



HM Prison &
Probation Service

Annual Report and Accounts

2024 to 2025

HC 1371



HM Prison and Probation Service

Annual Report and Accounts

2024 to 2025

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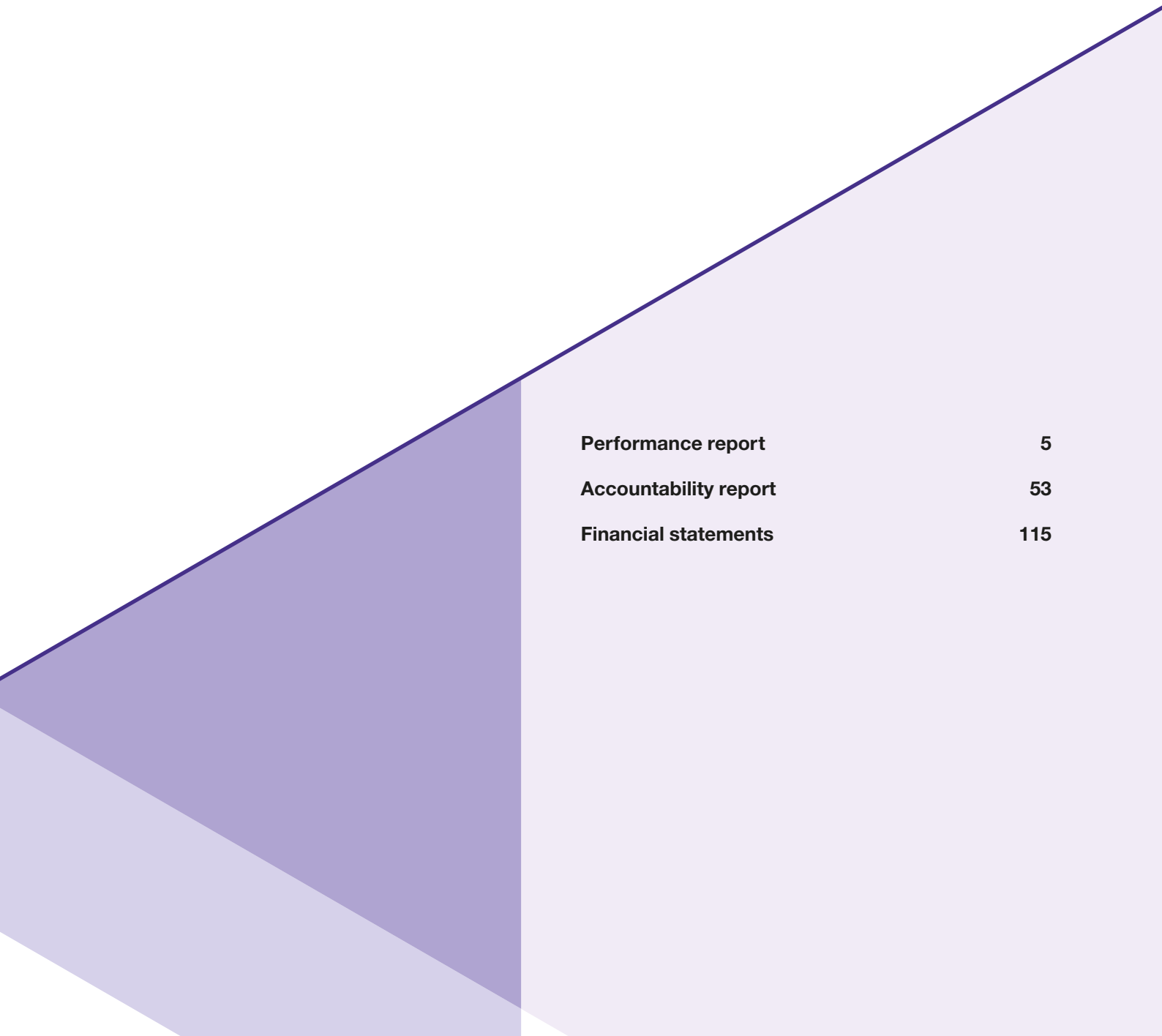
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Performance report

The performance report provides an understanding of our purpose and aims, with an overview of performance throughout the financial year.

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Foreword by the Chief Executive Officer

I am pleased to present HM Prison and Probation Service's (HMPPS) 2024 to 2025 Annual Report and Accounts.

It is an honour to take on the role of Director General Chief Executive Officer (CEO) at HMPPS. Leading this organisation, and the exceptional people within it, is a tremendous privilege. I would like to begin by expressing my sincere thanks to Amy Rees for her leadership as CEO over the past three years. Amy has now moved on from the Ministry of Justice to take up a new role outside the department. I also extend my gratitude to Phil Copple for his leadership as Director General Operations and, more recently, as interim CEO.

As the newly appointed CEO, I step into this role with deep respect for the progress achieved during 2024 to 2025 – a year marked by significant achievements against a backdrop of complex challenges.

HMPPS has made strong progress in recruiting new probation officers and prison staff, and I am committed to continuing this momentum. Initiatives such as the Enable programme are helping us develop and support our workforce, and we will continue to build on these foundations.

Digital transformation has accelerated, with new technologies improving productivity and collaboration across the agency. These innovations are enabling better outcomes for offenders and strengthening operational effectiveness. Employment outcomes for offenders have improved through strong partnerships – a vital step in reducing reoffending and supporting rehabilitation. HMPPS will continue to deepen these partnerships and explore new opportunities to drive progress.

Across a range of measures, we have acted to address prison capacity pressures. Throughout these changes, we have worked with partners to ensure continuity of support for those leaving custody, including access to health services, substance misuse support, employment, benefits and accommodation.

Such progress is extremely welcome. However, the system remains under pressure, including in probation, where long-term solutions are needed to create a more resilient and balanced service. The 'Our Future Probation Service' programme will address these challenges, ensuring a sustainable service that supports staff wellbeing and delivers on our objectives.

Looking ahead, several significant reviews – including the Independent Sentencing Review, the Spending Review, the Review of the Criminal Courts, and the Independent Prison Capacity Review – will help shape our direction. Implementing their recommendations will take time and, in some cases, parliamentary approval. We are preparing HMPPS to be ready to support the department in delivering these changes.

Finally, I would like to acknowledge the dedication of HMPPS staff, who carry out critical work every day to protect the public and to reduce reoffending. Their efforts change lives – not just of those we work with, but of their families and communities. I extend my sincere thanks to our exceptional staff for their unwavering commitment to our mission and their vital contribution to the wider criminal justice system.

James McEwen
Chief Executive Officer
21 October 2025

Performance summary

Overview

This section sets out the agency's purpose, vision, principles and outcomes and provides an understanding of our purpose and aims, with an overview of our structure and factors affecting performance throughout the financial year.

Statement of purpose

HM Prison and Probation Service (HMPPS) is an executive agency of the Ministry of Justice (MoJ). The role of HMPPS is to carry out sentences given by the courts, in custody and the community, and to rehabilitate people in our care by addressing education, employment, accommodation, and health and substance misuse needs.

Responsibilities

The agency is made up of HM Prison Service, Probation Service, Youth Custody Service and headquarters.

Within England and Wales, we manage probation delivery, public sector prisons and the contracts for private prisons.

Our priority outcomes

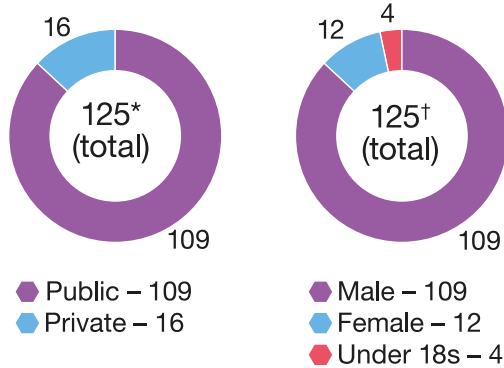
As part of the criminal justice system, HMPPS plays a crucial role in society. HMPPS protects the public, maintains safe and secure prisons and reduces the risk that people will reoffend. We work together to help people to live law-abiding and positive lives. We continue to improve the quality of frontline delivery, investing in and enhancing the offer to our workforce.

In 2024 to 2025 we delivered against 'Punishment that cuts crime', our strategic outcome that contributes to the government's key objectives through the mission outcomes.¹ These aim to rebuild confidence in the criminal justice system by protecting the public and reducing reoffending with a sustainable and effective prison and probation service.

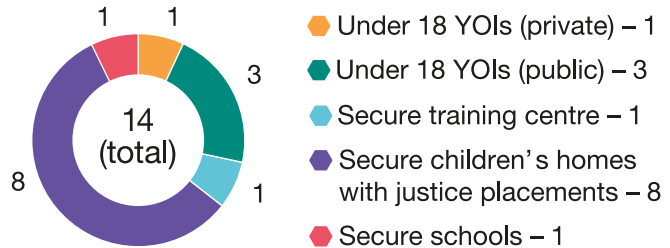
¹ References to 2024 to 2025 refer to the reporting year 1 April 2024 to 31 March 2025 throughout this report.

How our services were structured in 2024 to 2025 (as at 31 March 2025)

Number of prisons and young offender institutions (YOIs)



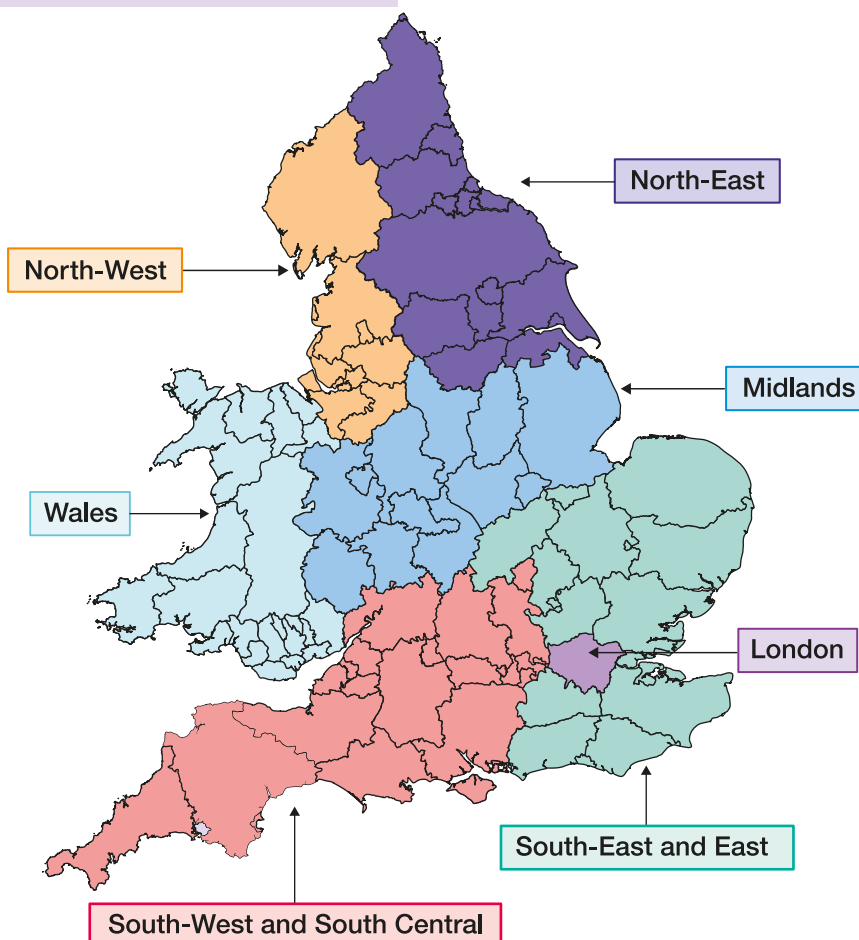
Number of Children and Young People Secure Estate sites



* Peterborough and Parc each contain two sites that are counted separately for reporting purposes, but each is covered by one private prison contract. The Peterborough contract covers an adult male and female prison, and the Parc contract covers an adult male prison and an under 18 site. Therefore, the number of private prison contracts in operation is two fewer than the number of private prison sites listed.

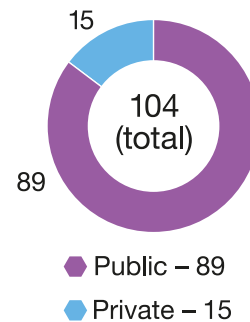
† Changes to the published counting method during 2025 mean that numbers here will not be consistent with previous reports. This number includes HMP Dartmoor. Further information available at: <https://data.justice.gov.uk/prisons>

Prison and probation area map



Community Accommodation Service (CAS)

Number of CAS1 Approved Premises in operation



5,308

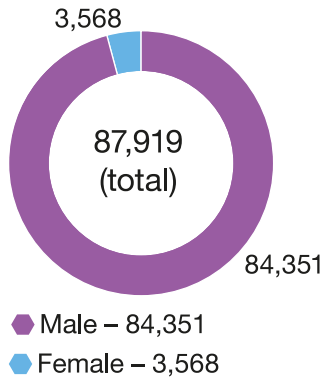
number of referrals to CAS2 accommodation

10,020

offenders placed in CAS3 accommodation

How our services were structured in 2024 to 2025 (as at 31 March 2025)

Prison population*



528 Total average
Children and Young People
Secure Estate population

*including the under 18 YOI population

Cases by supervision type†

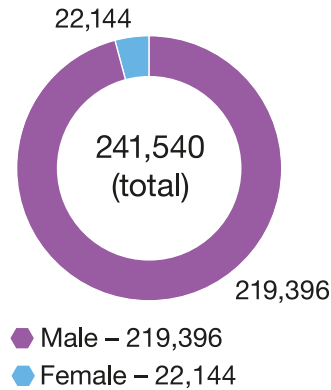
76,241 Pre-release

62,409 Post-release

107,640 All court
orders

† Each person is counted once only in each total or sub-total even if they are subject to several types of probation supervision on the date shown.

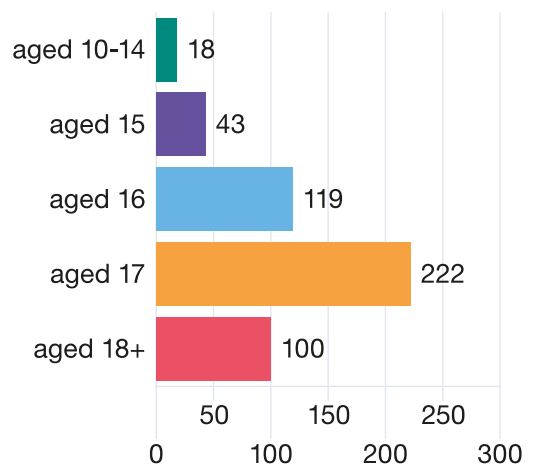
People on probation



2,544 Prisoners serving
Imprisonment for
Public Protection
(IPP) sentences

10,838
Foreign national population

Children and Young People Secure Estate population by age



Capacity

Prison capacity

The adult male prison estate has been under acute pressure since September 2022. Since then, managing prison and probation capacity has been an ongoing top priority for the department. From January 2023 to July 2024, the adult male prison estate routinely operated at over 99% of capacity.

Through 2024 to 2025, we have taken the following measures to manage prison capacity pressures.

Contingency measures:

- **Operation Safeguard** – A temporary measure used to hold adult male prisoners in police custody suites as needed to provide extra short-term resilience. This was in use from February to April and May to October in 2024 and from March to June 2025.
- **Crowding** – A measure in place to hold two prisoners in a cell designed for one. This is never desirable and is only implemented when deemed safe to do. We continually monitor and take places online and offline depending on prison safety, stability, staffing levels and maintenance needs.
- **Operation Early Dawn** – Involves an operational assessment being made each morning regarding which prisoners can be transferred from police cells and taken to courts to ensure there is a safe and secure location if remanded to custody.

Demand reduction measures:

- **Temporary Presumptive Recategorisation Scheme (TPRS)** – Introduced in March 2023 allowing for the transfer of prisoners to open conditions, subject to risk assessment, up to 12 weeks before release. This was extended to 52 weeks in June 2024, and then to 24 months in March 2025 and further extended to 36 months in June 2025. From April 2025, changes to the Security Categorisation Policy will mean some eligible prisoners who are serving a standard determinate sentence will be considered for a move to an open prison up to five years ahead of their earliest release date instead of three years.

- **Home detention curfew (HDC)** – In June 2023, the maximum period an offender could be on HDC increased from 4.5 months to 6 months. The amended Victims and Prisoners Act 2024 extended the HDC eligibility to risk-assessed offenders serving standard determinate sentences of over four years. This government extended the maximum period that offenders can spend on HDC from 6 to 12 months from June 2025.
- **Standard determinate sentences 40% (SDS40)** – Implemented from September 2024 to temporarily change the automatic release point for eligible standard determinate sentences from 50% to 40%. This will remain subject to review.
- **End of Custody Supervised Licence (ECSL)** – Introduced in October 2023 by the previous government as an emergency lever allowing prisoner release up to 18 days before their automatic release date. This was extended to 35 days in March 2024 and then 70 days in May 2024, before deactivation in September 2024 when SDS40 was implemented.
- **Foreign national offenders** – The Early Removal Scheme (ERS) was expanded in January 2024 to allow for removal of foreign national offenders up to 18 months before the end of their sentence, subject to serving a minimum of half the custodial term.
- **Fixed-term recall (FTR)** – In April 2024, the previous government introduced legislation that mandates shorter fixed 14-day recall periods for eligible offenders serving sentences of less than 12 months. From September 2025 28-day fixed-term recalls will be mandated for eligible offenders serving sentences of between one and four years.
- **Presumptive Risk-Assessed Recall Review (P-RARR)** – We made changes to reform recall practice to target the unsustainable growth in the recall population. This was launched in February 2025 to safely release people on a standard recall back into the community when risk assessment deemed it suitable.
- **Bail as an alternative to custodial remand** – We are taking steps to raise awareness of and remove barriers to the use of bail as an alternative to custodial remand, where appropriate, including rolling out a dedicated Bail Information Service and expanding the community accommodation offer.

Preventing future capacity challenges

While the measures have helped to alleviate the pressure on demand in the short term, we must ensure that longer-term solutions will help to maintain a sustainable system for the future.

- In October 2024, the Lord Chancellor launched an Independent Sentencing Review chaired by former Lord Chancellor David Gauke. This will deliver on the government's manifesto commitment to bring sentencing up-to-date and ensure the justice system is placed on a more sustainable footing. The **final report** from this review was published in May 2025.² It sets out proposals to address prison and probation challenges and support victims and this government accepted, in principle, David Gauke's recommendations.
- A long-term approach to prison builds will create more certainty in our prison pipeline, delivering value and significantly increasing our resilience and ability to plan for long-term population growth (see prison builds on page 34). In December 2024, the government published a **10-year Prison Capacity Strategy** setting out plans to deliver an additional 14,000 prison places, maintain our estate and explore the acquisition of land to build more prison places.³ The **Annual Statement on Prison Capacity** was published at the same time and sets out population and supply projections and information on Probation Service staffing.⁴
- The National Audit Office's December 2024 **report on increasing the capacity of the prison estate to meet demand** considered progress in the expansion and maintenance of the prison estate, as well as the management of recent capacity pressures and the impact of measures used to alleviate pressures.⁵ We are committed to implementing findings and recommendations of the report into delivery of the remaining 14,000 places and future prison builds.
- A **review into handling of prison capacity**, led by Dame Anne Owers, was published in August 2025. The review considered prison supply and demand and sets out recommendations to help future governments avoid the cycle of repeated prison capacity crises.⁶

	2020-21	2021-22	2022-23	2023-24	2024-25
Prison supply / demand gap	2,788	2,008	1,131	1,236	1,006

Notes:

The difference between the number of useable places (supply) and population (demand).

<https://www.gov.uk/government/collections/prison-population-statistics>

	2020-21	2021-22	2022-23	2023-24	2024-25
Prison population	78,081	79,744	84,372	87,699	87,919

Notes:

Prison population statistics, available at: www.gov.uk/government/collections/prison-population-statistics. Data from 2019 to 2021 includes the population and capacity in HMPPS-operated immigration removal centres. After this period HMPPS no longer operated any immigration removal centres. Figures include the under 18 YOIs.

2 Ministry of Justice (2025), Independent Sentencing Review final report, available at: www.gov.uk/government/publications/independent-sentencing-review-final-report

3 Ministry of Justice (2024), 10-year Prison Capacity Strategy, available at: www.gov.uk/government/publications/10-year-prison-capacity-strategy

4 Ministry of Justice (2024), Annual Statement on Prison Capacity: 2024, available at: www.gov.uk/government/publications/annual-statement-on-prison-capacity-2024

5 National Audit Office (2024), Increasing the capacity of the prison estate to meet demand, available at: www.nao.org.uk/reports/increasing-the-capacity-of-the-prison-estate-to-meet-demand

6 Ministry of Justice (2025), Review into handling of prison capacity: terms of reference, available at: www.gov.uk/government/publications/independent-prison-capacity-review-final-report

Probation capacity



Some of the prison capacity measures announced by the Lord Chancellor Shabana Mahmood in July 2024 and by her predecessor Alex Chalk have meant there is additional **demand on probation services**. SDS40 changes had a considerable impact on resource and staff during the initial surge period. We managed this by introducing temporary mitigations to reduce the workload pressure on staff during this period.

The Probation Service has risen to recent challenges, responding to the measures that have been put in place to manage prison capacity, but there is more to do to support a sustainable system for the future. We are continuously monitoring workloads and performance and are taking further steps to support delivery, including exploring how technology can be used to improve efficiency.

In July 2024, operational changes were implemented as part of **'Probation Reset'** to help mitigate pressures on the service by empowering practitioners to prioritise early engagement with people on probation.

Actions to address capacity include:

- taking steps to bolster probation's capacity through recruitment (probation staffing page 17)
- using electronic monitoring services more than ever before
- continuing to monitor caseloads closely and deploy the Prioritisation Framework, enabling areas with reduced staffing capacity to reprioritise areas of delivery to focus on offenders with the highest risk of harm

We will be working to understand the impact of Probation Reset once sufficient time to observe the offending cycle has passed. We will look at several key factors including workload capacity,

time saved and contact with high-risk offenders. In addition, the **Impact programme**, launched April 2025, introduces a new, proportionate model for managing individuals assessed as posing a lower risk of reoffending. Grounded in desistance theory and the Risk-Need-Responsivity Framework, 'Impact' is a low-intensity approach designed to free up practitioner capacity to focus on individuals with higher levels of risk and need and enables probation practitioners to deliver a small number of structured, desistance-based sessions focused on early engagement, relationship-building, and timely Commissioned Rehabilitative Services (CRS) referrals.

While Probation Reset has provided some relief, we are focusing on sustainable, **long-term solutions**. In February 2025 the Lord Chancellor set the direction of change by refocusing efforts and resources on work that is most effective at reducing reoffending and supervising higher-risk offenders, and announced additional measures to:

- free up more staff time to prioritise work with highest risk cases
- recruit more probation practitioners
- introduce greater use of technology to support workload reduction
- address a backlog in accredited programmes

To reduce the administrative burden on probation officers, we will also introduce **new technology** including:

- a digital tool that will bring all the information a probation officer might need on an offender into one place
- trialling a new system for risk assessing offenders, to support probation officers in making robust decisions
- exploring the potential use of labour saving technologies powered by AI

We will deliver this through the **'Our Future Probation Service'** programme which has been established to develop a single, cohesive strategy that improves the Probation Service as a place to work and as a service for those we support, and will put operational input at the centre of its design. We recognise that recruitment alone cannot drive us forwards. The programme will look at what probation is asked to deliver and how it is being delivered, with the aim to reduce probation workload by 25%. We aim to commence implementation by December 2025.

	2020-21	2021-22	2022-23	2023-24	2024-25
People on probation	224,174	240,992	239,518	238,993	241,540

Notes: Data is based on the probation caseload as at 31 March each year.

<https://www.gov.uk/government/collections/offender-management-statistics-quarterly>

	2020-21	2021-22	2022-23	2023-24	2024-25
Proportion of cases where requirements are delivered by probation before sentence expires	N/A	N/A	75.8%	78.7%	76.3%

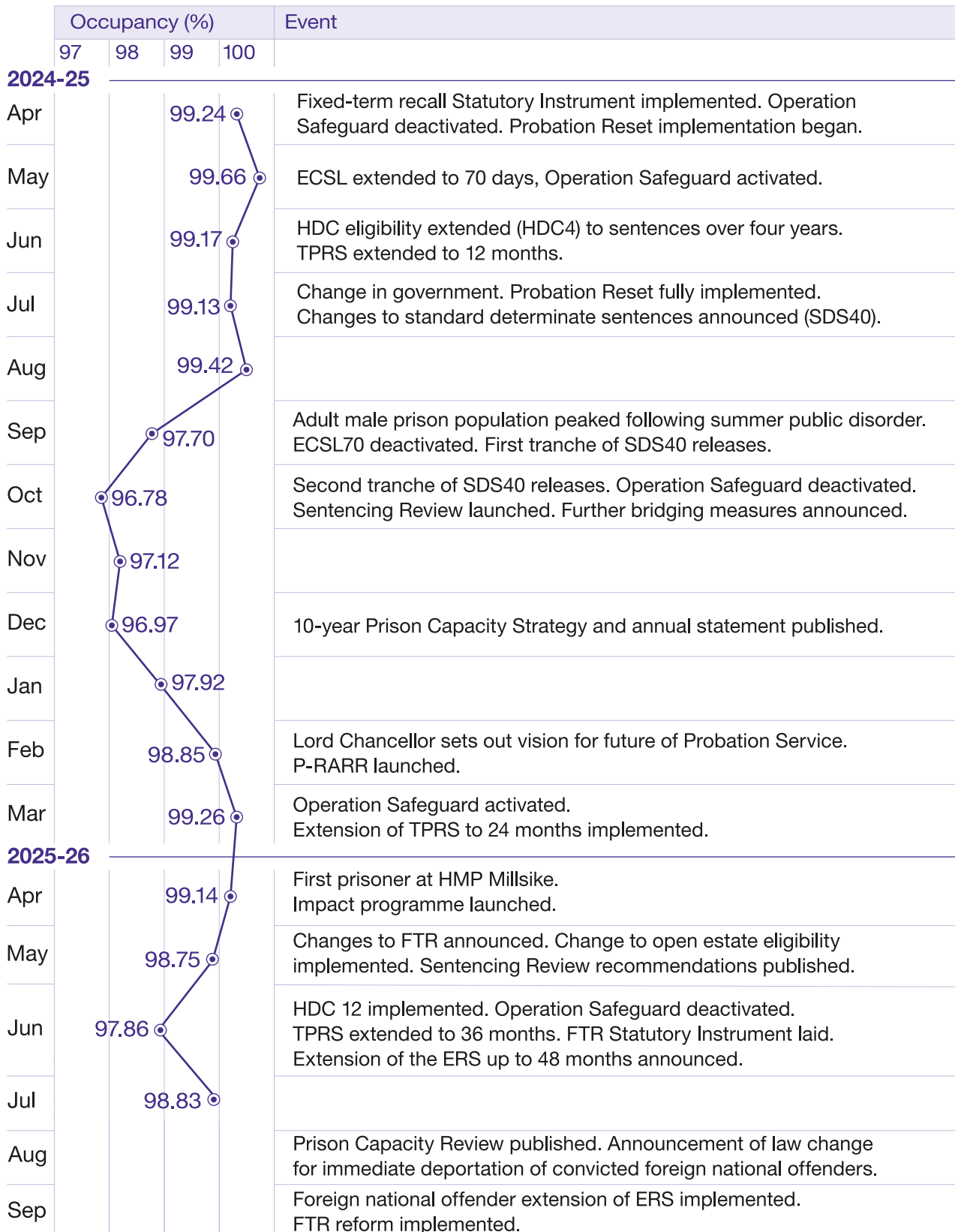
Notes: Percentage of completions of community orders and suspended sentence orders including any combination of an Accredited Programme Requirement, Rehabilitation Activity Requirement or an Unpaid Work Requirement, where those requirements completed successfully.

Further data is available at: <https://www.gov.uk/government/statistics/community-performance-annual-update-to-march-2025>

Capacity challenge timeline

Data shows the occupancy level (%) of the HMPPS adult male estate. Published data is available at: www.gov.uk/government/publications/prison-population-weekly-estate-figures-2025.

