional and directorate risk registers and there is a robust mechanism in place to escalate risks to the corporate risk register if needed. This allows for greater accountability and ownership of climate risks. A wider review of our management of climate risk at an organisation level is underway. Climate risk is reviewed by our Executive Team on a quarterly basis alongside wider defined principal risks. This ensures our assessment remains current.

We have made the recommended disclosures around governance, including (a) board's oversight of climate-related risks and opportunities, and (b) management's role in assessing and managing climate-related risks and opportunities. We have also made the recommended disclosures on risk management (a), (b) and (c): processes for identifying, assessing, and managing climate-related risks and how they are integrated into the overall organisation's risk management. We contribute to the MoJ sustainability metrics and targets ((a) and (c)) reported against in the MoJ Annual Report and Accounts.

Governance of climate-related risks

Our Property Director is the senior responsible officer for sustainability, and progress on sustainability and climate-related risks are reported to our Property Board and the HMCTS Board. To facilitate this we have a dedicated sustainability team who work in partnership with the MoJ Climate Change and Sustainability Unit. They co-ordinate our response to meet UK government environmental ambitions and targets. We sit on the MoJ's Sustainability Board which is the internal body accountable for the MoJ's Climate Change and Sustainability Strategy. This strategy sets out how we embed environmental sustainability throughout our estate, operations, and procurement activity.

Board oversight of climate-related issues and opportunities

Our Property Board, Facilities Management Board and the HMCTS Board have oversight of our sustainability action plan. The Property Board and the Facilities Management Board receive a bi-annual and quarterly update respectively, of our progress against GGC targets, our sustainability action plan and risks that may impact our ability to improve our environmental performance and transition towards a more sustainable organisation. The HMCTS Board receive an annual update on our progress, achievements, and risks.

Management's role in assessing and managing climate-related risks

We have a Sustainability Steering Group who have oversight of sustainability and climate-related matters, and a role in assessing and managing climate-related risks. The group consists of senior corporate and operational representatives across our organisation. The group is chaired by our Head of Sustainability with reporting and escalation responsibilities to our Property Director.

Climate change activity across the MoJ is co-ordinated by the MoJ Climate Change and Sustainability Unit. We adhere to the MoJ assurance review process for programme and major project business cases, referred to as the keyholder process. Climate change and sustainability is a keyholder which means all business cases with expenditure above £10 million are screened for further assessment related to climate change and sustainability impacts.

Risk management

New risk management processes were implemented from March 2024, to embed sustainability and climate-related risks in all regional and directorate risk registers, to increase oversight, accountability and grow expertise in managing risk across our organisation. We continue to develop our maturity in integrating environmental sustainability as part of our corporate Risk framework. Each director provides assurance on the governance and management of risks and internal controls within their business area by signing a quarterly combined risk register and governance statement. The risks identified through this process are reported through our established risk and governance processes as outlined on page 47.

Climate metrics and targets

We use several metrics to measure our impacts and understand our vulnerability to climate change. Most of our current metrics are well-established, such as energy consumption and greenhouse gas emissions, and a detailed breakdown of our data performance is at Annex B.

Nick Goodwin

Chief Executive and Accounting Officer

11 July 2025



Section 2: Accountability report

This section sets out how we meet the main accountability requirements to Parliament. It is made up of:

- our corporate governance report
- our remuneration and staff report
- our parliamentary accountability and audit report

2.1 Corporate governance report

The purpose of the corporate governance report is to explain the composition and organisation of our governance structures, and how these arrangements have supported the achievement of our objectives.

2.1.1 Director's report

Introduction

As Chief Executive, I am responsible for the day-to-day operations and administration of the Agency and leadership of its employees. I work under the general direction of the HMCTS Board. As Chief Executive and Accounting Officer I am accountable to the MoJ Permanent Secretary and Principal Accounting Officer and, ultimately, to Parliament.

As Accounting Officer, and working with my directors, I have responsibility for maintaining effective governance and a sound system of internal control that supports the achievement of our policies, aims and objectives, while safeguarding the public funds and assets for which I am personally accountable. Overall, I am satisfied that we have had effective governance, risk management and internal controls in place during 2024-25. I take personal responsibility for the annual report and accounts, and the judgments required for determining that it is fair, balanced, and understandable.

HMCTS Board composition

The role of the HMCTS Board, its members (including their biographies), and summaries of Board meetings can be found at www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/our-governance. Photos of our Board members as at 31 March 2025 are below.



Sir Richard Broadbent
Independent Chair



Nick Goodwin
Chief Executive



Nicky Wilden
Non-executive



Luisa Fulci
Non-executive¹



Nick Fishwick
Non-executive



Mr Justice Ian Dove
Deputy Senior President of Tribunals²



Lord Justice Nicholas Green
Senior Presiding Judge³



Her Honour Judge Alison Raeside
Designated Family Judge⁴



Dr Catherine Blair
Chief Financial Officer⁵



Daniel Flury
Operations Director



Annabel Burns
Strategy, Analysis and
Planning Director⁶



Jerome Glass
Moj representative



HMCTS
Board Chair



Audit and Risk
Assurance
Committee Chair



Change Portfolio
Committee
Chair



Property
Board Chair



Audit and Risk
Assurance
Committee
member



Change Portfolio
Committee
member



Property
Board
member

¹ Luisa Fulci joined the HMCTS Board as a non-executive member from 1 April 2024.

² Mr Justice Dove replaced Sir Keith Lindblom as a HMCTS Board member from 1 February 2025.

³ Sir Andrew Edis tenure as Senior Presiding Judge (SPJ) ended on 30 September 2024, and Lord Justice Green succeeded him as SPJ from 1 October 2024.

⁴ District Judge Tim Jenkins left HMCTS on 31 July 2024 and his successor, Judge Alison Raeside, took up post on 1 August 2024.

⁵ Andrew Baigent left HMCTS on 3 June 2024. Dr Catherine Blair was appointed Chief Financial Officer on 24 June 2024.

⁶ Louise Alexander left HMCTS on 28 July 2024. Annabel Burns was appointed a HMCTS Board member on 10 October 2024.

Our senior leadership team

The table below shows our senior leadership team as at 31 March 2024. You can find details of our management at www.gov.uk/government/organisations/hm-courts-and-tribunals-service.

B HMCTS Board member **E** Executive Team member

| | | | |
|---------------------------------------------------------------------|----------------------|------------------------------------------------------------------|----------------------|
| Chief Executive Nick Goodwin | B E | Crime Programme Director Tim Britten | |
| Chief Financial Officer Dr Catherine Blair | B E | Development Director Jason Latham | E |
| Chief Digital and Information Officer John Laverick | E | Human Resources Director Allison Gerrard | E |
| Civil, Family and Tribunal Programme Director Rachel Hunt | | National Services Director Helen Measures | |
| Commercial Director Tim Byford | | Operations Director Daniel Flury | B E |
| Communications Director Georgia Jerram | | Property Director Rupert Morgan | |
| Courts and Tribunals Director Mark Stewart | | Strategy, Analysis and Planning Director Annabel Burns | B E |

Notes:

- Andrew Baigent left HMCTS on 3 June 2024. Dr Catherine Blair took up post as Chief Financial Officer from 24 June 2024.
- Tim Britten joined the senior leadership team on 19 April 2024.
- Louise Alexander left HMCTS on 28 July 2024. Allison Gerrard took up post on 25 November 2024.

Significant interests held by HMCTS Board members

We maintain a register for members of our HMCTS Board, Audit and Risk Assurance Committee, Change Portfolio Committee, Property Board, and our Executive Team. All members are asked to review and update their register of interests at least annually. You can find more information on how we manage conflicts of interest and applications under the business appointment rules, within the assurance on our system of internal controls on page 52.

Personal data related incidents

The data reported below was extracted on 1 April 2025. The data system is continually updated and subject to revision. The revisions are minor and do not usually change the overall picture of performance.

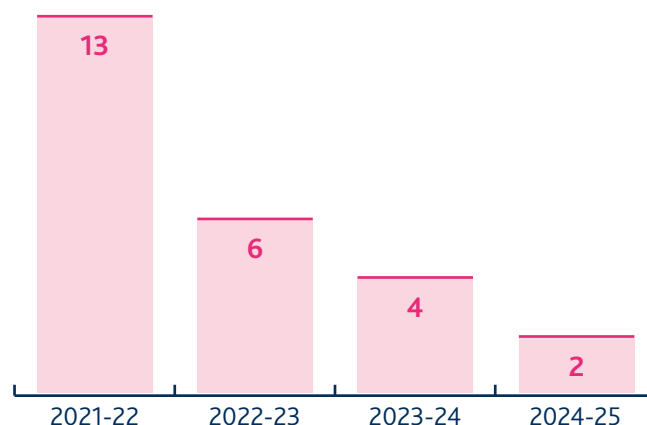
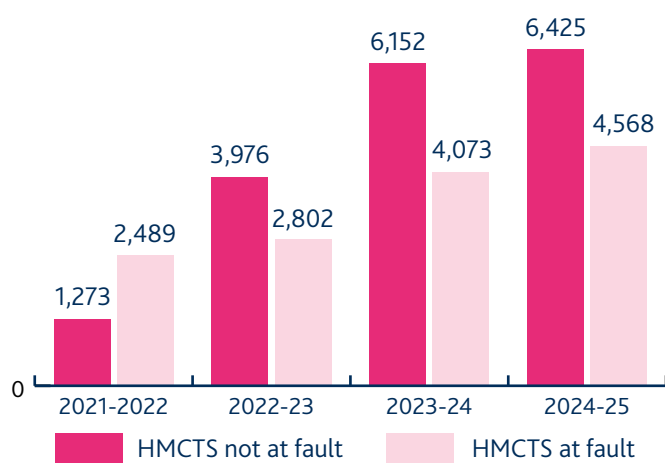
During 2024-25 we received over 4.2 million cases. This included a vast range of sensitive personal information from a variety of sources from people using our services. We take our responsibility seriously, to make sure this information is appropriately protected. We self-refer all significant data incidents to the Information Commissioner's Office (ICO). We continue to work closely with the ICO and other agencies to learn lessons and continually improve our systems. All our people must complete mandatory annual data security training, available as an e-learning package.

11,395 data incidents were reported during 2024-25 (2023-24: 10,637), which is a year-on-year increase of 7%. In addition, there were 376 'near misses' where a personal data breach would have occurred, but they were identified through control checks and rectified. In comparison to the volume of work we processed across the organisation, the reported incidents equated to a 0.3% incident rate (2023-24: 0.3%). At the end of March 2025, 402 (4%) of the incidents were still open and undergoing investigation. A proportion of these open items may be subsequently classed as 'not at fault' incidents or 'not data incidents' and thus not counted. Of the closed incidents, 6,425 (58%) were confirmed as 'not at fault' incidents but as external events, for example, incorrect or unredacted information supplied to us or uploaded incorrectly by external users. There are high volumes of cases within the Single Justice Service where the prosecuting authority has provided us with incorrect information or issued information to an incorrect address. We continue to engage with professional users to give direct feedback and mitigate repeat occurrences. As of 17 October 2024, Single Justice Procedure Notices were no longer accepted as data incidents and were directed back to the prosecuting authority. As a result, approximately 500 incidents have been declassified as data incidents.

Of those cases closed where we are at fault (4,568, 42%), the majority of instances were due to internal staff errors, such as uploading data to the wrong case in error. We are reviewing the categories of root causes reported on OPTIC (our feedback and incident reporting system), so we can capture detailed information and ensure more effective measures are put in place to prevent similar incidents happening again.

Breakdown of closed data incidents

Number of personal data incidents reported to the ICO



We are required to report personal data related incidents where they have been reported to the ICO. The following 2 incidents were reported by us through the MoJ Data Protection Officer, between 1 April 2024 and 31 March 2025. This is a 50% reduction compared to 4 reports in 2023-24. The ICO took no regulatory action against us, and the remaining incidents were considered to be low impact.

Data incidents reported to the Information Commissioner's Office

| Nature of incident | Nature of data involved | Number of people potentially affected | Date MoJ referred to Information Commissioner's Office |
|-------------------------------------------------------------------------------------------------|--------------------------|---------------------------------------|--------------------------------------------------------|
| Disclosure of confidential address of an applicant to a respondent in a family private law case | Confidential address | 2 | 23 September 2024 |
| Unredacted youth data uploaded to Court-Serve and was visible for 24 hours. | Name and offence details | 15 | 20 February 2025 |

2.1.2 Statement of Accounting Officer's responsibilities

Under section 7(2) of the Government Resources and Accounts Act 2000, HM Treasury (HMT) has directed us to prepare for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction issued by HMT on 19 December 2024. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Agency, and of its net expenditure, financial position, and cash flows. In preparing the accounts, I, as Accounting Officer have complied with the requirements of the Government Financial Reporting Manual (FReM). In particular, I have:

- observed the Accounts Direction issued by HMT, including the relevant accounting and disclosure requirements, and applied suitable accounting policies on a consistent basis
- made judgements and estimates on a consistent basis
- stated whether applicable accounting standards as set out in the Government FReM have been followed and disclosed, and explained any material departures in the accounts
- taken all steps that ought to have been taken to make myself aware of any relevant audit information, established that our auditors are aware of that information, and that I am not aware of any relevant audit information of which our auditors are unaware of
- prepared the accounts on a going-concern basis
- confirmed that the annual report and accounts as a whole is fair, balanced, and understandable, and take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced, and understandable

The Principal Accounting Officer for the MoJ has designated me as Chief Executive, the HMCTS Accounting Officer. The Accounting Officer's Memorandum issued by HMT, and published in Managing Public Money, sets out the responsibilities of an Accounting Officer. These include responsibility for the propriety and regularity of public finances for which I am answerable, keeping proper records, safeguarding our assets, and preparing the accounts.

2.1.3 Governance Statement

This Governance Statement summarises the main features of the governance, risk management and internal control frameworks we operated in 2024-25. It also sets out our most significant challenges and the steps taken to continuously improve.

Our governance framework and management structure

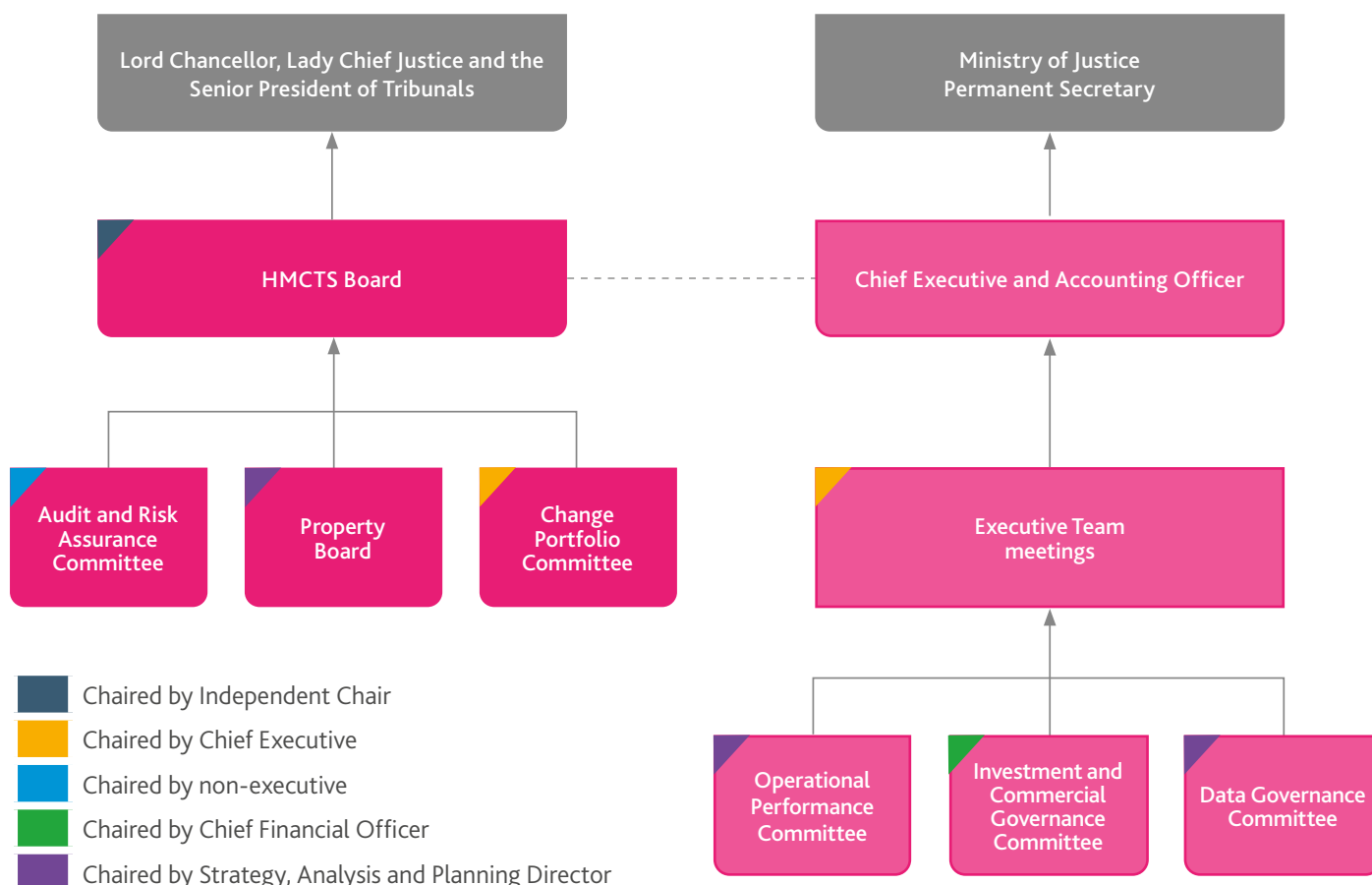
We operate as a partnership between the Lord Chancellor, the Lady Chief Justice, and the Senior President of Tribunals. Our Framework Document sets out the remit of our organisation in more detail, including how we are governed and funded. We have a Delegations of Authority Policy which is periodically reviewed by the HMCTS Board.

We have been included as part of the 2024-25 Public Bodies Review Programme⁷. As part of this, we completed a self-assessment which covered areas such as the control and governance arrangements that we have in place.

Corporate governance is the responsibility of the HMCTS Board, working with the requirements of Managing Public Money. We continued to implement the recommendations from our corporate governance review, to streamline processes and decision-making. Our top-level executive governance structure was reconfigured to support an improved balance between time spent on strategic and operational matters. Details of the changes made are outlined below, and further changes to our governance structure are expected to be implemented during 2025-26.

- The Executive Team is a decision-making body that is accountable for the delivery of our strategic objectives and considers the longer-term issues, trends, and strategic plans. It ensures the planning, performance and financial management of the Agency is carried out effectively and efficiently.
- The Senior Leadership Team has a collective role of leadership and ensures senior leaders are informed and aligned on strategic challenges, contribute to strategy development, and developing collective leadership.

Our top-level governance structure as at 31 March 2025 is set out below. The HMT Code of Practice for corporate governance in central government departments applies to the MoJ directly, and we have adopted the main principles as best practice. We remain compliant with material requirements with the exception of the nominations committee. Instead, non-executive members of the HMCTS Board annually consider the performance, talent, development, and succession planning of our senior leadership.



⁷ www.gov.uk/government/publications/public-bodies-review-programme

HMCTS Board and its committees

See the Director's report on page 38 for membership of the HMCTS Board and its committees.

| | HMCTS Board | Audit and Risk Assurance Committee | Change Portfolio Committee | Property Board |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Terms of reference | Last reviewed and agreed on 9 April 2025 | Last reviewed and agreed on 22 November 2023 | Last reviewed and agreed on 17 April 2024 | Last reviewed and agreed on 1 March 2024 |
| Roles and responsibilities | Responsible for overseeing the organisation's delivery of its objectives as set by the Lord Chancellor, Lady Chief Justice, and the Senior President of Tribunals | A Committee supporting the HMCTS Board, Chief Executive and Accounting Officer in their responsibilities for risk management, internal controls and governance, and production of the annual report and accounts | Has delegated authority from the HMCTS Board to govern and hold to account substantial change activities within the Reform Programme and the major change portfolio of priority programmes and projects | Has delegated authority from the HMCTS Board to approve property transactions on behalf of the HMCTS Board and monitor the management of our estate |
| Chair | Sir Richard Broadbent, Independent Chair | Nicky Wilden, Non-executive Director | Nick Goodwin, Chief Executive | Annabel Burns, Strategy, Analysis and Planning Director |
| Issues covered | <ul style="list-style-type: none"> undertook a series of discussions of the Spending Review priorities discussed the development of a strategic agenda to clarify priorities, the role of the organisation and business strategy focussed on improving productivity, longer-term structural changes, and options to reduce court backlogs considered the impact of prison capacity issues on courts and operational responses | <ul style="list-style-type: none"> regular discussion of corporate risks and the effectiveness of controls and mitigation scrutinised and provided input into our new approach to risk and risk appetite considered management response to issues identified by audit activity, including internal audits, the National Audit Office and value for money audits | <ul style="list-style-type: none"> regularly reviewed progress against the portfolio performance plans and the portfolio risks and issues undertook a number of assurance focused discussions, in particular in relation to the Critical Friend Review and Infrastructure and Project Authority reviews of the Reform Programme considered the plans to formally close the Reform Programme and implement the lessons learned in respect of the wider portfolio | <ul style="list-style-type: none"> regularly considered performance, progress against the capital programme and the financial position reviewed progress and made the required decisions in relation to major capital projects including Reading Crown Court, the new Blackpool Courthouse and City of London Project undertook a number of discussions in relation to judicial lodgings |

| | HMCTS Board | Audit and Risk Assurance Committee | Change Portfolio Committee | Property Board |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issues covered cont. | <ul style="list-style-type: none"> reviewed a number of important issues including risk appetite and overall risk exposure, the Reform Programme, the future Change Programme, the maintenance backlog and security and safety scrutinised jurisdictional performance with substantive sessions on the Crown Court and Immigration and Asylum Chamber | <ul style="list-style-type: none"> considered issues in relation to data security and data quality undertook substantive discussions focused on areas including data security, safety and security, complaints, and business continuity | <ul style="list-style-type: none"> considered the future prioritisation approach scrutinised a number of projects in the portfolio discussed the commercial strategy and commercial pipeline | <ul style="list-style-type: none"> considered assurance provided on key areas including in relation to fire safety and sustainability, and discussed the ongoing Construction Project and Programme Delivery Process Review considered the proposed property related Spending Review bids |
| Effectiveness reviews | The Board reviewed outputs from the Board Effectiveness Survey in April 2025. The Board were generally supportive of the direction and performance of the Board. Suggestions for improvement included greater engagement with setting an overarching direction for the organisation and a greater focus on risk acceptance, culture and long-term challenges. | Findings were discussed in March 2025. Areas of future focus included: assessing whether the Committee's current membership needed to be supplemented with additional skills; the induction process for new members; the potential use of site visits; and the provision and presentation of meeting papers. | No review was carried out as the remit and membership of the Committee will be fundamentally changed in 2025-26, as part of our Governance Review and the closure of the HMCTS Reform Programme. | Findings were discussed in February 2025. In terms of potential improvement activity, there was an interest in streamlining papers to focus on key issues for escalation, and a proposal that the Board should focus more on thematic forward-looking areas. |

Quality of information

Internal professional teams provide analytical support to the HMCTS Board and its committees to facilitate evidence-based decision-making. Members sponsored agenda items and ensured the papers were of sufficient quality and supported focused discussion on key issues. Risks and resource implications were highlighted where required, to ensure there was sufficient engagement and challenge during discussions.

The quality of the HMCTS Board papers enabled the strategic direction for the organisation to be set. The HMCTS Board and its committees reviewed and obtained reports and assurance from several sources to help them perform their duties.

As part of lessons learned about the quality of Crown Court data, we established a Data Quality Programme to assess the quality of data across our jurisdictions and investigate and resolve any issues identified. This work reports to the Data Governance Committee, which in turn provides updates to our Executive Team.