	Occupancy (%)				Event
	97	98	99	100	
2022-23					
Sep	2022 data is not available in the same format				Capacity pressures rose, concerns of critical capacity leading to formation of custodial options taskforce.
Oct					
Nov					
Dec					
Jan		98.68			
Feb		99.20			Operation Safeguard activated.
Mar		99.27			TPRS implemented at 12 weeks.
2023-24					
Apr		99.29			
May		99.40			First prisoners at HMP Fosse Way.
Jun		99.23			HDC period increased to 6 months.
Jul		99.30			
Aug		99.51			
Sep		99.68			
Oct		99.00			Capacity measures announced including ECSL(18) and ERS changes.
Nov		99.13			Operation Safeguard deactivated.
Dec		99.03			The Victims and Prisoners Bill amended reducing licence period for IPP sentences.
Jan		99.09			ERS expanded up to 18 months.
Feb		99.43			Operation Safeguard activated.
Mar		99.28			ECSL extended to 35 days and investment in the Bail Information Service announced.



Children and Young People Secure Estate capacity



Custody should always be a last resort for children. The population of children in custody has fallen drastically in the last decade. A smaller population means that the children in our care typically have more complex needs and are in custody for more serious and violent crimes.

In 2022, the previous government decided that children who turn **18 years old** should be retained in the youth estate as a temporary measure to support wider adult prison capacity. Following a review, the current government decided to end the interim policy, with a phased reversal commencing from October 2024.

There are a very small number of **girls in custody** (less than 3.5% of all children in custody), who are often highly vulnerable with complex needs which can make placing them in the youth estate challenging. In November 2024, the Minister for Youth Justice Sir Nic Dakin commissioned

Susannah Hancock to lead an independent review into the placement of girls. The **report**, issued in March 2025, highlighted the complexity of girls' needs, with self-harm at a concerning level.⁷ In response to the recommendations, ministers acted immediately to end the placement of girls in YOIs. The Youth Custody Service (YCS) can still place girls in different settings, including secure children's homes, the new secure school and secure training centres.

In 2024 to 2025 we developed the **Children and Young People Strategy** which was published internally in May 2025. It articulates a clear ambition and priorities for the future Children and Young People Secure Estate, aligning with the wider departmental plans for youth justice reform and setting a strategic direction for services and our future estate.

Oasis Restore Secure School opened in August 2024, with a core focus on integrating education and healthcare to support rehabilitation and reduce reoffending. Due to infrastructure concerns, a decision was taken to temporarily suspend operations in August 2025. The school will reopen once the necessary refurbishments have been completed. An evaluation of the secure school model, commissioned by the Youth Custody Service (YCS) and NHS England is underway to assess its implementation and overall effectiveness.

We have completed negotiations for **new secure children's homes contracts**, aiming to maximise provision without diminishing geographic spread or resilience of the sector and supporting service continuity. Contracts will be awarded to commence later in 2025 to 2026.

		2020-21	2021-22	2022-23	2023-24	2024-25
Children and Young People Secure Estate population (2024-25 average)	Under 18s	560	454	441	430	418
	Including over 18 year-olds	643	522	504	580	528

Notes: HM Prison and Probation Service (2013), Youth custody data, available at: www.gov.uk/government/publications/youth-custody-data. Average data for each year is based on 12 snapshot dates.

⁷ Ministry of Justice (2025), Delivering the best for girls in custody, available at: www.gov.uk/government/publications/delivering-the-best-for-girls-in-custody

Staff in probation, prisons and the Children and Young People Secure Estate

The staff and remuneration report from “Staff diversity” page 100 outlines our focus on professional standards and behaviours, how we are developing our staff, and initiatives in place to support the wellbeing of our staff.

Further information on the workforce statistics covered below are available at: www.gov.uk/government/collections/hm-prison-probation-service-workforce-statistics

Probation staffing



At 31 March 2025, there were 21,396 full-time equivalent (FTE) staff in Probation Service grades – an increase of 637 (3.1%) FTE since 31 March 2024.

Significant progress has been made but the need for more probation officers remains a priority to ensure sufficient resource to manage changes in demand for probation services. To better deliver robust supervision, we continued national **recruitment** to maintain a pipeline of qualified officers, onboarding 1,057 trainee probation officers against our commitment to onboard at least 1,000 new trainees in 2024 to 2025. In 2025 to 2026 we aim to onboard 1,300 new trainee probation officers.

We have diversified **entry pathways** into the Probation Service, including a non-graduate route for new probation officers, and are supporting targeted recruitment campaigns to boost applications and reduce hiring time.

We know that recruitment and training of staff is complex, challenging and takes time, so we need to be clear about the prioritisation of the work they do and how they do it. We are planning for what the service needs to be in the future, aligning what we ask staff to deliver against our staffing levels in a sustainable way.

Retention

A 2025 **HMI Probation report** on staff recruitment and retention notes high numbers of experienced staff leaving the service.⁸ Published statistics show that the **resignation rate** for Probation Service staff, as at 31 March 2025, was 6.0% (including probation officers 3.9%, and probation service officers 7.2%) compared to the previous year at 6.9%.

The **HMPPS retention strategy** continues to focus on employee experience and engagement. Efforts continue in strengthening probation by building a supported, skilled and resilient workforce that can deliver high-quality supervision, focused on the areas of highest risk and delivered within manageable caseloads.

A new national framework for **newly qualified officers** was rolled out in July 2024, building on already established processes to provide support in the first year post-qualification, setting out the expectations and enablers to provide consistency and support development.

Pay

The Probation Service reached the end of a three-year multi-year pay deal in March 2025. Salary values of all pay bands increased each year, targeted at key operational grades. In addition, a range of supplementary payments were agreed including temporary enhanced overtime and a temporary overtime bonus scheme in direct response to the demands arising from SDS40. Planned pay point increases were brought forward, enabling access to improved pay earlier than planned. Discussions are ongoing to consider future pay awards.

8 HMI Probation (2025), A thematic inspection of the recruitment, training, and retention of frontline probation practitioners, available at: <https://hmiprobation.justiceinspectorates.gov.uk/document/a-thematic-inspection-of-the-recruitment-training-and-retention-of-frontline-probation-practitioners>

Professional registration

HMPPS introduced **mandatory professional registration** in September 2024. This acknowledges the competence and commitment of qualified staff, emphasising the skills and experience that binds the service together, and provides assurance that staff have the right qualifications, knowledge and skills to manage the risk of people on probation.

Prison staffing



Having skilled, confident and experienced prison officers is fundamental to delivering safe, secure and rehabilitative prisons. We are upskilling our hardworking staff, but we know it takes time and training to build confidence, capability and essential jailcraft skills.

Staffing numbers

Our national staffing levels have greatly improved. By 31 March 2025, we were at 96% of our target staffing figure (hours adjusted FTE) for Band 3-5 prison officers. Published **workforce statistics** show that as of March 2025 there were 22,716 Band 3-5 **prison officers** in post (a decrease of 875 FTE or 3.7% since March 2024).⁹ Although the total number has decreased nationally, this change was expected as we look to re-balance our staffing across the estate, with recruitment continuing at all sites with a current or future need, and targeted interventions available for prisons with the greatest need.

Retention

As of March 2025, the **resignation rate** for Band 3-5 prison officers was 8.3%, a slight decrease compared to 2023 to 2024 (8.5%). Due to the significant recruitment activity in recent years, a significant proportion of Band 3-5 prison officers have less than three years' experience. We are focused on retaining our dedicated staff and supporting their development.

Our retention initiatives include:

- offering **operational support grades (Band 2)** the chance to use their experience to become prison officers through a streamlined recruitment process
- providing targeted support to prisons with the highest **attrition rates** through a retention oversight process – undertaking deep dives at sites with low attrition to support learning and future interventions
- monitoring **exit interview** data on the main drivers of attrition
- acting on the findings of the independent review of **prison officer foundation training** which was commissioned to Lord Timpson by the previous government before commencing his ministerial post
- new workforce approaches for staff through the **'Enable' programme**, ensuring staff feel safe, supported, valued and confident in their skills and their ability to make a difference – among the first initiatives being tested are learning packages for custodial managers who play an important role in setting a prison's culture

Pay

Following the 2024 to 2025 Prison Service **pay award**, the national starting salary for an entry level prison officer rose from £32,851 to £34,494. Written evidence for the 2025 to 2026 pay was published which paved the way for a more timely pay award, meaning we concluded the process earlier than in previous years.

⁹ HM Prison and Probation Service (2025), HM Prison and Probation Service workforce quarterly: March 2025, available at: www.gov.uk/government/statistics/hm-prison-and-probation-service-workforce-quarterly-march-2025

Modelling

- The **workforce delivery project** is making sure that prison costs are efficient and provide good value for money, to support any case for future investment. It also ensures that staffing budgets are aligned to agreed delivery priorities and supports the management of key operational risks.
- A prison **staffing resource model** has been developed which will improve our view of what resource is required to safely and securely run the prison system.
- **Impact assessments** in adult prisons are supporting a system-wide assessment and review of future staffing models.

YCS staffing

In 2024 we undertook a **resource review** across all YOIs, focusing on optimising staff deployment, enhancing wellbeing support, and informing the YOI Roadmap to Effective Practice. This seeks to ensure that sites have the right staff in the right locations with the necessary capability and wellbeing support.

We continue to advance the qualification process for **youth justice workers**, ensuring it aligns with the needs of the custodial environment. This was reviewed in 2024 to 2025 and will provide a structured qualification pathway, support staff development and ensure new staff are prepared for their roles, enhancing the overall quality of care and support provided to children.

A **safer recruitment project** was commissioned in January 2024 to ensure that all those working with children and young people are appropriately vetted and trained to reduce the risk of harm to children. We delivered changes in policy, training, recruitment and vetting practices to ensure compliance with safer recruitment practices, improving overall recruitment processes and enhancing the quality of care.

Digital and technology



HMPPS is committed to enabling access to the right information, at the right time, bringing prisons and probation closer than ever and supporting a sustainable and resilient system.

We are **piloting new technologies** to improve probation officer productivity by reducing the administrative burden to increase staff capacity to focus on offender interventions – for example, use of AI to record and transcribe supervision conversations in real time to allow staff to focus on building relationships.

Following recent high-profile serious further offence reviews, work has been undertaken to address recommendations made by HM Inspectorate of Probation regarding shortfalls in intelligence sharing between prisons and probation. Prison offender managers will be able to access the **Intelligence Management Service**, meaning improved risk management in custody and the community. This was launched in one region but delays to the overall delivery means that rollout has been postponed until autumn 2025.

We are working alongside practitioners and investing in the redesign of our new service for the **assessment of risks, needs and strengths** for people on probation and in prison. This will combine a new assessment and planning approach supported by a new digital service that will eventually replace the current system. An early version of the digital service is being tested with further releases planned.

Launchpad improves access to digital services for prisoners and young people, providing self-contained laptops in cells to help with everything from ordering meals to information on education opportunities. This reduces staff time spent on administrative tasks, maximising engagement. Launchpad is currently available within 19 sites (around 12,900 prisoners and young people) and a further 12 sites have access to some services through self-serve kiosks.

A major milestone was reached in April 2024 with the completion of the **PIN phone services programme** that saw the installation of in-cell telephony in 93 prisons across the estate. Over 2,000 'staff to cell' phones have also been installed, allowing staff to call and speak to a prisoner in their cell to support safety, security and decency. The prisoner telephony re-procurement project has been initiated which will ensure continuity of service while also exploring opportunities to improve affordability for prisoners.

Digital Prison Services (DPS) is a suite of new modern digital services for prison staff to replace NOMIS (our outdated legacy prisoner management system). DPS increases frontline staff productivity by reducing the administrative burden and sets the foundation for new technologies. DPS is now used in all prisons, and we continue to add and roll out new services.

Microsoft Windows 11 is being rolled out across the estate through a phased rollout which started with prisons from September 2024 and moved to probation sites in 2025.

As part of our longer-term commitment to digital and data transformation in the **Children and Young People Secure Estate**, we continued to advance our infrastructure in 2024 to 2025. The Tableau Data Visualisation Project was initiated in September 2024, leading to a new database approach. We also procured a new YOI digital education management system and conducted business analysis for digital case management and children assessment systems which will drive efficiency, accuracy and strategic decision-making, setting the stage for continued advancements in 2025 to 2026.

External scrutiny

We welcome the findings from the independent scrutiny bodies, and value the transparency and accountability they bring. Scrutiny bodies undertake regular inspections, monitoring visits and investigations, with their resulting reports highlighting key concerns and recommendations for improvement.

HMPPS ensures that within three months of an inspectorate report's publication, an action plan is put in place that responds to the concerns identified by the inspectorate.

HM Inspectorate of Probation

HM Inspectorate of Probation ratings 2024 to 2025



Inspections of the Probation Service have identified ongoing performance issues. In the current cycle, HM Inspectorate of Probation has inspected 19 probation delivery units, with 11 rated 'inadequate' and 8 as 'requiring improvement'. These inspections have routinely identified high workloads, concerns regarding staffing and supervision as well as shortfalls in public protection across the Probation Service. Good practice identified by the inspectorate throughout the year includes local leadership, victims work, strong community partnerships, and some areas of unpaid work delivery.

HMPPS undertakes an internal but independent programme of audits on an annual basis. These audits assess the quality of probation practice drawing on statistically valid samples of casework in each probation region. The results of these audits populate the relevant quality measures in the Probation Scorecard and identify further areas for improvement across the probation system.

In addition, HMPPS supports continuous probation improvement against external scrutiny standards by providing and maintaining guidance, resource packs and evidence-based tools, sharing effective

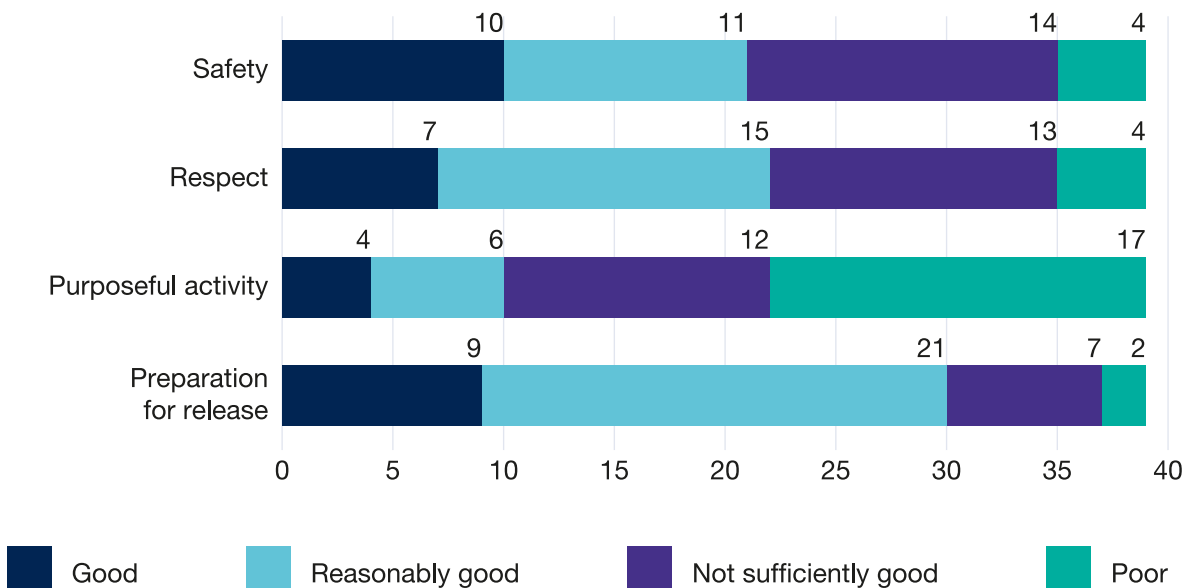
practice and direct support where needed, aligned with Chief Probation Officer priorities. Five probation delivery units per year (based on priority need) with inadequate ratings are provided support via the Probation Place-Based Support programme. Aimed at senior probation officer staff, this 23-week support offer builds resilience and effectiveness in leadership including one-to-one support to improve cohesive probation delivery unit management relationships.

A National Quality Group also provide direct strategic support to senior probation officers, and improvement teams are working alongside the 'Our Future Probation Service' programme to ensure insights are captured. Work is being undertaken across all probation regions to share best practice and activities to drive quality outcomes as well as providing support to work through issues blocking delivery.

Inspection of CAS1 approved premises began on a pilot basis, and we worked closely with the probation inspectorate to shape the approach to a regular inspection programme which will commence in 2025 to 2026.

HM Inspectorate of Prisons

HM Inspectorate of Prison ratings 2024 to 2025



HM Inspectorate of Prisons published 64 reports on prisons in England and Wales in 2024 to 2025. This includes reports on individual establishments, thematic reports and their annual report.

An **Urgent Notification (UN)** can be issued by the inspectorate if report findings are particularly concerning. Recurring concerns highlighted through UNs in 2024 to 2025 include rates of self-inflicted deaths, self-harm and assaults, staff capability and confidence, living conditions and physical security, quality of and access to healthcare, increase in illicit items such as drugs, time out of cell, and access to purposeful activity. We take UNs very seriously and publish an action plan within 28 days outlining how improvements will be made in both the immediate and long term. The Lord Chancellor has responded to four UNs in 2024 to 2025 and we are taking steps to improve the situation in each of those prisons. A further eight prisons are currently receiving enhanced supervision and support following UNs.

A number of areas of good practice have been identified by the inspectorate throughout the year, including HMP Hull where the inspectorate commented that the Governor had “maintained an excellent grip of the progress made in many of the areas we were critical about at our last inspection”. At HMP Drake Hall, the inspectorate noted the excellent range of support available to help women cope, and HMP/YOI Hatfield maintained top Healthy Prison Test scores with the inspectorate commenting on the excellent culture in the prison. HM Inspectorate of Prisons also published their thematic report ‘What works to promote positive behaviour in adult prisons’ which includes many examples of positive initiatives that are having a significant impact.

While the operational line continues to lead prison improvement, we are revising our national approach. Firstly by recognising most prisons can improve with information, advice and guidance, and line management support through a foundation offer. Secondly by deploying support to a targeted group with performance concerns, and finally with central support being primarily focused on a small group of prisons where sustained change has proved challenging over time.

In the Children and Young People Secure Estate

Through 2024 to 2025 there were 11 full inspections carried out across the Children and Young People Estate (10 Ofsted and one Care Inspectorate Wales). In addition, HMI Prisons conducted independent reviews of progress at five YOIs (including HMP/YOI Cookham Wood before being re-purposed as an adult male prison).

Key themes from the reports highlight concerns around safety and purposeful activity, in particular across the YOIs, and high levels of violence across YOIs and the secure training centres.

In October 2024, Ofsted and HMI Prisons published a **thematic review of the quality of education** and purposeful activity in YOIs which was critical of the education delivery in public sector YOIs.¹⁰

HMI Prisons published a **review of progress** against a 2020 report on separation of children in YOIs and highlighted that there was little progress across previous recommendations made and concerns around the oversight of separation.¹¹

While the thematic reports highlighted significant challenges across delivery and quality in education, areas of good practice include:

- evidence of children having positive attitudes within education, attributed to teachers having the necessary training and guidelines to tackle poor behaviour
- positive feedback for the youth workers and how they support children's behaviours
- good attendance of children within education at a site that prioritised education
- evidence of engagement and links with community employers including opportunities for children to attend job search events and interviews

The Independent Monitoring Board

The Independent Monitoring Board published 119 reports in 2024 to 2025. All reports were responded to, addressing the concerns raised. Recurring concerns highlighted through reports included: conditions of the prison estate, violence and drug use, staff inexperience, and mental health transfers.

However, areas of good practice highlighted include the appointment of a neurodiversity manager at HMP Birmingham, positive staff-prisoner relationships at HMP Cardiff, and staff within the Care and Separation Unit at HMP Downview, who displayed extraordinary resilience, patience and compassion for the women in their care.

The Prisons and Probation Ombudsman

Every death in custody is a tragedy. The Prisons and Probation Ombudsman investigations and reports are a vital tool to ensure lessons are learned following deaths. In 2024 to 2025 we received 396 reports. HMPPS continues to accept the vast majority of recommendations made by the ombudsman and share the learning from them across the estate. For further detail on deaths in custody, please see page 39.

¹⁰ Ofsted and HMI Prisons (2024), Thematic review of the quality of education in young offender institutions, available at: www.gov.uk/government/publications/thematic-review-of-the-quality-of-education-in-young-offender-institutions-yois

¹¹ HMI Prisons (2024), Separation of children in young offender institutions – review of progress, available at: https://hmiprison.justiceinspectors.gov.uk/hmipris_reports/separation-of-children-in-young-offender-institutions-review-of-progress

Financial performance

Where we spent our money in 2024 to 2025

HMPPS committed gross resource expenditure of £5.9 billion (gross resource expenditure as reported to the Board in 2024 to 2025, see Note 2a on page 136), which was £400 million more than 2023 to 2024. In addition to this, £1.0 billion of capital spend was incurred. This expenditure represents continued investment in our prison and probation services.

Improving conditions and performance in prisons remains a primary focus, alongside a drive to implement reform across probation. As well as continuing progress on the prison place programme, most notably the completion in-year of HMP Millsike, significant capital expenditure has been invested in prisons under our commitment to build additional prison places across our estates and through local initiatives linked to agreed spending priorities – for example, on safety, decency and security. This includes work on accelerated houseblocks delivery, fire safety improvements and capital refurbishments across the estate.

Within resource expenditure, spend included pay awards for both prisons and probation staff, with increases to national insurance and pensions costs as a result of new rates taking effect during the year. The impact of inflation was still felt as in the prior year, mainly within utilities, food and offender learning costs. There was also significant spend on buildings improvement and maintenance works in line with our priorities as above, which did not qualify as capital expenditure under consolidated budgeting guidance.

We also continued our investment on the wide-ranging OneHMPPS programme, bringing prisons and probation services together by prioritising frontline staffing and resources, simplifying processes, and allowing regional areas more flexibility in achieving HMPPS objectives.

How we are financed

We are primarily financed by funding from the MoJ as our parent department. We also generated £300 million of operating income in 2024 to 2025 from various initiatives to generate revenue, in addition to recharges of costs incurred.

The retail prison shop income comes from a contract providing offenders with a weekly opportunity to make purchases with their own funds for food, hobby materials and other items. It is a self-funding contract, where offender purchases and the margin made on these are used to offset the total cost of the contract. Regional packing workshops are run by the service provider but are mainly staffed by prisoners. This presents a quality, purposeful activity that allows prisoners to develop transferable skills. We also recover costs from local authorities for children held on remand and from the Home Office for their use of our electronic monitoring contracts for the immigration cohort.

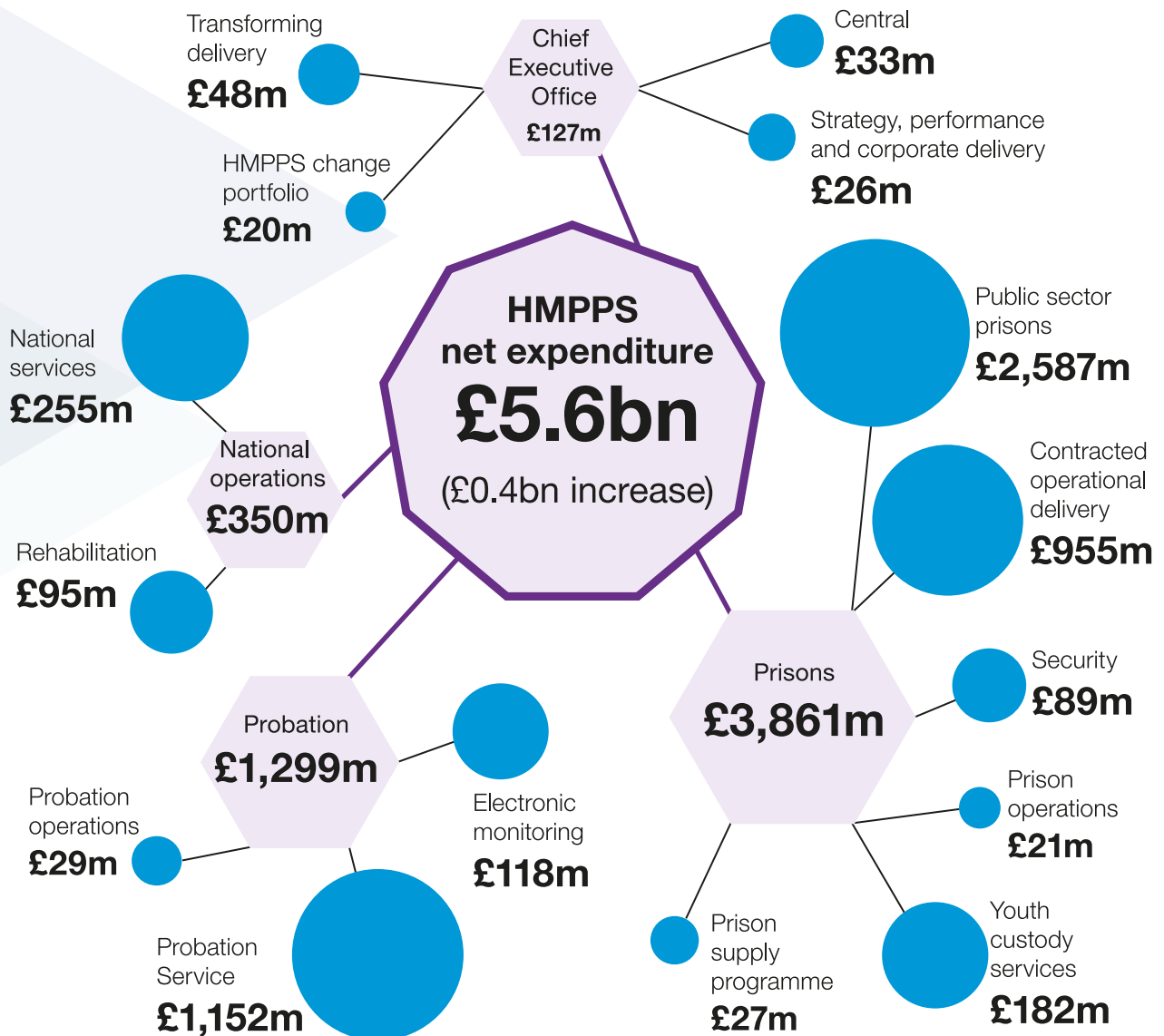
HMPPS receives a financial allocation from the European Union via the European Social Fund Managing Authority (Department for Work and Pensions) for delivery of resettlement services to offenders. The funding is used to support those who may be disengaged from mainstream activity, in both custody and community settings, to increase employability and provide opportunities to access mainstream services.

We also recover costs from funding partners as follows:

- provision of custodial services to foreign national prisoners, providing immigration detention and counter terrorism activities (Home Office)
- provision of healthcare services (NHS England, private sector and Welsh Government)

The operating structure of the MoJ is for key areas which span multiple entities within the department to be managed centrally. These include estates, people and HR, finance, legal and digital. Expenditure in these areas attributable to HMPPS is not included in the agency's figures for budgetary purposes but is included in the financial reporting figures. The following chart is based on management reporting – this is resource expenditure under the budgeting structure, i.e. excluding those central costs allocated to HMPPS by MoJ. A reconciliation of the management reporting figures to the Statement of Comprehensive Net Expenditure is provided at Note 2b.

The split of resource departmental expenditure between custodial and community services and support services



Financial management

The MoJ receives authority to incur expenditure via the supply estimates process. The estimate is published twice in each financial year. The main estimate is published at the beginning of the financial year and the supplementary estimate is published towards the end of the third quarter of the financial year. The supplementary estimate provides an opportunity for the MoJ to reflect changes in the budgets internally and any movements of funding with other government departments.

At the start of the financial year, budgets are delegated from the MoJ Permanent Secretary as Principal Accounting Officer to the HMPPS Chief Executive Officer. The Chief Executive Officer may then make sub-delegations to other budget holders within HMPPS directorates. Budget holders are required to meet the conditions of their delegation letters and the requirements of the MoJ's Financial Control Framework.

Finance function

2024 to 2025 was the sixth full year where the agency's financial management was provided through the MoJ functional leadership model. This model brings together specialists into a single, unified team across the department with the vision of putting finance at the heart of decision-making, with finance business partners working alongside operational colleagues and centres of excellence established to support the production of financial and management accounts.

Risk analysis

Significant risks and issues

HMPPS continues to operate with a number of risks near critical thresholds. Work is underway to clearly define acceptable tolerance levels across key risk areas. We're focused on bringing these risks back to acceptable levels by implementing both targeted interventions and using a coordinated, system-wide approach to risk management.

The following significant risks and issues have been identified using enterprise risk management methodology, in consultation with the HMPPS corporate risk register and directors general annual assurance statements. Significant key risks and issues are managed within scope of each principal risk, allowing for greater risk ownership, focus and deployment of controls. Several interventions are already in progress and are demonstrating early positive impact.

Key

Movement since previous year

The direction of the arrow indicates the change in the risk when compared to the previous year.



Risk has worsened



Risk has improved



Level of risk remains unchanged

Risk description

R1: Prison capacity

Failure to ensure adequate, safe and decent capacity in our systems

Movement since previous year



Level of risk remains unchanged

Examples of main controls and activities to manage risks

HMPPS continues to co-ordinate the strategic response to the prison capacity crisis, overseeing and advising ministers on the range of measures needed to manage capacity in the adult male estate.

The change to the standard determinate sentence release point from 50% to 40% is fully implemented and there are further capacity measures, which include an extension to HDC to 12 months, and policy changes to the Presumptive Risk-Assessed Recall Review.

Progress has been made in the expansion of the estate. We have secured full planning permission for a new prison near the existing HMP Gartree in Leicestershire. Outline planning permission has been achieved for the new prisons adjacent to the existing prisons at HMP Grendon in Buckinghamshire and HMP Garth in Lancashire. Our new prison in Yorkshire, HMP Millsike, received prisoners from April 2025.

Risk description	Examples of main controls and activities to manage risks
R2: Probation delivery Unacceptable gaps in capacity lead to ineffective delivery of probation services Movement since previous year  Level of risk remains unchanged	We have revised our approach to strategic risk management and are continually strengthening and monitoring preventative and mitigating controls such as recruitment and retention, strengthening support to middle managers and addressing probation demand. While the Probation Service continues to experience significant challenges in relation to capacity, current controls have supported reductions in staffing gaps and increases in trainee probation officers. The burden on middle managers has reduced with increased administrative support and reduced management oversight activity, alongside improving learning and development. Operational changes implemented as part of Probation Reset continue to provide capacity in the system and more long-term solutions are being developed.
R3: Safety in prisons High levels of assaults, self-harm and self-inflicted deaths impact adversely on the safety and wellbeing of staff and prisoners Movement since previous year  Level of risk remains unchanged	HMPPS has a revised safety plan for 2025 to 2026 in place to deliver a range of activities to address key areas of risk, including the management of violence and self-harm and the reduction of self-inflicted deaths. Additionally, there is ongoing action to address self-harm in the women's estate, including supporting those women who prolifically self-harm. The Prison Safety Policy Framework came into effect in January 2025 and sets out the requirements for staff on identifying and managing risks of violence, self-harm and self-inflicted deaths in prison, and a review of protective body armour has led to a targeted rollout to the highest risk areas in the Long-Term High Security Estate. The revised key work model will help improve staff-prisoner relationships, which are essential to improving safety outcomes. Regime delivery plans are in place to help control the risks of violence and self-harm linked to inconsistent regime delivery, which drives prisoner frustration.

Risk description	Examples of main controls and activities to manage risks
R4: Security (ingress) Failure to effectively respond to ingress, including via drones, across the custodial estate Movement since previous year  Risk has worsened	HMPPS continues to adapt its counter-drone security measures to ensure we manage and mitigate the threat as far as possible within existing capabilities. We are conducting assessments across the estate to understand the risk and develop and implement mitigations. We work collaboratively with law enforcement partners and across government to respond to illegal drone incursions. Investigations into this unlawful activity regularly result in arrests, seizures and criminal justice outcomes. We are committed to actively exploring technological and intelligence tools available to assess the threat and prevent drones delivering contraband such as drugs, mobile phones and weapons, alongside effective target hardening solutions. Increased drone incursions across the estate with the presence of commercial weapons in some sites presents an increasing risk and considerable actions are being taken to address this. We have established a Drones Governance Board to support the development of a long-term drone strategy for the prison estate. We have established a taskforce to direct and prioritise resources and explore specific additional action we can take to mitigate identified risks to safety and security in the Long-Term High Security Estate. The new National Security Framework (launched July 2024) supports sites in creating their own local security framework, which supports activity to strengthen security processes that are unique to each prison and relevant to local security risks and threats.
R5: Estates Poor standards of accommodation and maintenance impact on the health and safety of service users and place additional demands on capacity Movement since previous year  Level of risk remains unchanged	HMPPS continues to carry significant infrastructure and compliance-related risks which may lead to further loss of capacity. The greatest of these is fire safety compliance in the wake of primary constructor ISG's administration. Following the insolvency event, we proactively engaged with the market as part of our recovery plans to ensure we minimise delays to delivery as far as possible. While general maintenance pressures continue to affect the estate's resilience, this is being addressed through phased programmes and prioritised investment. We are also supporting counter ingress activity and are maintaining operational continuity through an improved prioritisation of works, enhanced governance, and the development of tools to better target investment. These steps aim to maintain safety, resilience, and operational continuity while longer-term solutions are explored.

Risk description	Examples of main controls and activities to manage risks
R6: Funding Failure to secure and manage sufficient funding to deliver core services Movement since previous year  Level of risk remains unchanged	HMPPS continues to deploy effective financial management controls. We report regularly on management accounting, and quarterly reviews monitor the overall risks and opportunities in-year and offer forecasting, including including overprogramming pressures. HMPPS has successfully engaged with the MoJ on the Spending Review and allocation processes, using up-to-date financial management information to obtain appropriate monitoring and corrective action in-year to ensure a balanced position.
R7: People (retain) Failure to retain people Movement since previous year  Level of risk remains unchanged	Leaving and resignation rates have stabilised. We have introduced significant controls such as the embedding of the retention oversight process, improvements to our total benefits package and bringing forward pay awards to adapt to business need. The publication of the review undertaken by Jennifer Rademaker to look at HMPPS' organisational culture will enable us to understand how to apply the recommended policies and procedures in practice. Increased awareness and support through the development of robust and fair professional standards are in place to help alleviate staff attrition and enhance our ability to control risks in this area through our Professional Standards and Behaviours Group, including a dedicated Tackling Unacceptable Behaviours Unit.
R8: People (train) Failure to have a trained, skilled and developed workforce at all levels Movement since previous year  Level of risk remains unchanged	HMPPS continues to strengthen its commitment to how we train and develop our people. A new national framework for newly qualified officers in probation was rolled out in July 2024 to provide support in the first year post-qualification. We are acting on the findings of the independent review of prison officer foundation training. We continue to make progress through deployment of the Enable programme and probation capability and transformation teams. A Prison National Training Committee acts as a prioritisation gateway for the rollout of critical safety training.

Risk description	Examples of main controls and activities to manage risks
R9: People (attract) Failure to attract, recruit and mobilise people Movement since previous year  Level of risk remains unchanged	Our dedicated resourcing team continues to make good progress with recruiting prison operational staff and probation staff, and our national recruitment campaign 'An extraordinary job done by someone like you' will give greater emphasis to probation. Our mandatory online webinar for all new joiners to prison roles aims to ensure the realities of the role are clear before onboarding. We have launched new initiatives which will improve the onboarding of our new joiners and increase levels of experience on our prison landings.
R10: YCS delivery The YCS fails to provide a safe environment that enables effective transition, resettlement and rehabilitation of children and young people in custody Movement since previous year  Risk has worsened	Alongside the Children and Young People Strategy which focuses on estate and digital transformation in the YCS, we are actively working to improve outcomes in YOIs by collaborating with NHS England, education providers and psychology services to deliver a Roadmap to Effective Practice. This roadmap, which aligns with the principles of the Framework for Integrated Care, focuses on the highest likelihood and impact risk areas and aims to achieve long-term sustainable risk reduction and improved outcomes in a challenging operational environment.
R11: Security (order) Failure to maintain order and control Movement since previous year  Level of risk remains unchanged	HMPPS has increased the resilience and training capacity to maximise the number of advanced trained staff for regaining control should they be needed. Comprehensive guidance has been developed for prisons and upskilling has been undertaken to improve staff capability, comprehension of the threat and the response to drone activity. Controls have been further strengthened by introducing proactive drone usage for incident management and evidence gathering with associated deterrent value in loss of order or control scenarios. New ways of working have been established to improve support for our most in-need sites. This includes piloting additional workshops regarding incident management and co-ordinating additional action through a prisons performance support programme for those prisons facing challenges with use of force assurance.

Risk description	Examples of main controls and activities to manage risks
R12: Rehabilitation Current agency resources are insufficient to deliver rehabilitation to all those who need it Movement since previous year  Risk has worsened	HMPPS continues to develop its approach to rehabilitation, with investment focused on areas such as education, employment, and post-release accommodation – key factors in supporting people to move away from offending – cutting crime and protecting the public. While the environment remains complex and pressures arising from capacity challenges remain, work is underway to better align services with evidence and need. These complexities and capacity pressures impact delivery, and risk exposure has increased as a result. However, positive progress is being made in assigning clear ownership for key activities, refining investment decisions, and strengthening cross-agency collaboration to support a more coherent and sustainable range of interventions.
R13: Sustainability transition Failure to tackle climate change and deliver sustainability transition requirements leads to service disruption, capacity loss and cost Movement since previous year  Level of risk remains unchanged	We have developed a climate change mitigation and adaptation investment tool to cost, benefit and prioritise net zero decarbonisation and climate adaptation projects, which is being used to inform Spending Review discussions. We are reviewing the Greening Government Commitment targets for 2025 to 2030 with the intention of developing new target flight paths. There is ongoing action to address overheating and flood prevention measures, including engaging high flood risk sites on the need for flood plans and researching sites for overheating intervention costs. We are driving activity aimed at targeting inefficiencies in relation to gas and water consumption. Our smart metering programme will improve coverage of automated meter reading for electric, gas and water consumption and will target inefficiencies.
R14: Information assurance Failure to protect the confidentiality of HMPPS information Movement since previous year New risk added post year-end	The risk of unauthorised disclosure of information and data, either maliciously or by accident has increased. Key areas of vulnerability include the use of unofficial or unsupported IT systems at local level, inconsistent access controls, and gaps in staff awareness of information security practices. Consideration must be given to managing data exposures and system recovery preparedness, and ability to identify and report insider threats. Mitigations will include clearer role definitions, enhanced training programmes, and targeted communication initiatives and strengthened collaboration across HMPPS to ensure continued progress in managing and reducing information security risks.

Risk description	Examples of main controls and activities to manage risks
R15: Security (serious and organised crime) Ineffective management of high-harm serious and organised crime offenders Movement since previous year New risk added post year-end	HMPPS continues to strengthen its approach to managing serious and organised crime (SOC) within prisons. While some offenders maintain criminal networks from within custody, a multi-agency strategy is in place to disrupt these activities and protect public safety. Enhanced intelligence sharing, upgraded security technologies, and targeted staff training are helping to reduce the influence of SOC offenders. Though challenges remain, ongoing investment and collaboration with law enforcement are driving improvements to ensure SOC activity, both within prisons and that which extends out into local and national communities, is identified and disrupted as effectively as possible with serious prosecution penalties sought for those driving this criminal activity. HMPPS is committed to evolving its response, ensuring prisons remain secure and rehabilitation-focused environments.

Performance report

The following sections will provide a further overview of activity against each of HMPPS' areas of delivery focus for 2024 to 2025.

Prison supply



In the recently published **10-year Prison Capacity Strategy**, the Lord Chancellor confirmed the government's commitment to deliver the remaining 14,000 of the 20,000 prison places, with an aim to complete delivery by the end of 2031. Alongside places already delivered, these places will be delivered through the construction of four new prisons, as well as the expansion and refurbishment of the existing estate and through temporary accommodation.

By March 2025, around 6,500 places had been **delivered** including:¹²

- around 3,400 places in total at our two new prisons: HMP Five Wells (2022) and HMP Fosse Way (2023)
- around 770 places through rapid deployment cells delivered across 14 sites
- houseblock expansions and refurbishments
- re-roles of HMP Cookham Wood and HMP Morton Hall

Delivering prison places has faced **challenges** due to:

- affordability and funding
- commercial and market volatility
- delays to decisions

- unforeseen site and infrastructure conditions
- planning permission delays

However, as of April 2025 around 95% of target places have now either secured **planning permission**, can proceed under Permitted Development Rights, are not subject to planning requirements or have been delivered. Progress has been made in the expansion of the estate. We have secured full planning permission for a new prison near the existing HMP Gartree in Leicestershire. Outline planning permission has been achieved for the new prisons adjacent to the existing prisons at HMP Grendon in Buckinghamshire and HMP Garth in Lancashire.

Our new all-electric prison in Yorkshire, HMP Millsike, was officially opened on 27 March 2025 and will deliver around 1,500 modern prison places. Going forwards, establishing a **pipeline of new sites** will allow us to start engagement and planning early, well ahead of planned construction.

ISG entered into administration in September 2024 which directly impacted projects expected to deliver around 3,600 places across 13 sites. This included projects where ISG were actively undertaking physical works on-site, such as the major refurbishments at HMP Birmingham and HMP Liverpool. Following the insolvency event, we proactively engaged with the market as part of our recovery plans to ensure we minimise delays to delivery as far as possible.

Privately operated prisons

Work continues on the procurement and award of the tranche 2 and 3 **prison operator competitions**, and also in supporting the commercial contract management of the existing privately operated prisons.

In December 2023, the public sector initiated 'step-in' to **HMP Lowdham Grange** to improve stability, security and safety. In May 2024, it was agreed in principle between HMPPS and the provider, Sodexo, that the prison would be brought permanently into public sector control, which was completed in August 2024. Lessons learned are now being used to improve competitions, transition between providers and contract management.

¹² All figures on prison places delivered are gross. They represent only additions to the prison supply and do not account for loss of places during this time (for example due to prison closures or dilapidations).

HMI Prisons reports on contracted prisons in 2024 to 2025 were relatively positive. An independent review of progress at HMP Five Wells found ‘some commendable progress, and firm foundations being set for a safer and more purposeful prison’, while HMP/YOI Peterborough was described as being “much more settled”.

HMP Forest Bank was noted as having “made progress under an experienced and capable Director”. HMP Oakwood was described as “a benchmark for what a category C training prison should and can be”.

Prison maintenance and fire safety



Maintaining the prison estate against a backdrop of capacity and funding pressures provides challenges. This is compounded by shock events such as a primary contractor entering administration, mitigations for losses as a result of the discovery of reinforced autoclaved aerated concrete (RAAC) and high radon readings. Shrinking supply in the construction market means that costs continue to increase, and less work can be completed for the same price.

HMP Dartmoor (640 places) has been closed temporarily since August 2024 following the detection of elevated radon readings. We are working with specialist radon experts to investigate and assess options to allow us to re-open the prison safely.

We have worked at pace to identify **RAAC** across the estate. As of April 2025, eight sites were confirmed as containing RAAC and we have implemented temporary mitigations while remedial works take place. This has affected 183 prison places.

The previous government committed to ensuring all prison accommodation meets **fire safety**

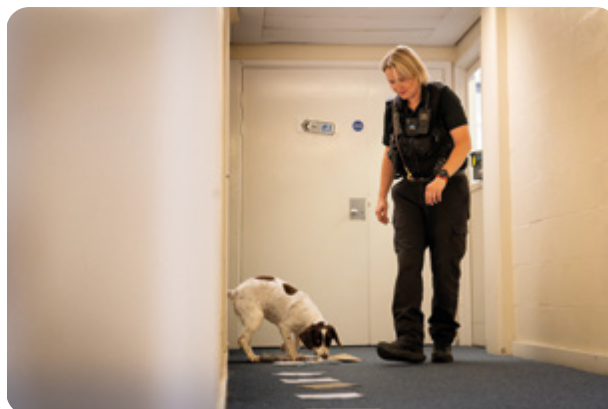
compliance by the end of 2027 – a commitment that has since been endorsed by the current government. Capacity pressures have increased the risk of this work needing to be paused or delayed to free up headroom. However, we remain committed to keeping at least 1,500 places out of use at any one time to support this work. Due to the administration of the primary contractor ISG, some remedial work will likely continue beyond 2027, but this does not affect the overall delivery set out in the 10-year Prison Capacity Strategy.

Phase 1 of the **safer vape pen trial** which aims to decrease the occurrence of fire setting in prisons launched at two prisons in January 2025. Further phases will launch in 2025 to 2026 before wider rollout across the estate.

We are investing in maintenance to keep prisons safe and secure, and the **Prison Estate Condition Survey Programme** (completed in 2023) provides us with a better understanding of the quality of our current estate which will support us with allocating future maintenance spend.

Ongoing capacity challenges can restrict our ability to decant prisoners to deliver work, meaning delaying some priority infrastructure works which impacts the rate of dilapidation. However, the **outcomes of the Sentencing Review** are expected to alleviate pressure in the future.

Security



Effective security is fundamental to a safe and stable rehabilitative prison environment and ensuring public confidence in the criminal justice system. Prisons have a range of equipment to stop the smuggling of illicit contraband such as mobile phones, drugs and weapons that undermine security and rehabilitation.

In order to address the **illicit economy**, we are driving improvement to support effective use of security processes and equipment. Across 2024 to 2025 we delivered the Security Development Programme for heads of security and security custodial managers, alongside implementing 19 digital security products and a state-of-the-art learning hub (with approximately 29,000 visits a month), upskilling all staff working in operational settings.

Drone sightings around prisons in England and Wales pose a major threat to prison security. In 2024 to 2025, the number of drone incidents in prisons increased to 1,712 from 1,196 in the previous 12-month period, an increase of 43%.¹³

HMPPS is working hard to deter, detect and disrupt the illegal use of drones around prisons. Our approach is multi-faceted and includes introducing physical security countermeasures, exploring technological developments, exploiting operational activity, strengthening legislation, and working across government and with international partners on this global issue.

Of the 13 recommendations accepted from Jonathan Hall's 2022 review on **terrorism in prisons**, eight have been delivered, with four more expected to be completed by summer 2025. Notably, the recommendation concerning legislative changes (Section 1 of the Terrorism Act 2006 and Section 13 of the Terrorism Act 2000) has been incorporated into the Crime and Policing Bill. Due to their complexity, delivery by the MoJ, HMPPS and other operational partners of the remaining recommendations will be integrated into broader, ongoing initiatives.

Following a pilot, delivery of a new training package commenced in April 2025 to equip prison and probation staff to identify and report signs of radicalisation and changes in behaviours, and to **manage terrorist and terrorist risk offenders** more effectively.

A new state-of-the-art **digital forensics laboratory** will enable us to gather intelligence and evidence

on security threats to prisons and probation. We have created a large-scale data feed into the Police National Database that enables HMPPS to have access to this system for the first time.

We have worked with youth justice colleagues to design and review the **Minimising and Managing Physical Restraint** syllabus as a result of the HMI Prisons review into the use of pain-inducing techniques on children in custody. This syllabus reflects all other trauma-informed approaches, recognising adverse childhood experiences and attachment theories and equipping staff to manage conflict situations appropriately to minimise the need to use force.

Drugs and alcohol

Drug testing in prisons and probation

In February 2025 we completed the re-competition process for **drug testing services** contracts across HMPPS and contracted sites. Delivery commenced with a pilot in April 2025 ahead of launch of the full service in July 2025.

The number of **random mandatory drug tests** undertaken in prisons increased by 3.7% from 51,452 in 2023 to 2024 to 53,341 in 2024 to 2025, remaining below pre-COVID-19 levels due to operational and staffing pressures.¹⁴ We have been working to understand some of the barriers to testing and other forms of testing have continued to operate alongside random mandatory drug tests.

The **wastewater-based surveillance testing pilot** ended in April 2025. It demonstrated potential as a monitoring tool in detecting substances at a whole prison population level, but the technology is not yet deemed fully scalable. Further planned investment and research is required before it can be confidently applied in operational settings.

The Justice Select Committee's **inquiry into drugs in prisons** launched in December 2024 to examine the scale and impact and effect of drugs in prisons and the primary factors driving demand.¹⁵ We will reflect on the findings in 2025 to 2026 to identify further improvements.

¹³ HM Prison and Probation Service (2025), Official statistics: HMPPS Annual Digest 2024 to 2025, available at: <https://www.gov.uk/government/statistics/hmpps-annual-digest-april-2024-to-march-2025/hmpps-annual-digest-2024-to-2025--2#finds-in-prison>

¹⁴ Ministry of Justice (2013), Prison and probation performance statistics, available at: <https://www.gov.uk/government/collections/prison-and-probation-trusts-performance-statistics>

¹⁵ UK Parliament (2024), Justice Committee launches new inquiry into tackling drugs in prisons, available at: <https://committees.parliament.uk/committee/102/justice-committee/news/204442/justice-committee-launches-new-inquiry-into-tackling-drugs-in-prisons>

Due to the increased threat posed by new potent **synthetic opioids** as they become more common in the UK illicit drug market, we expanded testing capabilities to include them from August 2024.

Work across HMPPS around synthetic opioids is closely aligned with the cross-government synthetic opioid taskforce and National Crime Agency-led project to co-ordinate the law enforcement and public health response to the increased threat they pose.

Drug and alcohol treatment



We know that supporting prisoners and people on probation to tackle drug and alcohol use is vital to reduce reoffending. In January 2025, HMPPS introduced a new **drug and alcohol operational framework** which sets strategic organisational direction and signifies a positive shift towards a recovery-focused approach.

In March 2025 HMPPS reached the target of opening 85 incentivised substance-free living units alongside six drug recovery wings to create environments that **promote recovery and stability**. More widely, our work on the prison regime and purposeful activity has been crucial to reduce demand for drugs. A network of over 100 drug strategy leads and health and justice partnership managers and co-ordinators provide support to improve treatment and recovery opportunities

for prisoners and people on probation. Our drug strategy leads also play a vital role in joining up treatment and security activity in prisons, as it is essential we underpin activity promoting recovery with investment to tackle the supply of drugs into prisons.

Many people drop out of **treatment on leaving prison**, risking relapse and reoffending, so sustained engagement in treatment is important. We are focused on improving information sharing, ensuring improved transition and continuity of care is provided on release so that prison leavers have swift access to treatment in the community. By September 2024 the **Probation Notification Actioning Project** was mobilised across all prisons in England and Wales, enabling probation practitioners to encourage and support engagement in treatment.

We want to make the best use of alternatives to custody where appropriate, to ensure that more people on probation with vulnerabilities are diverted to treatment in the community rather than custody. We are working with health partners to improve the use and quality of **Community Sentence Treatment Requirements** which aim to tackle offending behaviour through structured treatment and regular testing to monitor recovery.

We are providing support to probation areas where Alcohol Treatment Requirements and Drug Rehabilitation Requirement numbers are low. We are also improving the volume, quality and consistency of pre-sentence reports and the use of a screening tool to increase the identification of individuals who would benefit from treatment.

Intensive supervision courts divert offenders with complex needs away from short custodial sentences and into enhanced community-based sentences, which aim to target the root-cause of their offending behaviour. We are considering the early findings from the substance misuse intensive supervision court pilot which published an interim process evaluation report in January 2025.

	2020-21	2021-22	2022-23	2023-24	2024-25
Percentage of adults with a need for substance use treatment who successfully engage in community-based structured treatment within three weeks of release from prison	38.1%	37.4%	42.6%	53.3%	–
Notes: The proportion of adults successfully engaging in community treatment within three weeks of release in 2023 to 2024 was 53.3%. This is 10.7% percentage points higher than in 2022 to 2023 but there is still more work to do. https://www.gov.uk/government/statistics/substance-misuse-treatment-in-secure-settings-2023-to-2024					

Safety



Making prisons safer for staff and prisoners remains a key priority for HMPPS. There are multiple interacting factors that contribute to changes in **safety outcomes** including: staffing levels, staff experience, prison regimes, purposeful activity, remand and recall population, the illicit economy, and resultant prisoner debt. Poor safety outcomes negatively impact prisoner health, progression and rehabilitation as well as stability and order and staff wellbeing and retention.

We recognise the **challenges** that capacity pressures and crowded prisons have on providing a safe environment for prisoners and how they can make it harder to manage prisons effectively as resources are more stretched. This can impact on staff and prisoner interactions which could otherwise be a protective factor in reducing harm.

We continue to increase staff numbers and improve staff capability to improve safety outcomes, help reduce prisoners' frustration by delivering consistent prison regimes, allow staff more time to meaningfully engage with prisoners, and support positive staff and prisoner relationships.

The **Prison Safety Policy Framework** came into effect in January 2025 and sets out the requirements for staff on identifying and managing risks of violence, self-harm and self-inflicted deaths in prison, and managing and supporting those at risk.¹⁶ Alongside this we published the **Follow Up to Deaths in Custody Policy Framework** which sets out the processes that staff must follow in the period following a death, including facilitating independent investigations into the

death and notifying and liaising with the family of the deceased.¹⁷

Assaults

HMPPS is committed to supporting prisons to address the levels of **assaults on staff and prisoners**. We have undertaken focused work on the levels of violence, including targeted work with a number of prisons with the highest rate of violence in the adult male estate. We have identified key themes and learning from this work which has been shared more widely across the estate.

We have developed a **safety support approach** for prisons which will come into effect in 2025 to 2026. This work complements the wider HMPPS model of support and builds on the evidence gathered from the focused work on assaults. It will prioritise the delivery of central safety support in establishments across England and Wales.

Staff assault guidance was launched in November 2024 which is designed to support a consistent and professional response when a member of staff is assaulted while on duty.

Other initiatives to reduce violence and improve safety in 2024 to 2025 included:

- removing wet shave razors, which can be used as weapons, from 31 adult male closed prisons
- continuing the study to understand the nature, extent and repercussions of debt and its impact on safety
- undertaking Strategic Enhanced Resourcing panels to consider population reductions or tactical resourcing increases in sites where safety and/or stability is considered to be at serious risk and undertaking Capacity Challenge Panels to assess and agree maximum levels of crowding in each prison
- planning for the trial of Conducted Energy Devices (more commonly known as tasers) in the summer of 2025, as part of our tactical response to serious incidents

Following an incident at HMP Frankland in April 2025, HMPPS commissioned a review into whether protective body armour should be rolled out to staff.

¹⁶ Ministry of Justice and HM Prison and Probation Service (2024), Prison Safety Policy Framework, available at: www.gov.uk/government/publications/prison-safety-policy-framework

¹⁷ Ministry of Justice and HM Prison and Probation Service (2024), Follow Up to Deaths in Custody Policy Framework, available at: <https://www.gov.uk/government/publications/follow-up-to-deaths-in-custody-policy-framework>

In June 2025 the Lord Chancellor announced that frontline prison officers working in the highest risk areas of the prison estate will be issued protective body armour to improve their safety. Work is taking

place to implement the outcomes of this review, and the effectiveness of existing control measures are being kept under continuous review.

	2020-21	2021-22	2022-23	2023-24	2024-25
Prisoner on prisoner assaults (per 1,000 prisoners)	140	163	185	217	237
Assaults on staff (per 1,000 prisoners)	89	97	92	114	122

Notes:

<https://www.gov.uk/government/statistics/safety-in-custody-quarterly-update-to-march-2025>

The data does not include the Children and Young People Secure Estate.

Self-harm and self-inflicted deaths in prisons

The overall rate of self-harm increased by 6% in the 12 months to March 2025. In 2024 to 2025 the rate of self-harm has increased in the male estate by 5%, and increased in the female estate by 6%. However, there is a continuing notable difference in self-harm trends by gender, with the rate in female prisons being more than eight times higher than in male prisons. There were 91 self-inflicted deaths in 2024 to 2025 (a rate of 1.0 per 1,000 prisoners), the same rate as seen in 2023 to 2024.

In 2024 to 2025 we:

- piloted an enhanced approach to supporting women in their first weeks in custody, including additional one-to-one psychological support
- completed a pilot to address the disproportionately high levels of self-harm in young adult women in two prisons – a process evaluation will be conducted in 2025 to 2026 but emerging findings show a positive impact
- published our response to HMI Prison's thematic 'Time to care: What helps women cope in prison'
- continued to progress the recommendations from the National Women's Prisons Health and Social Care Review, jointly commissioned by HMPPS and NHS England
- renewed our grant agreement with Samaritans for the provision of the listener scheme, where prisoners are trained to provide emotional support to other prisoners in crisis, and the postvention service, which supports prisoners following a self-inflicted death at a prison
- continued to support prisons who had a cluster of self-inflicted deaths
- completed a pilot project which trialled the provision of emotional resilience training to new prisoners and a peer support scheme, in six adult male prisons – the results will be shared with other reception prisons and will inform the future development of peer support work
- published the **Follow Up to Deaths in Custody Policy Framework** which sets out processes that staff must follow in the period following a death¹⁸

	2020-21	2021-22	2022-23	2023-24	2024-25
Self-harm male (per 1,000 prisoners)	535	550	523	652	684
Self-harm female (per 1,000 prisoners)	3,581	3,846	5,826	5,577	5,906

Notes:

<https://www.gov.uk/government/statistics/safety-in-custody-quarterly-update-to-march-2025>

The data does not include the Children and Young People Secure Estate. The self-harm trends vary significantly by gender, with the rate in female prisons being more than eight times higher than in male prisons. The high rate is mainly driven by a small number of women, often with complex needs who account for a high proportion of self-harm incidents.