Attendance of Board members

The table below sets out the attendance of HMCTS Board members at the Board and its committees during 2024-25. It also includes attendance of judicial and non-executive members of the committees who are not HMCTS Board members.

| Member | HMCTS Board | Audit and Risk Assurance Committee | Change Portfolio Committee | Property Board |
|---------------------------------------------------------------------------------------------------------------------|-------------|------------------------------------|----------------------------|----------------|
| <i>Attendance at meetings expressed as number of meetings attended out of number eligible to attend</i> | | | | |
| Non-executive members | | | | |
| Independent Chair Sir Richard Broadbent | 13/13 | | | |
| Senior independent Non-executive Nick Fishwick | 13/13 | 6/6 | | |
| Chair of the Audit and Risk Assurance Committee Nicky Wilden | 13/13 | 6/6 | | 9/10 |
| Lakh Jemmett (<i>until 27 July 2024</i>) | 6/6 | 2/2 | | |
| Luisa Fulci (<i>from 1 April 2024</i>) | 12/13 | | | |
| Sophie Ingram | | 6/6 | | |
| Judicial members | | | | |
| Senior President of Tribunals Sir Keith Lindblom (<i>until 31 January 2025</i>) | 11/13 | | | |
| Deputy Senior President of Tribunals Mr Justice Ian Dove (<i>from 1 February 2025</i>) | 2/3 | | | |
| Senior Presiding Judge Lord Justice Andrew Edis (<i>until 30 September 2024</i>) | 7/7 | | 5/5 | 5/5 |
| Lord Justice Green (<i>from 1 October 2024</i>) | 6/6 | | | 4/5 |
| District Judge Tim Jenkins OBE (<i>until 31 July 2024</i>) | 4/6 | 1/2 | 4/4 | 4/5 |
| Judge Alison Raeside (<i>from 1 August 2024</i>) | 8/8 | 2/4 | 5/6 | |
| Deputy Senior Presiding Judge Lord Justice Nicholas Green (<i>until 30 September 2024</i>) | 2/2 | | 5/6 | 3/3 |
| Mrs Justice Amanda Yip (<i>from 1 October 2024</i>) | | | 5/6 | |
| Judge Siobhan McGrath | | 5/6 | | 9/10 |
| Mr Justice Sweeting | | | | 8/10 |
| Executive members | | | | |
| Chief Executive Nick Goodwin | 13/13 | 5/6 ⁸ | 11/11 | |
| Operations Director and Deputy Chief Executive Paul Harris CBE (<i>until 1 April 2024</i>) ⁹ | | | | |

⁸ Attendance was as a regular attendee rather than a member of the Committee

⁹ Paul Harris was Operations Director until 1 April 2024 but as his last working day was 22 March 2024, his successor Daniel Flury took up the post of Operations Director from March 2024 Director from 25 March 2024

| Member | HMCTS Board | Audit and Risk Assurance Committee | Change Portfolio Committee | Property Board |
|----------------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------------|----------------------------|----------------|
| Operations Director Daniel Flury | 13/13 | 4/6 ^{8,9} | 9/11 | 10/10 |
| Chief Financial Officer Andrew Baigent (<i>until 3 June 2024</i>) Dr Catherine Blair (<i>from 24 June 2024</i>) | 3/3 8/8 | 6/6 ¹⁰ | 0/2 9/9 | 1/2 6/8 |
| Human Resources Director Louise Alexander CBE (<i>until 28 July 2024</i>) | 4/6 | 2/2 ⁹ | 3/4 | |
| Strategy, Analysis and Planning Director Annabel Burns (<i>from 10 October 2024</i>) | 6/6 | 5/6 ⁹ | 8/11 | 6/8 |
| MoJ representative Jerome Glass | 11/13 | | | |

HMCTS Executive Team (ExT) and its sub-committees

Details of substantive changes made to the governance structure this reporting year are on page 42. The purpose of ExT and their committees as at the end of March 2025 are below.

Committee: Executive Team

Chair: Chief Executive

Purpose: The HMCTS Executive Team (ExT) supports the Chief Executive in their duties as HMCTS Accounting Officer. As the most senior executive governance forum, ExT shapes, provide early steers and make decisions on strategic matters where this cannot be done by individual executives/other governance or where ExT's input would provide a material benefit.

Committee: Data Governance Committee

Chair: Strategy, Analysis and Planning Director

Purpose: To sponsor and govern the strategic, sustainable, and responsible use and capture of justice data, and provide overall strategic governance of data, data management and a collection of analytical and functional data capabilities.

Committee: Investment and Commercial Governance Committee

Chair: Chief Financial Officer

Purpose: To ensure effective and robust oversight of all investment decisions, and assurance on commercial governance and contract management. Assure the processes put in place to ensure all contracts and services are sufficiently funded, sustainable and deliver value for money.

Committee: Operational Performance Committee

Chair: Strategy, Analysis and Planning Director

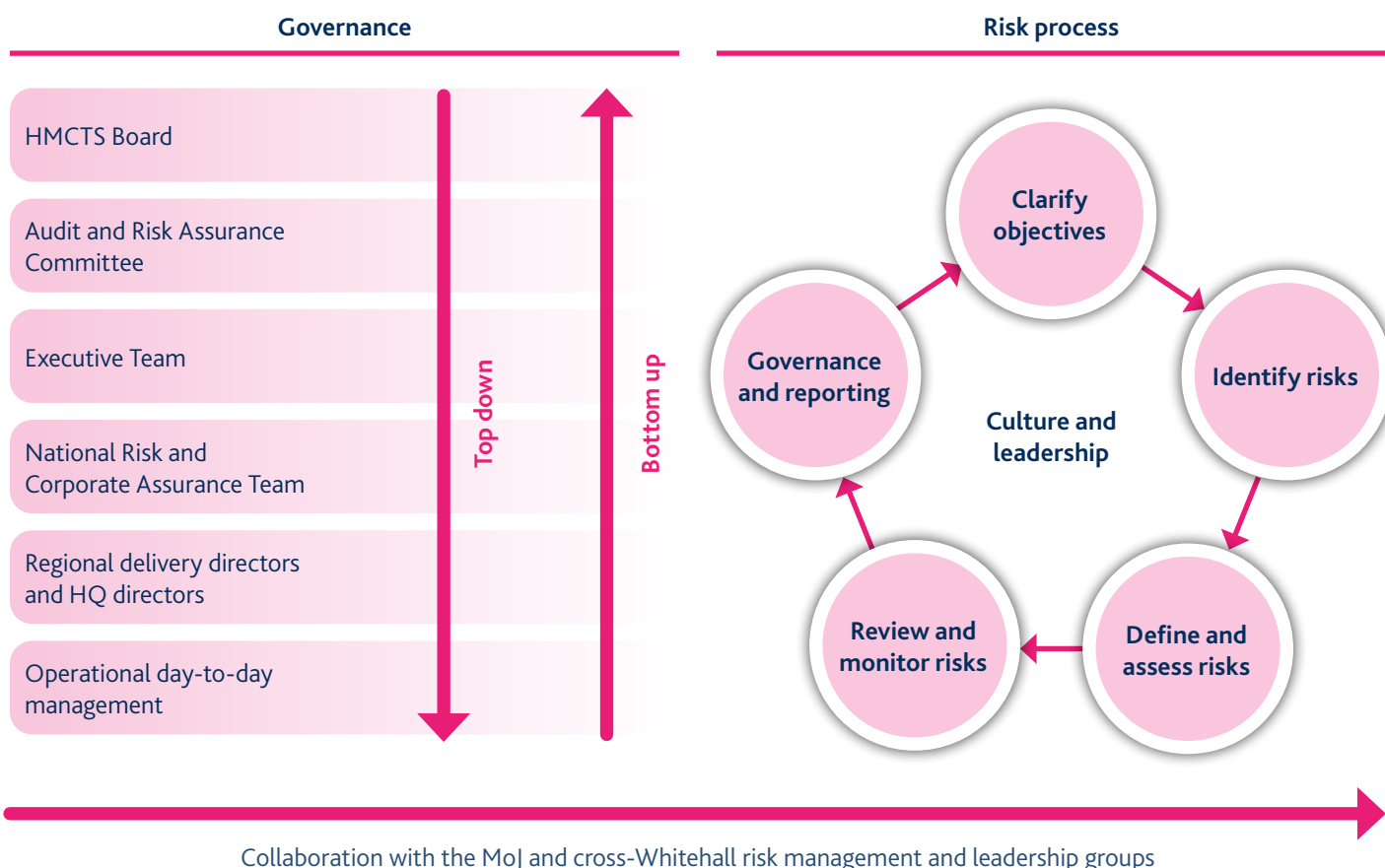
Purpose: To use performance management information and operational insight to: monitor and review performance against measures and financial allocations set by our ExT; identify significant issues which need resolution and ensuring that solutions are developed; and analyse areas of poor performance and significant regional variations to ensure they are addressed wherever possible.

¹⁰ Attendance was as a regular attendee rather than a member of the Committee

Risk management

Our risk management is based on the government publication The Orange Book¹¹ and we have satisfied ourselves that we comply with the 5 risk management principles set out within it. We have a Risk framework which brings together our overarching risk strategy and practical guidance on how risks and issues should be managed at all levels throughout our organisation. This framework was updated and refreshed this reporting year. The risks are aligned to our business plan priorities and risks out of tolerance are monitored and challenged.

Risk framework



Our corporate risk register

Our corporate risks were reviewed against our spending review priorities, and a new corporate risk register was developed with principal and secondary risks. The principal risks are high level strategic risks, underpinned by more detailed and dynamic secondary risks. The new format of the risk register is a dynamic tool for management to use in making informed decisions, particularly on the allocation of resources. It is supplemented by additional information on the risks that are most out of tolerance and where our appetite is risk averse.

The risk register was endorsed by the Executive Team and approved by the Audit and Risk Assurance Committee (ARAC) and the HMCTS Board. It is regularly reviewed by our Executive Team and the HMCTS Board is provided with a monthly risk report, which outlines risk movements and headline updates. Our ARAC also received quarterly reports summarising any significant changes to the organisation's risk profile and is provided with a copy of the corporate risk register.

We supported the MoJ's reporting of key risks to the MoJ Executive Committee through our membership of the MoJ Risk Advisory Group. This group provides challenge around ongoing activity to address those risks that have an impact on the delivery of our objectives.

¹¹ www.gov.uk/government/publications/orange-book

Risk appetite

Our secondary risks are aligned to a risk appetite and are reviewed regularly to ensure we are managing and prioritising risks appropriately.

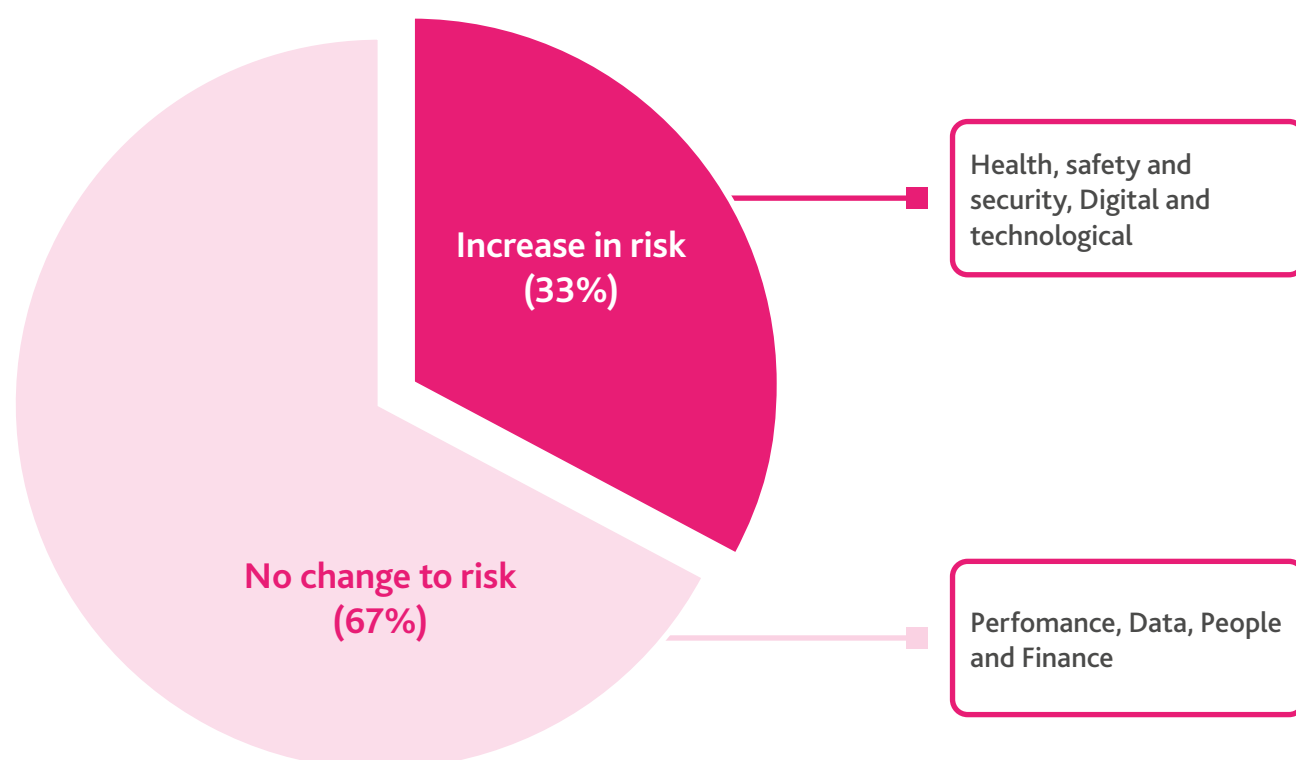
| Averse | Minimal | Cautious | Open | Eager |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Avoid all risk and uncertainty due to its potential impact on HMCTS, but accepting that risk and error will never be fully eliminated, but should be monitored closely | Favour ultra safe delivery options with low inherent risk score even if that means lower levels of reward | Choose safe delivery options where possible that have a low current risk score but more potential for reward | Consider all potential delivery options, even those which present risks and opt for one which is most likely to result in successful delivery and an acceptable level of risk | Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk |

Risk assessment

We use a 5x5 scoring methodology to assess the impact and likelihood of risks materialising to ensure we assess our risks in a consistent way. It also enables us to focus our resources on the most significant risks to our organisation. This methodology is used across all regions and directorates, as well as at a corporate level.

Principal risks

The risk trends of our principal risks as at the end of March 2025 are shown below, followed by details of how we managed them during 2024-25.



Risk management as at 31 March 2025

Key

Risk movement (from date risk identified to end March 2025)



Risk increase



Risk decrease



No risk movement

Relation of risk to main priorities



Perform at our best



Enhance our leadership skills



Live our values



Conclude the Reform Programme



Create a stable environment and continue to improve

Principal risk description

Performance – There is a risk to the delivery of both our day-to-day services and our change activity



No change



Examples of main controls and activities to manage risks

There are controls in place to target the specific secondary risks which they are aligned to. These include: controls which address insufficient capacity, flexibility and resilience in operations; horizon scanning to determine increases in demand and discussions concerning judicial capacity; and various ongoing controls and projects to ensure our processes, systems and governance are efficient.

Health, safety and security – There is a risk to the safety and security of our staff, the judiciary and users



Increase



There are 5 secondary risks linked to this principal risk, and to address these there are a variety of controls in place. The risk score increased due to the increased number and intensity of incidents concerning bailiff/judicial safety and security. There are controls surrounding policies in place which are aligned to the Health and Safety Executive guidance and several programmes of work set out to address particular safety and security property issues. There are working groups in place to address specific issues and improve levels of safety assurance across the organisation.

Digital and technological – There is a risk we are unable to provide our services



Increase



There is ongoing work to tackle specific areas of concern including security assurance processes and security impact assessments to identify any potential threats to our security. Digital access is being reviewed by our digital and technological services team, and Just In Time access has now been implemented in some services. The Decommissioning and Legacy Risk Mitigation Programme continues to mitigate risks associated with our ageing technology by upgrading applications to cloud-based hosting and decommissioning those applications that are no longer required.

Data – There is a risk our data is incomplete and/or of poor quality



No change



We identified data quality issues with the Crown Court open caseload, and following extensive work completed over the summer of 2024, we established the causes of the data anomalies and have added additional resources to our data analysis and insight function to improve the quality of the reporting. We established a Data Quality Programme which will assess core performance metrics in all major services. For issues identified, remedial action will be taken, with progress regularly reported to the Data Governance Committee. Resources have been allocated to Operations and services to embed changes identified by the programme. Over time this risk should reduce, as the programme embeds quality controls across the lifecycle of data.




People – There is a risk to our workforce



No change



The people risks have been developed to focus on capacity, capability, and employee experience in line with the MoJ's people risk. Significant work has been carried out to improve the pay position in the MoJ and the challenge is now around multiple pay arrangements and terms and conditions as a barrier to ensure a fair deal for all. This comes as some staff leave for other areas of government and the Civil Service (such as HMRC and DWP) due to perceived better levels of pay.

| Principal risk description | Examples of main controls and activities to manage risks |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Finance – There is a risk we fail to make best use of the resources we have within our budget without overspending  No change   | Regular reporting ensures we are accountable, and plans remain affordable, maximising value for our budget. There is reporting of benefits achievement from reform and other change projects through targeted validation work, unit costs and benefits reporting. Trends in overall efficiency and productivity of the system are monitored, identifying areas for further scrutiny and challenge, through regular reporting. There is an ongoing review and testing of our financial controls by our financial assurance team. Regular reviews take place of specific financial controls by the Government Internal Audit Agency (as part of a programme of reviews) and the National Audit Office (annual). Discussions take place at Service Boards and there is an escalation route to ExT as needed. |

Assurance on our system of internal controls

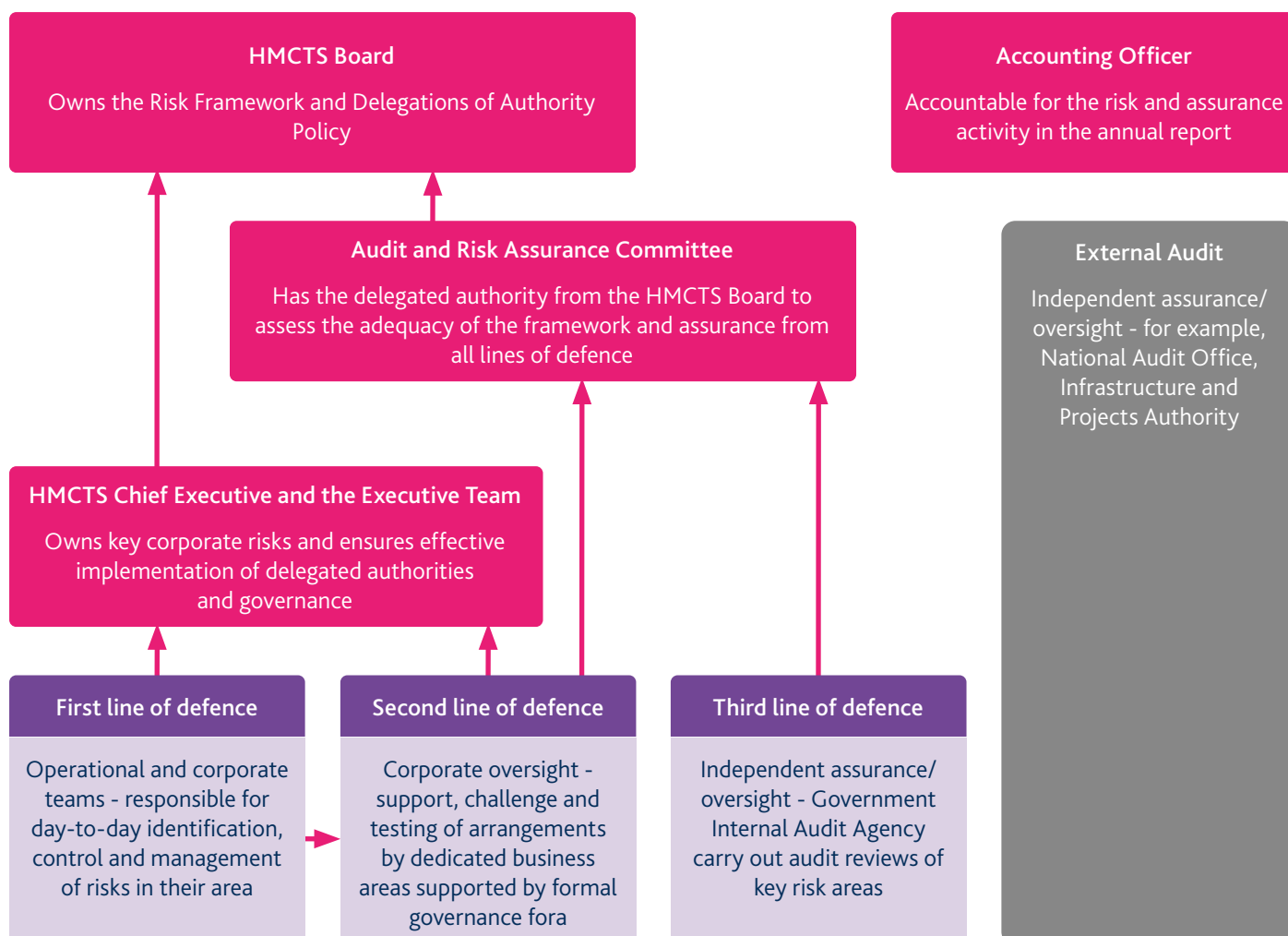
Our Chief Executive, as Accounting Officer, and his senior management team, have collective responsibility for monitoring our systems to ensure they are robust. Our Chief Financial Officer issues a letter to each director setting out their delegated accountabilities and authority to commit resources and incur expenditure for the reporting year. Each director provides assurance on the governance and management of risks and internal controls within their business area by signing a quarterly combined risk register and governance statement. The director must be satisfied that the assurance statements in the document have been reviewed and that any exceptions, risks and issues are being effectively managed. The information is used to provide an accurate picture of governance, risk management and control across our organisation.

ARAC review the comprehensiveness of assurances on governance, risk management, the control environment, and the integrity of finance statements.

Our assurance framework and examples of sources of assurance are described below.

Our assurance framework

We have a 3 lines of defence approach to assurance as shown below.



Our ARAC review the comprehensiveness of assurances on governance, risk management, the control environment, and the integrity of financial statements. You can find further details on ARAC on page 43.

Our Operational and Corporate Assurance team serves as a second line of defence. The team assesses first and second-line assurance activities to ensure they are appropriate, proportionate, and effective for our operational environment. This year, to maintain proportionality, the team conducted a series of formal risk evaluations on each of our key control checks. This ensures that our formal first-line checks focus on the areas of greatest risk.

To test compliance, the team conducted several assurance visits to venues across various jurisdictions. These reviews sometimes identified weaknesses that may extend beyond local issues, and they informed broader initiatives by the team. Additionally, we completed major reviews, such as on fees processing, which not only led to numerous improvements but also highlighted areas of best practice.

Financial assurance

We have financial assurance processes in place that ensure we have adequate controls across our organisation to help safeguard public money. The necessary controls and assurance around finance and banking requirements are monitored through financial key control checks. These highlight possible control weaknesses which are rectified where possible. Where monies are taken through a digital platform, these are scrutinised to assure reconciliation.

Business continuity

We have a network of operational business continuity leads. The national business continuity and resilience team monitor and support individual sites to ensure they have an up-to-date, fit-for-purpose and tested business continuity plan. We work closely with the MoJ Departmental Operations Centre to assess the impact of external risks and national threats on our organisation; we continue to build our contingency plans around that work.

We ran reasonable worst-case scenario exercises, testing resilience against a number of events, including the threat of cyber-attack and severe weather. We put contingency plans in place to meet challenges during the year such as the impact of prison capacity issues in the criminal courts, and civil unrest. We made sure urgent business was dealt with as a priority.

Data security

The Strategy, Analysis and Planning Director, is our senior information risk owner (SIRO). She is a member of the MoJ Information and Security Risk Board, that provides advice and guidance to SIROs across the MoJ. A new Serious Incidents Panel was established in December 2024, reporting to the Service Excellence Committee. Data security issues are discussed by the Executive Team and the Service Excellence Committee when required. A regular summary report is also provided to ARAC.

Cyber security

Our Reform Programme has brought modern technology and new ways of working to the courts and tribunals system. To help protect our data, technology and infrastructure, we refreshed our Technology Strategy, in which cyber security is a key part. We conducted a deep dive on cyber security in May, which will inform the corporate risk register. Regular risk updates are provided to ExT, ARAC and the HMCTS Board.

Whistleblowing arrangements

We actively encourage our people to speak out and raise concerns about any allegations of wrongdoing. A revised MoJ Whistleblowing Policy was issued in April 2024; this policy applies to our staff and is available on the intranet. The policy, procedures and supporting toolkits provide advice and guidance on the process for raising concerns so our people feel safe to speak up. It provides reassurance that concerns will be investigated promptly and professionally.

The Whistleblowing Policy was promoted throughout 2024, through the nominated officers recruitment campaign, the relaunch of the policy in April 2024, and through Speak Up Week in November 2024, which amongst other topics promoted the Whistleblowing Policy with a number of intranet news articles, blogs and events.

There are a number of nominated officers across the MoJ, all of a senior management grade, who our staff can contact. They offer impartial support and advice outside of the line management chain to those who suspect wrongdoing and want to raise a concern. Their role is to ensure individual voices are heard and to help make sure concerns are appropriately addressed. The MoJ keeps a central database of reported cases and outcomes including those from HMCTS. There were 7 whistleblowing cases reported by us during 2024-25 (2023-24: Nil).

Our ARAC is responsible for overseeing the effectiveness of the whistleblowing policy in our organisation.

Health and safety

We are committed to protecting the safety and security of all those in our premises. We apply standards, advice and guidance from the Centre for the Protection of National Infrastructure, the Health and Safety Executive, Crown Premises Fire Safety Inspectorate, and public health agencies in all parts of the UK.

Occupational health and safety is central to the delivery of our corporate priorities, and we are focused on meeting our statutory health and safety obligations. We issued our Fire Safety Strategy 2024-27 to ensure the continued safety and security of our staff and those attending our premises. It has an accompanying action plan and progress against it is reported annually to the Property Board. Our National Committee for Safety and Security, which also includes a focus on fire safety and physical security, meets quarterly and includes Trade Union representation. We provide bi-annual reports on security and safety risk management for scrutiny by our ARAC.

Counter fraud, bribery and corruption

We have a zero tolerance of fraud, bribery and corruption. There are clear policies setting out responsibilities for the prevention, detection and reporting of fraud, bribery and corruption. They apply to all staff and cover engagement with official bodies and third parties. There is mandatory training that all our staff must complete on counter fraud, bribery and corruption, refreshing their knowledge as required. Informed by our highest rates of risk, we developed a series of animated videos to help staff identify and report fraud incidents.