¹⁸ Ministry of Justice and HM Prison and Probation Service (2024), Follow Up to Deaths in Custody Policy Framework, available at: <https://www.gov.uk/government/publications/follow-up-to-deaths-in-custody-policy-framework>

	2020-21	2021-22	2022-23	2023-24	2024-25
Self-inflicted deaths in custody (adult)	80	79	86	91	91
Rate per 1,000 prisoners	1.0	1.0	1.1	1.0	1.0

Notes:

<https://www.gov.uk/government/statistics/safety-in-custody-quarterly-update-to-december-2024>

The data does not include the Children and Young People Secure Estate.

Children and Young People Secure Estate safety



Compared to the previous year, in 2024 to 2025 the rate of assault incidents in the Children and Young People Secure Estate was largely unchanged, with a small increase of 2%. The rate of serious assaults increased by 7%, the rate of assaults on staff decreased by 3% and the rate of self-harm decreased by 10%.¹⁹

The operating environment remains challenging. The reduction in the number of children entering custody has resulted in a complex remaining cohort. In 2024 to 2025 the average proportion of children and young people in custody for violence against the person offences was 67%. There are a range of factors both from the community and in the child's development as well as those in the custodial environment that contribute to violence. These require an individualised approach and effective case management of each child.

Safety improvement work in 2024 to 2025 includes:

- collaboration with partners and other professionals to develop the **YCS Roadmap to Effective Practice** – a three-year, flexible plan to achieve better outcomes in public YOIs
- developing a new policy framework to ensure **separated children** receive a fuller regime, which includes reintegration planning and multidisciplinary support

	2020-21	2021-22	2022-23	2023-24	2024-25
Assaults per 100 children and young people	320.9	401.3	385.2	375.6	382.5
Children and Young People Secure Estate serious assaults per 100 children and young people	21.4	25.8	34.6	28.5	30.5
Assaults on staff per 100 children and young people	177.8	213.1	174.9	188.4	182.0

Notes: Further information can be found at: <https://www.gov.uk/government/statistics/safety-in-the-children-and-young-people-secure-estate-update-to-march-2025>

	2020-21	2021-22	2022-23	2023-24	2024-25
Self-harm per 100 children and young people	223.8	288.8	383.2	367.0	328.5
Self-harm individuals	249	253	228	241	233

Notes: Further information can be found at: <https://www.gov.uk/government/statistics/safety-in-the-children-and-young-people-secure-estate-update-to-march-2025>

¹⁹ HM Prison and Probation Service and Youth Custody Service (2025), Youth custody data, available at: <https://www.gov.uk/government/publications/youth-custody-data>

	2020-21	2021-22	2022-23	2023-24	2024-25
Self-inflicted deaths in custody (children and young people)	0	0	0	0	0

Notes: Deaths of children and young people are fortunately rare and there were no deaths in 2024 to 2025. Since April 2014 there have been three deaths of children and young people within the Children and Young People Secure Estate but none since 2019. All of these deaths were due to natural causes. Further information can be found at: <https://www.gov.uk/government/statistics/safety-in-the-children-and-young-people-secure-estate-update-to-march-2025>

Regimes and purposeful activity



Good regimes support better attendance at education and purposeful activity. The prison regime has inevitably been impacted at those prisons operating at capacity. This means that time to undertake resettlement and keywork activity is reduced as staff are working to maintain safety. While we expect that improved capacity margins will free up staff time to undertake this work, where capacity margins remain high, establishments will monitor and tailor their regime to address local priorities.

While **purposeful activity** can be critical to rehabilitation, the levels currently being delivered in many prisons are not where we want them to be. This is demonstrated by 74% of prisons inspected by HMI Prisons being assessed as either poor (44%) or not sufficiently good (31%) against the purposeful activity judgement (see page 22). We are committed to increasing access to purposeful activity, building on HMPPS' introduction of the **National Regime Model** in 2024, which created a national infrastructure for planning, reviewing and measuring purposeful activity and setting minimum expectations for the first time.

Prisoner education



Core education services are delivered by four suppliers.

New contracts for core education services start in October 2025, with a clearer specification on high-quality delivery and challenging targets on maths, English and vocational qualifications. We are aware that costs of delivery have increased, and this will impact the amount of education that we can buy with our budget, but we will continue our focus on delivering value for money in our contracts to have the greatest impact on outcomes for prisoners.

New careers information, advice and guidance contracts went live on 1 April 2025. The new service sets consistent high standards for providers, working on a national specification to ensure every prisoner accesses services to support their learning, development and employment.

In preparation for the new contracts, **new digital infrastructure** has been rolled out to more than 50 sites (with a target of 102 sites by October 2025), introducing Wi-Fi into education areas, allowing greater access to education content, and enabling better sharing of learner data between prisons. This will be supported by new digitalised screening and assessment tools, to assess learner needs and inform their education, skills and work journey.

The Dynamic Purchasing System supports innovative contract delivery of short-term projects commissioned by prison governors to meet the needs of their population. This has led to the **investment in education** in a wide range of subject areas, including construction.

In 2024 to 2025 there were 35 **Ofsted** inspections in adult prisons: 10 were 'good', 11 were 'requires improvement' and 14 were 'inadequate'. In comparison to the previous period there has been an increase in the number of prisons assessed as good and a reduction in the number of prisons assessed as inadequate.

The new **Education, Skills and Work Improvement Framework** reflects what those working and living in prisons have told us are important elements for high-quality delivery of prison education, skills and work. Data related to education in prison, covering initial assessments, participation and achievement in courses, is available at: www.gov.uk/government/collections/prison-education-and-accredited-programme-statistics

Helping prisoners to make progress in reading improves their ability to navigate life in prison, engage in purposeful activity and prepare for life on release. The **National Reading Framework** launched in April 2024 to support the development, implementation and evaluation of an effective prison-wide reading strategy.

Public protection

A **Public Protection Task Force** was established in 2023 to 2024, aiming to improve risk assessment and management through the public protection action plan. It focuses on accurate information for risk assessments, quality supervision, early detection and response to changing risks, and enhancing staff practice through management oversight. We have developed a public protection intranet page to **signpost staff** to key policies, guidance and training in areas of public protection practice such as domestic abuse, adult and child safeguarding, and sexual offending.

In 2024 to 2025, around 6,000 staff joined learning events to improve knowledge and understanding of the actuarial risk predictors used in HMPPS, why they are used and how they support **risk assessment**. These events were followed by

a series of online workshops for practitioners to improve knowledge and be able to calculate the risk predictor scores accurately.

The **Prison Public Protection Policy Framework** was launched in November 2024 to provide clarity, reduce duplication and bring consistency across England and Wales.²⁰ It sets out the mandatory actions for prisons in imposing public protection controls and restrictions and provides detailed guidance for practitioners.

Work has been undertaken to support the Home Office-led transition to the **Multi-Agency Public Protection System (MAPPS)**. MAPPS is being built to replace ViSOR, the multi-agency dangerous person database which is nearing capacity. Originally due in 2025 to 2026, the Home Office is now resetting the programme and approach and HMPPS remains engaged in all aspects of development and governance. MAPPS for counter terrorism is due for delivery in May 2027 and the final product is due to go live in May 2028.

Adult safeguarding



Following extensive stakeholder engagement, the **Adult Safeguarding Charter** will be published in 2025 to 2026 and will signpost staff to existing relevant policies and guidance that set out safeguarding responsibilities in all adult prison and probation settings. It will cover each stage of an offender's journey and include considerations for women and specialist cohorts such as young adults and foreign nationals.

We have made significant progress on improving **domestic abuse and safeguarding enquires**, ensuring that probation delivery units request information from police and children's services to inform their work to manage risk of harm and keep people safe.

²⁰ Ministry of Justice and HM Prison and Probation Service (2024), Prison Public Protection Policy Framework, available at: www.gov.uk/government/publications/prison-public-protection-policy-framework

However, internal assurance processes find, as do HMI Probation, that our focus should now be on the quality of the work done once this information is received.

Following success in 2023 to 2024 we hosted our '16 Days of Domestic Abuse Activism' and 'Think Child' campaigns providing staff with input from experts, those with lived experience, academics and partner agencies.

Community supervision

Electronic monitoring

Electronic monitoring (EM) provides a robust alternative to custody and evidence suggests that EM has a positive behavioural impact on individuals while they are wearing the device. We continue communications and outreach to the police, the Crown Prosecution Service and the judiciary to improve awareness and understanding of EM capabilities for court bail as an alternative to remand. EM will be central to delivering recommendations regarding the reform of short sentences, releases and post-sentence supervision. A new EM contract in 2024 changed how data is provided to the MoJ and so comparable EM data is not available for the reporting year. Published EM data using June 2025 data is available at: www.gov.uk/government/collections/electronic-monitoring-publication

The HDC scheme has been operating effectively for over 20 years, helping transition suitable prisoners back into the community. The EM provider successfully managed the impact on the EM service of the implementation of HDC12 in June 2025, which extended the maximum period an offender can spend on HDC from 6 to 12 months.

We continue to evaluate the effectiveness of EM through the **EM Expansion Programme**. This includes the Domestic Abuse Perpetrators on Licence Project (launched in 2023) to test the effectiveness of EM in protecting victims of domestic abuse. The pilot has expanded and is now available in eight probation regions.

A **published report** presents findings from a process evaluation conducted during the first few months of delivery which can be used to inform expansion of the scheme, before assessing impacts.²¹

Serco took over as the **new provider** for the delivery of EM services from May 2024. Initial performance had been unsatisfactory, with a backlog in visits building through summer 2024. While now resolved, it led to delays in the transition to using new systems and impacted wider contractual performance. We continue to work closely with the provider to monitor performance and resolve issues.

Serious further offences

An offence is classified as a **serious further offence** (SFO) when an offender is charged and appears in court for a qualifying offence alleged to have been committed within the probation supervision period. Less than 0.5% of offenders are convicted for an SFO, and we ensure that ministers are fully sighted on any high-profile cases that could undermine public confidence. We provide assurance that improvement actions have been identified and actioned where appropriate.

In January 2025 we published our **action plan** in response to HMI Probation's 2024 **annual report** on SFOs which makes a number of recommendations for **improving SFO procedures**, including the overall quality of SFO reviews and maximising the way learning is shared.^{22, 23}

We continue to keep the policy for producing SFO reports under review to ensure they balance the impact on resources alongside the need to provide learning and relevant information for victims. Published SFO data is available at: <https://www.gov.uk/government/statistics/proven-reoffending-statistics-october-to-december-2022/serious-further-offences-annual>

21 Ministry of Justice (2024), Electronic monitoring of domestic abuse perpetrators on licence: process evaluation, available at: www.gov.uk/government/publications/electronic-monitoring-of-domestic-abuse-perpetrators-on-licence-process-evaluation

22 HM Prison and Probation Service (2025), Serious further offence annual report: action plan, available at: www.gov.uk/government/publications/serious-further-offence-annual-report-action-plan

23 HMI Probation (2024), Annual report 2024: Serious further offences, available at: <https://hmiprobation.justiceinspectorates.gov.uk/document/annual-report-2024-serious-further-offences>

Commissioned Rehabilitative Services

Commissioned Rehabilitative Services (CRS) are a specialist provision working in partnership with probation practitioners and community interventions teams to ensure positive outcomes for people subject to a community order or those on post-sentence supervision. They provide flexible, responsive services across five service areas to help break the cycle of reoffending. Delivered by expert organisations, including many voluntary, community and social enterprises, at both a local and regional level, CRS provide tailored support to address areas of need associated with reoffending. CRS delivery was carried out, across 122 contracts, on four main pathways for men and holistic services for women. During 2024, services were successfully extended to people on remand and the CRS contracted provider capacity fully supported the prison release initiatives.

Unpaid work

Over 4 million hours of **unpaid work** are credited each year. We are continuously working to improve completions of Unpaid Work Requirements within 12 months which was at 63.1% in 2024 to 2025 – up from 57.0% the previous year.²⁴

As part of the statutory duty to **consult with stakeholders** on unpaid work delivery, probation regions have engaged with police and crime commissioners, community safety partnerships, victims' groups and voluntary organisations to ensure that the projects delivered benefit local communities. HMPPS has developed an action plan in response to HMI Probation's thematic on **delivery of unpaid work** (February 2025) which includes actions to improve assessment and management of risk, enforcement, employment, training and education, staff training, work with women, and health and safety.²⁵

	2020-21	2021-22	2022-23	2023-24	2024-25
Proportion of cases where unpaid work hours are completed within 12 months	N/A	34.8%	46.3%	57.0%	63.1%

Notes:

<https://www.gov.uk/government/statistics/community-performance-annual-update-to-march-2025>

A new performance framework was introduced in July 2021 for the unified Probation Service. Performance figures before this date are not comparable.

Accredited programmes

Accredited programmes are rehabilitative courses handed down by the courts to offenders to address the causes of their criminality. In February 2025, the Lord Chancellor highlighted that in the three years to March 2024, the Probation Service did not deliver almost 13,000 (40%) accredited programmes to offenders before their sentence expired. To address this, HMPPS is applying to vary orders and prioritising delivery to those at greatest risk of reoffending or causing serious harm.

Those who will no longer be required to complete an accredited programme will continue to meet all other requirements.

A new accredited programme '**Building Choices**' replaced most of the current suite of programmes that the Probation Service delivers in June 2025. This will support quicker access to programmes, reduce wait times, and address complexities in timetabling and training.

²⁴ Ministry of Justice (2025), Official statistics: Community Performance Annual, update to March 2025, available at: <https://www.gov.uk/government/statistics/community-performance-annual-update-to-march-2025>

²⁵ HMI Probation (2025), A thematic inspection of the delivery of unpaid work, available at: <https://hmiprobation.justiceinspectorates.gov.uk/document/a-thematic-inspection-of-the-delivery-of-unpaid-work>

Resettlement

Release planning



Our approach to **reducing reoffending** is guided by the evidence of what works: a job, a place to live, access to treatment for drug and alcohol use, and support to develop personal skills and pro-social behaviours. We collaborate with partners across government to help offenders in the community get the support they need. Throughout the implementation of **SDS40**, we took steps to ensure that robust support was in place for those being released, including continuity of health and substance misuse provision and access to employment, benefits, and accommodation.

Individuals' **resettlement needs** are assessed on arrival into prison, and in advance of release. Community probation practitioners co-ordinate the overall rehabilitation, supported by prison-based pre-release teams to support transition into the community. A collaboration with the Department for Work and Pensions has been enabling some individuals to register for and claim Universal Credit more quickly on release from prison. The work to test the processing of **Universal Credit** claims at 16 prisons has been completed and will be expanded further during 2025. This initiative has the potential to alleviate some of the financial pressures often felt by prison leavers, enabling them to more swiftly resettle into the community.

Community Accommodation Service



HMPPS offers a three-tier transitional **Community Accommodation Service (CAS)** which provides a temporary base for specific cohorts of prison leavers needing public protection provision or who are at risk of homelessness. This enables prison leavers to engage with rehabilitative interventions and prepare for longer-term housing provision.

- **CAS1** approved premises have a public protection focus, providing a monitored environment for the highest-risk offenders (and medium-risk female offenders).
- **CAS2** provides accommodation for low and medium-risk bailees and individuals eligible for HDC. In 2024 to 2025 there were 5,308 referrals to CAS2.
- **CAS3** provides up to 12 weeks' basic accommodation for prison leavers subject to probation supervision who would otherwise be homeless. 10,020 offenders were placed in CAS3 accommodation in 2024 to 2025.
- 50 FTE **strategic housing specialists** work within prison groups to ensure a strategic focus on accommodation, strengthen partnership working and improve housing pathways for prison leavers, addressing barriers to accommodation. During 2024 to 2025, the strategic housing specialists team designed and implemented a range of training packages to improve staff awareness to support prison leavers with securing accommodation.

There are 102 approved premises in operation in England and Wales in 2024 to 2025, of which 87 were run by HMPPS and 15 were independent approved premises run by the voluntary community and social enterprise sector (during 2024 to 2025 arrangements were made to transfer one independent approved premises to HMPPS, with transfer taking place on 1 April 2025).

The **Independent Approved Premises Commissioning Programme** is responsible for the re-commissioning of around 226 bed spaces as 10 legacy independent approved premises contracts expire. Procurement was undertaken in 2024, and contract award will take place in 2025 to 2026.

Improving referrals has been a key priority for CAS. In 2024 to 2025, HMPPS replaced the referral process to CAS2 for HDC with a new digital solution that is effective and has been well received. A bespoke CAS1 approved premises central referral unit function for referrals to women's approved premises has been set up, enabling the specific needs of women to be recognised at the referral stage.

A new **rehabilitative activity offer** has been rolled out to approved premises, clearly linked to the reducing reoffending pathways and to the individual's needs. Staff have also piloted a new approach to working with people on Imprisonment for Public Protection (IPP) licences to reduce their risk of recall.

As **SDS40** was activated, work took place across all CAS to maximise the use of existing places. Most prison leavers at risk of homelessness who were subject to probation supervision were offered CAS3 support. However, a small number were provided with alternative arrangements until their CAS3 provision became available.

Prison leaver homelessness is part of a wider national homelessness challenge, exacerbated by lack of affordable housing, high rents in the private rented sector and low housing stock. 14.9% of prison leavers were released homeless or rough sleeping in the year to 2024 to 2025.²⁶ **Published statistics** show that in 2022 to 2023, adult offenders who had no accommodation on release from custody had a reoffending rate almost double of those who had some kind of accommodation (66.7% vs 34.5%).²⁷ We work closely with other government departments, local authorities and the voluntary sector to ensure the right support is in place for people leaving prison and on probation.

From May 2024 to March 2025, 80.6% of offenders were in settled accommodation at three months post-release from custody. This figure is based on a metric which has been adapted for Probation Reset which altered the cohorts, so this data is not directly comparable with previous years.

Release on temporary licence

Release on temporary licence (ROTL) allows for the **temporary release** of risk-assessed prisoners for resettlement purposes, which helps prevent offenders from returning to crime on release by providing opportunities to work, learn and build family ties.

The implementation of demand reduction measures has significantly impacted ROTL delivery as the open estate population was reduced – primarily due to the SDS40 tranche 2 releases in October 2024, which saw a substantial number of prisoners discharged directly from the open estate. While the overall number of individuals accessing ROTL increased slightly in 2024 (7,675 compared to 7,359 in 2023), operational pressures on offender management units and the reduced open estate capacity led to fewer ROTL instances between October 2024 and March 2025.²⁸ The Temporary Presumptive Recategorisation Scheme has allowed more movement into the open estate, but these moves have tended to be for shorter times.

We expect that capacity in the open estate will reduce further following the implementation of HDC12, but volumes will improve once the population stabilises.

The vast majority of offenders abide by their ROTL conditions, with **compliance rates** above 99%.

We continue to develop **relationships with employers** to provide sufficient job opportunities to prisoners and to ensure effective join-up to prepare prisoners for employment on release.

26 Ministry of Justice (2025), Offender accommodation outcomes, update to March 2025, available at: <https://www.gov.uk/government/statistics/offender-accommodation-outcomes-update-to-march-2025>

27 Ministry of Justice (2013), Proven reoffending statistics, available at: www.gov.uk/government/collections/proven-reoffending-statistics

28 Ministry of Justice and HM Prison and Probation Service (2025), Offender accommodation outcomes, update to March 2025, available at: <https://www.gov.uk/government/statistics/offender-management-statistics-quarterly-january-to-march-2025>

In March 2025 we published a **Release on Temporary Licence in Youth Custody Policy Framework** to provide a single eligibility criterion across the Children and Young People Secure Estate to support resettlement through increased temporary release opportunities.²⁹ This framework is being piloted at five sites from May 2025 with an aim to improve resettlement opportunities and outcomes.

Employment



We continue to take steps to support more people into work after prison. Alongside breaking the cycle of crime, getting offenders into work helps employers fill vacancies, builds businesses, plugs skill gaps and boosts the economy. Our work with key partners remains central to driving progress. In the period May 2024 to March 2025, the proportion of prison leavers in employment within six months of their release was 34.5%.³⁰ (This figure is based on a metric which has been adapted for Probation Reset, which altered the cohorts, meaning data is not directly comparable with previous years).

New Employment Councils, launched in January 2025, are led by businesses and bring together probation, prisons and local employers. The councils build on the success of prison Employment Advisory Boards, which bring local business leaders into prisons to improve education and prisoners' chances of securing employment on release. Each council has a representative from the Department for Work and Pensions to improve links with local job centres and to help consider how it

can widen its reach and impact for people in the criminal justice system.

Efforts to improve employment opportunities for prisoners has resulted in some significant achievements through the **Unlocking Potential campaign** led by the **New Futures Network**. In 2024 to 2025 the campaign focused on four key sectors: manufacturing, construction, hospitality and self-employment. Through engagement with 186 employers and partners, the campaign's success means that 1,888 prisoners took part in upskilling and recruitment sessions. 129 events resulted in nearly 100 job offers for prisoners on release. In addition, 'Unlocking Self-Employment' gave prisoners the opportunity to learn about setting up and running a business through sessions with the Department for Work and Pensions and HM Revenue and Customs (HMRC).

The **Future Skills Programme** has delivered sector-specific training courses in prisons. All prisoners who complete a course will receive guaranteed interviews for jobs on release in sectors such as construction, warehousing and the third sector.

We continue to deliver the **Creating Future Opportunities** service, a specialist offer designed to support prisoners and people on probation with the most complex needs into employment. The MoJ has evaluated the service's impact and the overall results show that men who took part in their programmes in the community were less likely to reoffend, reoffended less frequently and took longer to reoffend than those who did not take part.³¹

The service successfully mobilised and transitioned to the new Creating Future Opportunities evolution contracts in August 2024 which will offer a more impactful end-to-end service offer, at reduced cost.

We are developing **digital tools**, including the Digital Jobs Board, to support people in prison in finding and applying for jobs. Our digital employment systems also include a 'work readiness assessment' to prepare prisoners for employment, and a 'candidate matching tool' to match prisoners to suitable job opportunities.

29 HM Prison and Probation Service (2025), Release on Temporary Licence in Youth Custody Policy Framework, available at: www.gov.uk/government/publications/release-on-temporary-licence-in-youth-custody-policy-framework--2

30 Ministry of Justice (2025), Offender employment outcomes, update to March 2025, available at: www.gov.uk/government/statistics/offender-employment-outcomes-update-to-march-2025

31 Ministry of Justice (2024), Official statistics: HMPPS Creating Future Opportunities report, available at: www.gov.uk/government/statistics/justice-data-lab-statistics-april-2024/hmpps-cfo-report-html-version

A new approach will be taken to source suitable **video interview technology** where a previously identified solution did not satisfy security concerns around recording. We are now exploring other avenues for sourcing video interviewing technology through existing technology within the department.

Specialist cohorts



Women in prison

Women have comprised around 4% of the prison population since 2019 – down from 5% between 2016 and 2019.

We have made good progress against the custodial-related commitments in the **Female Offender Strategy Delivery Plan** which ran from 2022 to March 2025 in response to a National Audit Office report. We published a **'one year on' progress report** in May 2024.³² Our commitment to expand the women's custodial estate to create more open prison places was not met as the decision was taken to pause plans to build owing to high levels of inflation, which had a material impact on estimated costs. Going forwards the new Women's Justice Board set up by the Lord Chancellor will publish a strategic plan setting out initial priorities to improve outcomes for women.

Activity in 2024 to 2025 has included:

- bringing together prison governors and probation strategic leads on a quarterly basis as part of our ambition to improve connectivity and collaboration and to better align operational delivery across prisons and probation

- holding a National Family Conference in October 2024, bringing together a range of professionals supporting women and their families
- publishing a new **Women's Policy Framework** and accompanying internal operational guidance which sets out our expectations for our staff and leaders delivering services for women³³

We continue to make improvements to the service by progressing action plans in response to a number of recommendations including:

- completion of outstanding recommendations from the 2019 **Farmer Review** – of 33 recommendations only six remain outstanding, and we continue to work towards the aims of these recommendations initially through the Female Offender Strategy Delivery Plan and now through the work of the Women's Justice Board
- continuing to work with stakeholders to progress the recommendations within the joint NHS and HMPPS review of **health and social care in women's prisons**

Pregnant women, mothers and babies in prison

HMPPS continues to engage with initiatives, which encompass women's health, the perinatal pathway and family services. There are currently six mother and baby units across the women's estate, providing 64 places for mothers and 70 places for babies.

In October 2024, seven new **independent chairs** were publicly appointed by the MoJ following recommendation in the Chief Social Worker's review (2022) into applications to mother and baby units in prisons, to increase scrutiny and support consistency of practice and decision-making of mother and baby unit boards.

Prison-based social worker roles are currently being piloted at four prisons to support and empower women in understanding and exercising their parental rights while in custody. Early evaluations indicate that they are having a positive impact on mothers having appropriate contact with children.

³² Ministry of Justice (2024), Female Offender Strategy Delivery Plan: 'one year on' progress report, available at: www.gov.uk/government/publications/female-offender-strategy-delivery-plan-progress-report/female-offender-strategy-delivery-plan-one-year-on-progress-report

³³ Ministry of Justice and HM Prison and Probation Service (2024), Women's Policy Framework, available at: www.gov.uk/government/publications/womens-policy-framework

Dedicated **pregnancy and mother and baby liaison officers** in every women's prison ensure effective signposting to support services, including health and social care services. We are also piloting a new prison management role in closed women's prisons, the **women's health and perinatal pathway** lead, to improve the management of risks within this complex area.

Transgender prisoners

We remain committed to supporting all **transgender prisoners** to live in their acquired gender, whichever part of the estate they reside in. In 2024 to 2025 we have continued to deliver **Complex Case Boards** to ensure the safe and decent management of transgender prisoners. To strengthen our operational resilience and capacity, we have successfully widened the pool of specially trained prison group directors qualified to chair Complex Case Boards. To support operational staff to manage transgender prisoners effectively, the central Transgender Offender Operational Policy team have delivered awareness sessions for key people such as single points of contact and Local Case Board chairs, reaching well over 350 staff. In addition, we have undertaken site visits to provide enhanced and bespoke support on individual cases.

Foreign national offenders

The **foreign national offenders** prison population has remained between 11% and 13% of the overall prison population for the past decade.³⁴ As at 31 March 2025, there were 10,838 foreign nationals held in custody, representing 12% of the total prison population.³⁵ 17,378 foreign national offenders were supervised by the Probation Service in the community, representing 10% of the total community supervision caseload.³⁶

HMPPS continues to **work closely with the Home Office** to maximise the removals of foreign national offenders with no right to stay in the UK. We refer this group to the Home Office within five working days of being sentenced. There were 5,154 foreign

national offender returns in 2024 to 2025, an increase of 21% compared to the previous year.

To support ongoing removals, HMPPS has delivered a comprehensive package of activity, through prison radio and hardcopy communications, promoting resettlement and removal schemes in prisons such as the Home Office-run Facilitated Returns Scheme. To support the Home Office to tackle delays to removal, such as absence of travel documents, HMPPS is deploying foreign national offender specialists to prisons to support removals and promote compliance with immigration processes. Longer-sentenced foreign national offenders in scope for repatriation continue to be transferred to serve their sentences in their home countries, where prisoner transfer agreements are in place, including Albania.

Modern slavery

HMPPS continues to strengthen its operational approach to tackling modern slavery by focusing on raising awareness, improving identification and support for survivors under our care, and robustly managing perpetrators.

We have improved our **data collection systems** across prisons and probation to help us track and monitor potential victims in our care. We have delivered a comprehensive range of activity to support prisons, through single points of contact in every prison, operational surgeries and hardcopy communications.

A special **Prison Service Journal** on Modern Slavery was published in autumn 2024.³⁷

In October 2024 we delivered the first HMPPS **Modern Slavery Conference**, bringing together attendees from statutory and non-statutory partners, law enforcement agencies, third sector and academics to enhance our understanding and inform our approach.

34 Ministry of Justice and HM Prison and Probation Service (2025), Offender management statistics quarterly: January to March 2025, available at: <https://www.gov.uk/government/statistics/offender-management-statistics-quarterly-january-to-march-2025>

35 Ministry of Justice and HM Prison and Probation Service (2025), Offender management statistics quarterly: October to December 2024, available at: <https://www.gov.uk/government/statistics/offender-management-statistics-quarterly-october-to-december-2024>

36 Ministry of Justice and HM Prison and Probation Service (2025), Offender management statistics quarterly: January to March 2025, available at: <https://www.gov.uk/government/statistics/offender-management-statistics-quarterly-january-to-march-2025>

37 Centre for Crime and Justice Centre (2024), Prison Service Journal 274, available at: www.crimeandjustice.org.uk/prison-service-journal-274

To ensure consistency in our approach we are **working closely with the Home Office** who lead on this work, as well as a wide range of partners, civil society, academics and law enforcement agencies. New guidance on modern slavery will be released internally in autumn 2025, followed by a policy framework in 2026.

Prisoners serving IPP sentences



On 17 July 2025, HMPPS published the annual report on the IPP sentence, pursuant to Section 67 of the Victims and Prisoners Act 2024. The report sets out the action taken across HMPPS for 2024 to 2025 to support those serving the IPP sentence in prison to work towards a safe release, and those in the community towards the termination of their licence. The report also contains a refreshed IPP action plan which HMPPS will deliver in 2025 to 2026.

Published figures show that the total IPP prison population decreased from 5,040 on 30 June 2015 to 2,544 as at 31 March 2025. Of those 2,544, 1,012 are unreleased prisoners and 1,532 are recalled IPP prisoners. There were 233 people serving IPP sentences in secure hospitals as at 31 December 2024.³⁸

The number of those serving IPP sentences in the community dropped from 3,246 as at 30 June 2022 to 1,134 as at 31 March 2025.³⁹

This large decrease comes as the government made a number of changes to the licence period for those serving IPP sentences under the **Victims and Prisoners Act** in May 2024. This reduced the period that individuals serving IPP sentences become eligible for referral to the Parole Board for consideration of licence termination, from 10 years after their initial release from prison to three years. This came into force on 1 February 2025 and meant that around 600 individuals became newly eligible for referral to the Parole Board.

The Act also introduced a new provision to automatically **terminate the IPP licence** two years after the end of the three-year qualifying period in cases where the Parole Board has not already terminated the licence and where the individual has not been recalled to prison in that subsequent two-year period. This came into force in November 2024 and resulted in 1,742 individuals having their IPP licence terminated on this date. It is anticipated that these changes will reduce the number of people serving IPP sentences in the community by around two-thirds.

Victims



The Domestic Violence, Crime and Victims Act 2004 provides the provisions for the statutory **Probation Service Victim Contact Scheme**. Victims of those convicted of a violent or sexual offence and sentenced to 12 months or more imprisonment or a hospital order have a statutory right to be offered contact by the Probation Service.

38 HM Prison and Probation Service and Ministry of Justice (2025), HMPPS annual report on the IPP sentence 2024 to 2025, available at: <https://www.gov.uk/government/publications/hmpps-annual-report-on-the-ipp-sentence-2024-to-25>

39 Ministry of Justice and HM Prison and Probation Service (2025), Offender management statistics quarterly: January to March 2025, available at: <https://www.gov.uk/government/statistics/offender-management-statistics-quarterly-january-to-march-2025>

The Victim Notification Scheme was created to enable eligible victims of stalking and harassment offences, where the current offence or sentence length is not covered by the statutory Probation Service Victim Contact Scheme, to receive information about an offender's release from custody and are able to request licence conditions.

We have considered the impact of demand reduction measures on victims and where possible have communicated proactively to advise on any changes. In 2024 to 2025, we continued to test the process of **victims observing private parole hearings** and received positive feedback from those victims engaged in the process. We rolled this out nationally on 1 April 2025.

In 2024, HMI Probation found statutory victim work to be 'outstanding' for three regional inspections: Kent, Surrey and Sussex, East of England, and Yorkshire and The Humber. The inspections noted that expectations were clearly communicated to victims, providing sufficient information for them to make informed choices.

Health and social care

We are committed to working in partnership with our health and social care partners to ensure that people in prison can access the equivalent standard and range of health and social care services as they would receive in the community. The **National Partnership Agreement on Health and Social Care in England**, published in February 2023 and set to run until the end of 2025, sets out our shared objectives with health and justice partners to deliver safe, decent and effective care that improves health outcomes in both custody and for people serving sentences in the community.

This year saw the continued delivery of the refreshed **Offender Personality Disorder Strategy**, including a review of where two new category C treatment services are to be commissioned, the opening of a supported environment for prisoners with learning disabilities at HMP Highdown, and the development of a suite of new training products for staff in prisons, based on programme learning and evidence-based practice. The **Approved Premises Mental Health Project** continues to test a collaborative approach with NHS colleagues to increase support for those in approved premises who face mental health challenges. The approach has been rolled out to three clusters of approved premises and will be evaluated in 2025 to 2026.



James McEwen
Chief Executive Officer
21 October 2025



Accountability report

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Corporate governance report

The purpose of the corporate governance report is to explain the composition and organisation of HMPPS and how these arrangements have supported the achievement of its objectives during 2024 to 2025.

Statutory background

On 1 April 2008 the National Offender Management Service (NOMS) became an executive agency of the MoJ, bringing together the Probation Service, former NOMS HQ and the Prison Service to enable more efficient and effective delivery of services.

On 1 April 2017, NOMS became HM Prison and Probation Service (HMPPS), an executive agency of the MoJ. A number of former NOMS functions transferred to the MoJ to allow HMPPS to better focus on improving operational performance in prisons, probation and youth custody.

The HMPPS Agency Board and HMPPS Leadership Team

The governance arrangements within HMPPS from 1 April 2021, as agreed by the Permanent Secretary and the HMPPS Agency Board (HAB), included:

- a minimum of four HAB meetings per year focusing on strategic priorities including performance, risk and investment
- a weekly HMPPS Leadership Team (HLT) meeting with a rotating focus on people, change, performance, finance and risk, and infrastructure

From January 2023, the HLT moved from weekly to fortnightly meetings, with the expectation that an increased level of business would be dealt with at sub-committee level, with only essential items requiring full team decisions being escalated to the HLT.

The HLT was supported by a range of sub-committees and three operational management committees – for probation, prisons and the YCS – reporting to the HLT. From September 2024, the prison and probation operational management committees were replaced with the Senior Operations Leadership Team (SOLT) meeting, chaired by the Director General Operations, which reported directly to the HLT.

From January 2025, every other HLT meeting was expanded to include the SOLT membership, who were considered as full participating members of the joint HLT-SOLT meeting.

Amy Rees left her position as Chief Executive of HMPPS to become Interim Permanent Secretary of the MoJ on 11 April 2025. Phil Copple (formerly HMPPS Director General Operations) was appointed as Interim HMPPS Director General Chief Executive Officer from 1 April 2025 until James McEwen took up the position of HMPPS Director General Chief Executive Officer from 13 October 2025. The Director General Chief Executive Officer's pay is determined under the rules set out in chapter 7.1 (Annex A) of the Senior Civil Servant Management Code. Other members of the HAB and HLT are appointed by the Director General Chief Executive Officer with the agreement of the Permanent Secretary of the MoJ. Details of the remuneration of directors of the HAB and the HLT are set out in the remuneration and staff report on pages 90 to 93.

As of 31 March 2025, the structure of the HAB and HLT was as follows.

HAB

Core members:

- Four non-executive directors (including one chairing)
- Director General Chief Executive Officer
- Director General Operations
- Executive Director, YCS
- MoJ Director, Finance Business Partnering
- MoJ People Group Director, HR Business Partnering and People Change

In attendance:

- Executive Director, Strategy, Planning and Corporate Delivery
- Executive Director, Transforming Delivery
- Executive Director, Change
- Executive Director, Rehabilitation
- Chief Operating Officer Prisons
- Chief Probation Officer
- MoJ Policy Group
- MoJ Legal
- Chief Executive Officer's Office
- Secretariat

HLT

Core members:

- Director General Chief Executive Officer – (chair)
- Director General Operations
- Executive Director, YCS
- Executive Director, Strategy, Performance and Corporate Delivery
- Executive Director, Transforming Delivery
- Executive Director, Change
- Chief Operating Officer Prisons
- Executive Director, Rehabilitation
- Chief Probation Officer
- MoJ Director, Finance Business Partnering
- MoJ People Group Director, HR Business Partnering and People Change

In attendance:

- MoJ Policy Group
- MoJ Legal
- Chief Executive Officer's Office
- Secretariat

Additional executive directors and functional lead directors are invited to attend the HAB or HLT for specific discussions related to their area.

Tajinder Singh-Matharu, Deputy Director for Performance, Assurance and Risk, attended the HLT to increase diversity of thought and perspective to discussions, as part of the business' commitment to drive diversity and inclusion across HMPPS.

Audit and Risk Assurance Committee (ARAC), HAB and HLT members in the year to 31 March 2025

Committee key:

HAB HMPPS
Agency Board

HLT HMPPS
Leadership Team

ARAC Audit and Risk
Assurance
Committee



Gerard Lemos
Lead Non-Executive Director
and Board Chair

(until 20 March 2025)

HAB (7 of 7)



Nick Campsie
Non-Executive Director

HAB (7 of 7)

ARAC (6 of 6)



Nick Folland
Non-Executive Director

(until 19 May 2024)

ARAC (1 of 1)



Jonathan Flory
Non-Executive Director

HAB (6 of 7)

ARAC (6 of 7)



Rommel Moseley
Non-Executive Director

HAB (5 of 7)



Mark Lloyd
Non-Executive Director

ARAC (7 of 7)



Heather Savory
Non-Executive Director

(until 19 May 2024)

HAB (0 of 0)

ARAC (1 of 1)



Amy Rees
Director General
Chief Executive Officer

HLT (26 of 31)

HAB (7 of 7)

ARAC (6 of 7)



Phil Copple
Director General Operations

HLT (24 of 31)

HAB (6 of 7)

ARAC (5 of 7)

Committee key:

HAB HMPPS
Agency Board

HLT HMPPS
Leadership Team

ARAC Audit and Risk
Assurance
Committee



Jim Barton
Executive Director,
Change

HAB (26 of 31)

ARAC (5 of 7)



Ed Cornnell
Executive Director,
YCS

HLT (26 of 31)

HAB (3 of 7)



Matt Grey
Executive Director,
Rehabilitation

HLT (26 of 31)



Dominic Herrington
Executive Director,
Transforming Delivery

HLT (29 of 31)



Michelle Jarman-Howe
Chief Operating Officer
Prisons

HLT (27 of 31)



Hannah Meyer
Executive Director,
Strategy, Performance
and Corporate Delivery

HLT (26 of 31)

ARAC (6 of 7)



Kim Thornden-Edwards
Chief Probation Officer

HLT (20 of 31)



Caroline Patterson
MoJ Director,
Finance Business Partnering

(until 7 March 2025)

HLT (22 of 29)

HAB (5 of 5)

ARAC (6 of 7)



Paul Henson
MoJ Director,
Finance Business Partnering

(from 10 March 2025)

HLT (1 of 1)

HAB (2 of 2)

ARAC (0 of 0)

Committee key:

HAB HMPPS
Agency Board

HLT HMPPS
Leadership Team

ARAC Audit and Risk
Assurance
Committee



Dave Mann
MoJ Director,
People Services

(from 1 April 2024
to 28 July 2024)

HLT (2 of 10)

HAB (0 of 3)



Louise Alexander
MoJ Director, HR Business
Partnering and People Change

(from 29 July 2024)

HLT (13 of 31)

HAB (4 of 4)

From January 2025 onwards, every other HLT meeting was expanded to include the SOLT membership, as listed below. They were considered as full participating members of HLT for the expanded meetings.

Chris Jennings
Area Executive Director,
South-West, South-Central
and Public Protection Group

HLT (2 of 2)

Alan Scott
Area Executive Director,
North-West and
Women's Group

HLT (1 of 2)

Sarah Coccia
Area Executive Director,
London

HLT (2 of 2)

Ian Barrow
Executive Director,
Wales and CAS

HLT (2 of 2)

Helen Judge
Area Executive Director,
North-East, Yorkshire,
The Humber

HLT (1 of 2)

Sarah Chand
Area Executive Director,
Midlands

HLT (1 of 2)

David Hood
Area Executive Director,
South-East Eastern

(until 20 March 2025)

HLT (1 of 2)

Richard Vince
Executive Director,
Security

HLT (2 of 2)

Robin Seaton
Interim Executive Director,
Contracted Operational Delivery
(until 13 April 2025)

HLT (2 of 2)

Changes, new members and departures during the reporting period

Nick Folland
Non-Executive Director

(until 19 May 2024)

Paul Henson
MoJ Director,
Finance Business Partnering

(from 10 March 2025)

Louise Alexander
MoJ Director, HR Business
Partnering and People Change

(from 29 July 2024)

Heather Savory
Non-Executive Director

(until 19 May 2024)

Gerard Lemos
Lead Non-Executive Director
and Board Chair

(until 20 March 2025)

Caroline Patterson
MoJ Director,
Finance Business Partnering

(until 7 March 2025)

Dave Mann
MoJ Director,
People Services

(from 1 April 2024
to 28 July 2024)

Changes to the ARAC, HAB and HLT since 1 April 2025

Amy Rees
Director General
Chief Executive Officer

(until 11 April 2025)

Phil Copple
Interim Director General
Chief Executive Officer

(from 1 April 2025 to
12 October 2025)

Michelle Jarman-Howe
Interim Director General
Operations

(from 1 April 2025)

Sarah Coccia
Interim Chief Operating Officer
Prisons

(from 1 April 2025)

Robin Seaton
Interim Executive Director,
Contracted Operational Delivery

(until 13 April 2025
and from 14 July 2025)

Neil Richards
Executive Director,
Contracted Operational Delivery

(from 14 April 2025 to
11 July 2025)

Gabriel Amahwe
Area Executive Director,
London

(from 21 April 2025)

Sara Robinson
Area Executive Director,
South-East Eastern

(from 28 April 2025)

Dame Glenys Stacey
Non-Executive Director,

(from 19 May 2025)

Ed Cornmell
Executive Director,
YCS

(until 8 June 2025) and
Executive Director, Long-Term
High Security Estate
(from 9 June 2025)

Sonia Brooks
Interim Executive Director,
YCS

(from 18 June 2025 to
21 September 2025)

Ben Charnock
Interim Executive Director,
Strategy, Performance
and Corporate Delivery

(from 8 July 2025)

Alison Clarke
Executive Director, YCS

(from 22 September 2025)

James McEwen
Director General
Chief Executive Officer

(from 13 October 2025)

Governance statement

Introduction

HMPPS is an executive agency of the MoJ. Its duties are to implement the sentences and orders of the courts, to protect the public and rehabilitate offenders. The organisation operates in accordance with its published Framework Document which sets out the arrangements for the governance, accountability, financing, staffing and operation of the agency, agreed between the Secretary of State for Justice and the agency Chief Executive Officer and approved by the Chief Secretary to HM Treasury.³⁸

As Director General Chief Executive Officer, I am the Accounting Officer for HMPPS and responsible for the day-to-day operations and administration of the agency and leadership of its staff. I am accountable to the MoJ Permanent Secretary and Principal Accounting Officer, and ultimately to Parliament.

Throughout the year the HLT and the HAB have maintained close scrutiny of day-to-day business, risk, performance and financial expenditure through formal governance arrangements. Actions have been taken to respond to issues and mitigate risks to the business as necessary. Specific actions have been taken in response to significant risks and issues, set out from page 27.

The remainder of this statement explains in more detail the arrangements in place to govern HMPPS from 1 April 2024.

Governance framework

Overall responsibility for HMPPS rests with me as the Director General Chief Executive Officer, supported by the HAB and HLT. I am also a member of the MoJ Departmental Board, chaired by the Secretary of State for Justice, and a member of the MoJ Executive Committee, chaired by the Permanent Secretary.

I have regular meetings with the minister with responsibility for prisons and probation and with the Secretary of State for Justice.

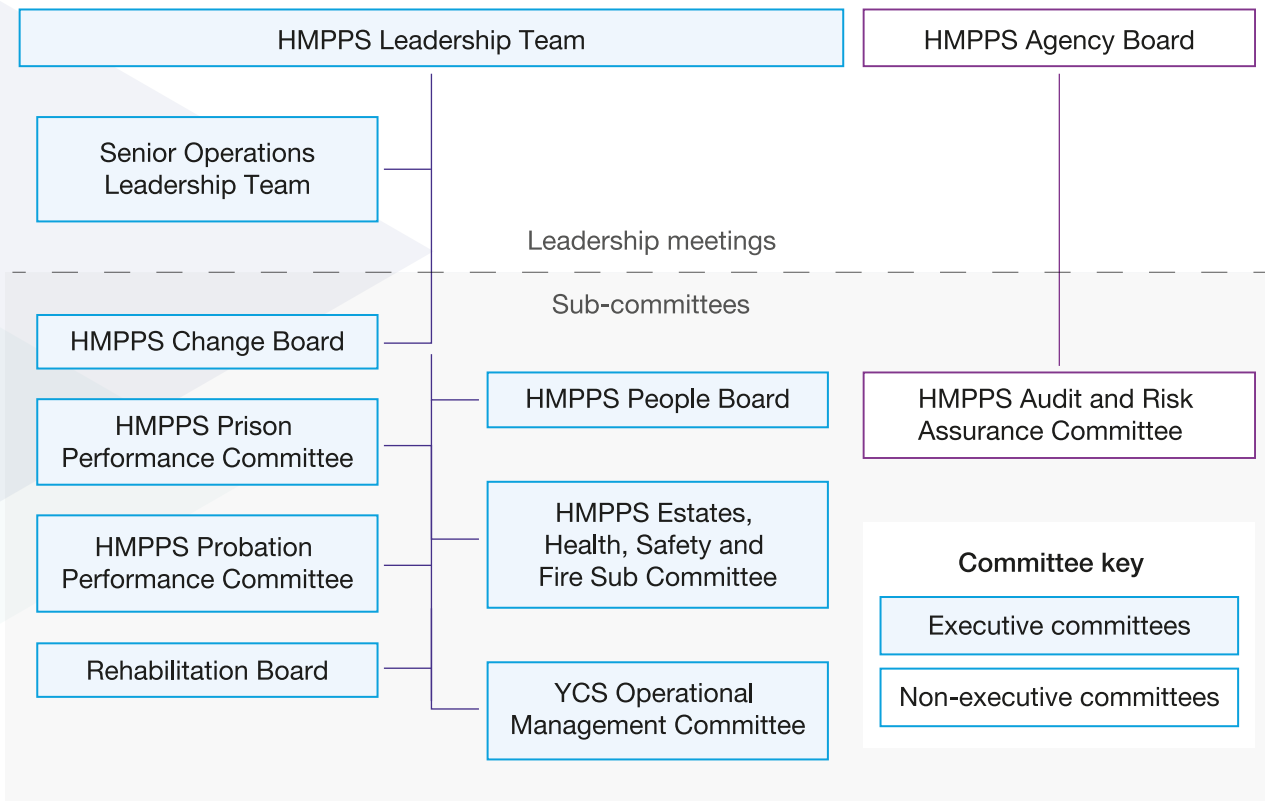
HMPPS governance structure as of March 2025

The HMPPS governance team undertook a governance review in 2024 of the executive-level meetings, which led to a restructure to enable faster decision making, reduce duplication and streamline governance routes. The restructure was fully effective by March 2025.

- The Probation Operational Management Committee and the Prison Operational Management Committee were stood down and replaced with the SOLT. The SOLT brings together senior operational leaders to discuss and make decisions on cross-cutting operational issues and reports directly to the HLT. In January 2025, every other HLT meeting was expanded to include the SOLT membership.
- The governance review additionally established a Change Board, which replaced the Change Portfolio Board, the Commercial Sub-Committee and the Digital and Data Sub-Committee.
- The committee known as the People Sub-Committee was refreshed and renamed the HMPPS People Board.

³⁸ Ministry of Justice (2022), Ministry of Justice: arm's length bodies framework documents, available at: <https://www.gov.uk/government/publications/ministry-of-justice-arms-length-bodies-framework-documents>

The key governance structures in place as of 31 March 2025 are shown below.



HMPPS Agency Board Chair's report

I was appointed interim Chair of the HMPPS Board in May 2025 and begin what I hope will be the first of many annual updates by thanking my predecessor, Lord Gerard Lemos, for his two terms of leadership through often difficult times, including the COVID-19 pandemic and the culmination of the prison capacity crisis during 2024.

Considerable challenges remain in both the prison and probation services, but we end 2024 to 2025 in a better place strategically than I have known during my years of involvement with the criminal justice system. For all that time, successive administrations have been reluctant to acknowledge the root cause of many of HMPPS's performance challenges: more prisoners and people on probation than our supply of staff and physical infrastructure have been able to manage. Two recent developments give the Board optimism that we may in the coming years restore balance to that equation, namely the Independent Sentencing Review, which will address the growth of the prison population, and the recent Spending Review which will allow us to build new prison capacity and invest in the size and capability of our Probation Service.

Capacity has not been the only cause of our performance issues, and there are multiple other aspects of our operations that demand attention. Even with new prisons, additional probation staff, and the Independent Sentencing Review, our resources will remain stretched. But the Board are hopeful that the underlying cause of many of our challenges has been acknowledged and is now being addressed.

My colleagues and I have the privilege of spending time in our probation offices and prisons. I wish more people could see what we do: tireless, dedicated staff who go the extra mile in often trying circumstances to keep the public safe and help rehabilitate those in their charge. On behalf of the HMPPS Board, I thank you all.

Membership of HMPPS's senior management team can be an equally thankless role. The calmness, determination, and resilience our executive team bring to one of the most demanding challenges in public service is hugely appreciated. This year marks an important leadership transition, and I am delighted to welcome James McEwen as our new Chief Executive Officer. James joins us with a strong track record and commitment to our mission, and the Board look forward to working with him as we build on recent progress.

I would also like to pay tribute to Amy Rees, whose leadership as Chief Executive Officer has left a lasting impact on HMPPS. Amy's vision and determination strengthened our operational resilience and advanced our reform agenda. My thanks also go to Phil Copple, who stepped in as Interim Chief Executive Officer during this period of transition. Phil's leadership, deep operational knowledge and respect from key stakeholders ensured continuity at a critical time.

The Board are realistic that the year ahead will bring further challenges. But we end this one with reasonable optimism that we have the building blocks in place to guide HMPPS to a level of performance we can all be proud of.

Nick Campsie

HMPPS interim Agency Board Chair
Non-Executive Director

HMPPS Agency Board

Chair:	HMPPS non-executive director
Frequency:	Five during the year
Composition as at 31 March 2025:	
By position:	Three non-executive directors (plus one vacancy), two directors general, three executive directors
By gender:	Two female, six male

Role of the HAB

The HAB gave direction to, and drove achievement of, the objectives of the agency's operations. It ensured the following were in place:

- competent and prudent management
- sound planning
- proper procedures for the maintenance of adequate accounting
- other records and systems of internal control and compliance with legislative and corporate governance requirements, including relevant sections of the Corporate Governance Code for Central Government Departments

The agendas and reports presented to the HAB ensured a strategic focus on key priorities and their delivery, and included deep dives on significant issues, such as actions to address prison capacity pressures and steps to further improve the Probation Service.

The HAB's responsibilities included:

- agreeing the vision and strategy of the agency and aligning the values of the agency with those of the Civil Service Code (integrity, honesty, objectivity and impartiality)
- agreeing appropriate governance and internal controls, including processes to ensure sound financial management and good value for money
- agreeing processes to manage financial and performance risks
- supporting the HLT to deliver operations

Some of the key issues and reports discussed during the year included:

- supply and demand/prison capacity – including the management and escalation of critical capacity pressures, and continued action to expand supply, reduce demand and maximise the use of the existing estate

- a 10-year Prison Capacity Strategy to set the long-term supply line for the prison estate and its alignment with the Annual Statement on Prison Capacity, the Spending Review and the Sentencing Review
- the future strategy to transform the Probation Service, to tackle current challenges and ensure future delivery is sustainable, high-quality and can successfully deliver the Sentencing Review outcome
- the approach to future funding and the subsequent Spending Review, aiming to put the department in as strong a position as possible to facilitate the delivery of MoJ and HMPPS strategic objectives
- the Independent Sentencing Review and how the MoJ will assess the potential impacts of the review's recommendations on operational delivery partners and organise itself to oversee implementation of the recommendations
- progress of the Independent Review of the Criminal Courts and the potential impacts on HMPPS
- drugs in prison, including the impact of existing interventions and mitigations and the approach to managing new threats
- regular oversight of performance, risk, finance and change – including the Audit and Risk Assurance Committee (ARAC) chair's reports and corporate risk register, change portfolio and management accounts updates, as well as prison, probation and YCS performance packs

Managing conflicts of interest

At the beginning of every HAB meeting, all members are asked to declare any new potential conflicts of interest. These are noted in the minutes, along with the appropriate action taken to manage them such as members withdrawing from discussion relating to those interests. HAB and HLT members are also asked to review and update the conflicts of interest record at least annually.

Audit and Risk Assurance Committee chair's report

I would like to thank my fellow committee members for their commitment and contribution throughout what has been another challenging year for the agency. I would particularly like to thank both Amy Rees and Phil Copple for their respective tenures as HMPPS Chief Executive, and for their excellent engagement with this committee.

The ARAC provides advice to the HAB and to the Chief Executive Officer in their role as Accounting Officer on governance, risk management and internal control. During the year, the Committee met formally four times, with additional extraordinary meetings where required, and continued to exercise its review, challenge and advisory functions. Members also attended briefing sessions and undertook visits to prison and probation establishments to maintain a clear understanding of operational realities.

Membership of the Committee changed during the year. We welcomed Rommel Moseley as an independent member in March 2025, joining Mark Lloyd and myself. I would like to thank Nick Campsie and Nick Folland for their contributions during their tenure. Our latest effectiveness review in November 2024 confirmed that ARAC continues to operate effectively, with improvements adopted to strengthen financial oversight and prioritise accounting expertise in future recruitment.

The operating environment for HMPPS has remained extremely demanding. Capacity pressures across prisons and probation dominated risk management discussions, alongside the need to stabilise performance and maintain safety. While the agency achieved full staffing complement in prisons, probation continues to face workload and quality challenges and current performance is unsatisfactory. Wider societal issues and rapid technological change have contributed to rising risks, including drugs ingress and violence. I commend the leadership for navigating these pressures and implementing measures such as SDS40 and Probation Reset, while recognising that overall risk levels remain too high.

The Committee has focused on supporting improvements in risk management processes, including greater consistency in regional reporting and the introduction of new strategic risks for sustainability and ingress. However, progress in reducing corporate risk remains limited, and we have urged continued prioritisation of control measures, particularly around prison security, staff safety and rehabilitation activity.

On financial stewardship, ARAC scrutinised the production of the 2024 to 2025 accounts. Delays in external audit, including dependencies on the Local Government Pension Scheme, mean that accounts will again be laid later than desirable. We hope to see a return to more timely reporting in future years. Internal audit has continued to provide valuable assurance, and we note the Head of Internal Audit's 'moderate' opinion as fair in the context of the year's challenges.

Looking ahead, our priorities include supporting the agency to stabilise probation performance, strengthen prison regimes, and deliver the remaining prison build programme. We will also maintain focus on emerging risks such as cyber threats, AI, and sustainability, and continue to challenge the agency to bring risk levels back within tolerance.

On behalf of the Committee, I would like to thank colleagues across HMPPS and our partners in internal and external audit for their support and engagement. We look forward to continuing our work in the year ahead.

Jonathan Flory

Non-Executive Director, Chair of the HMPPS Audit and Risk Assurance Committee

HMPPS Audit and Risk Assurance Committee

Chair:	HMPPS non-executive director
Frequency:	Four meetings plus three extraordinary meetings during the year
Composition as at 31 March 2025:	
By position:	Three non-executive directors
By gender:	Three male

Role of the ARAC

The ARAC is an advisory body providing independent advice on governance, risk management and control issues, and on the internal audit work programme. It provides scrutiny of the accounts and considers key recommendations from internal audit reports and the National Audit Office.