Our Counter Fraud, Bribery and Corruption Strategy 2024-26 outlines how we intend to focus our efforts on tackling fraud, bribery and corruption in our organisation. We carried out our fraud, bribery and corruption assessment, the findings of which were presented to our Executive Team and ARAC, together with our annual fraud report. The Public Sector Fraud Authority will assess us against the annual Cabinet Office fraud functional standards during 2025-26.

During 2024-25 we received 204 (2023-24: 127) referrals specifically related to allegations of fraud, bribery and corruption. Of these 26 (2023-24: 22) were internal incidents and 178 (2023-24: 105) were external. 57 (2023-24: 47) referrals were reported to the police and Action Fraud for consideration of criminal charges.

Functional standards

All government departments and agencies are required to embed certain functional standards. These benchmark corporate delivery in certain main thematic areas including project delivery, HR and finance. The functions support collaboration across organisational boundaries, and efficient and effective delivery of public services. Of the 13 standards, 10 are applicable to us and we monitor compliance against them on an annual basis. During 2024-25, the Operational Performance Committee carried out deep dives on project delivery and criminal fines collection and enforcement.

Managing conflicts of interest

We comply with the MoJ's Declaration and Management of Outside Interests policy, which is based on Cabinet Office guidance. The policy sets out the expectations and process for declaring an interest and is accessible to staff on the intranet. It is the responsibility of the individual to declare all interests (actual, potential, or perceived) that could be relevant to their role. This includes a requirement for all senior civil servants (SCS) to make an annual declaration of interest via the SCS online portal. The SCS process is managed by the MoJ SCS HR team and declarations of interest for the delegated grades are held locally. All officials must obtain written permission before undertaking any outside work (paid or unpaid) in line with the MoJ conduct policy.

Business appointment rules

All officials must make an application under the business appointment rules if they intend to accept outside appointments after leaving the Civil Service. This makes sure any risk of conflict can be identified and managed. The business appointment rules continue to apply after a staff member leaves the organisation; for SCS they apply for 2 years from the last day of service while it is 1 year for the delegated grades. The process for managing these applications and ensuring appropriate records are maintained is carried out by the MoJ People Policy team.

Complaints to the Parliamentary and Health Service Ombudsman

The complaints we receive are dealt with in 3 stages:

- first contact – at the point where the problem happened
- review – by a senior manager who works in the location of service where the complaint happened
- appeal – by our central customer investigations team

Around 96% (2023-24: 96%) of the complaints we receive are resolved at levels 1 and 2. Complainants who remain dissatisfied after the appeal stage can take their complaints to the Parliamentary and Health Service Ombudsman (PHSO). The PHSO investigate complaints from individuals who believe they have received a poor service from government departments, other public organisations and the NHS in England. They have the power, in law, to investigate and make the final decision on complaints about public services for individuals. The PHSO may also make recommendations on how mistakes can be put right. This can include explanations, apologies and recommendations for the service to learn and improve. They can also ask organisations to produce action plans to show how they will be implemented.

During 2024-25, the PHSO investigated 5 complaints against us, which represented less than 0.015% of all complaints we received. The PHSO made 3 recommendations which we complied with. Details of complaints investigated by PHSO are published at www.ombudsman.org.uk/.

We regularly scrutinise data on complaints and are always looking at what action we can take to improve the service we provide to all our users. Complaints data is regularly presented to the Operational Performance Committee to improve the visibility of complaints performance nationally and reduce failure demand. A deep dive on complaints, including ongoing work to improve the quality and timeliness of responses, was discussed by ARAC in September 2024 and the HMCTS Board in December 2024.

We continue to improve the capability of front-line complaint handlers by continuing to deliver 'drop in' sessions for staff. These are short, single issue, virtual presentations on different topics that are designed to provide a better understanding of different aspects of the complaints process. These have been well attended and positively reviewed. We also held a series of sessions with senior managers across the organisation to provide a focus on complaint handling at a local level.

Complaints investigated by PHSO

| | 2022-23 | 2023-24 | 2024-25 |
|----------------------------------|----------|----------|----------|
| Investigations completed by PHSO | 5 (100%) | 4 (100%) | 5 (100%) |
| Upheld complaints | 0 (0%) | 1 (25%) | 1 (20%) |
| Partly upheld complaints | 1 (20%) | 1 (25%) | 2 (40%) |
| Complaints not upheld | 4 (80%) | 2 (50%) | 2 (40%) |

Significant control challenges

Throughout 2024-25 we had appropriate governance in place to mitigate control challenges and issues.

In the HMCTS Annual Report and Accounts 2023-24, we reported concerns about the quality of Crown Court data. At the time of the report being published, data quality assurance was still ongoing, and this process included assessing and reviewing potential control failures that may have led to material errors in key data inputs. That process was completed in 2024 and it concluded that there was not a significant control failure. Further details can be found on page 27 of the Performance analysis section.

Internal audit and annual audit opinion

One of our main sources of independent assurance comes from the activities of the internal audit service provided by the Government Internal Audit Agency. The internal audit programme is closely linked to the main risks for our organisation and arrangements are in place to make sure our Chief Executive is made aware of any significant issues which indicate that main risks are not being effectively managed.

The Group Head of Internal Audit provided an annual overall opinion of 'moderate', which means some improvements are required to enhance the adequacy and effectiveness of our framework of governance, risk management and control.

National Audit Office and Parliamentary reports

The National Audit Office (NAO) published the following value for money report relating to our organisation in 2024-25, which led to a Public Accounts Committee (PAC) evidence session this reporting year. The status of NAO recommendations published since 1 April 2019 are available to view on the NAO Recommendations Tracker at www.nao.org.uk/recommendations-tracker/.

NAO value for money reports

| Report title | NAO summary | Our response |
|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reducing the backlog in the Crown Court ¹² Report published - 24 May 2024 | The report describes what action the MoJ, HMCTS and other parts of the criminal justice system have taken to address the backlog of cases in the Crown Court. | No response was published due to the 2024 pre-election period and the change in Government. See information below on the PAC hearing on the Crown Court backlog. |

The Public Accounts Committee (PAC)

| Inquiry and hearing dates | Government response |
|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Reducing the backlog in the Crown Court ¹³ Opened – 31 October 2024 Hearing – 9 January 2025 Report published – 5 March 2025 | Response published: 16 May 2025 |

Justice Committee

The Justice Committee launched the following HMCTS related inquiry.

| Inquiry and hearing dates | Government response |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| The work of the County Court ¹⁴ Opened - 21 January 2025 Hearing - 8 April 2025 Report published - Awaiting publication by the Justice Committee | Awaiting publication of the report |

Public Services Committee

The House of Lords Public Services Committee launched the following HMCTS related inquiry.

| Inquiry and hearing dates | Government response |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Interpreting and Translation Services in the Courts Service ¹⁵ Opened - 9 August 2024 Hearings - 30 October 2024 and 18 December 2024 Report published – 24 March 2025 | Response published: 3 June 2025 |

¹² www.nao.org.uk/reports/reducing-the-backlog-in-the-crown-court/

¹³ committees.parliament.uk/work/8573/crown-court-backlogs/publications/

¹⁴ committees.parliament.uk/work/7972/work-of-the-county-court/

¹⁵ committees.parliament.uk/work/8493/interpreting-and-translation-services-in-the-courts/publications/

Conclusion

I am satisfied that we have effective governance, risk management and assurance arrangements in place as set out in this Governance Statement. Arrangements are kept under continuous review to adapt to our changing risk environment.

Nick Goodwin

Chief Executive and Accounting Officer

11 July 2025

2.2 Remuneration and people report

The remuneration and staff report provides information on our staff, sets our remuneration policy for directors, how that policy has been implemented, and the amounts awarded to directors. It also provides details on remuneration and staff that Parliament and others see as important to accountability.

2.2.1 Remuneration report

The tables in this remuneration report have been subject to audit and are referred to in the Certificate and Report of the Comptroller and Auditor General to the House of Commons, unless otherwise stated.

Board members' remuneration report

Our remuneration report has been prepared in accordance with the requirements of the FReM as issued by HMT. The Prime Minister sets the remuneration policy of senior civil servants following independent advice from the Senior Salaries Review Body. The salaries of HMCTS Board members were set following discussions between the MoJ Permanent Secretary and director generals, in accordance with the rules of the Civil Service Management Code. We do not have a remuneration committee. The main functions of this committee are dealt with through the MoJ Workforce Committee. The following sections provides details of the remuneration and pension interests of the HMCTS Board members who served during 2024-25.

Table 1 – Remuneration payments to HMCTS Board members during the period 1 April 2024 to 31 March 2025

| | 2024-25 | | | | | 2023-24 | | | | |
|----------------------------------------------------------------------------------------|---------------------------------|----------------------------------------|--------------------|---------------------------------------------|---------|---------------------------------------|----------------------------------------|--------------|---------------------------------------------|---------|
| | Total amount of salary and fees | All taxable benefits (to nearest £100) | Bonuses paid | Pension related benefits (to nearest £1000) | Total | Total amount of salary and fees | All taxable benefits (to nearest £100) | Bonuses paid | Pension related benefits (to nearest £1000) | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Sir Richard Broadbent Independent Chair | 45-50 ¹⁶ | Nil | Nil | Nil | 45-50 | 20-25 | Nil | Nil | Nil | 20-25 |
| Nick Goodwin Chief Executive | 145-150 | Nil | 0-5 | 85 | 230-235 | 135-140 | Nil | Nil | 54 | 190-195 |
| Daniel Flury Operations Director | 100-105 | Nil | 5-10 | 88 | 195-200 | 0-5 (95-100 FYE ¹⁷) | Nil | Nil | 3 | 0-5 |
| Andrew Baigent Chief Financial Officer (until 3 June 2024) | 20-25 (135-140 FYE) | Nil | Nil | 5 | 25-30 | 135-140 | Nil | 10-15 | 101 | 250-255 |
| Dr Catherine Blair Chief Financial Officer (from 24 June 2024) | 85-90 (110-115 FYE) | Nil | 5-10 ¹⁸ | 34 | 125-130 | - | - | - | - | - |
| Louise Alexander HR Director (until 28 July 2024) | 40-45 (120-125 FYE) | Nil | Nil | 16 | 55-60 | 65-70 (120-125 FYE) | Nil | 10-15 | 27 | 105-110 |
| Annabel Burns Strategy, Analysis and Planning Director (from 10 October 2024) | 55-60 (115-120 FYE) | Nil | Nil | 10 | 65-70 | - | - | - | - | - |
| Nicky Wilden Non-executive Director | 20-25 ¹⁹ | Nil | Nil | Nil | 20-25 | 15-20 | Nil | Nil | Nil | 15-20 |

¹⁶ The salary for Sir Richard Broadbent reflects the increase in the time commitment required for his role during 2024-25.

¹⁷ FYE - Full year equivalent

¹⁸ Dr Catherine Blair's bonus relates to her previous employment.

¹⁹ The remuneration for Nicky Wilden also includes her membership of the MoJ Audit and Risk Assurance Committee.

| | 2024-25 | | | | | 2023-24 | | | | |
|----------------------------------------------------------------|---------------------------------|----------------------------------------|--------------|---------------------------------------------|-------|---------------------------------|----------------------------------------|--------------|---------------------------------------------|-------|
| | Total amount of salary and fees | All taxable benefits (to nearest £100) | Bonuses paid | Pension related benefits (to nearest £1000) | Total | Total amount of salary and fees | All taxable benefits (to nearest £100) | Bonuses paid | Pension related benefits (to nearest £1000) | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Lakh Jemmett Non-executive Director (until 27 July 2024) | 0-5 (10-15 FYE) | Nil | Nil | Nil | 0-5 | 10-15 | Nil | Nil | Nil | 10-15 |
| Nick Fishwick Non-executive Director | 15-20 | Nil | Nil | Nil | 15-20 | 0-5 (10-15 FYE) | Nil | Nil | Nil | 0-5 |
| Luisa Fulci Non-executive Director (from 1 April 2024) | 15-20 | Nil | Nil | Nil | 15-20 | - | - | - | - | - |
| Jerome Glass Moj representative ²⁰ | Nil | Nil | Nil | - | Nil | Nil | Nil | Nil | Nil | Nil |

The following judicial members of the HMCTS Board are remunerated as judges and received no additional payments as directors.

- Sir Keith Lindblom, Senior President of Tribunals until 31 January 2025. He was replaced as a HMCTS Board member by Mr Justice Dove, Deputy Senior President of Tribunals from 1 February 2025.
- Lord Justice Andrew Edis, Senior Presiding Judge (until 30 September 2024)
- Lord Justice Nicholas Green, Senior Presiding Judge (from 1 October 2024)
- District Judge Tim Jenkins, judicial representative (until 31 July 2024)
- Judge Alison Raeside, judicial representative (from 1 August 2024)

Salary

Salary covers both pensionable and non-pensionable amounts and includes, but may not necessarily be confined to, gross salaries; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances; and any other allowances to the extent that it is subject to UK taxation. The figures shown do not include amounts that are a reimbursement of expenses directly incurred in the performance of an individual's duties. This report is based on accrued payments made by us and therefore recorded in these accounts.

Bonuses

Bonuses are based on performance levels and are made as part of the appraisal process. Bonuses relate to performance in the year in which they become payable to the individual.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HMRC as a taxable emolument.

No executive or non-executive board members received any taxable benefits in 2023-24 or 2024-25.

²⁰ Jerome Glass is an MoJ employee and receives no remuneration for his role as the MoJ representative on the HMCTS Board. His remuneration as an MoJ employee is included in the MoJ annual report and accounts.

Fair pay disclosure

We are required to disclose the relationship between the remuneration of our highest-paid director and the lower quartile, median and upper quartile remuneration of our workforce.

Table 2 – Percentage change from previous year in total salary and bonuses for the highest-paid director and the staff average

| | 2024-25 | | 2023-24 | |
|-----------------------|--------------|----------------|--------------|----------------|
| | Total salary | Bonus Payments | Total salary | Bonus Payments |
| Staff average | 0.7% | -3.6% | 7.2% | 45.7% |
| Highest-paid director | 5.0% | -81.8% | 5.5% | 120% |

Table 3 – Ration between the highest-paid directors' total remuneration and the pay and benefits of employees in the lower quartile, median and upper quartile

| | Lower quartile | Median | Upper quartile |
|---------|----------------|--------|----------------|
| 2024-25 | 6.1:1 | 5.7:1 | 4.5:1 |
| 2023-24 | 6.6:1 | 5.6:1 | 4.6:1 |

Table 4 – Lower quartile, median and upper quartile for staff pay for salaries and total pay and benefits

| | Lower quartile | | Median | | Upper Quartile | |
|------------------------|----------------|---------|---------|---------|----------------|---------|
| | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 |
| Salary | 24,202 | 22,940 | 28,485 | 24,250 | 34,113 | 31,200 |
| Total pay and benefits | 24,202 | 22,940 | 25,784 | 27,000 | 32,838 | 32,512 |

The mid-point of the banded remuneration of our highest-paid director in the financial year 2024-25 was £147,500 (2023-24: £152,500). This was 5.7 times (2023-24: 5.6) the median remuneration of the workforce, which was £28,485 (2023-24: £27,000).

In 2024-25, a one-year pay award was agreed, from 1 August 2024 until 31 July 2025.

In 2024-25, 65 employees (2023-24: 4) received remuneration in excess of our highest-paid director. One permanent staff member received remuneration in excess of the highest-paid director (2023-24: Nil).

Remuneration ranged from £20,000-£25,000 to £245,000-£250,000 (2023-24: £20,000-£25,000 to £310,000-£315,000).

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The ratio between the highest-paid director's remuneration and the staff lower quartile, median and upper quartile reduced due to an increase in staff pay and a reduction in the bonuses for the highest-paid director.

The pay ratios are therefore consistent with the pay and reward policies for the organisation as a whole.

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. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

The officials covered by this report hold appointments which are open-ended, with the exception of non-executive directors who are appointed for a term of 3 years. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at civilservicecommission.independent.gov.uk/.

Table 5 – HMCTS Board members’ contracts (not subject to audit)

| Name | Contract start date | Unexpired term | Notice period |
|-----------------------|----------------------------------------------|----------------|---------------|
| Sir Richard Broadbent | 1 May 2023 | 13 months | 3 months |
| Nick Goodwin | 14 March 2022 | To retirement | 3 months |
| Daniel Flury | 25 March 2024 | To retirement | 3 months |
| Andrew Baigent | 14 August 2017 | 0 months | 3 months |
| Dr Catherine Blair | 24 June 2024 | 0 months | 1 month |
| Louise Alexander | 8 September 2023 | 0 months | 3 months |
| Annabel Burns | 10 October 2024 | To retirement | 3 months |
| Lakh Jemmett | 27 July 2014 (renewed on 21 June 2021) | 0 months | 1 month |
| Nicky Wilden | 1 November 2020 (renewed on 02 October 2023) | 19 months | 1 month |
| Nick Fishwick | 2 January 2024 | 21 months | 1 month |
| Luisa Fulci | 1 April 2024 | 24 months | 1 month |
| Jerome Glass | 9 January 2024 | To retirement | 3 months |

Notes:

1. Andrew Baigent left HMCTS on 3 June 2024
2. Louise Alexander left HMCTS on 28 July 2024
3. Lakh Jemmett left HMCTS on 27 July 2024
4. Judicial members do not operate under contracts

Pension benefits

Table 6 - HMCTS Board members' pension benefits and the cash equivalent transfer value (CETV) of those benefits during and at the end of the financial year

| Name | Accrued pension at pension age as at 31 March 2025 and related lump sum £'000 | Real increase in pension and related lump sum at pension age £'000 | CETV at 31 March 2025 £'000 | CETV at 31 March 2024 £'000 | Real increase in CETV £'000 |
|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Sir Richard Broadbent Independent Chair | N/A | N/A | N/A | N/A | N/A |
| Nick Goodwin Chief Executive | 45-50 plus a lump sum of 115-120 | 2.5-5 plus a lump sum of 2.5-5 | 998 | 890 | 63 |
| Daniel Flury Operations Director | 45-50 | 2.5-5 | 835 | 731 | 69 |
| Andrew Baigent Chief Financial Officer (until 3 June 2024) | 80-85 | 0-2.5 | 1,608 | 1,595 | - |
| Dr Catherine Blair ²¹ Chief Financial Officer (from 24 June 2024) | N/A | N/A | N/A | N/A | N/A |
| Louise Alexander HR Director (until 28 July 2024) | 30-35 | 0-2.5 | 464 | 416 | 10 |
| Annabel Burns Strategy, Analysis and Planning Director (from 10 October 2024) | 50-55 plus a lump sum of 80-85 | 0-2.5 plus a lump sum of 0-2.5 | 996 | 978 | 9 |
| Nicky Wilden Non-executive Director | N/A | N/A | N/A | N/A | N/A |
| Lakh Jemmett Non-executive Director (until 27 July 2024) | N/A | N/A | N/A | N/A | N/A |
| Nick Fishwick Non-executive Director | N/A | N/A | N/A | N/A | N/A |
| Luisa Fulci Non-executive Director (from 1 April 2024) | N/A | N/A | N/A | N/A | N/A |
| Jerome Glass MoJ representative | N/A | N/A | N/A | N/A | N/A |

Note: No pension contributions are made on behalf of HMCTS Non-executive Board members

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – classic, premium, and classic plus provide benefits on a final salary basis, whilst nuvos provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

²¹ Pension benefit values, as provided by MyCSP, not included as the Director has not given permission to disclose due to concerns regarding the accuracy of the disclosure information received and we have not received a response from MyCSP in time for certification.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or alpha, as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members (the "McCloud judgment").

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The Public Service Pensions Remedy²² is made up of 2 parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023.

The accrued pension benefits, Cash Equivalent Transfer Value and single total figure of remuneration reported for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the PCSPS for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects

the legal position that impacted members have been rolled back into the PCSPS for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). 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 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at www.civilservicepensionscheme.org.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 in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 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.

²² www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension

2.2.2 Staff report

Our staff report includes staff engagement, how we promote equality, diversity and inclusion, as well as disclosures on our workforce composition, employee costs, sick absence and staff turnover.

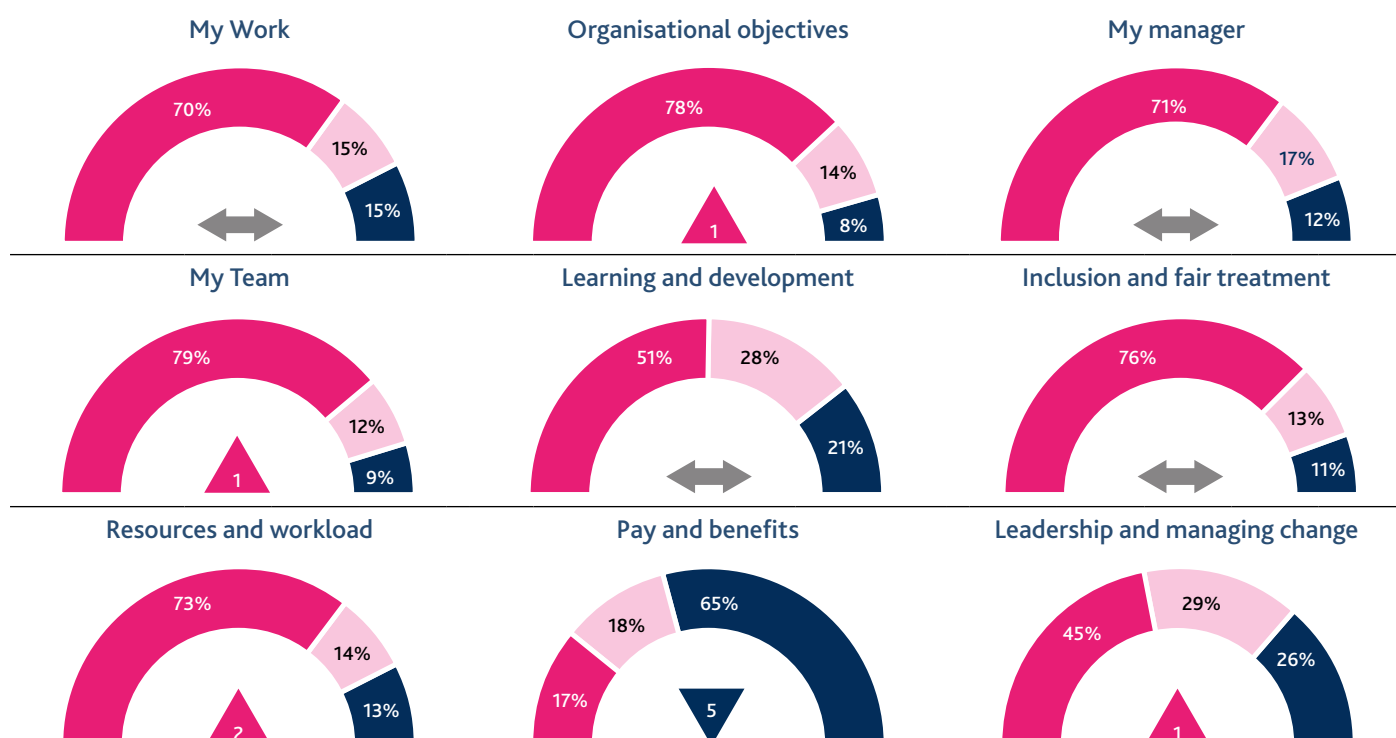
Staff engagement

The annual People Survey was held from 10 September to 8 October 2024. It is an opportunity for our people to have their say on a variety of topics which affect them. It provides valuable insight on how they feel about working for our organisation.

Our response rate was 48% (2023: 55%) and our Employee Engagement Index (EEI) was 57% (2023: 57%). The EEI is the average positive responses to 5 key questions around people's personal attachment to HMCTS, striving in the work they do, and speaking positively about working here. The results by the 9-core themes are below. Due to the rounding of figures, there may be a difference of 1 percentage point when comparing year on year. You can find the mean scores by organisation for each question in the published Annual Civil Service People Survey Benchmark Results at www.gov.uk/government/collections/civil-service-people-surveys.

Civil Service People Survey results 2024

Key: ■ Favourable ■ Neutral ■ Unfavourable
 Compared to 2023: ▲ Percentage point increase ▼ Percentage point decrease ↔ No change



The results for 4 of the core themes increased by 1 or 2 percentage points compared to the previous year; 4 remained the same; and the pay and benefits theme decreased by 5 percentage points.

On the back of our 2023 survey results, our priority theme for action was Leadership and managing change. Our score in 2024 improved by one percentage point to 45%. As 4 of the 5 drivers of engagement relate to managing change, this will continue as a key priority for us in 2025.

Our secondary areas were around Pay and benefits, Wellbeing, and Learning and development. Compared to 2023, Pay and benefits decreased by 5 percentage points to 17%; Wellbeing remained the same at 72%; and Learning and development remained unchanged at 51%. We will continue to prioritise pay and benefits and wellbeing during 2025.

We also review the survey data to identify our priority areas for action around increasing diversity and inclusion, and reducing discrimination, bullying, harassment and victimisation.

Equality, diversity and inclusion

We are accredited as a Disability Confident Leader. This demonstrates we are an organisation where our staff with a disability or long-term illness have equal opportunity and access to support, including workplace adjustments to make sure they reach their full potential.

In December 2024 we launched our revised Disability Strategy 2024-27. You can find further details in the Performance analysis section on page 24.

One of the ambitions in our People and Culture Strategy 2021-25 was to promote diversity in our recruitment, development, talent and succession planning, to make sure our workforce is reflective of the communities we serve. Civil Service statistics are published annually showing a breakdown of the UK Civil Service workforce, including information on staff diversity, and is available at www.gov.uk/government/collections/civil-service-statistics.

Our policies support people with disabilities. Health and safety and risk assessment guidance is in place, under which all employees are required to complete workstation assessments periodically. This ensures they are working in a safe environment, and it is reviewed when their personal circumstances change. Support and guidance, including our online display screen equipment training and risk assessment tool called Cardinus Health Working system, can be accessed by all employees on the intranet. The Civil Service Workplace Adjustment Team provide additional support and advice about disability and how to get help, including workplace passports. Our Personal Impact Development scheme also enables us to put tailored interventions in place so that everyone has an opportunity to discuss their unique development, needs and career aspirations.

We have a Diversity and Inclusion Forum, chaired by our Operations Director, that holds our organisation to account in improving diversity and inclusion.

We promote equal opportunities for candidates when applying for jobs. Full information for people covered by the Equality Act can be found at www.hmctsjobs.co.uk/.

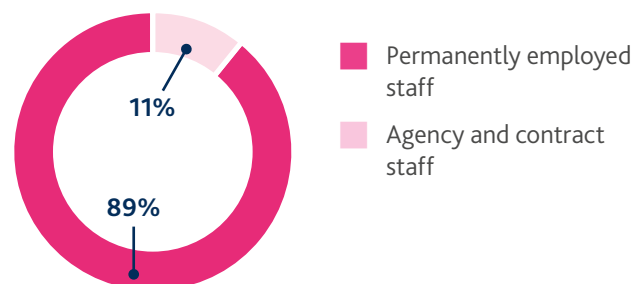
Staff costs, numbers and composition

The following sections are included to satisfy Parliamentary reporting and accountability requirements and are subject to audit.

Our employees in numbers

The average number of full-time equivalent (FTE) employees paid during the year was 16,281 compared to 16,422 in 2023-24.

During 2024-25, 94% of our workforce worked in operational roles and the remaining 6% were non-operational HQ based.



| | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| Permanently employed staff | 14,495 | 14,935 | 14,544 | 14,489 | 14,418 |
| Agency and contract staff | 2,218 | 2,381 | 2,223 | 1,933 | 1,863 |
| Total | 16,713 | 17,316 | 16,767 | 16,422 | 16,281 |

Our employee costs

| | 2024-25 | 2023-24 |
|----------------------------------------------------|----------------|----------------|
| Wages and salaries | 471,021 | 462,988 |
| Social security costs | 46,229 | 45,555 |
| Employer pension contributions | 127,343 | 112,644 |
| Agency staff costs | 79,997 | 78,911 |
| Voluntary early departures | 942 | (6) |
| | 725,532 | 700,092 |
| Add: inwards secondments | 230 | 1,337 |
| | 725,762 | 701,429 |
| Less: recoveries in respect of outward secondments | (417) | (521) |
| Total staff costs | 725,345 | 700,908 |

Workforce composition

The following statistics provide a snapshot of our workforce. They help us understand how representative we are and where we need to focus our attention, as we continue to build a fair and inclusive work environment and a workforce that at every level, reflects the diverse communities we serve.

The tables and charts below show the breakdown of our employees as at 31 March 2025. Details on the roles, grades, salaries and regional location of our staff are published bi-annually as part of the MoJ Organogram of Staff Roles and Salaries at <http://www.data.gov.uk/dataset/a90a9f70-e28c-4a95-a7a7-f79d12fbe219/organogram-of-staff-roles-salaries>.

Breakdown of employees by gender

| 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|---------|---------|---------|---------|
|---------|---------|---------|---------|

Executive and Non-executive Board members

| Male | Female | Male | Female | Male | Female | Male | Female |
|------|--------|------|--------|------|--------|------|--------|
| 56% | 44% | 57% | 43% | 78% | 22% | 56% | 44% |

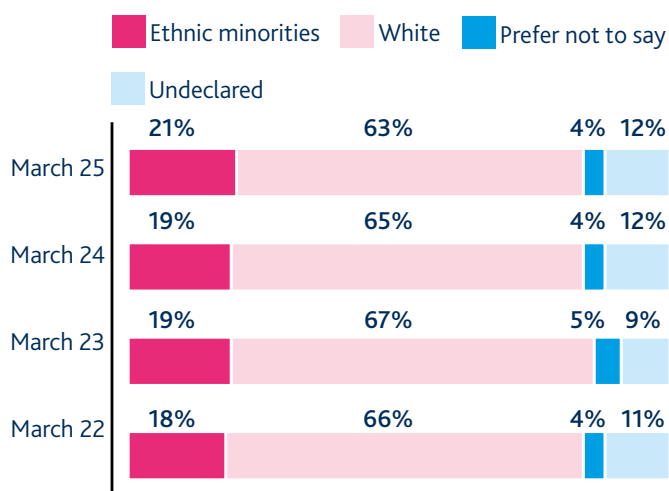
Senior managers (senior civil servants (SCS))

| Male | Female | Male | Female | Male | Female | Male | Female |
|------|--------|------|--------|------|--------|------|--------|
| 44% | 56% | 42% | 58% | 48% | 52% | 47% | 53% |

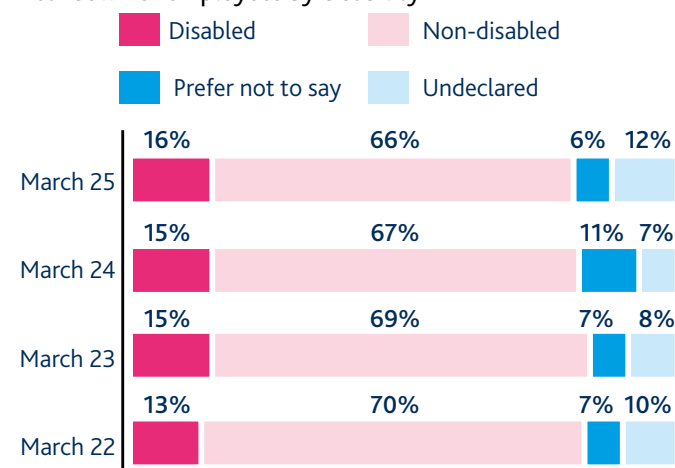
Other employees (non SCS)

| Male | Female | Male | Female | Male | Female | Male | Female |
|------|--------|------|--------|------|--------|------|--------|
| 29% | 71% | 30% | 70% | 30% | 70% | 30% | 70% |

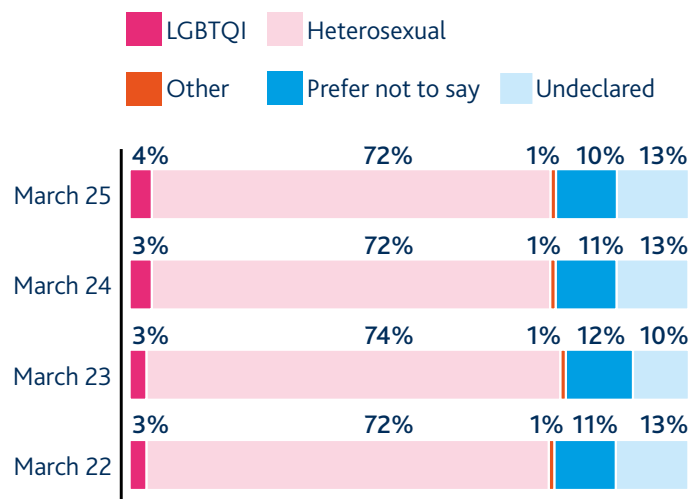
Breakdown of employees by ethnicity



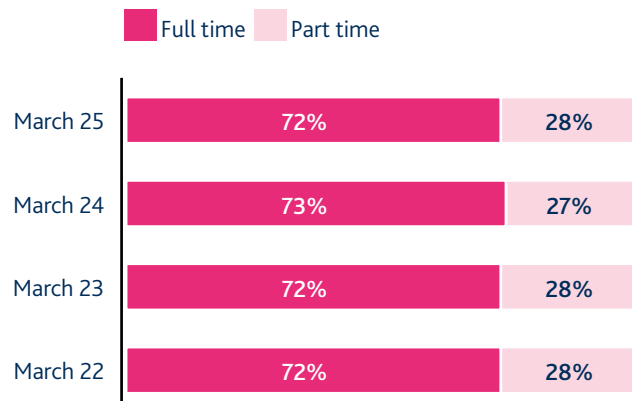
Breakdown of employees by disability



Breakdown of employees by sexual orientation



Breakdown of employees by full-time and part-time



Breakdown of employees by religion

| | March 2022 | March 2023 | March 2024 | March 2025 |
|--------------------------|------------|------------|------------|------------|
| Buddhist | 0% | 0% | 0% | 0% |
| Christian | 38% | 38% | 37% | 36% |
| Hindu | 2% | 2% | 2% | 2% |
| Jewish | 0% | 0% | 0% | 0% |
| Muslim | 5% | 6% | 6% | 6% |
| Sikh | 1% | 2% | 2% | 2% |
| Other religion or belief | 2% | 2% | 2% | 2% |
| No religion or belief | 23% | 25% | 25% | 26% |
| Prefer not to say | 13% | 13% | 12% | 12% |
| Not known/undeclared | 14% | 11% | 13% | 14% |

Note: Numbers have been rounded to nearest percentage point

Number of Senior Civil Service employees

Our executive directors are all senior civil servants (SCS). As at 31 March 2025, there were 70 SCS in HMCTS (2024: 74).

| | 2024-25 | 2023-24 |
|----------------------|-----------|-----------|
| £70,000 to £79,999 | 6 | 6 |
| £80,000 to £89,999 | 31 | 36 |
| £90,000 to £99,999 | 13 | 13 |
| £100,000 to £109,999 | 13 | 7 |
| £110,000 to £119,999 | 3 | 5 |
| £120,000 to £129,999 | 1 | 3 |
| £130,000 to £139,999 | 1 | 2 |
| £140,000 to £149,999 | 1 | 1 |
| £150,000 to £159,999 | - | - |
| £160,000 to £169,999 | 1 | 1 |
| Total | 70 | 74 |

Off-payroll engagement

During 2024-25 we reviewed off-payroll engagements where we are required to consider intermediaries (IR35) legislation using HMRC's guidance and online status indicator. We advised our contracting body of the outcome of the status determinations so that, where appropriate, tax deductions are made at the source from payments made in respect of the engagement with us. Further details about off-payroll engagements are shown in the off-payroll tables in the MoJ Annual Report and Accounts 2024-25.

Pension scheme

PCSPS and alpha are unfunded multi-employer defined benefit schemes. We are unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS at 31 March 2020. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation at www.civilservicepensionscheme.org.uk/knowledge-centre/resources/resource-accounts/.

For 2024-25, employer contributions of £127.3 million were payable to PCSPS (2023-24: £112.6 million) at 28.97% of pensionable earnings for all bands. The Scheme Actuary reviews employer contributions usually every 4 years following a full scheme valuation. The contributions rates are set to meet the cost of the benefits accruing during 2024-25 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

19 persons (2023-24: 17) retired early on ill health grounds. The total additional accrued pension liabilities in the year amounted to £62,104 (2023-24: £61,954).

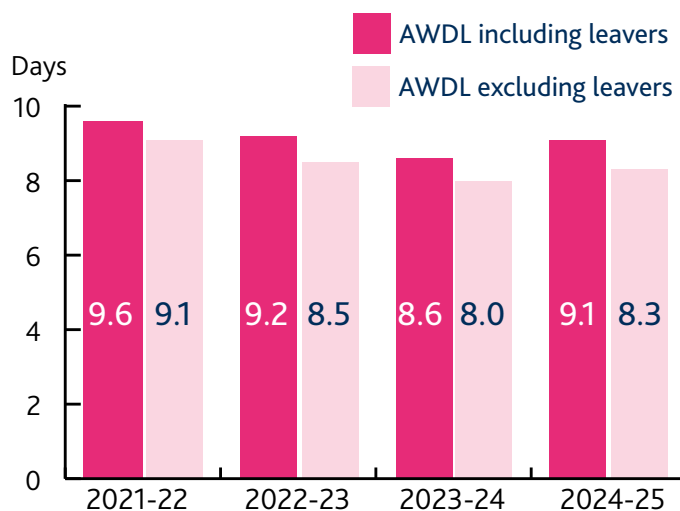
Consultancy costs

Consultancy spend is incurred when we need short-term staffing, or specialists to implement projects. Figures for 31 March 2025 include spend on Property Directorate; spend in the year to 31 March 2024 was on a delivery partner to develop a model for sustainable change, business strategy consultants and the Property Directorate. Expenditure on consultancy in 2024-25 was £0.03 million (2023-24: £0.9 million).

Sick absence

The number of average working days lost (AWDL) due to sickness has increased this year when compared to the previous year. The chart below shows AWDL for the rolling 12 months to the end of March 2025 including and excluding leavers. 44% of our workforce had no sick absence during 2024-25 (2023-24: 48%).

Sick absence as a 4-year trend



Staff turnover

In 2024-25, our staff turnover was 9.2% (2023-24: 11.4%²³) and departmental turnover was 11.1% (2023-24: 14.5%). Transfers of staff within the Civil Service are included in 'departmental turnover' and excluded from 'staff turnover'.

The department continues to monitor turnover rates and support initiatives to maintain a healthy level of turnover. The annual Civil Service People Survey, coupled with other research helps us to understand our people's experience of working in our organisation, and take appropriate action to improve effectiveness, including where turnover becomes problematic.

Reporting of Civil Service and other compensation schemes – exit packages

Subject to audit

| Exit package cost | 2024-25 | | | 2023-24 | | |
|--------------------------------------------|-----------------------------------|----------------------------|----------------------------|-----------------------------------|----------------------------|----------------------------|
| | Number of compulsory redundancies | Number of other departures | Total number exit packages | Number of compulsory redundancies | Number of other departures | Total number exit packages |
| < £10,000 | - | 17 | 17 | - | 20 | 20 |
| £10,000 - £25,000 | - | 6 | 6 | - | 10 | 10 |
| £25,001 - £50,000 | - | 11 | 11 | - | 9 | 9 |
| £50,001 - £100,000 | - | 18 | 18 | - | 5 | 5 |
| £100,001 - £150,000 | - | - | - | - | - | - |
| £150,001 - £200,000 | - | - | - | - | - | - |
| £200,001 - £250,000 | - | - | - | - | - | - |
| £250,001 - £300,000 | - | - | - | - | - | - |
| Total number of exit packages by type | - | 52 | 52 | - | 44 | 44 |
| Total cost of exit packages by type (£000) | - | 1,975 | 1,975 | - | 936 | 936 |

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 the exit package is confirmed. Where we have agreed early retirements, the additional costs are met by us and not by the PCSPS. Ill health retirement costs are met by the pension scheme and are not included in the table above.

²³ Staff turnover was reported as 14.5% in the 2023-24 annual report and departmental turnover shown as 11.4%. The figures should have been 11.4% for staff turnover and 14.5% for departmental turnover.

2.3 Parliamentary accountability and audit report

The following sections are included to satisfy Parliamentary reporting and accountability requirements and are subject to audit.

| Losses | 2024-25 | | 2023-24 | |
|---------------------------|-----------------|--------------|-----------------|--------------|
| | Number of cases | £000 | Number of cases | £000 |
| Cash losses | 312 | 242 | 497 | 424 |
| Claims abandoned | - | - | - | - |
| Administrative write-offs | 40 | 248 | 65 | (41) |
| Fruitless payments | 6 | 104 | 9 | 2 |
| Constructive losses | 3 | 4,396 | 2 | 6,793 |
| Total losses | 361 | 4,990 | 573 | 7,178 |

In 2024-25 there was 2 losses over £300,000, as follows:

- Following the government's introduction of the Border Security, Asylum and Immigration Bill in January 2025, HMCTS has impaired £718,000 of digital capital expenditure in relation to work undertaken to prepare for the implementation of the Illegal Migration Act 2023.
- Following a formal approval process in May 2025 a decision was made to cease the continuation and development of a specific video hearing project due to unresolved technical issues. This has resulted in a constructive loss of £3.63 million.

| Special payments | 2024-25 | | 2023-24 | |
|-----------------------------------------------|-----------------|--------------|-----------------|--------------|
| | Number of cases | £000 | Number of cases | £000 |
| Compensation payment | 52 | 294 | 49 | 604 |
| Ex-gratia | 2,381 | 2,471 | 7,816 | 4,314 |
| Extra-contractual payments | 139 | 7 | 91 | 4 |
| Extra-statutory and extra-regulatory payments | - | - | - | - |
| Special severance payments | - | - | - | - |
| Loans | - | - | - | - |
| Gifts | - | - | - | - |
| Total special payments | 2,572 | 2,772 | 7,956 | 4,922 |

In 2024-25 there was one special payment over £300,000, as follows:

- HMCTS paid £375,000 to settle a legal claim, having paid £55,000 in 2022-23; totalling a payment of £430,000.

Charitable donations

We made charitable donations totalling £25,000 in 2024-25 (2023-24: £25,000). These donations were made to an organisation that provides young people with an opportunity to take part in mock trials, to build their confidence, understanding and interest in the law.

Fee income

We are required to disclose performance results for the areas of our activities where fees and charges are made. The analysis is not intended to meet the requirements of IFRS 8 Operating Segments, which is not applicable to us under the requirements of the Government Financial Reporting Manual.

We cover the following business areas: civil and family courts, tribunals and criminal courts. We collect and report upon fee charges that have been set up by MoJ policy and which appear in statutory instrument fee orders. Section 180 of the Anti-social Behaviour, Crime and Policing Act 2014 gives the Lord Chancellor, with consent of HMT, the statutory power to set certain court and tribunal fees above cost recovery levels. The income generated must be reinvested back into the courts and tribunals service. Government

introduced enhanced fee charging for money claims on 9 March 2015, and further enhanced fees including divorce, civil and some tribunals in March, April and July 2016. The system of 'Help with fees' (fee remissions) exists to ensure that individuals are not denied access to the courts if they genuinely cannot afford the fee. Only the civil and tribunals businesses have systems for charging fees.

We report on both the civil and tribunal fee charging business segments. Civil business contains 2 business streams: family (including probate and court of protection) and civil (including civil business in county courts, higher courts and magistrates' courts). Tribunal business contains 2 business streams: immigration and asylum, and other fee charging special tribunals (including lands, residential property, gambling and gender recognition). The table below shows the operating expenditure of those jurisdictions which are funded by fee income (after remissions) and the extent to which fee income funds them. The most current fees orders can be found at Annex A.

HMCTS make provisions for approved fee refund schemes as required and the movements in the provisions and refunds are shown separately in the table below. You can find more details about income, provisions and contingent liabilities in Notes 18 and 21 to the accounts.

Fees and charges

| | Value of fee charges | Fees remitted | Income collected | Expenditure | Income charge surplus/ (deficit) |
|--------------------------------------------------|----------------------|-----------------|------------------|--------------------|----------------------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Civil business | | | | | |
| Family | 246,707 | (21,392) | 225,315 | (359,302) | (133,987) |
| Civil | 660,153 | (68,233) | 591,920 | (690,183) | (98,263) |
| Total civil business | 906,860 | (89,625) | 817,235 | (1,049,485) | (232,250) |
| Tribunal business | | | | | |
| Immigration and asylum | 7,576 | (1,442) | 6,134 | (130,748) | (124,614) |
| Employment Tribunals refunds | - | - | (6) | - | (6) |
| Other tribunals | 1,518 | (59) | 1,459 | (23,724) | (22,265) |
| Total tribunals business | 9,094 | (1,501) | 7,587 | (154,472) | (146,885) |
| Employment Tribunals refunds | | | | | |
| CTLO ²⁴ fee refunds and interest paid | - | - | (46) | - | (46) |
| Other fee refunds | - | - | (49) | - | (49) |
| Movement in fee refunds provision | - | - | 5,434 | - | 5,434 |
| 2024-25 total HMCTS business | 915,954 | (91,126) | 830,161 | (1,203,957) | (373,796) |
| 2023-24 total HMCTS business | 825,096 | (82,233) | 745,028 | (1,054,361) | (309,333) |

Nick Goodwin

Chief Executive and Accounting Officer

11 July 2025



Section 3: External scrutiny

3.1 The Certificate and Report of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I certify that I have audited the financial statements of the HM Courts and Tribunals Service (HMCTS) for the year ended 31 March 2025 under the Government Resources and Accounts Act 2000.

The financial statements comprise HMCTS's:

- Statement of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of HMCTS's affairs as at 31 March 2025 and its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom* (2022). My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of HMCTS in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that HMCTS's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on HMCTS's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for HMCTS is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of HMCTS and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

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 by HMCTS or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within HMCTS from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing HMCTS's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by HMCTS will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of HMCTS's accounting policies.
- inquired of management, HMCTS's internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to HMCTS's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including HMCTS's controls relating to HMCTS's compliance with the Government Resources and Accounts Act 2000, Managing Public Money, and relevant pieces of legislation stipulating Court and Tribunal fees;
- inquired of management, HMCTS's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team and the relevant external specialists, including property valuations where specialist expertise was engaged on the audit regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within HMCTS for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of HMCTS's framework of authority and other legal and regulatory frameworks in which HMCTS operate. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of HMCTS. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, employment law and tax legislation and relevant pieces of legislation stipulating Court and Tribunal fees.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

16 July 2025

Comptroller and Auditor general

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

Section 4: Our expenditure

4.1 Accounts

Statement of comprehensive net expenditure for the year ended 31 March 2025

| | Notes | 2024-25 £000 | 2023-24 £000 |
|-------------------------------------|-------|------------------|------------------|
| Operating income | 8 | (899,694) | (807,707) |
| Total operating income | | (899,694) | (807,707) |
| Staff costs | 3 | 725,345 | 700,908 |
| Judiciary costs | 3 | 777,821 | 678,174 |
| Purchase of goods and services | 4 | 783,252 | 747,035 |
| Depreciation and impairment charges | 5 | 355,676 | 399,803 |
| Other non-cash expenditure | 6 | 101,595 | 95,941 |
| Total operating expenditure | | 2,743,689 | 2,621,861 |
| Net operating expenditure | | 1,843,995 | 1,814,154 |
| Finance costs | 7 | 20,730 | 25,725 |
| Net expenditure for the year | | 1,864,725 | 1,839,879 |

Other comprehensive expenditure

| | Notes | 2024-25 £000 | 2023-24 £000 |
|----------------------------------------------------------|-------|------------------|------------------|
| Net costs | | 1,864,725 | 1,839,879 |
| Net (gain)/loss on revaluation of property and equipment | | (27,175) | 14,507 |
| Net (gain)/loss on revaluation of intangible assets | | - | - |
| Actuarial (gain)/loss on pension scheme liabilities | 18.2 | 90 | (49) |
| Total comprehensive expenditure | | 1,837,640 | 1,854,337 |

The gains and losses on revaluation of property and equipment arises mainly from valuation activity carried out annually by the Valuation Office Agency across our estate, as well as the application of indices and desktop valuations.

The Notes on pages 77 to 108 form part of these accounts.

Statement of financial position as at 31 March 2025

| | Notes | 2024-25 £000 | 2023-24 £000 |
|----------------------------------------------|-------|--------------------|--------------------|
| Non-current assets | | | |
| Property and equipment | 9 | 3,921,164 | 3,930,039 |
| Right-of-use assets | 12 | 936,873 | 1,022,493 |
| Intangible assets | 11 | 405,292 | 470,077 |
| Total non-current assets | | 5,263,329 | 5,422,609 |
| Current assets | | | |
| Assets held for sale | 10 | - | 225 |
| Trade and other receivables | 14 | 146,493 | 104,692 |
| Cash and cash equivalents | 15 | 45,762 | 58,731 |
| Total current assets | | 192,255 | 163,648 |
| Total assets | | 5,455,584 | 5,586,257 |
| Current liabilities | | | |
| Trade and other payables | 16 | (278,510) | (275,398) |
| Financial liabilities | 16.1 | (12,496) | (13,520) |
| Lease liabilities | 12 | (74,317) | (80,162) |
| Provisions for liabilities and charges | 18 | (10,995) | (11,268) |
| Total current liabilities | | (376,318) | (380,348) |
| Total assets less current liabilities | | 5,079,266 | 5,205,909 |
| Non-current liabilities | | | |
| Trade and other payables | 16 | (17,847) | (18,596) |
| Financial liabilities | 16.1 | (39,566) | (49,585) |
| Lease liabilities | 12 | (955,628) | (1,040,399) |
| Provisions for liabilities and charges | 18 | (70,848) | (82,755) |
| Total non-current liabilities | | (1,083,889) | (1,191,335) |
| Total assets less total liabilities | | 3,995,377 | 4,014,574 |
| Taxpayers' equity | | | |
| General fund | | 2,694,328 | 2,690,400 |
| Revaluation reserve | | 1,301,049 | 1,324,174 |
| Total taxpayers' equity | | 3,995,377 | 4,014,574 |

The Notes on pages 77 to 108 form part of these accounts.