Key issues and reports discussed during the year included:

- prison capacity and supply and demand – including assurance on new prison builds
- probation performance and data measurement – including the future strategy to transform the Probation Service
- the impact of drugs in prisons and disruptions to conveyancing routes
- safety and violence in prisons
- safeguarding and safer recruitment within the YCS
- the use of artificial intelligence within HMPPS and associated cyber risks
- regular oversight of performance, risk, finance and performance – including the corporate risk register, counter fraud, bribery and corruption updates, the annual report and accounts, and internal audit recommendations
- climate and sustainability

Managing conflicts of interest

At the beginning of every ARAC meeting, all members are asked to declare any new potential conflicts of interest. These are noted in the minutes, along with the appropriate action taken to manage them such as members withdrawing from discussion relating to those interests.

HMPPS Leadership Team	
Chair:	HMPPS Chief Executive Officer
Frequency:	Twice a month
Composition as at 31 March 2025:	
By position:	Two directors general, nine executive directors and an additional nine executive directors every other meeting when SOLT members are invited
By gender:	Eight female, 11 male (plus one vacancy)

Role of the HLT

The HLT is responsible for supporting the day-to-day management of the business. This includes all agency-wide corporate and operational issues, as well as prison, probation and YCS performance, finance, and risk management. It is supported by the SOLT and the Youth Custody Operational Management Committee chaired by the Director General Operations and the Executive Director of the YCS respectively, and the sub-committees shown on the governance chart on page 61.

Key issues and reports discussed during the year under review included:

- **prison capacity** – mitigations to address acute demand pressures across the estate, with continued action to expand supply, reduce demand and maximise the use of the existing estate
- **Our Future Probation Service programme** – to shape the service going forward, including the approach to probation capacity and performance
- security stocktake – significant security risks for the organisation, their impact on prison and probation, and strategies to address these evolving challenges
- strategic financial planning including allocations and the corresponding financial risks and pressures
- **OneHMPPS** – including HQ and area model implementation designed to improve the service quality and efficiency across all of HMPPS by joining up prison and probation operations and redefining HQ to deliver more efficient and effective support to frontline services
- **secure schools** – linking to the Children and Young People in the Secure Estate Strategy

- **professional standards and behaviours guidance** – to set out the clear expectations of professional standards of behaviour across HMPPS
- **digital priorities and approach to AI** – progress and opportunities of digital and technology transformation initiatives
- climate change and sustainability transition risks and opportunities
- **regular oversight of performance and assurance, risk, finance, change, security and staffing information** – including the corporate risk register, change portfolio and management accounts updates, and prison, probation and YCS performance packs

Details of HAB, HLT and ARAC membership, including attendance records, can be found page 55 to 59.

HLT sub-committees as of 31 March 2025

- **Senior Operational Leadership Team** – to provide oversight and take necessary decisions regarding the cross-cutting operational issues for prisons and probation.
- **YCS Operational Management Committee** – to oversee and take any necessary decisions regarding the day-to-day delivery of youth custody (public and private sector) including risk, assurance and finances.
- **Probation, Prison and YCS Performance Committees** – to oversee and take any necessary decisions regarding the performance of probation, prison and YCS (public and private sector), including issues that are delivered by other directorates, or the wider MoJ, which impact on performance.

- **Estates, Health, Safety and Fire Sub-Committee** – to provide strategic oversight and guidance across all prison, probation and YCS estate projects and provide direction to the management of occupational health, safety and fire across HMPPS, ensuring that strategic systems for their management are adequate.
- **HMPPS People Board** – to support the HLT in its leadership and management of people strategies to improve the co-ordination of design, decisions and implementation of cross-cutting programmes of work.
- **HMPPS Change Board** – to be the decision-making body for change activity across HMPPS, providing senior leadership and challenge to ensure that delivery and operational impact of change are effectively managed and considered.

Additional executive committees

- **Rehabilitation Board** – to make cross-cutting strategic decisions to drive the solutions and system reform required to deliver on the ambitions of the HMPPS Rehabilitation Strategy.
- **Finance Advisory Committee** – to provide advice and support for financial issues and decisions due to be considered by the HLT, sub-committees and MoJ finance governance. To provide financial scrutiny of HMPPS – including financial planning, governance, monthly management accounts and wider accounting implications of investment proposals.

Business appointment rules

All officials are subject to rules on accepting outside appointments after leaving the Civil Service. The purpose of the business appointment rules is to avoid:

- the risk that an employer might gain an improper advantage by appointing a former official who holds information about its competitors, or about impending government policy
- any suspicion that an appointment might be a reward for past favours
- the risk of a former official improperly exploiting privileged access to contacts in government
- unfair questioning or criticism of the integrity of former civil servants

Full details on the business appointment rules, including when they apply and the application process, can be accessed by all employees via the intranet. All exit management letters contain wording on the business appointment rules as a reminder to employees of their obligations.

The MoJ has a clear procedure in place for considering applications under the business appointment rules from employees at grades SCS2 and below. The process is managed by the People Policy team and includes input from the individual, their line manager, the Chief Commercial Officer and the Director General People and Capability. In exceptional cases the Permanent Secretary is consulted on business appointment rule applications.

MoJ liaises with the Advisory Committee on Business Appointments for applications from ministers and directors general (SCS3) and above.

During 2024 to 2025 there were 35 exits from the department at Senior Civil Service (SCS) level. 24 business appointment rule applications were made as follows:

- Ministers:
 - seven ministerial applications

- Civil servants:
 - one SCS3 application
 - four SCS2 applications
 - three SCS1 applications
 - three Grade 6 applications
 - two Grade 7 applications
 - four applications were below Grade 7

No applications were found to be unsuitable for the applicant to take up. All applications below SCS2 were approved with conditions set. The Advisory Committee on Business Appointments determines the outcome and any conditions set for SCS3 and above. There were no known breaches of the business appointment rules.

In compliance with business appointment rules, the department is transparent in the advice given to individual applications for senior staff, including special advisers. Advice provided by the department on specific business appointments has been published at: www.gov.uk/government/publications/moj-business-appointment-rules. The Advisory Committee on Business Appointments publishes advice on business appointment rule applications for Director General SCS3 and above at: www.gov.uk/government/organisations/advisory-committee-on-business-appointments.

Declarations of interest

MoJ's Declaration and Management of Outside Interests Policy is based on Cabinet Office guidance and is available to all employees via the intranet. The policy sets out the expectations and process for declaring an interest. It is the responsibility of individuals to declare all interests (actual, potential or perceived) that could be relevant to their role. Failure to do so could result in action being taken against the individual in line with the relevant conduct or discipline policy.

MoJ holds a central register of declarations of interests for all members of the SCS. This includes details of any financial interests declared, secondary employment and appointments, personal interests, and any other relevant interests. There is an annual declaration of interest exercise and individuals are required to submit an updated declaration when there is a change in circumstance during the year. Declarations of interest for employees in the delegated grades are recorded and managed locally.

In line with the Declaration and Management of Outside Interests Policy, details of all SCS who have declared outside employment, work or appointment which is paid or otherwise remunerated can be found at: www.gov.uk/government/publications/ministry-of-justice-register-of-senior-civil-servant-secondary-paid-employment/ministry-of-justice-register-of-senior-civil-servant-secondary-paid-employment.

Oversight and assurance arrangements

The HAB provides scrutiny of performance, risk management, systems and financial accounts.

The HLT exercises oversight of the performance of HMPPS on behalf of the HAB by:

- using the performance, risk and planning framework to check progress against delivery of HMPPS' key priorities
- receiving reports on the in-year financial position and updates on the progress of major change projects and programmes, based on agreed thresholds, on any issues that arise (for example: overspend and significant risks to delivery)
- agreeing delegations to directorates and throughout the governance structure to ensure the right decisions are being taken by the right people in the right place, while ensuring the HAB is provided with the appropriate level of assurance

The HAB also considered information from a range of external sources which included:

- HM Chief Inspectors of Probation and Prison and Independent Monitoring Boards
- the Prisons and Probation Ombudsman
- the National Audit Office
- the Youth Justice Board

In addition, one of the key sources of independent assurance within HMPPS came from the internal audit service delivered by the Government Internal Audit Agency. Arrangements are in place to ensure that I am made aware of any significant issues which indicate that key risks are not being effectively managed.

I am assured that the internal audit service complies with the Public Sector Internal Audit Standards.

Government Internal Audit Agency

The Government Internal Audit Agency (GIAA) continues to provide a 'moderate' annual opinion for HMPPS, defined as "some improvements are required to enhance the adequacy and effectiveness of the agency's framework of governance, risk management and control".

The audit programme for the year focused on key operational processes and areas of strategic change for HMPPS. Coverage has included prison safety, workforce and skills, rehabilitation and resettlement, offender management and organisational assurance. GIAA has also provided ongoing assurance of key projects in HMPPS.

GIAA outlines that capacity continues to be the biggest risk and most pressing issue for HMPPS. Initiatives to relieve acute pressure in the adult male estate have avoided absolute capacity being reached, but this pressure has been spread across the wider system and changes in demand are still widely deemed to be required to ensure sustainable stability. Thematic consideration of the effect of prison capacity on operational activity this year found instances where activities were stretched or affected by capacity pressures, often due to disruption related to increased movement of prisoners, but did not find critical failures in key safety or security processes.

GIAA notes that despite system-wide capacity pressures, HMPPS has maintained a focus on improvement. An audit of prison officer skills found that the Enable programme set an ambitious blueprint for future skills in the service, informed by available research and the findings of previous reviews. Plans for rollout are robust but recognise the scale of intended change to culture and ways of working. SDS40 helped to ensure prison capacity did not affect wider justice and policing systems but resulted in significant increases in probation caseloads. This in turn has prompted HMPPS to review delivery models for community supervision through Probation Reset and Our Future Probation Service.

GIAA outlines that the OneHMPPS change programme has transitioned to business as usual and the area executive director operating model is established, providing geographical oversight of prisons and probation operations. A number of GIAA's reviews covered custodial to community transitions, including domestic abuse and resettlement services. These audits found a broadly improving picture, but significant opportunities for ongoing improvement through better alignment of systems and working practices. An audit of first line assurance activities also highlighted the extent to which assurance and oversight processes in different areas of the organisation had diverged and diversified over time and made recommendations to consider them jointly in the context of a national framework in future.

GIAA attended several key change programme boards and the Portfolio Board to provide real-time assurance on the delivery of key change activity in the organisation. GIAA has consistently found major projects and programmes to be well led and related governance arrangements to be operating effectively. Notwithstanding, external factors and challenging operating environments mean a number of key programmes relating to capacity are not expected to deliver to intended costs or timeframes. GIAA's departmental review of the availability and prioritisation of project delivery resources found opportunities to improve early-stage evaluation of support requirements and visibility and prioritisation of needs at a portfolio level.

GIAA has continued to undertake cross-departmental audits, covering functional areas where HMPPS works in partnership with other parts of the department. GIAA has highlighted a number of areas where controls should be strengthened or improved, including assurance of performance management activity and the implementation of improvements to address risks relating to estates asset data.

Internal assurance

As well as GIAA, sources of internal assurance from which the Accounting Officer draws include:

- annual assurance statements from each of the directors covering the key systems for which they are responsible
- a second line assurance function, reviewing operational delivery
- bilateral meetings with the lead non-executive director to discuss any concerns they may have
- regular reports from managers on the steps they are taking to manage risks in their areas of responsibility including progress reports on key projects
- corporate oversight of high-value contracts and operational assurance activity to confirm the quality of contractual service delivery
- a report from the chair of the ARAC
- attendance at the ARAC

The Performance, Assurance and Risk Group, part of the Strategy, Performance and Corporate Delivery Directorate, designs, co-ordinates and carries out most of the second line assurance activity of the services managed by HMPPS to ensure a national and consistent approach to quality assurance and operational assurance. This includes adult and youth custodial establishments, both private and public, the Probation Service, electronic monitoring services, and assurance activity of other providers of some contracted services.

The schedule of delivery reflects commitments to populate the performance frameworks for prison and probation and is formally agreed at agency performance committees. The second line function works collaboratively with key stakeholders within HMPPS and with external stakeholders in the third line of assurance such as the GIAA and HM inspectorates to identify the key risk areas to be covered by audit activities. First line assurance focuses on operational day-to-day assurance and risk management, and is the responsibility of the frontline operational functions. The second line assurance function supports and enhances this with provision of tools and training to drive consistency and effectiveness in local assurance. The findings of the second line audits and surveys are used to provide a summary of key issues and promising practice on prison and probation performance at prison and regional probation level and to deliver aggregated national findings in thematic reports across a range of forums, boards, and meetings, identifying key issues and themes to inform commissioning, service and system development priorities. Assurance is provided to the Board and Accounting Officer through the Prisons and Probation Performance Committees. These HLT sub-committees provide regular information to HLT for oversight of operational delivery.

Independent oversight of assurance arrangements

HMPPS is subject to independent external scrutiny and oversight in a number of areas, including by the:

- Parliamentary Public Accounts Committee and Justice Select Committee inquiries, National Audit Office reports (including value for money) and the audit report for the annual report and accounts
- HM Chief Inspector of Prisons publications and annual report
- HM Chief Inspector of Probation publications and annual report
- Prisons and Probation Ombudsman
- feedback from the Major Projects Review Group
- Independent Monitoring Board regular reports
- Ofsted reports
- lay observers

Quality of information

HMPPS recognises the need to ensure the HAB, HLT and sub-committees receive sound advice and information to enable informed decisions to be made. The Board Secretariat works with teams to ensure the information provided is of a good quality, with a template used for committee papers, structured to ensure risks and resource implications are highlighted and to ensure sufficient engagement and challenge during discussions. The structure and information contained in regular agenda items has been reviewed, improved and updated over the course of the year. The HAB was content that the data it was provided with was adequate, timely and comprehensive and there were robust arrangements for reviewing and checking data.

Financial delegations

At the start of the 2024 to 2025 financial year, the Permanent Secretary provided me with a delegation letter encompassing all aspects of the agency's spend and laying out the key conditions that I, as Accounting Officer for HMPPS, and all staff within the agency, must adhere to.

To enable efficient operational delivery, the agency operates a scheme of delegation that cascades down through the organisation from the Permanent Secretary to myself, as Chief Executive Officer, and on to all budget holders, including the frontline probation delivery units and public sector prisons. Where a full delegation is not required, a statement of financial authority and/or a manual payment authority may be issued to staff who commit expenditure on behalf of the budget holder.

The delegation letter follows a standard format that is used across the department and specifies the recipient's responsibilities as budget holder. The delegation letter also provides details of the funding allocated at each level and although a budget may be sub-delegated, the accountability for the use of the budget remains with the main budget holder. Adherence with the terms and conditions of each delegation is monitored through the line management chain with specialist finance support provided from MoJ Finance under a functional leadership model. Cost centre budget holders are appropriately supported by finance business partners and provided with monthly management accounts to enable effective decision making. Other specialist finance support may be accessed via the finance business partners as and when required.

HMPPS is subject to a collection of spending controls, some dictated by HM Treasury, some by the Cabinet Office, with the remainder specified by the MoJ. These controls are notified via the delegation process, and the importance of compliance is reinforced via the licence to operate training.

Other controls also exist to reduce the risk of fraud or error, including system-based controls within the departmental enterprise resource planning, the Single Operating Platform and segregation of duty controls.

Value for money and financial performance

HMPPS ensures it has transparency and control over value for money and financial performance through a variety of control mechanisms. Budget holders are supported in their duties by a team of professional finance business partners who act as critical friends to the business and provide specialist advice as required. Oversight and challenge is achieved through the following arrangements.

Control frameworks

- Detailed monthly reporting to HLT on in-year financial performance against its delegated resource and capital budgets. Corrective actions are identified and implemented if required. This is supported by regular meetings I hold with budget holders across the agency on financial performance with clear lines of accountability on budget and commercial delegations. The agency met its financial allocation on both resource and capital in 2024 to 2025, despite inflationary pressures, increased demand across the system and the challenging operating environment.
- Budgets are agreed through an allocation process which requires HLT discussion and approval while reviewing the agency priorities and pressures including changes in prison and probation population, pay and non-pay inflation, and ministerial priorities.
- Resource and capital budget allocations are aligned to the priorities set out in the department's Outcome Delivery Plan and are delegated to budget holders in line with our formal processes.
- Budgets and in year financial performance are approved and regularly monitored by the HAB, informed by timely data and insight produced by the finance function.
- Individual decisions for approval by HLT require exposition of any financial implications including affordability.
- The HMPPS Finance Advisory Committee identifies and initiates actions to address any financial and management accounting issues as required.
- Formal review and oversight is provided by the ARAC. HLT continues to focus on improving financial management, to ensure spend is tracked and actively re-prioritised to maximise opportunities and mitigate risks and pressures while taking the wider MoJ financial position into account. This includes quarterly reviews of in-year and medium-term financial plans, and a continued focus on encouraging realistic and accurate forecasting.

Key changes and improvements

- The budget framework and financial management of operational budgets are being redesigned so that they reflect and enable the new area model of delivery in regions which are now fully embedded following the completion of the OneHMPPS programme.
- We continue to focus on capital forecasting, as part of a wider cross-government focus on ensuring we continue to improve our performance.
- We are seeking to improve the cost estimates that inform our business cases for building on existing good practice to ensure we have confidence in our modelling and understanding of financial risk.

As well as the above, I, as HMPPS Accounting Officer, receive formal Accounting Officer advice on all major business cases such as the prison capacity programme and other significant decisions. The advice covers the four Accounting Officer responsibilities of regularity, propriety, value for money and feasibility to ensure that I discharge my responsibilities in line with HM Treasury policy.

Risk management

GIAA tests HMPPS controls and compliance through an agreed audit programme that is reviewed and approved by the HMPPS Accounting Officer, HLT and the ARAC.

The management of our capacity risk has remained a significant challenge, and responses over the course of the year included the standing up of Gold Command, the use of police cells (Operation Safeguard), and logistical flow management of prison capacity across the estate through the deployment of Operation Early Dawn. Further scenario planning was conducted to assess our resilience to capacity being reached, to enable a swift deployment of actions in that event.

In the autumn, the implementation of SDS40 resulted in temporary relief of the prison capacity crisis and the standing down of the above responses. However, HMPPS ended the year with capacity in the male estate over 99%, although the opening of HMPPS Millsike and the extension of HDC from six months to 12 months are expected to drive this figure down in the short term.

The corporate risk team now includes a resilience function, which assesses grip and readiness of teams managing risks that are approaching crystallisation. By reporting on the strength of system continuity where effective management of a risk has failed, it is expected that our organisation can gain a more informed understanding of its potential response to both chronic threats and shock events.

HMPPS has continued to develop its risk management reporting processes, and the introduction of tolerance levels in the previous year has prompted a stronger focus on how we assess our principal risks and stimulate downward pressure upon them. This is resulting in the reporting of flightpaths and the development of an action planning approach to control management that we hope stimulates improvement. We expect to see the impact of this throughout 2025 to 2026.

Information security and assurance

HMPPS is committed to ensuring effective information management and security and is alert to the risks surrounding information assets. The information security team moved from HMPPS to the MoJ in August 2023 to enable closer working with its MoJ counterparts.

The HMPPS Senior Information Risk Owner (SIRO) continues to form part of the functional and executive agency SIRO board which meets every quarter as an Information and Security Risk Board. This enables active senior monitoring of the department's key and cross-cutting security information and personal data risks which have been captured in a department-wide information and security risk register. The board is chaired by the MoJ Director General for the Service Transformation Group, who is also the Executive Committee lead for information and security risk. The board is attended by the department's Data Protection Officer, Chief Security Officer, Chief Information Security Officer and agency SIROs. The board is supported by sub-committees covering physical, personnel, cyber and data, and information security. The board also holds a risk register, owned by the HMPPS SIRO.

All new SIROs and information asset owners receive training to ensure they are following best practice and Cabinet Office policies. All SCS1s, governing governors, and heads of probation delivery units are information asset owners and receive guidance and training to support them in their role. A programme of work continues to review and update security policies and guidance for both technical and general users to ensure they are fit for purpose and align with the existing government functional standards. HMPPS currently holds their own policies which dovetail into and are used in conjunction with MoJ policies. In 2024 to 2025 the Security and Information Directorate reviewed 386 policy documents and developed a plan for 138 items which require updates. These updates are in progress.

The MoJ Chief Security Officer oversees the security, information management, data protection and counter fraud divisions of the MoJ to ensure it is able to meet data protection and government security obligations as well as reducing cyber threats. This also includes the responsibility for HMPPS information and security assurance, following the OneHMPPS functional change programme of 2023.

The Security and Information Directorate:

- investigates information security-related incidents when required, as well as acting as the HMPPS liaison with the Information Commissioner's Office (ICO) on all self-reported serious data breaches
- oversees records management on behalf of the HMPPS estate, offering specialist information assurance advice to programmes, projects and suppliers of services to HMPPS
- sets security and data protection standards for suppliers and partners that HMPPS works with to ensure that information and services are appropriately protected
- provides support to ensure compliance with data protection standards, which includes reviewing and approving data protection impact assessments, assessing data sharing agreements and delivering data protection training

MoJ information security team

In October 2023, the MoJ Cyber Security Strategy was published which focussed on improving the cyber resilience of critical services. As part of the strategy implementation throughout 2024 to 2025, security assurance across HMPPS services and contracts were being enhanced. GovAssure, the new government cyber assurance framework, was being used across all critical services in the department. During 2024 to 2025 work has continued on assessing the systems HMPPS relies on via the GovAssure process, including updating the list of systems that need to be assessed. Digital Prison Services, electronic monitoring, Launchpad, NDelius, NOMIS, OAsys, Refer and Monitor an Intervention System, and Unilink have all been engaged in the GovAssure process. Additionally, key MoJ systems which HMPPS services rely on – such as the MoJ Cloud Platform and Modernisation Platform – have completed external assessments, and targeted improvement plans have been developed to address identified issues.

Work to address the risks and challenges of HMPPS' legacy technology and siloed systems continued, with MoJ Justice Digital supporting HMPPS delivery through the functional model. A supply chain assurance framework was developed to better understand the cyber risk related to contracts and improve supplier management. Following a successful pilot of the framework with key contracts in HMPPS including electronic monitoring, this has now gone live and is being increasingly used across the department to ensure modern security clauses are used with suppliers. We assess that the threat of cyber attacks (including ransomware attacks) within the HMPPS supply chain is increasing and evolving, demonstrating the importance of further strengthening security measures in the supply chain.

Cyber risk is reported to the ARAC with a focus on key controls which will reduce the risk levels in line with the risk appetite statement.

Information and cyber security incident management has continued to improve. This included improved reporting mechanisms, an increased focus on 'cyber exercising' and enhanced processes for major incident management. Policies and documentation for incident management have also been improved and updated, as part of an initiative to update all our cyber security policies.

Data protection team

All security and personal related incidents are triaged by the data protection team. Incidents are reviewed, investigated and reported in a timely and efficient manner (and within the statutory deadlines).

In October 2024, the ICO conducted a consensual audit of three YOIs. The audit was exception-based looking at compliance with two domains: governance and accountability, and information and cyber security. The MoJ Security and Information Directorate has initiated a comprehensive programme, in collaboration with HMPPS, to address the issues highlighted in this audit.

A suite of bespoke documentation has been developed, which includes guidance, training materials and an assurance framework to continue improving the compliance landscape for data protection in HMPPS. This will also support the recommendations made by the ICO during the audit of the Youth Justice Service.

Personal data-related incidents

Three significant personal data incidents were reported to the ICO during 2024 to 2025.

Date of incident	Date reported to ICO	Nature of incident	Nature of data involved	Number of people potentially affected	Notification steps
8 June 2024	17 June 2024	An observations book was left unattended in a wing office	Name, personal identifiers, intelligence information	1	Case closed by the ICO with no further action (18 July 2024)
19 October 2023	5 August 2024	A letter was left visible to offenders on the wing	Name and offence details	1	Case closed by the ICO with no further action (14 August 2024)
9 March 2024	15 November 2024	Personal details of data subjects were disclosed to an offender	Name, address and contact details	4	Case closed by the ICO with no further action (19 November 2024)

Counter fraud, bribery and corruption activity

HMPPS policy on fraud, bribery and corruption is one of zero tolerance. The MoJ Chief Financial Officer has overall responsibility for counter fraud across the department. Until March 2024, the HMPPS Executive Director for Strategy, Performance and Corporate Delivery was the nominated HMPPS counter fraud champion, supported by the HMPPS counter fraud lead. This responsibility moved to the Directorate of Security with effect from 1 April 2024.

HMPPS counter fraud activity is aligned with the MoJ Counter Fraud, Bribery and Corruption Centre of Expertise to meet the Cabinet Office Counter Fraud, Bribery and Corruption Functional Standard. HMPPS counter fraud drives a culture of awareness in order to raise the profile of the threat from fraud, ensures staff know their responsibilities, and provides practical, operational support in the event of an incident or report, with advice and guidance to ensure an appropriate response by the most appropriate authority. HMPPS investigates nearly all suspected fraud cases at a business unit level but refers complex cases to GIAA, who lead on investigations on behalf of HMPPS and support referrals to prosecuting authorities for consideration of prosecution and recovery of funds.

A programme of post-event assurance has been established to ensure any additional fraud risks are understood and remedial actions taken where appropriate.

HMPPS counter fraud is part of the work of the HMPPS Counter Corruption Unit, which tackles corruption in prisons, probation and youth custody and provides clear guidance and support for anyone in HMPPS who has concerns about wrongdoing, fraud or corruption. The Counter Corruption Unit has a clear strategy for tackling fraud, bribery and corruption through four strategic approaches:

- **protect** against fraud, bribery and corruption by understanding threats, having robust policies, processes and procedures in place, and holding ourselves to account
- **prevent** staff from engaging in fraud, bribery and corruption by recruiting a resilient workforce, strengthening capability and professional integrity, and managing fraud and corruption risks
- **pursue** and punish those involved in fraud, bribery and corruption through disciplinary and criminal justice outcomes
- **prepare** for the consequences of corrupt and fraudulent behaviour and support teams where fraud and corruption has occurred

The Counter Corruption and Reporting Wrongdoing Policy Framework is supported by the Counter Fraud and Corruption Handbook and a memorandum of understanding between HMPPS and the National Police Chiefs' Council regarding fraud and corruption in prisons and probation. HMPPS defines corruption as a person in a position of authority or trust who abuses their position for benefit or gain for themselves or for another person. In prison and probation services, this would include the misuse of a person's role to plan or commit a criminal act, or a deliberate failure to act to prevent criminal behaviour. HMPPS counter fraud abides by the principles of the Government Accounting Regulations as per the Government Financial Reporting Manual relating to reports of fraud or theft, including reports via the Counter Corruption Unit that meet the criteria, and provides that information to the Public Sector Fraud Authority.

HMPPS is working to strategically align counter fraud with the Counter Corruption Unit. The vision is that, in line with wider government, HMPPS will have one strategic response to counter fraud, bribery and corruption which will bring it in line with the wider functional standard. HMPPS counter fraud, bribery and corruption responsibilities contribute to creating a unified and responsive department collaborating with partners across the justice system and government. This also supports HMPPS in creating a whole-system approach to decision making, working with the MoJ and its partners in an open and outward facing way.

Whistleblowing arrangements

The MoJ implemented a comprehensive whistleblowing policy in 2021. The policy sets out effective routes and processes in place to enable an individual to raise a concern about suspected wrongdoing, risk or malpractice that affects a wider group of individuals in a supportive and protective environment. The policy was refreshed in April 2024 to improve clarity and better define roles and responsibilities. The policy is accessible to all staff on the intranet.

In response to feedback from assurance activities, MoJ's People and Capability Directorate has strengthened awareness of the whistleblowing policy across the department through continuous improvement activities. The MoJ has engaged with and promoted the cross-government 'Speak Up' campaign and appointed a senior civil servant whistleblowing champion. Additional nominated officers, who provide an independent route to raise a whistleblowing concern and impartial advice to the individual, have been recruited and trained.

The MoJ is part of a cross-government network of HR professionals working to enhance whistleblowing arrangements across government departments and improve the experience of whistleblowers. The MoJ reports annually to Cabinet Office on the number of closed whistleblowing cases. In 2024 to 2025, the MoJ (including the executive agencies) reported 13 closed whistleblowing cases.

Complaints to the Parliamentary and Health Service Ombudsman

The Parliamentary and Health Service Ombudsman addresses complaints made by members of the public, brought to its attention by MPs, where there has been alleged maladministration by government departments and other bodies in their jurisdiction. The Parliamentary and Health Service Ombudsman's annual analysis of the complaints it has received for each government department can be found at: www.ombudsman.org.uk

HMPPS' performance for 2024 to 2025 is shown below. Where complaints are upheld or partly upheld, we review the case to ensure any learning is identified and improvements are made.