Nick Goodwin

Chief Executive and Accounting Officer

11 July 2025

Section 4: Our expenditure

Statement of cash flows for the year ended 31 March 2025

| | Notes | 2024-25 £000 | 2023-24 £000 |
|---------------------------------------------------------------------------|-------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Net expenditure for the year | | (1,864,725) | (1,839,879) |
| Adjustments for notional and non-cash costs | 17 | 645,235 | 673,234 |
| Adjustments for finance costs | 7 | 20,730 | 25,725 |
| (Increase) in trade and other receivables | | (160,204) | (150,331) |
| Increase in trade and other payables | | 96,340 | 72,114 |
| Utilisation of provisions | | (5,941) | (6,923) |
| Net cash outflow from operating activities | | (1,268,565) | (1,226,060) |
| Cash flows from investing activities | | | |
| Purchases of property and equipment | | (140,330) | (130,709) |
| Proceeds from disposal of property and equipment and assets held for sale | | 9 | 4 |
| Purchases of intangible assets | | (37,125) | (63,835) |
| Net cash outflow from investing activities | | (177,446) | (194,540) |
| Cash flows from financing activities | | | |
| Funding from the MoJ | | 1,555,000 | 1,555,000 |
| Capital element of Private Finance Initiative (PFI) contracts | | (11,043) | (9,858) |
| Capital element of lease liability | | (91,988) | (79,693) |
| Repayments of local authority loans | | (749) | (302) |
| Interest paid | | (18,178) | (23,462) |
| Net cash inflow from financing activities | | 1,433,042 | 1,441,685 |
| Net increase/(decrease) in cash and cash equivalents in the period | | (12,969) | 21,085 |
| Cash and cash equivalents as at the beginning of the period | | 58,731 | 37,646 |
| Cash and cash equivalents as at the end of the period | | 45,762 | 58,731 |

The Notes on pages 77 to 108 form part of these accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2025

| | Notes | General fund £000 | Revaluation reserve £000 | Total £000 |
|-------------------------------------------------------|-------|----------------------|--------------------------------|--------------------|
| Balance as at 31 March 2023 | | 2,713,239 | 1,402,882 | 4,116,121 |
| Cumulative catch-up adjustment on adoption of IFRS 16 | | (18,319) | - | (18,319) |
| Balance as at 1 April 2023 | | 2,694,920 | 1,402,882 | 4,097,802 |
| Funding from MoJ | | 1,555,000 | - | 1,555,000 |
| Intercompany settlement with MoJ | | (68,382) | - | (68,382) |
| Net operating expenditure | | (1,839,879) | - | (1,839,879) |
| Notional expenditure | | | | |
| Consolidated fund judicial salaries | | 179,400 | - | 179,400 |
| External auditor's remuneration | | 425 | - | 425 |
| Intra-departmental recharges | | 104,666 | - | 104,666 |
| Revaluation of property and equipment | | - | (14,507) | (14,507) |
| Revaluation of intangible assets | | - | - | - |
| Reclassification from revaluation reserve | | 64,201 | (64,201) | - |
| Actuarial gain on pension scheme liabilities | | 49 | - | 49 |
| Balance as at 31 March 2024 | | 2,690,400 | 1,324,174 | 4,014,574 |
| Funding from MoJ | | 1,555,000 | - | 1,555,000 |
| Intercompany settlement with MoJ | | (34,518) | - | (34,518) |
| Net operating expenditure | | (1,864,725) | - | (1,864,725) |
| Notional expenditure | | | | |
| Consolidated fund judicial salaries | | 193,290 | - | 193,290 |
| External auditor's remuneration | 17 | 434 | - | 434 |
| Intra-departmental recharges | 17 | 104,237 | - | 104,237 |
| Revaluation of property and equipment | | - | 27,175 | 27,175 |
| Revaluation of intangible assets | | - | - | - |
| Reclassification from revaluation reserve | | 50,300 | (50,300) | - |
| Actuarial (loss) on pension scheme liabilities | 18.2 | (90) | - | (90) |
| Balance as at 31 March 2025 | | 2,694,328 | 1,301,049 | 3,995,377 |

The Notes on pages 77 to 108 form part of these accounts.

4.2 Notes to the accounts for year ending 31 March 2025

1. Statement of accounting policies

These accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) 2024-25, issued by HMT. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as interpreted for the public sector.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to our particular circumstances for the purpose of giving a true and fair view has been selected. The particular policies we adopt are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Basis of preparation

Our accounts have been prepared under the historical cost convention modified to account for the revaluation of property and equipment and intangible assets and certain financial assets and liabilities.

The preparation of the accounts in conformity with IFRS requires the use of certain critical accounting estimates (see Notes 1.19). It also requires management to exercise its judgement in the process of applying the accounting policies.

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to government bodies, derived from the FReM, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The HMCTS Board have a reasonable expectation that this will continue to be the case.

1.2 Changes in accounting policies and disclosures

a) Changes in accounting policies and disclosures and new interpretations and amended standards adopted

The 2025-26 FReM withdraws the option to remeasure intangible assets using the revaluation model from 1 April 2025. With permission from HMT all MoJ entities are adopting this adaptation of IAS 38 early. This change is applied prospectively with carrying values at the transition date of 1 April 2024 now considered historical cost.

b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2024 and not early adopted.

IFRS 17 Insurance Contracts is being applied in the FReM from 1 April 2025, with a transition date of 1 April 2024.

HMCTS has assessed the estimated impact of IFRS 17 on its financial statements through a review of contracts, provisions, contingent assets and liabilities, and has concluded that implementation of IFRS 17 will not have a material impact on its financial statements for 2025-26.

Amendment due to non-publication of Office for National Statistics (ONS) Producer Price Indices

In March 2025 the ONS announced a pause in publication of this Producer Price Index (PPI) data used to revalue non-land and building assets following identification of historical errors. No PPI data is available for 2025 and in light of the uncertainty regarding historical indices no indexation has been applied to any non-land and building assets in 2024-25. It is possible that the historical errors in the ONS data could translate into errors in the carrying values of the assets brought forward at 1 April 2024; however, a sensitivity analysis has been conducted to demonstrate that it is very unlikely that these could have resulted in a material error. We have maintained all 2023-24 figures as published as we do not have details of the level of error involved and are therefore unable to calculate a restated figure.

1.3 Operating income

HMCTS's operating income is principally comprised of fees. The majority of fees paid to us are for an application to commence the administration of a process. To a lesser extent, fees are received for a court process, or for a particular stage of administration of the court process. The payment of a fee does not convey the right to a decision or a particular outcome from the court; nor does it set out the timescale or process which will be followed by the court or tribunal, which is at the discretion of the judge. It is a fundamental principle of an independent judiciary that judges do not hold performance obligations to individuals or organisations in relation to court and tribunal activities.

Our model of income recognition aligns our revenue recognition policy to IFRS 15 which requires that, when applying income recognition policies, legislation and regulations which enable an entity to receive cash or another financial asset from another entity should be assessed for performance obligations to match revenue to the performance obligation.

The power to charge fees is conferred by Section 92 of The Courts Act 2003, and Section 180 of The Anti-Social Behaviour Crime and Policing Act 2014 for enhanced fees.

This is the legislation against which we assess our performance obligations. This legislation also provides for Statutory Instruments to set out a price list for the fees to be charged, listed in Annex A. These Statutory Instruments, determined in the FReM adaptation as contracts under IFRS 15, are interpreted as the performance obligations on us in respect of the individual fees charged. This does not place a performance obligation on the judiciary.

Therefore, the income policy we adopt recognises that in the administration of the courts system, the Agency, whose role is to support the judiciary in the administration of justice, bears a responsibility to applicants to ensure their application is progressed upon receipt of the correct fee. In recognition of this obligation, we defer most of our revenue until the issue of an application is completed, or any other obligations are completed that are required as part of the Statutory Instrument.

Civil fees (see page 67) make up most of our income and can be disaggregated into broad jurisdictional categories. Within each category there are 3 significant common performance recognition points: issue, hearing and enforcement.

These performance obligations are set out in the Statutory Instruments as described in Annex A.

1.4 HMCTS Trust Statement

We, as an Executive Agency of the MoJ, responsible for collecting fines and financial penalties imposed by the criminal justice system, prepare a separate Trust Statement.

The Trust Statement accounts for fines and penalties imposed by the criminal justice system as revenue ultimately payable to the Consolidated Fund, on a gross basis. It also accounts for the cash and balances payable to the Consolidated Fund and third parties in relation to the collection of the fines and penalties amounts.

1.5 Notional expenditure

Some items of notional expenditure are included in order to disclose the full cost of activities, although this expenditure is not actually incurred. Notional expenditure is credited directly to the General Fund and comprises the following:

- a) salaries and social security costs of senior judges funded from the Consolidated Fund
- b) NAO's remuneration for the audits of our accounts and Trust Statement
- c) our usage of corporate services provided by the MoJ

1.6 Operating segments

Under IFRS 8 Operating Segments, operating segments are analysed along the lines of information presented to the chief operating decision maker who for the purpose of these accounts is determined to be the Board. The standard allows aggregation of segments that have similar economic characteristics and types and class of customer. For HMCTS there are currently 2 operating segments, these being Business as Usual (BAU) and Reform.

1.7 Property and equipment

Recognition

Property, plant and equipment, including subsequent expenditure on existing assets is initially recognised at cost and capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to us
- it is expected to be used for more than 1 financial year
- the cost of the item can be measured reliably
- it individually has a cost of at least £10,000
- it forms a group of assets; those where significant purchases of individual assets which are separately beneath the capitalisation threshold arise in connection with a single project. Where an item costs less than the prescribed limit but forms an integral part of a package whose total value is greater than the capitalisation level, then the item is capitalised. The capitalisation threshold for grouped assets is £1 million.

All thresholds include irrecoverable VAT.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, for example, plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

All other repairs and maintenance are charged to the Statement of Comprehensive Net Expenditure (SoCNE) during the financial year in which they are incurred.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such items will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised.

Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the SoCNE in the period in which it is incurred.

Valuation method

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets are measured subsequently at valuation.

- Land and buildings (including dwellings) are recorded at fair value, as interpreted by the FReM.
- Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either frontline services or back office functions) are measured at their current value in existing use.
- Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are valued at current value in existing use where there are restrictions which would prevent access to the market at the reporting date. If we can access the market, then the surplus asset is valued at fair value in accordance with IFRS 13. In determining whether an asset which is not in use is surplus, we have assessed whether there is a clear plan to bring the asset back into future use as an operational asset. Where there is a clear plan, the asset is not surplus and the current value in existing use is maintained. Otherwise, the asset is assessed as being surplus.

Revaluations of land and buildings (including dwellings) are performed based on professional valuations at least once every 5 years. In between professional valuations, carrying values are adjusted by the application of indices or through desktop valuations. This ensures that carrying values are not materially different from those that would be determined at the end of the reporting period.

Current values in existing use are determined as follows:

- land and non-specialised buildings – existing use or market value where there is an open market valuation for such properties
- specialised buildings – depreciated replacement cost on a modern equivalent basis

Within HMCTS, criminal courts are mostly classified as specialised buildings which cannot be sold on the open market. For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis in accordance with the FReM and the Royal Institution of Chartered Surveyors (RICS) guidance. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and location requirements of the services being provided.

Professional valuations are primarily undertaken by the Valuation Office Agency (VOA) using the RICS appraisal and valuation manual, known as the Red Book. For the desktop valuations and application of indices, different indices are applied, depending on the assets. For buildings, the index applied is the Building Cost Information Service Construction data tender price index that reflects prices changes in the construction sector and is a good indicator of price pressure in building contracts in the UK.

Assets are revalued and depreciation commences when the assets are brought into use. IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

Fair value hierarchy and inputs

The valuation technique applied to all fair value figures of surplus properties is the market approach in accordance with IFRS 13. It uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets.

For other property assets in continuing use, fair value is interpreted as market value or 'value in use'. In the Red Book this is defined as 'market value on the assumption that property is sold as part of the continuing enterprise in occupation'. The 'value of use' of a non-cash-generating assets is the present value of the asset's remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential.

Depreciated historical cost is used as a proxy for fair value for those assets with short useful lives or low values, as allowed by the FReM.

Estimation uncertainty

The valuation of HMCTS estate is inherently subjective due to, among other factors, build cost, functional obsolescence, changes in the Tender Price Index (TPI), prevailing market yields and comparable market transactions. As a result, the valuations HMCTS places on its estate are subject to a degree of uncertainty.

Depreciated Replacement Cost (DRC)

The starting point for any DRC is to establish the cost of the gross replacement cost (GRC), which is considered to fit the Modern Equivalent Assets (MEA).

The costs used for the DRC valuations are costs relating to actual construction projects and as such are reliable and documented.

Adjustments are made to the costs in line with the RICS Red Book to exclude certain costs, i.e. contingencies, abnormal expenditure due to ground conditions, demolitions, etc. These costs are readily identifiable in the cost data provided.

Fees show in the costs provided relate to the main contractor's and design fees with some fees included in individual work packages. As part of the valuation approach, additional professional fees, such as quantity surveyors, are added to the valuation. There is considered to be potential for a small reduction of up to 1-2% in the fee additional applied.

The other key starting point is the assignation of lives to the assets, where we have used Building Cost Information Service (BCIS) research and published data obtained through feedback from the construction industry, to provide averaged assessments of typical component lives.

The VOA approach to depreciation takes a componentised approach to assign ages and remaining lives and reflect any changes incurred through expenditure of CAPEX, the level of maintenance etc, applying physical obsolescence. The physical age of an asset is established through factual evidence, site inspection and adjustments are made to ages to reflect renewal of components, with corresponding adjustments to component remaining lives.

The final stage of the valuation is the application of functional obsolescence. There is a degree of subjectivity around the application of functional obsolescence and a movement of 5% either way is considered reasonable.

The table below shows the impact on the estimated values of DRC assets should there be a change in one of the key assumptions used in their valuation.

| Assumptions tested | Change | New valuation £m | Variance £m | Variance % |
|-------------------------------------------------|-----------|---------------------|----------------|---------------|
| Actual total DRC buildings value 2025 | | 2,892 | | |
| Alternate scenarios: | | | | |
| Capex changes ¹ | 50% | 2,902 | 11 | 0.36 |
| Changes in TPI ² | -2 points | 2,877 | (15) | (0.52) |
| Changes in TPI ² | 2 points | 2,907 | 15 | 0.52 |
| Physical depreciation ³ | -10% | 2,908 | 16 | 0.56 |
| Changes in functional obsolescence ⁴ | 2% | 2,891 | (1) | (0.04) |
| Changes in functional obsolescence ⁴ | -2% | 2,893 | 1 | 0.04 |
| Change in professional fees ⁵ | -1 | 2,883 | (9) | (0.29) |

Land

Land associated with buildings valued to DRC has been assessed to Current Value, interpreted as Existing Use Value (EUV), having regard to the cost of purchasing a notional replacement site in the same locality. This land has been valued using the comparable approach, having regard to the prevailing use around the subject sites which are predominantly residential and in some scenarios office led developments. Available comparables might show a wide range depending on planning, use, size, density and location, and therefore require adjustment for these factors. These factors increase the level of valuer judgement involved.

The VOA have agreed with the MoJ for each site as to whether the actual site remains appropriate for the valuation. The MoJ have advised that no alternative sites would be appropriate hence the actual sites have been valued assuming the benefit of planning permission for development for a use, or a range of uses, prevailing in the vicinity of the selected site.

The VOA has been guided by 2019 RICS Guidance Note 'Comparable evidence in Real Estate Valuation', and valuers have had regard to both direct land comparables where available, as well as market reports/forecasts.

In terms of land evidence, the table below shows a sensitivity analysis on a land valuation (Aberystwyth Justice Centre), extrapolated across the population.

- 1 Using a reasonable alternative assumption, it has been assumed that an increase of 50% of CAPEX has been included in the valuations; note that the calculated amounts for change related to CAPEX is calculated at a high level, comparing desktop and actual figures.
- 2 The movement in the BCIS All In Tender Price Index, which tracks contractors' construction pricing levels, is applied to the DRC valuations each year to reflect increased build costs. This estimate considers a change to TPI, where the actual TPI forecast figure is confirmed.
- 3 This assumption considers the application of physical depreciation, which is directly related to the remaining lives.
- 4 This assumption considers the impact of functional obsolescence. This is difficult to quantify as it is not readily possible to calculate an average addition, but for this test 5% is assumed as an average and this is varied by 2% either way and applied to the physical and CAPEX valuations.
- 5 This assumption considers the impact of professional fee additions. This considers a 1% reduction in fee additions to the physical and CAPEX valuations.

| Assumptions tested | Assumption | Aberystwyth | Extrapolated total |
|--------------------|------------|-------------|--------------------|
| | | £000 | £000 |
| £/hectare | 5% | 26 | 30,884 |
| £/hectare | -5% | (26) | (30,884) |

A reasonable alternative assumption is to adjust the price per hectare (£/ha). The current value of the asset could be up to +5% higher (£26,000) or by -5% lower (-£26,000), which extrapolates to +/- £30,884,000 to enter across the total population. Given the level of valuer judgement involved in land valuations, which are subjective, combined with limited numbers of comparable transactions, we are unable to quantify the potential level of uncertainty.

Existing Use Value (EUV) – Buildings

The EUV method is used for those properties where there is market-based evidence to support the use of EUV. The population this applies to is not material to these accounts.

Revaluation

Gains arising on revaluation are credited to the revaluation reserve and shown in other comprehensive expenditure, unless they reverse a revaluation decrease on the same asset.

When an asset's carrying value decreases as a result of a permanent diminution in the value of the asset due to a clear consumption of economic benefit or service potential, the decrease is charged directly to operating expenditure in the SoCNE, with any remaining revaluation reserves balance released to the General Fund.

A revaluation decrease, reversal or revaluation increase (other than as a result of a permanent diminution) is reversed against any existing amount held in the revaluation reserve in respect of the same asset, with any residual decrease taken to operating expenditure in the SoCNE.

Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the SoCNE and depreciation based on the asset's original cost is transferred from the revaluation reserve to the General Fund.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Depreciation is charged on a straight-line basis at rates calculated to write-off the value of assets less estimated residual value over the estimated useful lives. The useful lives of asset categories are reviewed annually. Where a change in asset life is determined, the asset is depreciated on a straight-line basis over its remaining assessed life. Depreciation commences in the month following the acquisition of a non-current asset for land, buildings and dwellings, and in-month for all other non-current assets.

If an item of property, plant and equipment comprises 2 or more significant components with substantially different useful lives, then each component is treated separately for depreciation purposes and depreciated over its individual useful life.

Estimated useful asset lives are within the following ranges:

| | |
|-------------------------------------------|----------------------------------------------------------------|
| Freehold land | Not depreciated |
| Leasehold land | Remaining lease period |
| Freehold buildings (including dwellings) | Shorter of remaining life or 60 years |
| Leasehold buildings (including dwellings) | Shortest of remaining life, remaining lease period of 60 years |
| Information technology | Shorter of remaining lease period or 7 years |
| Equipment | Shorter of remaining lease period or 3 to 5 years |
| Furniture and fittings | Shorter of remaining lease period or 10 to 30 years |

Assets under construction

Assets under construction (AUC) are valued at historical cost within property and equipment and intangible assets, and are not depreciated or amortised until completed. When an asset is brought into use, its carrying value is transferred to the respective asset category.

Expenditure is capitalised where it is directly attributable to bringing an asset into working condition.

Disposals

Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount and are recognised within operating expenditure in the SoCNE.

When revalued assets are sold, the amounts included in the revaluation reserve are transferred to the General Fund.

1.8 Intangible assets

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the HMCTS business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to us and where the cost of the asset can be measured reliably and is at least £250,000.

Intangible assets are recognised in accordance with IAS 38 Intangible Assets as adapted by the FReM, incorporating early adoption of the FReM 25-26 IAS 38 adaptation removing the revaluation model with effect from 1 April 2024.

We have 2 principal types of intangible assets.

Software developed internally or by third parties – these are recognised as intangible assets when they meet the criteria specified in the FReM. Other expenditure that does not meet this criteria are recognised as an expense as incurred. Costs previously recognised as an expense are not recognised as an asset in a subsequent period. On initial recognition, internally developed software assets are ascribed a useful life of between 3 and 10 years. Asset lives are reviewed annually, following which they may be reduced or extended outside this range.

We utilise an Agile development approach for capitalisation of assets developed by the Reform Programme. For each component, amortisation will begin when the component is brought into its intended use (for example, when the minimum viable product is launched nationally). However, if a component is entirely dependent on the completion of other elements of functionality, amortisation shall begin when both that component and other functions upon which it is dependent are ready for their intended use.

Purchased software licences – purchased software licences are recognised as assets when it is probable that future service potential will flow to us and the cost of the licence can be measured reliably. Such licences are initially measured at cost. Purchased software licences are amortised over the licence period.

Where capital budgets are held centrally by the MoJ as the parent department, expenditure is first capitalised in the MoJ accounts and transferred to us when the associated project is complete.

Subsequent to initial recognition, intangible assets are measured at fair value. As no active market exists for our intangible assets, fair value is assessed as replacement cost less any accumulated amortisation and impairment losses (i.e. depreciated replacement cost).

Intangible assets in service were re-measured at the end of each reporting period using the producer price index issued by the Office for National Statistics up until 31 March 2024. From 1 April 2024 all MoJ entities have been granted permission to early adopt the 2025-26 FReM adaptation withdrawing the revaluation model for intangible assets. The carrying values at the transition date of 1 April 2024 are considered historical cost and will be amortised over the remaining lives of the assets.

1.9 Impairment

Impairments are recognised in accordance with IAS 36 Impairment of Assets as adapted by the FReM.

An impairment reflects a diminution in the value of an asset as a result of a clear consumption of economic benefits or service potential. At each reporting date, we assess all assets for indications of impairment. If any such indication exists, the assets in question are tested for impairment by comparing the carrying value of those assets with their recoverable amounts. Where the recoverable amount of an asset is less than its carrying value the carrying value of the asset is reduced to its recoverable amount.

The recoverable amount of an asset is the higher of its 'fair value less costs to sell' and 'value in use' (defined under 'Valuation Method'). Any impairment loss is charged directly to operating expenditure in the SoCNE. If the asset has previously been revalued, any balance in the revaluation reserve (up to the level of the impairment loss) is transferred to the General Fund.

At each reporting date we review impairment losses recognised in previous years. Any reversal of an impairment loss is then recognised in the SoCNE to the extent that the original charge, adjusted for subsequent depreciation, was previously recognised with any remaining amount recognised in the revaluation reserve.

1.10 Assets held for sale

Non-current assets are classified as assets held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations as interpreted by the FReM.

Non-current assets are classified as 'held for sale' when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable.

Assets held for sale are stated at the lower of their carrying amount immediately prior to classification as 'held for sale' or their fair value less the costs of selling the asset. Any subsequent impairment or reversal of impairment is recognised in the SoCNE. Assets classified as held for sale are not depreciated.

1.11 Leases

Government bodies typically lease properties used for administrative purposes for reasons of efficiency and flexibility. HMCTS also benefits from the lease of land under leases with peppercorn consideration. For other types of asset, we determine whether to lease or purchase based on value for money considerations, such as whether the underlying asset is required for its entire life or for a more limited period.

At inception of a contract, we assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time. This includes assets for which there is no consideration. To assess whether a contract conveys the right to control the use of an identified asset, we assess whether:

- the contract involves the use of an identified asset
- HMCTS has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use
- HMCTS has the right to direct the use of the asset

We define the lease term as the non-cancellable period for which a lessee has the right to use an underlying asset, together with both:

- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option

In the event that a lease contract has expired but we remain in occupation pending negotiations for a renewed term, the lease term has been measured as the estimated time until the new contract will be agreed.

At inception or on reassessment of a contract that contains a lease component, we assess whether it is reasonably certain to exercise break options or extension options at the least commencement date. We reassess this if there are significant events or changes in circumstances that were not anticipated.

When making the above assessments, we exclude 2 types of leases:

- those relating to low value items, which it considers as those where the underlying asset would have a cost of less than £10,000 when new, provided those items are not highly dependent on or integrated with other items
- contracts whose term (comprising the non-cancellable period together with any extension options we are reasonably certain to exercise and any termination options we are reasonably certain not to exercise) is less than 12 months

HMCTS as lessee

At the commencement of a lease, we recognise a right-of-use asset and a lease liability.

Right-of-use asset

The right-of-use asset is measured at the value of the lease liability, adjusted for:

- any lease payments made before the commencement date
- any lease incentives received
- any incremental costs of obtaining the lease
- any costs of removing the asset and restoring the site at the end of the lease

Where the lease requires nil or nominal consideration (usually referred to as a 'peppercorn' lease), the asset is measured at its existing use value, with the difference between the carrying amount of the right-of-use asset and lease liability treated as notional income.

Enhancements to leased assets, such as alterations to a leased building, are not classified within right-of-use assets but remain classified as property, plant and equipment in accordance with the FReM.

After initial recognition, the right-of-use asset is measured using the fair value model. In determining the fair value we apply:

- the cost model (measurement by reference to the lease liability) as a reasonable proxy for fair value for non-property leases, and for property leases of less than 5 years or with regular rent reviews; or
- the revalued amount for other leases

The value of the asset is adjusted for subsequent depreciation and impairment, and for reassessments and modifications of the lease liability as described below. Where the amount of a reduction to the asset exceeds the carrying value of the asset, the excess amount is recognised in expenditure.

Lease liability

The lease liability is measured at the value of the remaining lease payments discounted over the lease term either by the interest rate implicit in the lease, or where this is not readily determinable, our incremental rate of borrowing. This rate is advised annually by HMT (4.72% for those in the calendar year 2024, and 4.81% for leases recognised in 2025).

The measurement of lease payments excludes any VAT payable, and irrecoverable VAT is expenses at the point it falls due in line with IFRIC 21 Levies. If the VAT element cannot be clearly identified from lease invoices, the lease liability and right-of-use asset are measured using the gross value of invoices for remaining lease payments.

Where a lease includes variable lease payments tied to an inflation index, this is included in the measurement by inflating using HMT Consumer Price Index (CPI) inflation rates as published in the Public Expenditure System (PES) Papers for the relevant year. This is the approach set out in the FReM IFRS 16 Application Guidance.

After initial measurement the lease liability is adjusted for the accrual of interest, repayments, reassessments and modifications. Reassessments are reappraisals of the probability of the options given by the existing least contract, for example, where we no longer expect to exercise an option; modifications are changes to the lease contract. Reassessments and modifications are accounted for either by:

- recalculating the lease term under any new contract terms, taking account of the reasonable certainty or otherwise of exercising an option; or
- applying a new discount rate where applicable

Expenditure for each financial year includes interest on the lease liability and a straight-line depreciation charge on the right-of-use asset over the life of the lease, together with any impairment of the right-of-use asset and any change in variable lease payments, that was not included in the measurement of the lease payments during the period in which the triggering event occurred. Rental payments in respect of leases of low value items, or with a term under 12 months, are also expensed.

HMCTS as a lessor

Where we act as a lessor, the arrangement is assessed to determine whether it constitutes a finance lease; this being where the risks and rewards incidental to ownership of an underlying asset are substantially transferred to the lessee. For these leases, the asset is derecognised, and a receivable is recognised, with accrued interest being treated as income over its life. All other leases are treated as operating leases and rental income is recognised on a straight-line basis.

1.12 Service concession arrangements

Service concession arrangements (SCAs), including Private Finance Initiatives (PFI) arrangements, are arrangements whereby private sector operators are contractually obliged to provide services to the public in relation to certain infrastructure assets. We define such arrangements as SCAs if they meet the conditions set out in the FReM and IFRIC 12 Service Concession Arrangements.

The future payment streams of SCAs are assessed to separately identify the infrastructure interest and service components.

We recognise the infrastructure asset at fair value (or the present value of the future minimum infrastructure payments, if lower) as a non-current asset in the Statement of Financial Position (SoFP) with a corresponding liability for future payments under the agreement.

The interest element of the agreement is charged to the SoCNE over the contract period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The service element of the agreement is charged to the SoCNE in the period in which the services are rendered by the operator.

PFI arrangements that are within scope of the IFRS 16 measurement principles now also include an element of unwinding discount within their liability balances, which is also charged to the SoCNE.

1.13 Third party assets

We hold a number of different cash balances on behalf of third parties. These are not recognised in the SoFP in line with FReM requirements and a disclosure of these balances is made in Note 23 to the accounts.

These balances do not include amounts held following the collection of fines and penalties on behalf of other bodies; these amounts are reported in the HMCTS Trust Statement (see Note 1.4).

1.14 Value added tax (VAT)

Most of our activities are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capital purchase cost of property and equipment and intangibles. Where output tax is charged, or input tax is recoverable, the amounts are stated net of VAT.

1.15 Provisions and contingent liabilities

Provisions are recognised in accordance with IAS 37 Provisions, contingent liabilities and contingent assets.

Provisions represent liabilities of uncertain timing or amount, and are recognised when:

- we have a present legal or constructive obligation as a result of past events
- it is probable that an outflow of resources will be required to settle the obligation
- the amount can be reliably estimated

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. Where the effect is material, the estimated cash flows are discounted. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is disclosed when the likelihood of an outflow of resources is less than probable but more than remote. Where the time value of money is material, contingent liabilities required to be disclosed under IAS 37 are stated at discounted amounts.

1.16 General fund

Funding received from the MoJ is credited to the General Fund within the statement of changes in taxpayers' equity (SoCTE) upon receipt of the funds.

1.17 Employee benefits

Short-term benefits such as salaries and wages, pension benefits, post-employment benefits resulting from employment, and long-term benefits such as long service awards including termination benefits (for example, early departure costs) are recognised at the cost of providing the benefit in the period in which it is earned by the employee, rather than when it is paid or becomes payable.

1.18 Pensions

Most past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. We recognise the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, we recognise the contributions payable for the year.

Members of the judiciary are covered by the Judicial Pension Scheme (JPS). Further details of this scheme can be found in Note 3.

1.19 Critical accounting estimates and judgements

We make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Valuation of property and equipment

Land and buildings (including dwellings) comprise mainly court facilities. Land and buildings are shown at current value in existing use, based on professional valuations performed at 31 March each year by the VOA, who are independent of the Department, in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual. The value of land and buildings fluctuates with changes in construction costs and the current market conditions.

Most operational buildings are specialised and are therefore valued at DRC to a modern equivalent basis. This modern equivalent is assumed to be in the same location with the same internal area as the existing property. The split of property on 31 March 2025 by value is detailed in Note 9. All other buildings are measured at fair value determined from market-based evidence. All assets other than land and buildings and assets under construction are revalued at each reporting stage using the producer price index prepared by the ONS. In March 2025 the ONS announced a pause in publication of this data following identification of historical errors; therefore, no PPI data is available for 2025 and no indexation has been applied to non-land and building assets in 2024-25. It is possible that the historical errors in the ONS data could translate into errors in the carrying values of the assets brought forward at 1 April 2024; however, a sensitivity analysis has been conducted to demonstrate that it is very unlikely that these could have resulted in a material error. We have maintained 2023-24 figures as published as we do not have details of the level of error involved and are therefore unable to calculate a restated figure.

Provisions

The recognition and measurement of provisions rely on the application of professional judgement, historical experience, and other factors expected to influence future events. Where the likelihood of a liability crystallising is deemed probable and can be measured with reasonable certainty, a provision is recognised.

The Early Departures provision is the most significant balance within our provisions and provides for the costs of unfunded early retirement benefits of certain magistrates' court staff (Crombie compensation) and for unfunded early retirement costs of our staff in the PCSPS. In calculating this provision, assumptions are made around life expectancy, the percentage of contingent benefits that are payable to spouses on death, and the discount rate and interest rate that are used in the calculation.

Other HMCTS provisions also use estimates or assumptions in their calculation.

Estimates and judgements when accounting for leases

In assessing the lease, we need to make estimates and judgements as follows:

- Where a lease is embedded in a contract for services, the amount to be recognised as the right-of-use asset and lease liability should be the standalone price of the lease component only. Where this is not readily observable, a determination will be made by reference for other observable data such as the fair value of similar assets or price of contracts for similar non-lease components.
- The lease term has been determined by assessing the level of certainty as to whether termination or extension options will be exercised. In making these judgements, reliance has been placed on the professional judgement of estates staff supported by information on corporate asset management plans, other business strategies, investment already made in the underlying asset, ongoing business needs and market conditions.
- The cost model has been determined as a reasonable proxy for fair value in most cases because the rents payable are aligned to open market rates. In the case of longer leases where there are not regular rent reviews, there is a greater chance of divergence between costs and fair value, hence a professional revaluation is appropriate.
- It has been determined that, at the present time, all non-property leases which are not individually low value are immaterial. Consequently, no non-property leases have been recognised in these accounts. Non-property leases include assets such as vehicles and IT equipment.

Recognition and impairment of intangible assets

Intangible assets include internally generated software and software licences. Internally generated software is initially recognised as assets under construction in the financial statements based on the cost (for example capitalised staff and consultancy costs) of creating that software, which could be a bespoke IT system or a modified existing system. When the system becomes available for use, the asset is transferred to intangible IT and an impairment review is carried out.

Until 31 March 2024, these assets were subsequently revalued using indices as an estimate of the current value of these assets and amortised over the useful life of the asset as estimated by the asset owners. From 1 April 2024 all MoJ group entities have been granted permission by HMT to withdraw the revaluation model for intangible assets, see 1.2 Changes in Accounting Policies and Disclosures. The carrying values at the transition date of 1 April 2024 are considered historical cost.

Deferred fee income

Civil, family and hearing fees are received in advance and are deferred until the performance obligation is met to recognise the income. The year-end deferred income balance is calculated using performance data from the HMCTS performance database. In order to calculate the deferred fee income, assumptions have been made around the average length of time that it takes to issue cases and orders. For example, in private and public law, it takes on average 20 working days to issue a case.

2. Statement of operating costs by operating segments

For financial reporting purposes, the segmental reporting format is determined by the way in which the chief operating decision maker monitors the operating results of segments for the purpose of making decisions and allocating resources. The reporting format for 2024-25 includes the following reportable operating segments:

- business as usual
- reform

The operating segments net expenditure for the year is measured on the same basis as the corresponding amounts reported in the financial statements.

Reform expenditure relates to our Courts and Tribunals Reform Programme.

2.1 Segment results

A description of the services from which the reportable segments derive income is provided in Note 8. There were no inter-segment transactions in the year (2023-24: nil). The following table presents the net expenditure for the year by reportable operating segments for the year ended 31 March 2025.

| | 2024-25 | | | 2023-24 | | |
|-------------------------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|
| | Business as usual | Change and reform | Total | Business as usual | Change and reform | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Operating income | (899,694) | - | (899,694) | (807,707) | - | (807,707) |
| Total operating income | (899,694) | - | (899,694) | (807,707) | - | (807,707) |
| Staff costs | 705,802 | 19,543 | 725,345 | 674,815 | 26,093 | 700,908 |
| Judiciary costs | 777,821 | - | 777,821 | 678,174 | - | 678,174 |
| Purchase of goods and services | 757,359 | 25,893 | 783,252 | 717,030 | 30,005 | 747,035 |
| Depreciation and impairment charges | 355,674 | 2 | 355,676 | 399,803 | - | 399,803 |
| Other non-cash expenditure | 101,595 | - | 101,595 | 95,896 | 45 | 95,941 |
| Total operating expenditure | 2,698,251 | 45,438 | 2,743,689 | 2,565,718 | 56,143 | 2,621,861 |
| Net operating expenditure | 1,798,557 | 45,438 | 1,843,995 | 1,758,011 | 56,143 | 1,814,154 |
| Finance costs | 20,730 | - | 20,730 | 25,725 | - | 25,725 |
| Net expenditure for the year | 1,819,287 | 45,438 | 1,864,725 | 1,783,736 | 56,143 | 1,839,879 |

3. Staff and judiciary costs and numbers

Staff costs comprise:

| | 2024-25 £000 | 2023-24 £000 |
|----------------------------------------------------|-----------------|-----------------|
| Wages and salaries | 471,142 | 462,988 |
| Social security costs | 46,333 | 45,555 |
| Employer's pension contributions | 127,343 | 112,644 |
| Agency staff costs | 79,997 | 78,911 |
| Voluntary early departures | 717 | (6) |
| | 725,532 | 700,092 |
| Add: inward secondments | 230 | 1,337 |
| | 725,762 | 701,429 |
| Less: recoveries in respect of outward secondments | (417) | (521) |
| Total staff costs | 725,345 | 700,908 |

Further information on staff costs and numbers can be found in the Staff report section of the annual report on pages 61 to 65.

3.1 Judiciary costs and numbers

Members of the judiciary are independent of HMCTS. Their payroll costs are met either from the Consolidated Fund in the case of senior judiciary, or directly by us for other judiciary. All costs are included within our accounts to ensure that the full cost of operations is disclosed. Senior judges also receive long service payments under an agreement with the MoJ. There is a provision for these payments within the MoJ accounts.

| | 2024-25 | | | | 2023-24 | | | |
|---------------------------------------------|-----------------------------|----------------------------|------------------|----------------|-----------------------------|----------------------------|------------------|----------------|
| | Senior judiciary £000 | Other judiciary £000 | Fee paid £000 | Total £000 | Senior judiciary £000 | Other judiciary £000 | Fee paid £000 | Total £000 |
| Wages and salaries | 172,467 | 134,335 | 151,674 | 458,476 | 158,821 | 120,249 | 144,285 | 423,355 |
| Social security costs | 23,138 | 17,769 | 16,037 | 56,944 | 21,447 | 16,338 | 15,099 | 52,884 |
| Employer's pensions contribution | 105,623 | 83,146 | 73,632 | 262,401 | 81,320 | 62,868 | 57,747 | 201,935 |
| Total payroll costs of the judiciary | 301,228 | 235,250 | 241,343 | 777,821 | 261,588 | 199,455 | 217,131 | 678,174 |

3.2 Average number of judiciary

The amounts above include salary costs for an average 1,010 members (2023-24: 964) senior judiciary, 968 (2023-24: 947) judicial officers ('Other judiciary') and fees for 1,109 full-time equivalent fee-paid judiciary (2023-24: 1,120). The salary costs of the senior judiciary were met from the Consolidated Fund (see Note 17).

Judicial Pension Scheme (JPS)

The JPS is an unfunded multi-employer defined benefit scheme which prepares its own accounts, but for which we are unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2020. Details can be found in the resource accounts of the JPS at www.official-documents.co.uk/.

Under statute, certain judicial office holders' basic pension benefits (but not the annual pension increase) can only be paid out of the Consolidated Fund. For all other JPS members, the pension benefits are paid from JPS Estimates voted by Parliament. Employer pension contributions to the JPS for all JPS members have been made at a rate of 62.55%. The amount of these contributions is included in the table in Note 3.1 shown above.

The benefits payable are governed by the provisions of either the Judicial Pensions Act 1981 for those judicial office holders appointed before 31 March 1995, or the Judicial Pensions and Retirement Act 1993 for those newly appointed or appointed to a different judicial office on or after that date. In addition, the Judicial Pension Scheme Regulations 2015 introduced the career average scheme for new appointees after 1 April 2015 and the Fee-paid Judicial Pension Scheme Regulations 2017 provided pension benefits for fee-paid judiciary from 1 April 2017.

Although the JPS is a defined benefit scheme, in accordance with FReM 6.2, we account for the scheme as a defined contribution scheme and recognise employer contributions payable as an expense in the year they were incurred.

Pension entitlements are provided to salaried judges under the JPS. In September 2005, a retired fee-paid judicial office holder brought a claim in the Employment Tribunal seeking retrospectively parity of treatment with salaried judicial office holders by claiming pension entitlements under the Part-Time Workers Regulations. A UK Supreme Court hearing on 6 February 2013 ruled that a retired fee-paid judicial office holder is entitled to a pension on terms equivalent to those of a salaried judicial office holder. This lead case set the precedent for other stayed cases. Consistent with the accounting for salaried judicial office holders, and in accordance with FReM 6.2, we account for employer contributions payable to the JPS for eligible fee-paid judicial office holders as they are incurred but do not recognise a liability in respect of back payments or the pension liability arising pursuant to the claim. Accordingly, provision for the fee-paid pension entitlement is recognised in the JPS accounts.

Provisions have been recognised in the MoJ accounts for both the liability to fee-paid judicial office holders in respect of the Judicial Service Award and the separate element of the pension liability relating to fee-paid judges, as neither of these is a liability covered by the JPS and its governing Acts.

4. Purchase of goods and services

| | 2024-25 | 2023-24 |
|----------------------------------------------|----------------|----------------|
| | £000 | £000 |
| Lease and other service concession charges: | | |
| Rental costs | 16,102 | 14,678 |
| PFI service charges | 36,759 | 34,312 |
| Accommodation, maintenance and utilities | 336,029 | 306,605 |
| IT services | 238,276 | 232,323 |
| Juror costs | 36,909 | 36,170 |
| Communications, office supplies and services | 34,774 | 33,521 |
| Contracted service costs | 46,532 | 48,798 |
| Consultancy costs | 29 | 895 |
| Non-pay staff costs | 10,572 | 10,057 |
| Non-pay judicial costs | 11,616 | 11,338 |
| Magistrates' costs | 7,149 | 7,091 |
| Bank charges | 4,412 | 4,232 |
| Other costs | 4,068 | 6,990 |
| Other grants | 25 | 25 |
| Total purchase of goods and services | 783,252 | 747,035 |

5. Depreciation and impairment charges

| | 2024-25 | 2023-24 |
|--------------------------------------------------|----------------|----------------|
| | £000 | £000 |
| Depreciation of property and equipment | 166,900 | 165,427 |
| Depreciation of right-of-use assets | 81,649 | 90,777 |
| Amortisation of intangible assets | 96,147 | 118,460 |
| Impairment charge on non-current assets: | | |
| Impairment of property and equipment | 4,823 | 19,118 |
| Impairment of intangible assets | 5,644 | 4,626 |
| Impairment of assets held for sale | - | 25 |
| Increase in receivables impairment | 513 | 1,370 |
| Total depreciation and impairment charges | 355,676 | 399,803 |

6. Other non-cash expenditure

| | 2024-25 | 2023-24 |
|--------------------------------------------|----------------|---------------|
| | £000 | £000 |
| Intra-departmental recharges | 104,237 | 104,666 |
| (Decrease) in provisions | (3,185) | (10,397) |
| Net loss on disposal of non-current assets | 109 | 1,247 |
| External auditors' remuneration | 434 | 425 |
| Total other non-cash expenditure | 101,595 | 95,941 |

Intra-departmental recharge

The intra-departmental recharge represents the costs of services shared with the MoJ including human resources, legal and judicial services, finance and administration.

There has been a small decrease in the recharges in the year 2024-25 due to an increase in Information Service recharges of £1.2 million being offset by a reduction in Justice Digital costs of £1.7 million.

External auditor's remuneration

The costs of the audit performed by the NAO on behalf of the Comptroller and Auditor General are recognised as a non-cash charge. During the year we did not purchase any non-audit services. The cost comprises £310,000 (2023-24: £305,000) for the audit of the HMCTS Annual Report and Accounts and £124,000 (2023-24: £120,000) for the audit of the HMCTS Trust Statement.

7. Finance costs

| | 2024-25 | 2023-24 |
|-------------------------------------------------|---------------|---------------|
| | £000 | £000 |
| Interest on by-analogy pension scheme liability | 49 | 46 |
| Unwinding of discount on provisions | 2,503 | 2,217 |
| Interest on lease liabilities | 11,371 | 11,438 |
| Total non-cash finance costs | 13,923 | 13,701 |
| Local authority loan interest | 657 | 701 |
| Finance charges on PFI and leased assets | 6,150 | 11,323 |
| Total cash finance costs | 6,807 | 12,024 |
| Total finance costs | 20,730 | 25,725 |

Finance charges on PFI and leased asset costs have arisen due to certain PFI loans now being measured under IFRS 16 principles.

8. Operating income

| | 2024-25 | 2023-24 |
|------------------------------------------------------------|----------------|----------------|
| | £000 | £000 |
| Gross fee income | 824,828 | 742,840 |
| Movement in provisions for fee refund schemes | 5,434 | 2,845 |
| Refunds and interest reversed/ (paid) under refund schemes | (101) | (657) |
| Total fee income | 830,161 | 745,028 |
| Recoveries from other government bodies | 63,772 | 59,687 |
| Miscellaneous income | 5,761 | 2,992 |
| Total operating income | 899,694 | 807,707 |

Information on fee income can be found in the Parliamentary accountability report on page 67.

8.1 Fee refund schemes

The £5.4 million movement in fee refund scheme provisions consists of:

- £0.05 million utilisation of the Council Tax Liability Order provisions
- £3.4 million reversal of the Council Tax Liability Order provisions as it is transferred to a contingent liability (see Note 18.3 for further information)
- £0.05 million utilisation of the personal injury claims (Dibbert)
- £1.9 million decrease in the personal injury claims (Dibbert) provision

£0.1 million refunds are in relation to the Council Tax Liability Order fees and personal injury claims fees (Dibbert) shown above as utilisation of provisions, as well as a small number of Employment Tribunal fees. Please see Notes 18.3 and 21 for further details about provisions and contingent liabilities for fee refund schemes.

8.2 Operating income payables and receivables

| | Income | Receivables | Contract assets | Deferred income |
|------|--------|-------------|-----------------|-----------------|
| | £000 | £000 | £000 | £000 |
| DWP | 332 | - | - | - |
| HMRC | 38,506 | - | - | - |

We receive funding from DWP and HMRC in respect of the operations of the First-tier Tribunal (Social Security and Child Support). In 2024-25 we received a budget transfer of £23.5 million from DWP (2023-24: £23.5 million).

8.3 Consolidated Fund income

Total income does not include amounts collected by us where HMCTS was acting agent of the Consolidated Fund rather than as principal. Full details of income collected as agent for the Consolidated Fund can be found in the HMCTS Trust Statement published separately from these financial statements.

9. Property and equipment

| | Land excluding dwellings £000 | Buildings excluding dwellings £000 | Dwellings £000 | Information technology £000 | Equipment £000 | Furniture, fixtures and fittings £000 | Assets under construction £000 | Total £000 |
|-----------------------------------------|----------------------------------------|---------------------------------------------|-------------------|-----------------------------------|-------------------|------------------------------------------------|--------------------------------------|------------------|
| Cost or valuation | | | | | | | | |
| At 1 April 2024 | 666,674 | 2,974,722 | 18,699 | 154,363 | 87,367 | 17,635 | 205,726 | 4,125,186 |
| Additions | - | 2 | - | - | 325 | - | 140,753 | 141,080 |
| Disposals | - | (61) | - | (61,409) | (5,505) | (667) | (45) | (67,687) |
| Impairment | (680) | (12,056) | (22) | - | - | - | - | (12,758) |
| Revaluation | (1,004) | (113,562) | 445 | (16) | - | - | - | (114,137) |
| Reclassification | 113 | 113,615 | 10 | 12,690 | (135) | - | (126,068) | 225 |
| Transfers | - | - | - | - | - | - | - | - |
| At 31 March 2025 | 665,103 | 2,962,660 | 19,132 | 105,628 | 82,052 | 16,968 | 220,366 | 4,071,909 |
| Depreciation | | | | | | | | |
| At 1 April 2024 | - | - | 1 | (102,673) | (76,115) | (16,360) | - | (195,147) |
| Charged in year | (623) | (142,736) | (376) | (18,755) | (4,202) | (208) | - | (166,900) |
| Disposals | - | 2 | - | 61,409 | 5,491 | 667 | - | 67,569 |
| Impairment | - | - | - | - | - | - | - | - |
| Revaluations | 623 | 142,734 | 376 | - | - | - | - | 143,733 |
| Reclassification | - | - | - | - | - | - | - | - |
| Transfers | - | - | - | - | - | - | - | - |
| At 31 March 2025 | - | - | 1 | (60,019) | (74,826) | (15,901) | - | (150,745) |
| Carrying amount at 31 March 2025 | 665,103 | 2,962,660 | 19,133 | 45,609 | 7,226 | 1,067 | 220,366 | 3,921,164 |
| Carrying amount at 31 March 2024 | 666,674 | 2,974,722 | 18,700 | 51,690 | 11,252 | 1,275 | 205,726 | 3,930,039 |
| Asset financing: | | | | | | | | |
| Owned | 643,584 | 2,747,005 | 19,133 | 45,609 | 7,226 | 1,067 | 220,366 | 3,683,990 |
| On-balance sheet PFI contracts | 21,519 | 215,655 | - | - | - | - | - | 237,174 |
| Carrying amount at 31 March 2025 | 665,103 | 2,962,660 | 19,133 | 45,609 | 7,226 | 1,067 | 220,366 | 3,921,164 |

9. Property and equipment (continued)

| | Land excluding dwellings £000 | Buildings excluding dwellings £000 | Dwellings £000 | Information technology £000 | Equipment £000 | Furniture, fixtures and fittings £000 | Assets under construction £000 | Total £000 |
|-----------------------------------------|----------------------------------------|---------------------------------------------|-------------------|-----------------------------------|-------------------|------------------------------------------------|--------------------------------------|------------------|
| Cost or valuation | | | | | | | | |
| At 1 April 2023 | 719,858 | 3,000,417 | 18,491 | 129,705 | 88,198 | 17,882 | 198,870 | 4,173,421 |
| Additions | 1,942 | 8,921 | - | 1,028 | 1,530 | 1 | 117,805 | 131,227 |
| Disposals | - | - | - | (1,598) | (5,590) | (457) | (1,184) | (8,829) |
| Impairment | (690) | (4,593) | - | - | - | - | (245) | (5,528) |
| Revaluation | (53,900) | (116,972) | (176) | 2,057 | 2,451 | 209 | - | (166,331) |
| Reclassification | (47) | 87,200 | 384 | 23,171 | 778 | - | (109,520) | 1,966 |
| Transfers | (489) | (251) | - | - | - | - | - | (740) |
| At 31 March 2024 | 666,674 | 2,974,722 | 18,699 | 154,363 | 87,367 | 17,635 | 205,726 | 4,125,186 |
| Depreciation | | | | | | | | |
| At 1 April 2023 | 1 | (3) | (1) | (84,398) | (74,911) | (16,436) | - | (175,748) |
| Charged in year | (641) | (140,977) | (373) | (18,595) | (4,626) | (215) | - | (165,427) |
| Disposals | - | 6 | 2 | 1,598 | 5,584 | 460 | - | 7,650 |
| Impairment | 11 | 225 | - | - | - | - | - | 236 |
| Revaluations | 629 | 140,749 | 373 | (1,278) | (2,162) | (169) | - | 138,142 |
| Reclassification | - | - | - | - | - | - | - | - |
| Transfers | - | - | - | - | - | - | - | - |
| At 31 March 2024 | - | - | 1 | (102,673) | (76,115) | (16,360) | - | (195,147) |
| Carrying amount at 31 March 2024 | 666,674 | 2,974,722 | 18,700 | 51,690 | 11,252 | 1,275 | 205,726 | 3,930,039 |
| Carrying amount at 31 March 2023 | 719,859 | 3,000,414 | 18,490 | 45,307 | 13,287 | 1,446 | 198,870 | 3,997,673 |
| Asset financing: | | | | | | | | |
| Owned | 645,174 | 2,756,966 | 18,700 | 51,690 | 11,252 | 1,275 | 205,726 | 3,690,783 |
| On-balance sheet PFI contracts | 21,500 | 217,756 | - | - | - | - | - | 239,256 |
| Carrying amount at 31 March 2024 | 666,674 | 2,974,722 | 18,700 | 51,690 | 11,252 | 1,275 | 205,726 | 3,930,039 |

Land excluding dwellings and buildings include surplus assets with a net book value of £5.3 million (2023-24: £5.3 million).