Number of complaints accepted for investigation	Number of completed investigations	Investigations upheld or partly upheld		Investigations not upheld		Investigations resolved without a finding or discontinued	
		Number	%	Number	%	Number	%
1	2	1	50%	1	50%	0	0%

	Complied with	Not complied with	Total
The number of Ombudsman recommendations	1	0	1

Environmental sustainability

HMPPS and the MoJ's Climate Change and Sustainability Unit manage the governance and assurance of climate change and sustainability activity across HMPPS. Performance is overseen by MoJ's Senior Sustainability Board, which includes senior representatives from prison and probation.

Sustainability performance data for HMPPS is collated and validated by an external data platform called Rio, and this is audited by Det Norske Veritas on behalf of the Department for Environment, Food and Rural Affairs.

We follow the MoJ's **Climate Change and Sustainability Strategy** which sets out how the department embeds environmental sustainability throughout its estate, operations and procurement activity.³⁹

During 2024 to 2025 we have:

- opened our first all-electric prison, HMP Millsike, which has been designed to reduce our energy usage by 70% compared to traditionally built prisons
- reduced our environmental impact and championed sustainability outcomes through Community Payback
- delivered sustainability upskilling pilots to prisoners, promoting green skills and routes into green jobs on release
- saved 205,246m³ in water and avoided £435,000 in costs through the find and fix of water leaks at two prisons

- grown 85,000 trees at nine prison tree nurseries which were supplied to the Ministry of Defence for planting across their estate
- delivered TV repair and in-cell phone repair prison industry workshops, where over 17,000 TVs have been repaired, saving around £750,000, and 1,300 in-cell phones have been repaired for reuse
- hosted the first EuroPris Sustainability in Prisons Conference, focused on sharing best practice sustainability examples from across Europe

Looking forward, we will:

- continue to embed sustainability into everything we do, use sustainability to enable justice outcomes and lead the way in greening government
- protect and enhance nature through taking a natural capital approach to valuing our natural assets to make informed decisions on land use and adopting nature-based solutions to increase estate climate resilience wherever possible
- work towards better understanding the vulnerabilities of the HMPPS estate and increase our resilience to climate-related events and indirect impacts
- continue piloting innovative circular economy prison workshops and ensuring that HMPPS sites have the appropriate infrastructure, equipment and skills to effectively reduce and manage waste
- target further prisons with high levels of water consumption to find and fix leaks and save water and money

³⁹ Ministry of Justice (2024), Climate Change and Sustainability Strategy, available at: www.gov.uk/government/publications/climate-change-and-sustainability-strategy-moj

Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed HMPPS to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of HMPPS and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

- observe the Accounts Direction issued by HM Treasury including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis
- confirm 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 of the MoJ has designated the Chief Executive Officer of HMPPS as Accounting Officer.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of HMPPS, are set out in Managing Public Money published by HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that HMPPS' auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Conclusion

I am satisfied that I have effective governance arrangements and the necessary policies and procedures in place to provide a sound system of internal control to support HMPPS in delivering its statutory duties and to meet the aims and objectives set by ministers while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in my letter of delegation and in Managing Public Money.

Climate and sustainability report 2024 to 2025

Introduction

As part of the second largest government department estate, HMPPS has responsibility to minimise its impacts on the environment as we account for the majority of the MoJ's energy consumption, carbon emissions, water use and waste arisings. We use our climate and sustainability projects and initiatives to drive efficiency and deliver justice outcomes, while supporting the government's environmental goals, targets and commitments.

Prisoner sustainability training pilots

In May 2024 we worked with Deloitte to deliver sustainability training pilots to 20 prisoners at HMP Hindley and HMP Risley. The training taught prisoners about climate change and sustainability and routes into further training and green jobs on release. We are now working to explore opportunities to scale up the training across other prisons.

Scope

This report is prepared in accordance with HM Treasury's **Government Financial Reporting Manual 2024 to 2025, Sustainability reporting guidance 2024 to 2025** and **Task Force on Climate-Related Financial Disclosure-aligned disclosure application guidance**.^{40, 41, 42}

It covers all public sector prisons in England and Wales, several privately operated prisons, probation contact centres and approved premises, as well as associated administrative buildings. The MoJ is unable to report data from locations where property operators are not obliged to provide it. Where necessary, some data has been estimated.

Performance

HMPPS tracks its progress against the Greening Government Commitment (GGC) targets for the period 2021 to 2025. This report shows our present position for 2024 to 2025, against a 2017 to 2018 baseline. 2024 to 2025 is reported using data available to December 2024, which is consistent across the MoJ Group accounts due to availability of data.

United Nations Sustainable Development Goals

The department's efforts mainly contribute to achieving four United Nations Sustainable Development Goals: 5, 10, 13, and 16, which focus on climate action, equality, peaceful and inclusive societies, and access to justice.

Tackling climate change

Climate change is having an increasing impact across our estate and operations, principally via overheating and flooding events within prisons and the transition to net zero 2050. HMPPS has taken significant action to both mitigate and adapt to climate change.

40 HM Treasury (2023), Government Financial Reporting Manual 2024-2025, available at: www.gov.uk/government/publications/government-financial-reporting-manual-2024-25

41 HM Treasury (2024), Sustainability reporting guidance 2024 to 2025, available at: www.gov.uk/government/publications/sustainability-reporting-guidance-2024-25

42 HM Treasury (2024), Task Force on Climate-Related Financial Disclosure-aligned disclosure guidance for public sector annual reports, available at: www.gov.uk/government/publications/tcf-aligned-disclosure-application-guidance

Task Force on Climate-Related Financial Disclosure – compliance statement

HMPPS considers climate change to be a principal risk, and this report complies with HM Treasury's Task Force on Climate-Related Financial Disclosure phased implementation timetable and recommended disclosures on climate-related governance, risk management, and metrics and targets.

Climate change governance

In 2024 to 2025 we have improved our climate governance by:

- introducing annual HAB oversight of climate-related risks and opportunities
- introducing quarterly climate change and sustainability transition risk reporting to the HMPPS Risk Advisory Group, HLT and the ARAC, as described on page 65
- agreeing clear lines of management accountability, with principal risk ownership held by the Executive Director for Strategy, Performance and Corporate Delivery
- agreeing clear lines of management accountability for the National Adaptation Programme Climate Risk to Prison Services, with ownership of the risk reduction pathway held jointly by the Chief Operating Officer Prisons and Executive Director, Prison Supply

Climate-related risk management

In 2024 to 2025 we have improved our climate-related risk management by:

- conducting a climate change and sustainability transition risk deep dive
- identifying and providing an initial assessment of six key physical and transitional risks, including operational resilience to the acute and chronic physical risks from the changing climate, and policy and compliance, financing, governance, delivery and technological dependency transition risks
- capturing climate change and sustainability transition risks as a principal risk and integrating into corporate management, using the enterprise risk management methodology, as outlined on page 32

Climate-related metrics and targets

The tables below show our present position against the GGC climate-related targets and our key metrics for 2024 to 2025, against a 2017 to 2018 baseline. 2024 to 2025 is reported using data available to December 2024, which is consistent across the MoJ Group accounts due to availability of data. We have included a restatement of performance from 2023 to 2024 to standard financial year reporting.

Performance against GGC carbon reduction targets 2021 to 2025

2021 to 2025 GGC target	2024-25 progress	Target achieved	Commentary
Reduce overall greenhouse gas emissions by 41%	-21%	No	Expansion of the prison estate has led to significant challenges in greenhouse gas emission reduction. We are expanding renewable energy across the estate, prioritising solar installations and assessing the potential for wind power
Reduce direct (scope 1) greenhouse gas emissions by 23%	-6%	No	Direct emissions continue to increase year-on-year due to prison expansion and the reliance on temporary generators and boiler. We have advanced decarbonisation through boiler upgrades, heat decarbonisation plans, and grant-funded projects, with further initiatives planned
Reduce domestic flight emissions by 30%	-44%	Yes	Domestic flights taken continue to be considerably lower than the 2017 to 2018 baseline

Overall greenhouse gas emission and financial costs

Metrics	Baseline 2017-18	2023-24 restated	2024-25
Energy consumption			
Electricity use (MWh)	342,770	323,545	327,442
Renewables on site (MWh)	29	1,035	1,712
Gas use (MWh)	748,520	656,656	692,713
Other energy use (purchased heat, steam, oil, LPG, coal) (MWh)	37,999	62,681	111,536
Total energy use (MWh)	1,129,318	1,043,918	1,133,402
Energy financial expenditure			
Energy expenditure (£m)	69	125	147
Official business travel (£m)	20	21	21
Carbon reduction scheme (£m)	–	–	–
Total energy and business travel (£m)	89	146	168
Greenhouse gas emissions			
Scope 1 emissions (tCO ₂ e)	155,192	135,506	146,214
Scope 2 emissions (tCO ₂ e)	120,552	67,180	68,167
Scope 3 emissions from official business travel (tCO ₂ e)	6,845	8,382	8,620
Total emissions (tCO₂e)	282,589	211,068	223,001
Flights			
Domestic flights (km)	173,625	47,402	86,283
Domestic flight emissions (tCO₂e)	25	7	14
Short haul economy class (km)	999,027	207,027	645,904
Short haul business class (km)	40,042	–	–
Long haul economy class (km)	968,636	255,314	584,466
Long haul premium economy class (km)	283,799	201,608	153,692
Long haul business class (km)	212,056	61,509	83,211
Long haul first class (km)	–	–	–
International business flights (km)	2,503,560	725,458	1,467,273
International flight emissions (tCO₂e)	252	112	197

Climate-related metrics for Task Force on Climate-Related Financial Disclosure-aligned disclosure

Climate-related risks	2024-25
Operational energy use intensity (kWh/m ² /year) ⁴³	259
Operational carbon emission intensity (kg/m ² /year) ⁴³	51
Assets reliant on coal heating	0.2%
Assets reliant on oil heating	7%
Assets reliant on liquified petroleum gas	1%
Proportion of car/van fleet ultra-low emission vehicle	14%
Proportion of car/van fleet zero emission at tailpipe	4%
Proportion of prison sites at high/very high risk of flooding under 2°C warming scenario (2020 to 2039 period)	36%
Proportion of prison sites at high/very high risk of flooding under 4°C warming scenario (2020 to 2039 period)	95%
Proportion of probation sites at high/very high risk of flooding under 2°C warming scenario (2020 to 2039 period)	6%
Proportion of probation sites at high/very high risk of flooding under 4°C warming scenario (2020 to 2039 period)	25%
Proportion of prison sites at high/very high risk of overheating under 2°C warming scenario (2020 to 2039 period)	71%
Proportion of prison sites at high/very high risk of overheating under 4°C warming scenario (2020 to 2039 period)	98%
Proportion of probation sites at high/very high risk of overheating under 2°C warming scenario (2020 to 2039 period)	25%
Proportion of probation sites at high/very high risk of overheating under 4°C warming scenario (2020 to 2039 period)	100%

⁴³ Calculated using performance data for 2024 to 2025, normalised with the latest available gross internal area data, which is from 2023 to 2024.

Mitigating climate change: working towards net zero by 2050

HMPPS has continued to work towards the vision outlined in **MoJ's Net Zero Carbon Strategy** to reach its carbon emission reduction targets.⁴⁴

HMPPS overall carbon emissions have reduced by 21% from the 2017 to 2018 baseline, but representing an increase of 5.7% from 2023 to 2024. This increase can be primarily attributed to the increasing size of the prison estate. Flight-related emissions continue to be considerably lower than the baseline year, with emissions from domestic flights being 44% lower than 2017 to 2018.

To minimise the impacts and drive carbon reduction activity in 2024 to 2025 we have:

- continued rollout of our boiler optimisation programme, installing units on 17 boilers forecasted to save 361 tCO₂e
- produced heat decarbonisation plans across three prisons
- continued to develop our grant funded projects at HMPs Prescoed and Featherstone
- progressed to on-site works as part of the Public Sector Decarbonisation Scheme grant-funded decarbonisation project at HMP Eastwood Park, with further feasibility studies carried out to decarbonise the remainder of the site
- reduced the number of diesel cars within the HMPPS fleet, with a 94% reduction from March 2024, and 14% of fleet cars now being classified as ultra-low emission vehicles

In 2025 to 2026 we will:

- continue to develop and deploy renewable energy projects across the estate, focusing on installing more solar panels and assessing the feasibility of deploying wind assets
- explore opportunities to connect prisons and probation assets to district heat networks

Adapting to climate change

HMPPS is committed to **MoJ's Climate Change Adaptation Strategy**, and making its estate and operations more resilient to the impacts of climate change.⁴⁵ HMPPS continues to work in line with the MoJ's commitments under the Third National Adaptation Programme.

During 2024 to 2025 we have:

- developed an internal climate change adaptation action plan
- commissioned flood risk assessments at 21 sites, alongside four pre-feasibility studies to assess the potential for implementing flood interventions
- improved our research on overheating risks, completing overheating studies at six prison archetypes and investigating the impact of future warming scenarios
- embedded extreme weather preparedness into local business continuity processes
- embedded climate resilience in the prison expansion programme through Building Research Establishment Environmental Assessment Method (BREEAM) certification

In 2025 to 2026 we will:

- deliver the next phase of flood risk assessments across our estate, aiming to conduct feasibility studies where possible to further scope opportunities for interventions
- continue to enhance our evidence base by researching emerging areas of interest, such as the relationship between climate and health and wider cost implications of inaction
- further our understanding of the impact of future climate scenarios on physical risks

44 Ministry of Justice (2024), Net Zero Carbon Strategy, available at: www.gov.uk/government/publications/net-zero-carbon-strategy-moj

45 Ministry of Justice (2024), Climate Change Adaptation Strategy, available at: www.gov.uk/government/publications/climate-change-adaptation-strategy-moj

Minimising waste and promoting resource efficiency

Performance against GGC waste and resource efficiency targets 2021 to 2025

2021 to 2025 GGC target	2024-25 progress	Target achieved	Commentary
Reduce overall waste by 15%	+15%	No	Data quality improvements have led to an increase in total waste volume reported
Landfill waste to be less than 5%	8%	No	Performance worsened over the past year. We are working with our facilities management providers to improve waste diversion from landfill
Recycle 70% of waste	34%	No	The volume of recycled waste has increased, but less significantly than the total waste volume, leading to lower recycling performance than the previous year
Reduce paper use by 50%	-17%	No	Many processes remain paper-based, but work continues to pilot and roll out digital services across HMPPS
Reduce water use by 8%	+7%	No	Prison expansion and ongoing leaks and burst pipes from our aged prison water supply infrastructure have resulted in an increase in water consumption

Waste and circular economy

Significant improvements in the quality of HMPPS' waste data over the last year have led to an increase in total waste volume reported.

Waste generation and disposal

Metrics	Baseline 2017-18	2023-24 restated	2024-25
Waste reused/recycled (tonnes)	20,851	14,573	16,055
Food waste (tonnes) ⁴⁶	–	4,409	5,051
Waste electrical and electronic equipment, including ICT (tonnes)	–	127	463
Waste to energy recovery (tonnes)	14,440	21,587	24,245
Waste to incineration (tonnes)	21	1,031	789
Waste to landfill (tonnes)	5,337	5,390	3,551
Total waste arisings (tonnes)⁴⁷	40,650	46,154	46,798

46 Food waste reporting was introduced from 2022. This is the first year HMPPS has included this data, as earlier figures are not considered sufficiently reliable due to site-level variation in waste management.

47 Waste electrical and electronic equipment and food waste are included within the total recycled figures. The total recycled/reused figure also includes items that are reused and therefore not counted within the waste stream. Totals have been adjusted to avoid double-counting.

In 2024 to 2025 HMPPS has continued to align its activities to the **MoJ's Circular Economy Strategy**, including:⁴⁸

- establishing a bespoke recycling process for prison textile waste and manufactured prototype furniture from prison textile waste
- launching the MoJ's first 'concessions contract' for used cooking oil from prisons, which is estimated to generate an income of £50,000 per year
- hosting a Yorkshire waste jobs event, which has led to employment offers for prisoners, alongside the establishment of three recycling workshops, such as the IT recycling workshop in HMP Wealstun run with WasteCare
- contracting an innovative waste training programme for waste specialist production instructors and developing a training video for prison instructors

In 2025 to 2026, we will:

- scale and embed our circular pilot projects, including launching a groundbreaking plastics granulation workshop and vape recycling workshop at HMP Moorland
- host regional employment events to give more prisoners the opportunity to work in the waste sector
- launch a unique research project aiming to improve prisoner nutritional education and reduce food waste

Prison industries TV and in-cell phone repair workshops

Prisoners are gaining valuable green skills while helping to save prisons money, reduce unnecessary waste, and offer more efficient electrical disposal services through TV and in-cell phone repair workshops across four prisons. Since January 2024 our prison industries workshops repaired approximately 17,000 TVs, avoiding £750,000 in costs, and repaired 1,300 in-cell phones, avoiding a further £14,800 in expenditure. 50 prisoners took part in these workshops.

Community Payback national clean-up projects

In 2024 Community Payback teams took part in two national clean-up campaigns to make a real difference to local communities through improving the local environment.

In the spring, people on probation contributed to widespread litter-picking efforts as part of a national campaign, dedicating thousands of Community Payback hours to improving public spaces.

In the autumn people on probation, in partnership with the Marine Conservation Society, took part in national beach cleans as part of the Great British Beach Clean, helping to survey and clear large areas of coastline, removing significant amounts of waste and contributing to environmental conservation.

Reducing our water use

Our water usage has increased by 7% compared to the 2017 to 2018 baseline. This is attributed to the continuing delivery of prison expansion programmes, along with continuous leaks and burst pipes from our aging water supply infrastructure.

Water consumption and financial costs

Metrics	Baseline 2017-18	2023-24 restated	2024-25
Water use (m ³)	8,880,165	9,587,755	9,500,384
Water costs (£m)	23	27	31

⁴⁸ Ministry of Justice (2024), Circular Economy Strategy, available at: www.gov.uk/government/publications/circular-economy-strategy-summary-moj

In 2024 to 2025, we have implemented a water management strategy, focusing on making leakage detection and water loss solutions more systematic, repeatable and evidence based. In the next year, we will expand the water management strategy to ensure a more consistent and data-driven approach, as well as encouraging behavioural change through awareness campaigns to promote water saving habits among staff and facility users. We will also work closely and collaboratively with suppliers and other stakeholders to ensure water-efficient products and practices are continually used.

Finding and fixing water leaks across the prison estate

Last year we started work to find and fix large underground water leaks across the prison estate which led to saving £435,000 in avoided costs and 205,246m³ in water at HMP Huntercombe and HMP Norwich.

The team utilised automatic meters at both prisons, which work 24 hours a day to identify water consumption and communicate usage every 15 minutes, followed by using conventional methods of leakage detection to locate exactly where the leaks were so that they could be fixed.

Sustainable construction

The MoJ's BREEAM policy mandates that all new construction projects aim for BREEAM 'outstanding' (with 'excellent' as a minimum) and major refurbishments target BREEAM 'excellent' (with 'very good' as a minimum). We have established mandatory credits to ensure the BREEAM process achieves the desired outcomes and operational efficiencies for HMPPS.

HMP Millsike – our greenest prison yet

HMP Millsike is our first all-electric and net zero-ready prison and is our greenest prison yet – building on the sustainable progress made at HMP Fosse Way and HMP Five Wells. The prison was built using modern methods of construction and features over 130 air source heat pumps, 1,800 solar panels and 78 electric vehicle charging car parking spaces. HMP Millsike was awarded an 'excellent' BREEAM certificate at design-stage, with a score of 87%, and is expected to save around 75% in carbon emissions in the first full year of operation when compared to HMP Fosse Way.

Nature recovery

The MoJ has a Nature Recovery Plan setting out nine principles of behaviour and action to restore biodiversity across the HMPPS estate and to benefit our people. In 2024 to 2025 action focused on creating or restoring habitats. 126 fruit trees were planted, 24 raised pond kits were supplied to prisons, and 4.5 hectares of protected land were sensitively grazed to support restoration to favourable condition. In the next year, a refreshed plan will be published and a programme of work will commence to assess the natural capital of the estate.

Prison tree nurseries

HMPPS secured funding from the Department for Environment, Food and Rural Affairs to establish tree nurseries across nine prisons. In 2024 to 2025, the nurseries produced and supplied 85,000 trees to the Ministry of Defence for planting across their vast estate, and a further 8,000 trees to the Environment Agency.

The nurseries provided prisoners with valuable work and an opportunity to learn green skills, with 150 formal qualifications in horticulture being awarded.

Reducing the environmental impacts from ICT and digital

HMPPS follows the **Greening Government: ICT and Digital Services Strategy** to ensure its digitisation and ICT initiatives minimise its environmental footprint.⁴⁹ We report ICT-related emissions to the Department for Environment, Food and Rural Affairs annually. We have:

- collected and recycled almost 10,000 legacy pieces of technology equipment from across the probation estate
- purchased and installed more energy-efficient equipment with improved connectivity to support prisoners to attend hearings virtually, saving on transport costs and emissions
- introduced a requirement to calculate, and take action to reduce, the carbon footprint of the contract delivery within two key ICT procurement projects, as part of the suppliers' social value commitment

Procuring sustainable products and services

The MoJ proactively educates, engages and embeds sustainability across our commercial landscape while considering the operational environment and whole-life value for money. Focused sustainability support is prioritised for procurements that have the greatest opportunities to embed positive environmental outcomes. Commercial teams work hand in hand with sustainability colleagues in delivering impressive outcomes from some of our largest programmes, such as the new all-electric HMP Millsike prison. The MoJ prison food contract mandates that all goods are purchased in accordance with animal welfare, fair trade or ethical standards. All animal-derived foods are sourced from certified farms, fish and palm oil products are sustainably obtained, and over half of the produce is grown in the UK.

The Procurement Act 2023 introduces stricter measures to address environmental misconduct. It expands the grounds for exclusion from public procurement processes to include environmental violations. Specifically, suppliers may be excluded if they or their associated entities have been convicted of certain environmental offences.

The Act includes an objective to maximise public benefit. Contracting authorities are required to consider how their contracts can enhance broader public benefits. While Section 12(1) does not define 'public benefit' to allow flexibility, it encourages the inclusion of various factors such as environmental sustainability, social and labour considerations, where relevant to the contract. This approach aims to ensure that public contracts contribute positively to environmental sustainability by promoting practices that reduce environmental impact and support sustainable development.

The MoJ has a project assurance 'keyholder' process through which change projects and novel and contentious projects that have a whole-life cost of £10 million or more are assessed by a panel of specialists and experts from across the MoJ, including sustainability.

Government Buying Standards are applied where applicable in terms of our product specifications and high-level data recorded within our e-procurement system.

⁴⁹ Department for Environment, Food and Rural Affairs (2020), Greening Government: ICT and Digital Services Strategy 2020 to 2025, available at: www.gov.uk/government/publications/greening-government-ict-and-digital-services-strategy-2020-2025

Remuneration and staff report

Remuneration policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

In reaching its recommendations the review body is to have regard to the following considerations:

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

The review body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the Review Body on Senior Salaries can be found at:
[https:// www.gov.uk/government/organisations/review-body-on-senior-salaries](https://www.gov.uk/government/organisations/review-body-on-senior-salaries).

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.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. 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 Commissioners can be found at:

<https://civilservicecommission.independent.gov.uk>

Remuneration

The following sections provide details of the remuneration and pension interests of the most senior management of HMPPS (that is, members of the HAB).

Salary

‘Salary’ includes the gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by HMPPS and recorded in these accounts.

Taxable benefits

Taxable benefits include all benefits in kind and taxable cash benefits. The monetary value of benefits in kind covers any benefits provided by HMPPS and treated by HMRC as a taxable emolument. Benefits recognised relate to travel and subsistence. Benefits in kind are an estimate, as the final value is to be agreed between the Secretary of State for Justice and HMRC.

Bonuses

Directors’ bonuses are determined by the MoJ SCS Pay Committees – chaired by the MoJ Permanent Secretary for SCS1 and SCS2. Bonuses for SCS3 are determined by the Permanent Secretary in line with the SCS Pay Practitioners Guide.

Working within the set parameters for the management of senior level pay, an individual can only be awarded a bonus if they have exceeded at least one finance and efficiency objective.

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonus payments made in 2024 to 2025 are for bonuses awarded in both 2023 to 2024 and 2024 to 2025. Bonus payments made in 2023 to 2024 are for bonuses awarded in both 2022 to 2023 and 2023 to 2024.

Pension benefits

The value of pension benefits accrued during the year is calculated as 20 times the real increase in pension plus the real increase in any lump sum less the contributions made by the individual. The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

Total remuneration (audited)

	2024-25					2023-24				
	Total amount of salary and fees (£'000)	All taxable benefits (to nearest £100)	Bonus payments (£'000)	Pension related benefits (to nearest £1,000)	Total (£'000)	Total amount of salary and fees (£'000)	All taxable benefits (to nearest £100)	Bonus payments (£'000)	Pension related benefits (to nearest £1,000)	Total (£'000)
Officials										
Amy Rees*										
Director General Chief Executive Officer	175-180	40,200	15-20	25,000	255-260	160-165	33,100	15-20	23,000	235-240
Phil Copple										
Director General Operations	175-180	–	15-20	128,000	320-325	165-170	–	5-10	60,000	235-240
Lorna Maden†‡										
MoJ Director, Finance Business Partnering (until 30 June 2023)	N/A	N/A	N/A	N/A	N/A	110-115 (annualised 115-120)	–	–	(4,000)	105-110
Caroline Murray†										
Director, Business Partnering and Change, MoJ People Group (to 31 March 2024)	N/A	N/A	N/A	N/A	N/A	105-110	–	5-10	39,000	155-160
Ed Cornmell**										
Executive Director, Youth Custody Service	125-130	–	–	75,000	200-205	120-125	–	–	73,000	195-200
Caroline Patterson† **										
MoJ Director, Finance Business Partnering (from 22 May 2023 to 7 March 2025)	115-120 (annualised 120-125)	–	10-15	69,000	195-200	100-105 (annualised 115-120)	–	–	66,000	165-170

Officials	2024-25					2023-24				
	Total amount of salary and fees £'000	All taxable benefits (to nearest £100)	Bonus payments £'000	Pension related benefits (to nearest £1,000)	Total £'000	Total amount of salary and fees £'000	All taxable benefits (to nearest £100)	Bonus payments £'000	Pension related benefits (to nearest £1,000)	Total £'000
Louise Alexander[†]										
MoJ Director, HR Business Partnering (from 29 July 2024)	85-90 (annualised 125-130)	–	–	35,000	120-125	N/A	N/A	N/A	N/A	N/A
Dave Mann[†]										
MoJ Director, HR People Services (from 1 April 2024 to 28 July 2024)	30-35 (annualised 100-105)	–	–	33,000	65-70	N/A	N/A	N/A	N/A	N/A
Paul Henson[†]										
MoJ Director, Finance Business Partnering – Interim (from 10 March 2025)	5-10 (annualised 100-105)	–	–	2,000	5-10	N/A	N/A	N/A	N/A	N/A

*Amy Rees is a member of the partnership pension scheme. The employer contributions to her partnership pension account are included in the 'Pension related benefits' column of this table and cash equivalent transfer value table on page 95. The taxable benefits reported for Amy Rees relate to travel costs required for this role.

†These roles are part of the MoJ functional leadership group and are not included in the staff cost note or staff numbers within the HMPPS accounts but are included in the MoJ accounts. As HMPPS board members they are included in the remuneration report above.

‡Lorna Maden left under an MoJ-wide voluntary departure scheme, authorised under section 6.3 of the Civil Service Management Code and costs were met by the MoJ. Details are included in the HMPPS Annual Report and Accounts 2023 to 2024.

Where the pension benefits for 2024 to 2025 and 2023 to 2024 are negative we have disclosed this figure in the table above. This has had an impact on the remuneration figure by reducing the overall total remuneration banding.

Both this table and the pension benefits table on page 95 show directors and their relevant posts throughout the 2023 to 2024 and 2024 to 2025 financial years. Changes from 1 April 2025 onwards are described in the corporate governance report on page 59.

**Prior year pension-related benefits have been restated in line with updated information from the pensions administrator.

Fair pay disclosures (audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. Within the tables, salaries for agency staff that have a day rate over a certain threshold are reported at the actual rate paid to that agency worker and have not been annualised.