Section 4: Our expenditure

Per Note 9, the split of property value at 31 March 2025 by valuation basis is demonstrated in the table below.

| HMCTS property values at 31 March 2025 | £000 |
|----------------------------------------------------|------------------|
| Property values at depreciated replacement cost | 2,798,916 |
| Property values at existing use value | 637,286 |
| Leasehold improvements (not professionally valued) | 139,948 |
| Land attached to building assets reported in AUC | 60,982 |
| Surplus assets (not professionally valued) | 5,300 |
| Other assets not professionally valued | 4,464 |
| Total | 3,646,896 |

| Cost included within Note 9 balances: | £000 |
|---------------------------------------|------------------|
| Land excluding dwellings | 665,103 |
| Buildings excluding dwellings | 2,962,660 |
| Dwellings | 19,133 |
| Total | 3,646,896 |

10. Assets held for sale

| | Notes | 2024-25 £000 | 2023-24 £000 |
|------------------------------------------------------------------|-------|-----------------|-----------------|
| As at 1 April 2024 | | 225 | - |
| Assets reclassified to held for sale from property and equipment | 9 | (225) | 250 |
| (Decrease) in fair value of assets held for sale | 5 | - | (25) |
| As at 31 March 2025 | | - | 225 |

A net profit on disposal of assets held for sale of £0 (2023-24: £0) is included within the overall net gain on disposal of property and equipment within other non-cash expenditure which is disclosed in Note 6.

11. Intangible assets

| | Information technology £000 | Software licences £000 | Assets under construction £000 | Total £000 |
|--------------------------|-----------------------------------|---------------------------|--------------------------------------|------------------|
| Cost or valuation | | | | |
| At 1 April 2024 | 828,171 | 14,579 | 84,271 | 927,021 |
| Additions | - | - | 37,125 | 37,125 |
| Disposals | (180,331) | (8,537) | 1 | (188,867) |
| Impairment | (19,771) | - | (2,729) | (22,500) |
| Revaluation | (50) | - | - | (50) |
| Reclassifications | 82,012 | - | (82,012) | - |
| Transfers | - | 728 | - | 728 |
| At 31 March 2025 | 710,031 | 6,770 | 36,656 | 753,457 |
| Amortisation | | | | |
| At 1 April 2024 | (442,903) | (14,041) | - | (456,944) |
| Charged in year | (95,611) | (536) | - | (96,147) |

| | Information technology £000 | Software licences £000 | Assets under construction £000 | Total £000 |
|-------------------------|--------------------------------|---------------------------|-----------------------------------|------------------|
| Disposals | 180,331 | 8,537 | - | 188,868 |
| Revaluation | 15 | - | - | 15 |
| Reclassification | - | - | - | - |
| Impairment | 16,771 | - | - | 16,771 |
| Transfers | - | (728) | - | (728) |
| At 31 March 2025 | (341,397) | (6,768) | - | (348,165) |

| | | | | |
|----------------------------------|---------|---|--------|---------|
| Carrying amount at 31 March 2025 | 368,634 | 2 | 36,656 | 405,292 |
|----------------------------------|---------|---|--------|---------|

| | | | | |
|-----------------------------------------|----------------|------------|---------------|----------------|
| Carrying amount at 31 March 2024 | 385,268 | 538 | 84,271 | 470,077 |
|-----------------------------------------|----------------|------------|---------------|----------------|

All intangible assets are owned by us. The largest 5 assets under construction added in year are Decommissioning and Legacy Risk Mitigation £11.7 million, Common Platform £6.7 million, Civil Money Claims £5.5 million, Possessions Project £4 million and Infected Blood Compensation Authority Appeals £1 million.

| | Information technology £000 | Software licences £000 | Assets under construction £000 | Total £000 |
|--------------------------|--------------------------------|---------------------------|-----------------------------------|----------------|
| Cost or valuation | | | | |
| At 1 April 2023 | 760,639 | 14,413 | 95,959 | 871,011 |
| Additions | - | - | 63,835 | 63,835 |
| Disposals | (12,557) | - | (28) | (12,585) |
| Impairment | - | - | (4,626) | (4,626) |
| Revaluation | 11,436 | 166 | - | 11,602 |
| Reclassifications | 68,653 | - | (70,869) | (2,216) |
| Transfers | - | - | - | - |
| At 31 March 2024 | 828,171 | 14,579 | 84,271 | 927,021 |

| | | | | |
|-------------------------|------------------|-----------------|----------|------------------|
| Amortisation | | | | |
| At 1 April 2023 | (333,851) | (11,575) | - | (345,426) |
| Charged in year | (116,154) | (2,306) | - | (118,460) |
| Disposals | - | - | - | - |
| Revaluation | 12,548 | - | - | 12,548 |
| Reclassification | (5,446) | (160) | - | (5,606) |
| Transfers | - | - | - | - |
| At 31 March 2024 | (442,903) | (14,041) | - | (456,944) |

| | | | | |
|----------------------------------|---------|-------|--------|---------|
| Carrying amount at 31 March 2024 | 385,268 | 538 | 84,271 | 470,077 |
| Carrying amount at 31 March 2023 | 426,788 | 2,838 | 95,959 | 525,585 |

12. Leases

Our lease contracts comprise of leases of land and buildings. The most significant leases are the Rolls Building (ROU asset value £259 million) and Manchester Civil Justice Centre (ROU asset value £205.5 million) as at 31 March 2025.

Right-of-use lease assets

| | Land and Buildings | Total |
|-----------------------------------------|--------------------|------------------|
| | £000 | £000 |
| Cost or valuation | | |
| At 1 April 2024 | 1,262,182 | 1,262,182 |
| Additions | 198 | 198 |
| Derecognition | (16,655) | (16,655) |
| Remeasurements | (9,795) | (9,795) |
| Revaluations | 1,285 | 1,285 |
| Impairment | - | - |
| Reclassifications | - | - |
| Transfer | - | - |
| At 31 March 2025 | 1,237,215 | 1,237,215 |
| Depreciation | | |
| At 1 April 2024 | (239,689) | (239,689) |
| Charged in year | (81,649) | (81,649) |
| Recognition | - | - |
| Derecognition | 16,655 | 16,655 |
| Revaluation | 4,341 | 4,341 |
| Reclassification | - | - |
| Transfer | - | - |
| At 31 March 2025 | (300,342) | (300,342) |
| Carrying amount at 31 March 2025 | 936,873 | 936,873 |
| Carrying amount at 31 March 2024 | 1,022,493 | 1,022,493 |

Right-of-use lease assets

| | Land and Buildings £000 | Total £000 |
|-----------------------------------------|----------------------------|------------------|
| Cost or valuation | | |
| At 1 April 2023 | 1,246,280 | 1,246,280 |
| Additions | 33,361 | 33,361 |
| Derecognition | (4,557) | (4,557) |
| Remeasurement | - | - |
| Revaluations | (10,584) | (10,584) |
| Impairment | - | - |
| Reclassifications | - | - |
| Transfer | (2,318) | (2,318) |
| At 31 March 2024 | 1,262,182 | 1,262,182 |
| Depreciation | | |
| At 1 April 2023 | (160,268) | (160,268) |
| Charged in year | (90,777) | (90,777) |
| Recognition | - | - |
| Derecognition | 4,557 | 4,557 |
| Revaluation | 4,482 | 4,482 |
| Reclassification | - | - |
| Transfer | 2,317 | 2,317 |
| At 31 March 2024 | (239,689) | (239,689) |
| Carrying amount at 31 March 2024 | 1,022,493 | 1,022,493 |
| Carrying amount at 1 April 2023 | 1,086,012 | 1,086,012 |

Right-of-use lease assets comprise:

| | £000 |
|-------------------------------------------------------------|----------------|
| Assets valued at net present value of future lease payments | 862,865 |
| Assets valued at depreciated replacement cost (DRC) | 72,239 |
| Assets valued at existing use value (EUV) | 1,769 |
| Total | 936,873 |

The right-of-use lease assets valued at DRC or EUV relate primarily to peppercorn leases. Where lease rentals reflect market rates, these are valued using the cost methodology.

Section 4: Our expenditure

Lease liabilities

A maturity analysis of contractual undiscounted cash flows relating to lease liabilities is presented below. The cash flows and balances are presented net of VAT.

Amounts falling due

| | |
|----------------------------------------------|------------------|
| Not later than 1 year | 85,759 |
| Later than 1 year and not later than 5 years | 309,096 |
| Later than 5 years | 731,138 |
| Less interest element | (96,048) |
| Balance as at 31 March 2025 | 1,029,945 |

| | 2024-25 | 2023-24 |
|--------------------------------|------------------|------------------|
| | £000 | £000 |
| Current | 74,317 | 80,162 |
| Non-current | 955,628 | 1,040,399 |
| Total lease liabilities | 1,029,945 | 1,120,561 |

Amounts recognised in the Statement of Comprehensive Net Expenditure

| | 2024-25 | 2023-24 |
|------------------------------------------|---------------|----------------|
| | £000 | £000 |
| Depreciation | 81,649 | 90,777 |
| Interest expense | 11,371 | 11,438 |
| Low value and short-term leases | 160 | 1,086 |
| Irrecoverable VAT on right-of-use leases | 1,263 | 15,315 |
| Total | 94,443 | 118,616 |

Amounts recognised in the Statement of Cash Flows

| | 2024-25 | 2023-24 |
|-----------------------------------|----------------|---------------|
| | £000 | £000 |
| Interest expense | 11,371 | 11,438 |
| Repayments of principal on leases | 101,033 | 79,693 |
| Total | 112,404 | 91,131 |

13. Financial instruments

IFRS 7 'Financial Instruments: Disclosures', requires disclosure of the role that financial instruments have had during the year in creating or changing risks an entity faces in carrying out its business.

As we are funded via the MoJ, we are not exposed to the degrees of financial risk or market risk facing a business entity. Financial instruments also play a much more limited role in creating or changing risks than would be typical of the listed companies to which IFRS 7 primarily applies. We have no powers to borrow or invest surplus funds. Our financial assets and liabilities arise from day-to-day operational activities and are not held to hedge risks arising from these activities. We enter into lease contracts based on value for money and affordability grounds and as such, there is minimal risk of being unable to meet our lease payment obligations in the future. We are therefore not exposed to significant liquidity, interest rate or foreign currency risk.

Credit risks arise from our financial assets which comprise cash and cash equivalents, trade and other receivables, and other financial assets. Our exposure to credit risk arises from potential default of a counterparty on their contractual obligations resulting in a financial loss to us.

Credit risk associated with our receivables is minimal as most debtor balances are with other government related bodies. Credit risk in relation to receivables is also monitored by management regularly by reviewing the ageing of receivables. The maximum loss we are exposed to is the carrying value of our financial assets within the SoFP.

Fair values

The fair values of our financial assets and liabilities as at 31 March 2025 and 31 March 2024 approximate their book values.

14. Trade and other receivables

Amounts falling due within 1 year

| | 2024-25 | 2023-24 |
|------------------------------------------------|----------------|----------------|
| | £000 | £000 |
| Trade receivables | 15,773 | 18,276 |
| Other receivables | | |
| VAT recoverable | 12,746 | 4,736 |
| Intra-departmental receivables | 79,182 | 56,743 |
| Prepayments and accrued income | 16,375 | 19,592 |
| Other receivables | 22,417 | 5,345 |
| Total amounts falling due within 1 year | 146,493 | 104,692 |

There are no trade receivables falling due after more than 1 year (none at 31 March 2024).

15. Cash and cash equivalents

Cash and cash equivalents recorded in the statement of financial position and statement of cash flows include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts.

| | 2024-25 £000 | 2023-24 £000 |
|------------------------------------------|-----------------|-----------------|
| As of the beginning of the period | 58,731 | 37,646 |
| Net increase/(decrease) in cash balances | (12,969) | 21,085 |
| As at the end of the period | 45,762 | 58,731 |

The following balances as at 31 March 2025:

| | | |
|----------------------------------------|---------------|---------------|
| Government Banking Service | 45,694 | 58,668 |
| Cash in hand | 67 | 61 |
| Imprests | 1 | 2 |
| Total cash and cash equivalents | 45,762 | 58,731 |

16. Trade and other payables

Amounts falling due within 1 year

| | 2024-25 £000 | 2023-24 £000 |
|------------------------------------------------|-----------------|-----------------|
| Taxation and social security | 21,266 | 19,244 |
| Trade payables | 18,562 | 17,965 |
| Other payables | 31,614 | 27,442 |
| Intra-departmental payables | 63,117 | 59,490 |
| Accruals and deferred income | 113,650 | 116,943 |
| Deferred fee income | 30,301 | 34,314 |
| Total amounts falling due within 1 year | 278,510 | 275,398 |

Amounts falling due after more than 1 year

| | 2024-25 £000 | 2023-24 £000 |
|---------------------------------------------------------|-----------------|-----------------|
| Local Authority loan balances | 17,847 | 18,596 |
| Total amounts falling due after more than 1 year | 17,847 | 18,596 |

16.1 Financial liabilities

Amounts falling due within 1 year

| | 2024-25 | 2023-24 |
|-----------------------------------------------------------------|---------------|---------------|
| | £000 | £000 |
| Lease incentive payable | 87 | 87 |
| Imputed finance lease element of on balance sheet PFI contracts | 12,409 | 13,433 |
| Total amounts falling due within one year | 12,496 | 13,520 |

Amounts falling due after more than 1 year

| | 2024-25 | 2023-24 |
|-----------------------------------------------------------------|---------------|---------------|
| | £000 | £000 |
| Imputed finance lease element of on balance sheet PFI contracts | 39,566 | 49,585 |
| Total amounts falling due after more than 1 year | 39,566 | 49,585 |

Following the adoption of IFRS 16 with effect from 1 April 2021, finance leases are recognised on-balance sheet as right-of-use assets and lease liabilities as shown in Notes 12 and 17.

17. Notes to the statement of cash flows

Summary of notional and non-cash costs are as follows

| | 2024-25 | 2023-24 |
|-------------------------------------------------------------|----------------|----------------|
| | £000 | £000 |
| Notional costs | | |
| Consolidated Fund judicial salaries - wages and salaries | 170,164 | 157,904 |
| Consolidated Fund judicial salaries - social security costs | 23,138 | 21,447 |
| External auditor's remuneration | 434 | 425 |
| Departmental recharge | 104,237 | 104,666 |
| Total notional costs | 297,973 | 284,442 |
| Non-cash costs | | |
| (Profit) on disposal of property and equipment | 109 | 1,247 |
| Reduction in fair value of property and equipment | (7,935) | 13,826 |
| Impairment of property and equipment | 12,758 | 5,292 |
| Impairment of intangible assets | 5,644 | 4,626 |
| Reduction in fair value of assets held for sale | - | 25 |
| Movement in provisions | (8,523) | (12,258) |
| Movement in receivables impairment | 513 | 1,370 |
| Depreciation | 248,549 | 256,204 |
| Amortisation | 96,147 | 118,460 |
| Total non-cash costs | 347,262 | 388,792 |
| Total notional and non-cash costs | 645,235 | 673,234 |

17.1 Reconciliation of property and equipment

| | Notes | 2024-25 £000 | 2023-24 £000 |
|----------------------------------------------------|-------|-----------------|-----------------|
| Additions | | | |
| Property and equipment | 9 | 130,474 | 130,851 |
| Plus: | | | |
| Movement in capital accrual | | 9,856 | (142) |
| Total purchases per statement of cash flows | | 140,330 | 130,709 |

17.2 Reconciliation of liabilities arising from financing activities 2024-25

| | Notes | 2023-24 £000 | Cash flows 2024-25 £000 | IFRS 16 lease adjustments 2024-25 £000 | Closing balance 2024-25 £000 |
|-------------------------------------|-------|------------------|-------------------------------|-------------------------------------------------|------------------------------------|
| Repayments of local authority loans | 16 | 18,596 | (749) | - | 17,847 |
| Lease liabilities | 12 | 1,120,561 | (103,359) | 12,743 | 1,029,945 |
| PFI liabilities | 16.1 | 63,018 | (11,043) | - | 51,975 |
| Total amounts falling due | | 1,202,175 | (115,151) | 12,743 | 1,099,767 |

18. Provision for liabilities and charges

| | Early departure costs £000 | By-analogy pension scheme £000 | Dilapidations £000 | Other provisions £000 | Fee refunds £000 | 2024-25 Total £000 | 2023-24 Total £000 |
|---------------------------------------------------------|-------------------------------------|-----------------------------------------|-----------------------|-----------------------------|------------------------|--------------------------|--------------------------|
| Balance at 1 April 2024 | 53,976 | 1,046 | 19,686 | 13,782 | 5,533 | 94,023 | 111,591 |
| Provided in the year | 1,440 | - | 248 | 1,059 | 25 | 2,772 | (3,153) |
| Provisions not required written back | (3,389) | - | (2,613) | (288) | (5,363) | (11,653) | (9,706) |
| Provisions utilised in the year | (4,352) | (172) | (521) | (800) | (96) | (5,941) | (6,923) |
| Unwinding of discount | 2,508 | 139 | - | (5) | - | 2,642 | 2,214 |
| Balance at 31 March 2025 | 50,183 | 1,013 | 16,800 | 13,748 | 99 | 81,843 | 94,023 |
| Analysis of expected timings of discounted flows | | | | | | | |
| Not later than 1 year | 4,522 | - | 2,757 | 3,668 | 48 | 10,995 | 11,268 |
| Later than 1 year but not later than 5 years | 15,198 | 350 | 4,009 | 3,017 | 51 | 22,625 | 28,975 |
| Later than 5 years | 30,463 | 663 | 10,034 | 7,063 | - | 48,223 | 53,780 |
| Balance at 31 March 2025 | 50,183 | 1,013 | 16,800 | 13,748 | 99 | 81,843 | 94,023 |

18.1 Provision for early departure costs

Provision has been made for the costs of unfunded early retirement benefits of certain magistrates' court staff. The provision represents the present value of the costs of the benefit payable to staff on Crombie and Local Government early retirement terms.

Also included in early departure costs is a provision for unfunded early retirement costs of our staff in the PCSPS.

An interest rate, set by HMT, of 2.65% (2023-24: 2.55%) has been used to assess the interest costs of the scheme liability and future estimated payments have been discounted at a rate of 2.4% (2023-24: 2.45%).

The provision was valued by the Government Actuary's Department (GAD) as at 31 March 2025.

The provision for early departure costs recorded above is separate to the voluntary early departure scheme costs recorded in Note 3.

18.2 By-analogy pension scheme

The by-analogy pension scheme provision related to 3 pension schemes for the Criminal Injuries Compensation Tribunal, the Immigration and Asylum Chamber and the Residential Property Tribunal. These schemes have 1 member, 9 members and 12 members respectively.

The schemes' liabilities were valued by GAD as at 31 March 2025 and the associated interest and current service costs have been charged to the SoCNE.

The schemes are referred to as 'by-analogy pension schemes' as they are similar to the PCSPS. However, they are funded by provisions from the department's vote and pension payments are administered by the department and made via the payroll system.

The aggregate actuarial loss on the scheme liabilities in 2024-25 was £90,000 (2023-24: gain £49,000).

18.3 Fee refunds

Throughout the year we have developed and processed fee refunds for the following fees; the accounting for these fees is detailed in the table overleaf.

Employment tribunals: Further to the July 2017 Supreme Court ruling, we have continued to process these refunds. We identified £32.2 million in fees paid and to date have refunded £18.5 million including interest. We are not able to reliably estimate the probability that the remaining fees will be claimed and refunded and therefore we have not created a provision. Due to the length of time that the scheme has been open passing the statutory obligation limit and the annual refunds now being claimed are minimal (2024-25: £9,000), we are no longer recognising a contingent liability (2023-24: £13.7 million) as we believe any liability would be highly immaterial.

In July 2018 The Court of Protection, Civil Proceedings and Magistrates' Courts Fees (Amendment) Order 2018 became law. The statutory order reduced a small number of fees which were mistakenly set above cost. These changes affect fees charged for certain proceedings in the Court of Protection, particular fees relating to civil proceedings in the magistrates' courts (including Council Tax Liability Orders – CTLOs), fees for general applications in insolvency proceedings and the fees charged for High Court Judges sittings as arbitrators. The refund scheme applicable to these cases was launched by the MoJ in January 2020.

The CTLO liability is now recognised as a contingent liability as there has been contact made with each recipient and the refunds have significantly reduced, however the scheme is not yet at the end of its statutory obligation period, but we are now unable to reliably estimate the liability. In 2024-25 we refunded £0.04 million (2023-24: £0.3 million).

Following an internal review of fees, it was determined that an incorrect fee for low value personal injury claims was charged; the error arose as a result of a single flat fee being charged for cases which should have been treated as money claims and had a sliding fee scale applied. This results in an overcharge of £16.4 million for which a refund scheme was launched in October 2020.

The refund provisions for personal injury and other claims (Court of Protection (COP), insolvency, Royal Courts of Justice (RCJ) and other fees) at 31 March 2025 were estimated at £0.1 million (2023-24: £2.1 million), and we continue to accept the liability for all claims until the end of the qualifying period, October 2026. The value of the provision has been reduced in order to reflect the expected utilisation of the provision. Due to the significant reduction in the refunds being made we have removed the contingent liability balance on the basis that it is unlikely that we will refund anything above the provision (2023-24 contingent liability: £13.6m).

The above are included in the accounts as shown overleaf.

| Refund scheme | 2024-25 Provision £000 | 2024-25 Contingent liability £000 | Total estimate of refund included in the 2024-25 accounts £000 |
|-------------------------------------------------------------------------------------|------------------------------|--------------------------------------------|----------------------------------------------------------------------------|
| Employment Tribunal | - | - | - |
| The Court of Protection, Civil Proceedings and Magistrates' Courts Fees Order 2018: | | | |
| CLTOs | - | 3,404 | 3,404 |
| Other (COP, Insolvency, RCJ and other fees) | - | - | - |
| Personal injury claims (Dibbert) | 98 | - | 98 |
| Total | 98 | 3,404 | 3,502 |

18.4 Other provisions

The 'Other' category contains provisions totalling £5.8 million for claims against us, and a provision for an onerous lease of undeveloped land of £8.0 million.

18.5 Dilapidations

Dilapidation costs are an estimate of the expenditure required to return vacated leased buildings to their original condition as at the date of commencement of the lease. The movement in year is as a result of updated information relating to property vacations, new properties leased during the year, and changes in the cost per square metre of the properties leased due to the general market conditions' impact on prices; these are determined by the value of the dilapidations compared to the settlement value agreed.

19. Capital commitments

Capital commitments at the end of the year not otherwise included in these accounts:

| | 2024-25 £000 | 2023-24 £000 |
|----------------------------------|-----------------|-----------------|
| Property developments | 62,910 | 57,853 |
| Intangible assets | 10,898 | 5,779 |
| Total capital commitments | 73,808 | 63,632 |

20. Private Finance Initiatives (PFI)

We entered into 8 PFI service concession arrangements. A summary of each PFI contract is set out below.

| Project name | Contract start date | Duration (years) | On/off Statement of Financial Position | Initial capital value (£m) | Description |
|--------------------------------------------|---------------------|------------------|----------------------------------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Exeter | November 2002 | 32 | On | 20.1 | Provision of a courthouse comprising 4 criminal courts, 1 civil court and 4 District Judge hearing rooms. At the end of the contract term the building will revert to us at no cost. |
| East Anglia | October 2002 | 25 | On | 34.5 | Provision of Crown Court centres in Ipswich and Cambridge. Ipswich consists of 5 criminal courtrooms; Cambridge consists of 3 criminal courtrooms. At the end of the contract term the buildings in Ipswich and Cambridge will revert to us at no cost. |
| Sheffield | November 2002 | 27 | On | 7.7 | Provision of a Family Hearing Centre in Sheffield. At the end of the contract term we have the option of acquiring the under lease at the lower of its open market value or £2 million. |
| Derbyshire Magistrates' Courts | August 2001 | 27 | On | 29.5 | Provision of serviced accommodation for magistrates' courts at New Mills, Chesterfield and Derby. The contract term can be extended (subject to agreement of mutually acceptable terms) by up to 5 years. At the end of the contract term the buildings shall revert to us at no cost. |
| Hereford and Worcester Magistrates' Courts | August 2000 | 25 | On | 30.6 | Provision of serviced accommodation for magistrates' courts at Bromsgrove, Kidderminster, Worcester and Redditch. The contract term can be extended for another 10 years. At the end of the contract term the buildings shall revert to us at no cost. |
| Manchester Magistrates' Court | March 2001 | 28 | On | 32.9 | Provision of serviced accommodation at Manchester Magistrates' Court at Spinningfields in Manchester. The contract term can be extended by mutual agreement by up to 10 years. At the end of the contract term the building shall revert to us at no cost. |
| Humberside Magistrates' Court | November 2001 | 25 | On | 21.6 | Provision of serviced magistrates' courthouses in Hull, Beverley and Bridlington. On expiry, we have the option of taking the assets back for a nominal amount of £3 million. |
| Avon and Somerset Magistrates' Court | August 2004 | 27 | On | 46.6 | Provision of serviced accommodation at Bristol Magistrates' Court, North Somerset Magistrates' Court, and Avon and Somerset Probation HQ and Training Centre, both at Worle. The contract term can be extended by mutual agreement by up to 5 years. At the end of the contract term the buildings shall revert to us at no cost. |

20.1 On balance sheet contracts

Details of the imputed finance lease charges are given in the table below for each of the following periods:

| | 2024-25 | 2023-24 |
|----------------------------------------------------------|---------------|---------------|
| | £000 | £000 |
| Rentals due not later than 1 year | 15,086 | 16,778 |
| Rentals due later than 1 year and not later than 5 years | 39,497 | 47,207 |
| Rentals due later than 5 years | 16,205 | 18,621 |
| Minimum future lease payments | 70,788 | 82,606 |
| Future unwinding discount | (9,213) | (6,242) |
| Future interest expense | (9,600) | (13,346) |
| Present value of minimum lease payments | 51,975 | 63,018 |

Details of the minimum service charge element are given in the table below for each of the following periods:

| | 2024-25 | 2023-24 |
|-----------------------------------------------------------------|----------------|----------------|
| | £000 | £000 |
| Service charge due within 1 year | 33,031 | 34,311 |
| Service charge due later than 1 year and not later than 5 years | 88,615 | 75,617 |
| Service charge due later than 5 years | 41,296 | 42,996 |
| Total | 162,942 | 152,924 |

20.2 Charge to the statement of comprehensive net expenditure

The total amount charged to the SoCNE in respect of the service element of PFI contracts and other service concession arrangements recognised on the SoFP was £36.8 million (2023-24: £34.3 million).

21. Contingent liabilities

Judicial claims

Following a legal challenge, the MoJ has conceded the current policies for sitting in retirement (where a judge may retire and draw a pension from their salaried office, and then sit in a fee-paid office), do not apply equally to fee-paid judges. We intend to consult on changes to rectify this. In the interim, there is a potential for affected judges to bring compensation claims in respect of this and in the longer-term for pension benefits to become payable earlier, increasing the actuarial value of the pension liability. This effect cannot currently be estimated and, should there be a change to the pattern of retirement, will be reflected in the ongoing regular valuations process.

There are also a number of other legal claims in relation to discrimination between fee-paid and salaried judges, which may give rise to further pension claims. At present we are unable to provide a reliable estimate of the potential liability until the appeals process has been completed.

Fee refunds

Our current estimate of the total value of the refunds due is £3.5 million of which £0.01 million has been provided for; the balance of £3.4 million, in respect of the Council Tax Liability Order scheme, is held as a contingent liability. Note 18.3 provides an analysis of both the provisions and contingent liability by refund scheme.

Other contingent liabilities

We are involved in several legal cases dealing with ex gratia, compensation and other claims. The estimated cost of settlement for us is £0.3 million (2023-24: £0.4 million).

A cross-MoJ review of travel and subsistence policies has identified instances of incorrect tax and National Insurance treatment on certain expenses. A detailed review is ongoing to determine the likelihood and value of any resulting liability to HMRC. However, the review has not yet progressed sufficiently to quantify the liability.

22. Related party transactions

We are an Executive Agency of the MoJ, which is regarded as a related party. During the year we have had material transactions with the MoJ and other entities for which the MoJ is regarded as the parent entity. We also had material transactions with a number of other government departments and central government bodies. In accordance with the requirements of the FReM, these transactions have not been reported.

Registry Trust Limited is a private company limited by guarantee with no share capital. It maintains the Register of County Court judgments on behalf of the Lord Chancellor and the Secretary of State for Justice. Revenue recognised from the Registry Trust Limited in the year amounted to £0.6 million (2023-24: £0.6 million) with a total debtor balance due to us as at 31 March 2025 of £0.2 million (2023-24: £0.2 million).

No Board members or related parties have undertaken any material transactions with us during 2024-25 and 2023-24.

We also have a number of arrangements with the MoJ and its departmental bodies which are classified as intra-departmental recharges. These payments are for the use of assets and other services and are expensed in the SoCNE each year as they are incurred. It is impractical to separate the payments reliably between those relating to assets and those relating to other services. These arrangements contain no defined end date. The payments also include payments for non-lease elements in the arrangements

23. Third party balances

We hold a number of cash balances on behalf of third parties. These consist of bail monies and monies held on behalf of court users which are received and held while the case progresses. At 31 March 2025 these amounted to £48.6 million (2023-24: 47.5 million) and, in accordance with FReM requirements, have not been recognised in the accounts.

24. Events after the reporting period

In accordance with the requirements of IAS 10 Events after the reporting period, post statement of financial position events are considered up to the date on which the accounts are authorised for issue. This is interpreted as the same date as the date of the Certificate and Report of the Comptroller and Auditor General.

There has been one adjusting events as follows:

Following a formal approval process in May 2025 a decision was made to cease the continuation and development of a specific video hearing project due to unresolved technical issues. This has resulted in a constructive loss of £3.63 million.

Annex A: Fees and charges legislation

The most current fees orders are listed below and can also be viewed at www.legislation.gov.uk/.

- The Civil Proceedings Fees Order 2008 (S.I. 2008/1053) Relevant amendments are S.I. 2014/874, 2014/1834, 2015/576, 2016/402, 2016/434, 2016/807, 2016/1191, 2017/702, 2018/812, 2019/1063, 2020/720, 2021/462, 2021/588 2021/985, 2022/540, 2023/1094, 2024/476, 2025/351 and 2025/466
- The Family Proceedings Fees Order 2008 (S.I. 2008/1054) Relevant amendments are S.I. 2011/1045, 2014/877, 2015/576, 2015/687, 2015/1419, 2016/402, 2019/1063, 2021/985, 2020/720, 2022/54, 2022/540, 2024/476 and 2025/351
- The Magistrates' Courts Fees Order 2008 (S.I. 2008/1052) Relevant amendments are S.I. 2010/731, 2014/875, 2016/807, 2018/812, 2019/1063, 2020/720, 2021/985, 2024/476, 2025/351 and 2025/466
- The Court of Protection Fees Order 2007 (S.I. 2007/1745) Relevant amendments are S.I. 2009/513, 2018/812, 2019/1063, 2021/985 and 2025/351
- The Gender Recognition (Application Fees) Order 2006 (S.I. 2006/758). Relevant amendments are S.I. 2021/462 and 2025/351
- The Non-Contentious Probate Fees Order 2004 (S.I. 2004/3120) Relevant amendments are Schedule 11(1) paragraph 1(2) of the Constitutional Reform Act 2005 and S.I. 2007/2174, 2011/588, 2014/876, 2019/1063, 2020/720, 2021/1451 and 2025/351
- The Upper Tribunal (Immigration and Asylum Chamber) (Judicial Review) (England and Wales) Fees Order 2011 (S.I. 2011/2344). Relevant amendments are S.I. 2013/2069, 2016/402, 2016/807 and 2025/351
- The Upper Tribunal (Lands Chamber) Fees Order 2009 (S.I. 2009/1114) Relevant amendments are S.I. 2010/2601, 2013/1199, 2016/434 and 2025/351
- The First-tier Tribunal (Gambling) Fees Order 2010 (S.I. 2010/42) Amended by S.I. 2010/633 and 2025/351
- The First-tier Tribunal (Property Chamber) Fees Order 2013 (S.I. 2013/1179) Amended by S.I. 2016/807 and 2025/351

In addition, the remissions schedule to each of the above fees' orders (but not the fees order below) was substituted by The Courts and Tribunals Fee Remissions Order 2013 (S.I. 2013/2302), subsequently amended by S.I. 2014/590, 2016/211, 2017/422, 2021/985 and 2023/1094

- The First-tier Tribunal (Immigration and Asylum Chamber) Fees Order 2011 (S.I. 2011/2841). Relevant amendments are S.I. 2013/534, 2016/928, 2016/1149, 2017/515 and 2018/330. The remissions schedule applicable for in-country applications was inserted by S.I. 2020/314 and subsequently amended by 2021/985.

Annex B: Our Greening Government Commitments

We contribute to the MoJ's delivery of UN sustainable development goals 5 (gender equality) and 16 (peace, justice, and strong institutions).

Performance scope, exclusions and limitations

The tables below showcase our performance for the period January 2024 to December 2024 against the 2017-18 baseline (unless otherwise stated). We do not report utility data on shared occupations, including Nightingale courts, due to data limitations. This is consistent with wider government practice and our previous reporting. We do not consider that the exclusion of these areas has a material impact on sustainability reporting.

Our data is gathered and validated by a third party (Rio AI (UK) Limited) employed to manage our Greening Government Commitment (GGC) data returns. Further checks are undertaken by the company Det Norske Veritas (DNV) on behalf of Defra. This report is prepared in accordance with guidelines laid down in the HMT's Sustainability Reporting Guidance 2024-25.

Mitigating climate change: working towards Net Zero by 2050 2021-25 GGCs

Greenhouse gases and financial costs

| Greenhouse gas (GHG) emissions from buildings and travel | 2017-18 baseline | 2021-22 | 2022-23 | Restated for 2023-24 | Jan-Dec 2024 |
|----------------------------------------------------------|--------------------|--------------------|--------------------|----------------------|--------------------|
| Non-financial indicators (tonnes CO₂e) | | | | | |
| Total Gross Scope 1 (Direct) GHG emissions | 32,365 | 32,234 | 29,638 | 26,097 | 25,413 |
| Total Gross Scope 2 (Energy indirect) emissions | 40,178 | 21,655 | 21,471 | 21,443 | 21,529 |
| Total Gross Scope 3 (Official business travel) emissions | 1,539 | 167 | 206 | 556 | 1,210 |
| Total emissions | 74,082 | 54,056 | 51,315 | 48,096 | 48,152 |
| Non-financial indicators (kWh) | | | | | |
| Electricity | 114,117,331 | 100,414,729 | 106,339,950 | 102,768,008 | 103,132,219 |
| Electricity: renewable | - | 231,697 | 581,948 | 745,052 | 846,225 |
| Gas | 169,724,933 | 175,988,625 | 162,692,149 | 142,662,779 | 138,930,560 |
| Other energy resources | 486,000 | 1,955,317 | 4,832,973 | 6,177,179 | 6,114,400 |
| Total energy consumption | 284,328,265 | 278,590,368 | 274,447,020 | 252,353,018 | 249,023,404 |
| Financial indicators (£m) | | | | | |
| Expenditure on energy | 24.1 | 25.5 | 33.4 | 41.7 | 44.3 |
| Expenditure on official business travel | 4.0 | 0.7 | 1.9 | 2.3 | 2.6 |
| Total expenditure on energy and business travel | 28.1 | 26.2 | 35.3 | 44.0 | 46.9 |

Notes:

- The baseline for GHG emissions was restated in 2023-24.
- The renewable energy figure reported is our known renewable energy generation from roof-mounted solar electric panels over 55 sites. We have several sites that are not currently reporting solar generation data remotely and projects are being explored to install required technology to include for future reporting.
- The MoJ manages the ownership, hiring or leasing of car fleets across the department, including HMCTS.
- Any anomalies or incorrect estimates are adjusted after financial year-end and will be reflected in the MoJ annual accounts.

We upgraded the lighting system at Manchester Civil Justice Centre with advanced daylight-saving sensors. These sensors maximize the use of natural daylight by automatically adjusting the lighting based on occupancy and modifying the light intensity in response to natural light levels. This upgrade is estimated to deliver an annual energy saving of 54.6%.

We successfully secured Salix ¹ funding to connect Bradford Combined Court and Bradford Magistrates' Court to the Bradford Energy Network (an air source heat pump-powered heating network). We procured a supplier to replace the existing fossil fuel gas boilers in these 2 courts by April 2026. This will reduce our carbon emissions by up to 75% and cut other forms of air pollution by up to 80% over the next 2 decades. Six of our buildings are now connected to District Heat Networks and another 2 are in the project stage. We continue to explore heat network opportunities and are developing a District Heat Network mapping tool to help us better target funding bids. We are leading in this field and MoJ and the Department for Energy Security and Net Zero have expressed interest in the tool once completed

HMCTS air travel emissions

| Air travel | 2017-18 baseline | 2021-22 | 2022-23 | Restated 2023-24 | Jan-Dec 2024 |
|-------------------------------------------------|------------------|---------|---------|------------------|--------------|
| Domestic flights (km) | 884,485 | 47,645 | 131,663 | 62,436 | 183,611 |
| Domestic flights emissions (tCO ₂ e) | 125 | 6 | 17 | 10 | 30 |
| International flights (km) | 119,572 | 2,665 | 212,491 | 11,681 | 23,649 |
| International flights (tCO ₂ e) | 13 | <1 | 66 | 3 | 3 |

Note: The baseline for international flights was restated in 2023-24.

We exceeded our target to reduce the distance travelled by domestic business flights by 30% (compared to the 2017-18 baseline) in 2024. We achieved a reduction of 78%, enabled by the greater use of digital systems and remote/digital working arrangements. The total number of flights taken in 2024 was 249 (240 domestic and 9 international).

Reducing our water use**Water consumption and financial costs**

| Water | | 2017-18 baseline | 2021-22 | 2022-23 | Restated 2023-24 | Jan-Dec 2024 |
|-----------------------------------------------|--------------------------|------------------|---------|---------|------------------|--------------|
| Non-financial indicators (m ³ 000) | Total water consumption | 570,922 | 644,175 | 751,748 | 605,527 | 605,434 |
| Financial indicators (£m) | Total water supply costs | 2.8 | 0.9 | 2.4 | 2.5 | 2.7 |

Note: The baseline for our water consumption was restated in 2023-24.

We are continuing to take measures to reduce water consumption across our estate using targeted site interventions such as unusual consumption alerts, out-of-hours monitoring and a phased rollout of Automatic Meter Readers. We are working closely with the MoJ and our water retailer to educate and engage staff on measures to reduce consumption and waste.

¹ www.gov.uk/government/organisations/salix-finance-ltd

Minimising waste and promoting resource efficiency

Waste production

| Waste | | 2017-18 baseline | 2021-22 | 2022-23 | Restated 2023-24 | Jan-Dec 2024 |
|--------------------------------------|------------------------------------------------------|---------------------|--------------|--------------|---------------------|-----------------|
| Non-financial indicators (tonnes) | Landfill | 1,306 | 117 | 81 | 61 | 333 |
| | Recycled/reused | 5,794 | 2,167 | 1,689 | 2,969 | 2,469 |
| | ICT waste recycled/reused/ recovered (externally) | - | - | - | 445 | 3 |
| | Composted/food waste from 2022 | - | 10 | 9 | 38 | 82 |
| | Incinerated with energy recovery | 1,352 | 1,329 | 927 | 1,217 | 772 |
| | Incinerated without energy recovery | - | 0 | 32 | 95 | 75 |
| Total waste | | 8,452 | 3,623 | 2,738 | 4,825 | 3,734 |
| Financial indicators (£m) | Total disposal cost | 3.0 | 0.8 | 1.0 | 1.2 | 1.6 |

Waste reduction remains a priority for us. In 2024 we worked closely with our facilities management and waste service providers to support staff in our Welsh estate to deliver waste receptacles, and a behavioural change campaign as part of our implementation of the Welsh Workplace Recycling Legislation. In March 2025 we implemented the Simpler Recycling Reforms for England through the introduction of segregated food waste, working with Ethstat, a sustainable procurement social enterprise.



An innovative recycling project helped to create a new mock courtroom at the Richard Huish College in Taunton, allowing students to get a taste of how a real Crown courtroom operates. Staff from Equans, our facilities management provider, refurbished and installed old courtroom furniture and fittings at the college. The furniture, which had been in storage, was in a poor state of repair and would otherwise have gone to landfill.

Reducing environmental impacts from ICT and digital

We are committed to reducing the environmental impact from our ICT and digital services, and adhering to the Greening Government ICT and digital services strategy published at www.gov.uk/government/publications/greening-government-ict-and-digital-services-strategy-2020-2025/greening-government-ict-and-digital-services-strategy-2020-2025.

ICT equipment

We continue to promote the return of low use or unused devices with our staff and we have returned over 5,390 laptops and desktops for reuse or recycling. From March to October 2025, our laptops and desktops services move to the new MoJ Official technology platform as part of MoJ’s plan to continuously improve technology services across the Ministry and move towards a laptop first organisation. We will see a 30% reduction in power use by switching from desktops to laptops, and we will be reducing our number of desktops by 75%.

Modernising the print fleet was an opportunity to rationalise the number of printers in our estate. There has been a reduction of around 5.5 million printed sheets of paper when comparing 2021-22 and 2024-25, and a 26% reduction in the number of printers during 2024-25.

25% of the wifi access points have been scheduled to switch-off during evenings and weekends when court buildings are not in use. This is saving carbon emissions and electricity costs. We are currently saving 2 megawatt hours of electricity every week. More than 33 megawatt hours of electricity have been saved within the first year of the project, which is enough to power 12 homes for a year. We will continue to explore taking this approach with other sites

| | Number re-used | Number recycled | Number waiting re-use |
|------------------------|----------------|-----------------|-----------------------|
| Laptop | 604 | 1,209 | 2,217 |
| Desktop | 205 | 410 | 751 |
| Printer | 122 | 729 | 0 |
| Wireless Access Points | 0 | 577 | 0 |
| Network Switches | 0 | 770 | 0 |
| Total | 931 | 3,695 | 2,968 |

Consumer of single use plastics

We continue to work towards, reducing and removing single-use plastics across our estate, which are avoidable and/or which have viable and sustainable market alternatives. We continue to work with our workplace supplies contractor to ban certain single-use plastic items including polystyrene cups, plastic stirrers and plastic spoons, and to constantly seek more environmentally friendly alternatives. We also continue to restrict options for our staff to purchase other consumer single-use plastic items where sustainable alternatives are available. The MoJ single use plastics policy is published at www.gov.uk/government/publications/ministry-of-justice-single-use-plastics-policy.

Paper use

We reduced paper use by 67% compared with our 2017-18 baseline through the transition to digitised/online processes and services and local ‘no print campaigns’. We purchased 239,898 A4 reams or equivalents of paper during 2024. We continue to explore opportunities to reduce paper use across the business and where it is necessary, to promote the use of using recycled paper. Northampton Bulk Centre was the largest user of virgin paper, made directly from the pulp of trees, and does not contain any recycled content. During 2024-25 the Centre switched to using recycled paper. This has significantly increased our use of recycled paper from 16.5% to 65.7% between 2021 and 2024.

Procuring sustainable products and services

We adhere to the MoJ’s Sustainable Procurement Policy to incorporate sustainability into all procurement activities as part of our goal to achieve long-term value for money. MoJ contracts require that suppliers meet the Government Buying Standards. The MoJ Commercial and Contract Directorate review sustainability performance indicators in all contracts and pipeline of upcoming tenders.

Sustainable construction

We adhere to the MoJ’s Building Research Establishment Environmental Assessment Method (BREEAM) policy. This policy requires all new build projects to target BREEAM outstanding (excellent as a minimum) and major refurbishments to target BREEAM excellent (very good as a minimum).

Adapting to climate change

We adhere to the MoJ Climate Change and Sustainability Strategy 2024. In July 2024 we established a HMCTS Climate Change Action Group to oversee the delivery of our Climate Change Adaptation Action Plan. The Action Group reports to the HMCTS Property Director and senior lead for sustainability.

In partnership with the MoJ, we developed a net zero and climate adaption investment tool to identify complementary environmental improvement measures that can be incorporated into the delivery of capital projects. This ensures we scope projects more holistically, use our investment wisely, and can articulate the benefit of the investment to HMCTS priorities including reducing risk to service delivery and our maintenance backlog. This tool has been used to inform project scoping and capital planning since April 2024.

We continue to seek investment for climate change initiatives through alternative funding streams and in collaboration with wider local schemes. For example, we collaborated with Severn Trent Water who funded and led on works to install sustainable drainage systems in the carparks at Mansfield Justice Centre, storing over 91,000 litres of water through verge rain gardens and permeable paving. This will not only protect our building from surface water flooding both now and in the future but will also offer protection to surrounding homes and businesses.

We also partnered with the Environment Agency and City of York Council to benefit from a flood alleviation scheme, providing greater protection to York Magistrates' Court. This court last flooded in 2015, resulting in a 3-month closure of the building and cases being diverted to other courts. Work on the scheme is underway and will be completed during 2025-26.

Rural proofing

We remain committed to providing the best possible service to rural users. We follow Defra guidance and conduct rural proofing tests where appropriate. We have embedded lessons learned from the pandemic on remote access. This is of great benefit to our users in rural areas where distances to courts can be lengthier. The Reform Programme has enabled video technology at over 70% of our courtrooms, including over 90% of Crown courtrooms; allowing remote hearings when deemed appropriate by the judiciary.

Nature recovery and biodiversity action planning

We are committed to nature recovery and biodiversity. We support the delivery of the MoJ Nature Recovery Plan and the 9 nature recovery principles, ranging from themes including increasing areas for pollinators (such as bees), to finding ways to increase connection with nature. The MoJ Senior Sustainability Board oversee implementation of the plan and evaluate our progress to achieve our nature recovery goals.

At Snaresbrook Crown Court, which borders a Site of Special Scientific Interest, we have established an ecology management plan to outline ways of working to manage the site sensitively, to protect and enhance biodiversity and ecology within the grounds.

We continue to work in partnership with the London Peregrine Partnership and MoJ Ecology Team to encourage the nesting of peregrine falcons at the Royal Courts of Justice, London. The falcons returned to their nesting site for the fifth year running and chicks have successfully hatched each year since 2022. A new and improved non-intrusive live webcam² captured the 2025 breeding journey from laying eggs to chicks fledging, and in 2025, captured 3 hatchlings.

HMCTS staff were involved in environmental conservation by planting 200 trees at Weaste Cemetery. Despite challenging weather conditions, the volunteers worked together to create a new woodland area that will provide both wildlife habitats and a peaceful space for residents. These initiatives highlight the diverse ways our staff are making meaningful contributions to their communities.



Three peregrine chicks hatched at the Royal Courts of Justice in 2025 — a hopeful sign of ongoing nature recovery in the heart of the city.

2 www.youtube.com/@HMCTSPeregrineFalconWatch

Annex C: Glossary and notes

You can find further information below on terms, concepts and definitions published in the HMCTS annual report and accounts.

Civil justice and tribunals: www.gov.uk/government/statistics/guide-to-civil-and-administrative-justice-statistics

Family: www.gov.uk/government/publications/a-guide-to-family-court-statistics

Criminal courts: www.gov.uk/government/publications/a-guide-to-criminal-court-statistics

Published management information: www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/statistics

| | | | |
|--------------|--------------------------------------------------------|--------------|---------------------------------------------|
| ARAC | Audit and Risk Assurance Committee | ICO | Information Commissioner's Office |
| CETV | Cash equivalent transfer value | ICT | Information and communication technology |
| Defra | Department for the Environment, Food and Rural Affairs | IFRS | International Financial Reporting Standards |
| DWP | Department for Work and Pensions | MI | Management information |
| ExT | Executive Team | MoJ | Ministry of Justice |
| FReM | His Majesty's Treasury's Financial Reporting Manual | NAO | National Audit Office |
| FTE | Full-time equivalent | PCSPS | Principal Civil Service Pension Scheme |
| GGC | Greening Government Commitment | SCS | Senior Civil Servant |
| HMCTS | His Majesty's Courts and Tribunals Service | SoCNE | Statement of comprehensive net expenditure |
| HMRC | His Majesty's Revenue and Customs | SoFP | Statement of financial position |
| HMT | His Majesty's Treasury | | |
| IAS | International Accounting Standards | | |

Annex D: HMCTS blogs and social media

Keep up to date with HMCTS



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insidehmcts.blog.gov.uk



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HMCTS LinkedIn

linkedin.com/company/hmctsgovuk



HMCTS Whatsapp alerts

whatsapp.com/channel/0029VaClz9dKrWQqkGTRi20R



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HMCTS CEO

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HMCTS Careers

x.com/HMCTSCareers



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Inside HMCTS Podcast

insidehmcts.blog.gov.uk/inside-hmcts-podcast/



HMCTS GOV.UK

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HMCTS Jobs Website

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