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	6%	-21%	3%	37%
Highest paid director	9%	-6%	7%	0%

Ratio between the highest paid director's total remuneration and the pay and benefits of employees in the lower quartile, median and upper quartile

	Lower quartile	Median	Upper quartile
2024-25	7.8:1	6.5:1	5.5:1
2023-24	7.7:1	6.4:1	5.3:1

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 component of total pay and benefits	27,670	25,752	28,472	27,116	35,130	33,011
Total pay and benefits	29,657	27,510	35,702	33,011	41,975	39,821

The banded remuneration of the highest paid director in HMPPS in 2024 to 2025 was £230,000-£235,000 (2023 to 2024: £210,000-£215,000). This was 6.5 times (2023 to 2024: 6.4) the median remuneration of the workforce, which was £35,702 (2023 to 2024: £33,011). The increase in highest paid director's remuneration is due to increased benefits in kind due to additional travel required for this role in addition to a SCS pay award for 2024 to 2025.

No employees received remuneration in excess of the highest paid director in either 2024 to 2025 or 2023 to 2024. Remuneration ranged from £25,000-£30,000 to £230,000-£235,000 (2023 to 2024: £25,000-£30,000 to £210,000-£215,000).

For the purposes of fair pay disclosures, 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.

In 2024 to 2025, pay deals were implemented for HMPPS employees. The Probation Service pay award applies to former National Probation Service staff with effect from 1 April 2022 for three years (2022 to 2023, to 2024 to 2025), following approval from Cabinet Office and HM Treasury. The Prison Service pay award was implemented for 2024 to 2025 on the recommendations of the Prison Service Pay Review Body with effect from 1 April 2024, following approval from HM Treasury and ministers. The implementation of the pay awards in 2024 to 2025 increased average staff remuneration.

Non-executive directors' remuneration (audited)

	2024-25			2023-24		
	Fees (excluding bonuses paid) £'000	All taxable benefits (to nearest £100)	Bonus payments £'000	Fees (excluding bonuses paid) £'000	All taxable benefits (to nearest £100)	Bonus payments £'000
Gerard Lemos						
Lead Non-Executive Director (until 20 March 2025)	15-20 (annualised 15-20)	–	–	15-20	–	–
Lesley King-Lewis						
Non-Executive Director (until 30 April 2023)	N/A	N/A	N/A	0-5 (annualised 10-15)		
David Bernstein						
Non-Executive Director (until 19 July 2023)	N/A	N/A	N/A	0-5 (annualised 10-15)	–	–
Heather Savory						
Non-Executive Director (until 19 May 2024)	0-5 (annualised 15-20)	–	–	15-20	100	–
Rommel Moseley						
Non-Executive Director (from 9 October 2023)	10-15	–	–	5-10 (annualised 10-15)	–	–
Nick Campsie						
Non-Executive Director (from 10 October 2023)						
Interim Lead Non-Executive Director (from 21 March 2025)	10-15	–	–	5-10 (annualised 10-15)	–	–
Jonathan Flory						
Non-Executive Director (from 27 November 2023)	15-20	–	–	0-5 (annualised 10-15)	–	–

*Gerard Lemos chaired the HAB meetings.

Pension benefits (audited)

Cash equivalent transfer value

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 them buying their own additional pension benefits at their own cost.

CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction in benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2025. HM Treasury last published updated guidance on 27 April 2023. This guidance has been used in the calculation of 2024 to 2025 CETV figures.

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 benefit 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.

Officials	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	Employer contribution to partnership pension account Nearest £100
Amy Rees* Director General Chief Executive Officer	N/A	N/A	N/A	N/A	N/A	24,900
Phil Copple Director General Operations	80 - 85 plus a lump sum of 205 - 210	5 - 7.5 plus a lump sum of 7.5 - 10	1,859	1,671	110	N/A
Lorna Maden MoJ Director, Finance Business Partnering (until 30 June 2023)	N/A	N/A	N/A	1,010	N/A	N/A
Caroline Murray Director, Business Partnering and Change, MoJ People Group (to 31 March 2024)	N/A	N/A	N/A	1,231	N/A	N/A
Ed Cornmell† Executive Director, Youth Custody Service (from 24 October 2022)	45 - 50 plus a lump sum of 115 - 120	2.5 - 5 plus a lump sum of 2.5 - 5	966	870	54	N/A
Caroline Patterson† MoJ Director, Finance Business Partnering (from May 2023 to 7 March 2025)	25 - 30 plus a lump sum of 60 - 65	2.5 - 5 plus a lump sum of 2.5 - 5	513	442	45	N/A
Louise Alexander MoJ Director, HR Business Partnering (from 29 July 2024)	30 - 35	0 - 2.5	494	465	22	N/A
Dave Mann MoJ Director, HR People Services (from 1 April 2024 to 28 July 2024)	55 - 60 plus a lump sum of 150 - 155	0 - 2.5 plus a lump sum of 0 - 2.5	1,425	1,360	32	N/A
Paul Henson MoJ Director, Finance Business Partnering – Interim (from 10 March 2025)	15 - 20	0 - 2.5	256	250	1	N/A

*Amy Rees is a member of the partnership pension scheme. No benefits from the Principal Civil Service Pension Scheme scheme have been accrued in 2023 to 2024 or 2024 to 2025.

† Prior year CETV figures have been restated in line with updated information from the pensions administrator.

There were no employer contributions to the Local Government Pension Scheme (LGPS) in relation to HMPPS directors.

Accrued pension benefits included in the previous table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud Judgment. The Public Service Pensions Remedy applies to individuals who 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 relevant legacy scheme 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.

Civil Service pensions

Pension benefits are provided to employees of HMPPS (excluding LGPS members) through the Civil Service pension arrangements. Before 1 April 2015, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60, and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65. 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.

The PCSPS and alpha are unfunded statutory schemes with both employees and employers making contributions. Employee contributions are salary dependent and range between 4.6% and 8.05%. 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.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, with the total amount accrued being adjusted annually in line with a pension increase 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 pension figures quoted 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. 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.

As a result, steps have been taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy was made up of two parts.⁵⁰ 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 removed 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. This is known as ‘rollback’.

⁵⁰ HM Revenue and Customs (2023), How the public service pensions remedy affects your pension, available at: www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension

For members who were in scope of the public service pension remedy, the calculation of benefits for the purpose of calculating CETV and a single total figure of remuneration has been rolled back into the PCSPS. In due course, members will be given the option to decide whether that period should count towards PCSPS or alpha benefits.

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 matches 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 the website www.civilservicepensionscheme.org.uk.

Local Government Pension Scheme

The scheme is administered under the Local Government Pension Scheme (LGPS) 2014. Under the LGPS 2014 scheme the pension added for each member, each year, is based on 1/49th of their earnings (1/98th if opted to be a member of the 50/50 section of the scheme). Individual pension accounts are increased each year by the Consumer Price Index up to retirement providing a career average revalued earnings (CARE) pension.

This is a change from the LGPS 2008 scheme, under which benefits accrue at the rate of 1/60th of the pensionable salary for service from 1 April 2008 with no automatic lump sum. For pensionable service up to 31 March 2008, benefits accrued at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum of three times the annual pension is payable on retirement.

For the 12 months to 31 March 2025, HMPPS paid employer pension contributions of £472.7 million to the PCSPS and £192.9 million to Greater Manchester Pension Fund (LGPS). Further details of these schemes and related costs and liabilities are in Note 18 to the accounts.

Staff costs, numbers and composition

The following sections are included to satisfy parliamentary reporting and accountability requirements.

Staff costs (audited)

	2024-25 £'000	2023-24 £'000
Permanent staff – wages and salaries	2,537,983	2,394,375
Permanent staff – social security costs	274,955	257,193
Permanent staff – pension costs	602,211	538,178
Agency staff costs	38,249	54,802
Departures and severance payments	27,347	45,042
Inward secondments	4,756	11,715
Sub-total	3,485,501	3,301,305
Recoveries in respect of outward secondments	(6,178)	(6,799)
Total net costs	3,479,323	3,294,506

Pension costs (audited)

Details of pension costs and associated balances are in Note 18 to the accounts.

Consultancy costs

Expenditure on consultancy was £1.6 million in 2024 to 2025 (2023 to 2024: £4.1 million). Spend was higher in the prior year due to services provided relating to the expiry of certain Private Finance Initiative (PFI) contracts.

Agency costs

Agency staff costs have reduced due to successful local recruitment campaigns, particularly across the Probation Service where band 2 and 3 agency staff have been replaced with permanent staff.

Senior Civil Service (SCS) salaries

The following table shows the number of substantive SCS staff employed by HMPPS by pay range. Salary ranges represent FTE, and bonuses are not included.

Salary band	31 March 2025		31 March 2024	
	Number	Percentage	Number	Percentage
£80,000-£89,999	10	17%	17	29%
£90,000-£99,999	12	21%	10	18%
£100,000-£109,999	11	19%	13	22%
£110,000-£119,999	11	19%	4	7%
£120,000-£129,999	8	14%	8	14%
£130,000-£139,999	2	4%	2	4%
£140,000-£149,999	1	2%	1	2%
£150,000-£159,999	–	0%	–	0%
£160,000-£169,999	–	0%	2	4%
£170,000-£179,999	2	4%	–	0%
Total	57	100%	57	100%

Staff numbers (audited)

The average number of FTE people, including senior management, employed during the year was as follows:

	2024-25			2023-24		
	Permanently employed staff	Other	Total	Permanently employed staff	Other	Total
Directly employed	64,824	–	64,824	63,974	–	63,974
Other	–	957	957	–	1,134	1,134
Total	64,824	957	65,781	63,974	1,134	65,108

Reporting of Civil Service and other compensation schemes – exit packages (audited)

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. Where HMPPS has agreed early retirements, the

additional costs are met by HMPPS and not by the Principal Civil Service Pension Scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table below.

Exit package cost and band	2024-25			2023-24		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	–	196	196	–	148	148
£10,001 – £25,000	–	104	104	–	116	116
£25,001 – £50,000	–	83	83	–	161	161
£50,001 – £100,000	–	242	242	–	301	301
£100,001 – £150,000	–	35	35	–	106	106
£150,000+	–	4	4	–	12	12
Total number of exit packages	–	664	664	–	844	844
Total cost of exit packages (£'000)	–	27,275	27,275	–	45,320	45,320

Exit costs are accounted for in full within the departures and severance costs table in the year in which the exit package is confirmed. These costs reflect an element of pension costs which crystallise on confirmation of departure.

In 2024 to 2025, the figures include the costs of departures for HMPPS staff members leaving under a voluntary departure scheme. Where HMPPS has early retirements, with agreed employer-funded top-up for early access to pensions, the employer top-up costs are met by HMPPS alongside compensation for loss of office. In the interests of transparency, the figures within the above table

include the employer top-up costs payable by HMPPS. The total cost to HMPPS will therefore be higher than the amounts received by individuals.

Voluntary departure schemes also ran in 2023 to 2024 and are included in the comparative figures in the table above.

Also included in the table above within 'other departures agreed' are efficiency departure exit packages. Efficiency departures are authorised in the interests of the continued efficiency of the service and the wellbeing of the individual, under section 6.3 of the Civil Service Management Code.

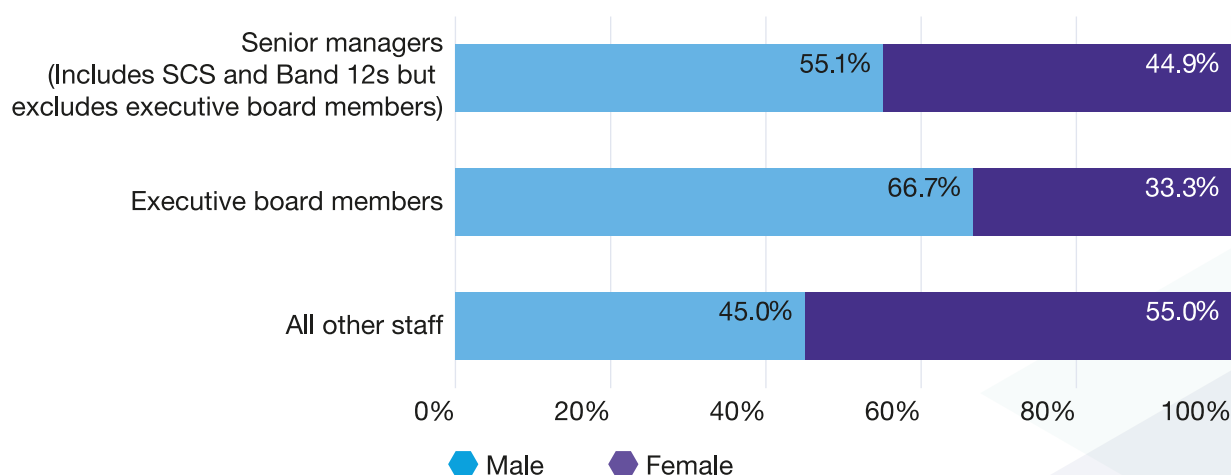
Staff diversity

As at 31 March 2025 the breakdown of employees was as follows:

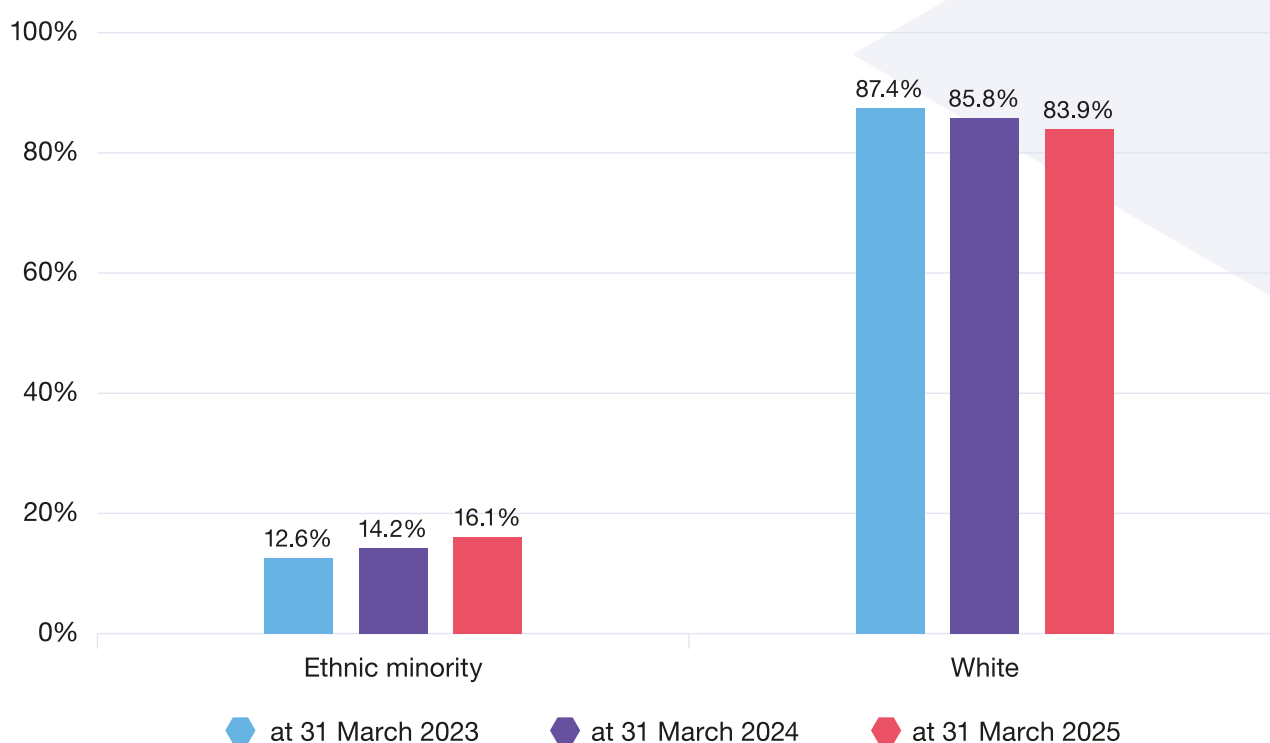
Staff composition data

	Male	Female	Total
Senior managers (Includes SCS and Band 12s but excludes executive board members)	49 (55.1%)	40 (44.9%)	89
Executive board members	2 (66.7%)	1 (33.3%)	3
All other staff	30,960 (45.0%)	37,858 (55.0%)	68,818
Total HMPPS staff	31,011 (45.0%)	37,899 (55.0%)	68,910

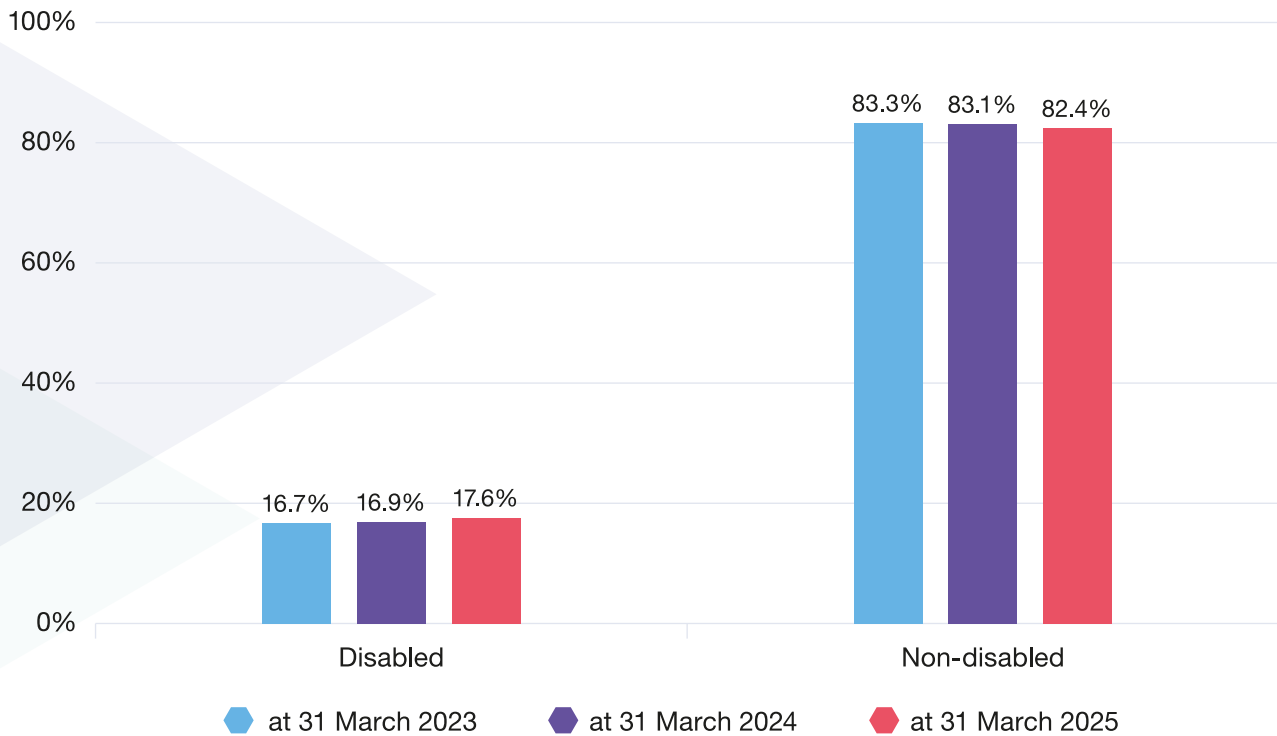
Breakdown of employees by gender



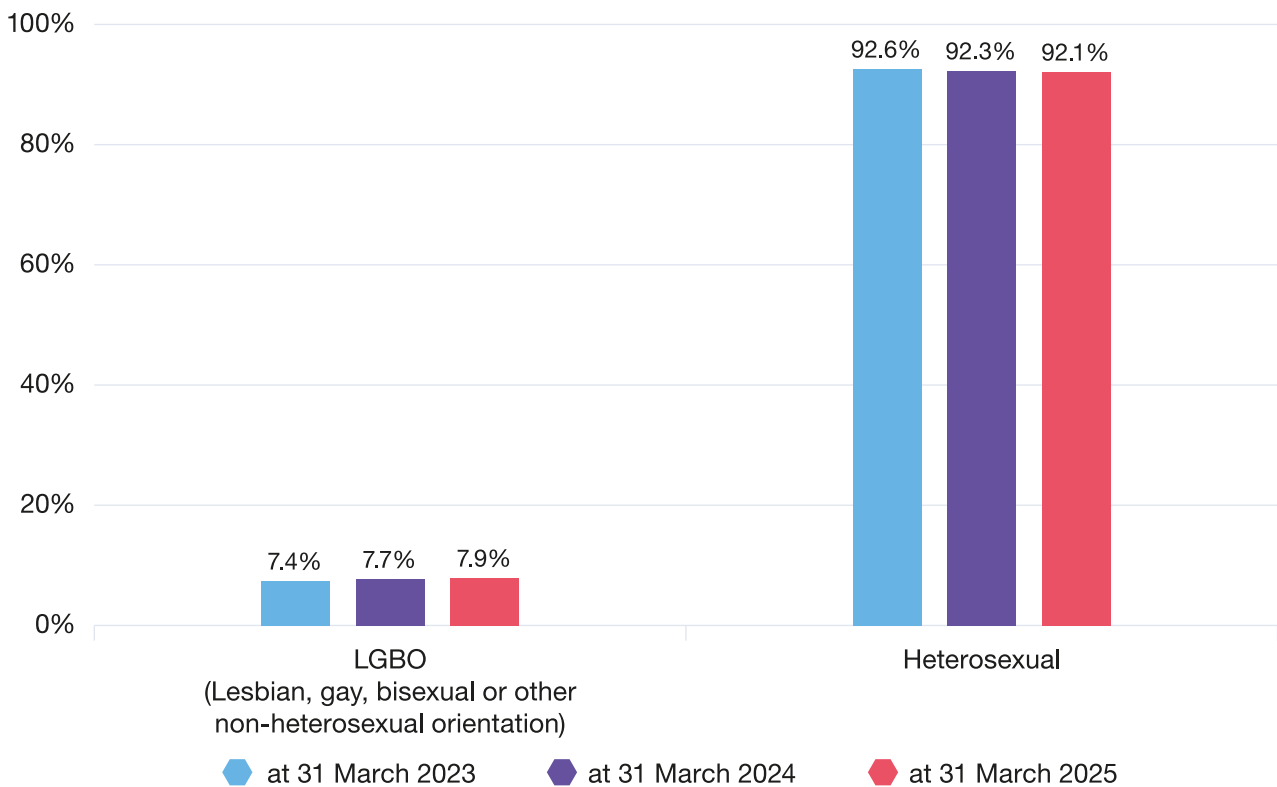
Employees in post where ethnicity has been declared



Employees in post where disability status has been declared



Employees in post where sexual orientation has been declared



Professional standards and behaviour

In the 2024 **People Survey**, 12% of HMPPS staff indicated that they had experienced bullying and/or harassment (no change since 2023). This compares with 8% in the Civil Service as a whole. In HMPPS, 48% said they reported it (up 3 percentage points) and 23% said appropriate action was taken (down 4 percentage points). 12% of staff reported that they had experienced discrimination in 2024, compared with 7% in the Civil Service as a whole. The most common types of discrimination reported were those based on disability, grade or responsibility level and age.

HMPPS has been driving positive culture change through the establishment of the Tackling Unacceptable Behaviours Unit in 2020 and the wider Professional Standards and Behaviour Group in 2024. The complex and challenging nature of our operational environment impacts on the nature and prevalence of unacceptable behaviour in ways that share similarities with other public sector uniformed services. This leads to disproportionately high levels of reporting compared to other Civil Service departments whose environments and cultures differ from those of HMPPS. In common with other uniformed services, we are committed to making meaningful, lasting change. Bringing in expertise and insight from outside HMPPS is an important part of this, to help us think differently and to challenge us to do better.

In 2023 HMPPS commissioned MoJ Non-Executive Director, Jennifer Rademaker, to review its approach to **improving professional standards and tackling bullying, harassment and discrimination**. The Professional Standards Review report was published on 6 May 2025 and made 12 recommendations for change to improve our approach that will in turn improve confidence among our staff in speaking out and help quicken the pace of change towards a more positive culture.⁵¹

The report found that some unacceptable behaviour (language, attitudes, and actions) has been normalised, tolerated or accepted over time and that too many staff lacked confidence or trust

in the system to report it. HMPPS has accepted all 12 recommendations from the review and has begun to implement the changes needed. Immediate action will include establishing a new unit to investigate and better respond to allegations of bullying, harassment and discrimination. It will be independent and take complaints away from the line management hierarchy to ensure they are dealt with impartially and fairly by a dedicated team of experts.

Tackling unacceptable behaviour

Our Tackling Unacceptable Behaviours Unit (TUBU) **supports staff** and the wider business in relation to matters of bullying, harassment, and/or discrimination. In 2024 to 2025, TUBU delivered 55 climate assessment reports, giving voice to thousands of staff and supporting senior leaders to work with their teams to address issues identified. TUBU's confidential helpline received 516 calls in 2024 to 2025, an increase of 23% compared to the previous year.

We also launched our **investigation service** in December 2023, providing managers and senior leaders with access to qualified investigators to support complex bullying, harassment, discrimination, and victimisation cases. In its first full year of delivery our qualified investigators led or supported 224 bullying, harassment, discrimination, or victimisation investigations.

The unit also expanded its **mediation service** offer to include both group mediation and facilitated conversations. Mediation services have been delivered to 247 staff with 89% of mediations and 100% of facilitated conversations resulting in full or partial agreement between parties.

Behaviour interventions and practical support

The behaviour intervention and practical support team is a new central team which provides support in driving **positive and effective professional behaviour** and building local capability. For prisons and probation, we are developing the team to become the gateway for proactive and responsive interventions, providing operational leaders with evidence-based products that respond to priorities and emerging challenges.

51 HM Prison and Probation Service (2025), Professional Standards Review, available at: <https://www.gov.uk/government/publications/hmpps-professional-standards-review>

Professional standards and behaviour guide

Our everyday behaviour underpins everything we do: from staff wellbeing and desire to come to work, to outcomes for prisoners and people on probation and our ability to protect the public. To support this, in October 2024, we launched a new **professional standards and behaviour guide** setting out the expected standards of behaviour for all HMPPS staff. Where these standards are not met, it is important that everyone has confidence that we can call it out and it will be fairly addressed.

The HMPPS Disparities Unit

The HMPPS Disparities Unit (HDU) is a national centre of inclusion expertise with coverage across all protected characteristics within the Equality Act 2010. The HDU work in partnership with senior leaders to **boost inclusion capability** and work together to tackle the most pervasive and persistent problems.

Using their expert understanding of HMPPS' legal duties under the public sector equality duty, they provide trusted, evidence-based inclusion expertise to support leaders to unblock barriers to progress and guide decision making. The HDU provide local leaders with fast paced, targeted advice and solutions to address inclusion issues as they arise. The three HMPPS staff networks are a core part of the HDU team, and they work collaboratively to improve outcomes for ethnic minority, disabled and LGBT+ staff.

The HDU have designed and implemented three core policies (equality analysis, advancing equality for staff and advancing equality for offenders) which are underpinned by the legislation and support leaders to adhere to their obligation and work proactively to prevent discrimination and disproportionate outcomes.

In 2024, the HDU introduced the HMPPS national inclusion priorities. This small set of data-driven priorities provides national, regional and local focus to improving outcomes in areas of greatest disparity, hold senior leaders to account, share best practice and build a better understanding of what works. In 2025 to 2026, our priorities will expand to cover disability.

For people in prison, our priority is to reduce the **disproportionality in use of force** between white and ethnic minority people. In 2022 to 2023, prisoners of all ethnic minorities faced higher rates of force than white prisoners, with some groups nearly twice as likely to face some form of force (e.g. 409 uses per 1,000 for black prisoners compared to 209 uses per 1,000 white prisoners).⁵² Disparities increased further when reviewing particular techniques (e.g. compared to white men, black men were over eight times more likely to experience a baton, and over six times more likely to experience PAVA, an incapacitant spray).⁵³ Our new race disproportionality measure will allow us to monitor progress and drive action amongst our prison leaders.

We have enhanced our approach to diversity and inclusion learning. Building on the success of the diversity and inclusion learning hub we have established clear governance for the approval of learning products. This approach allows us to minimise duplication to ensure our learning is of the highest standard.

In May 2024, we delivered on our commitment to create an active group of **senior civil servant inclusion champions** and HMPPS now, for the first time, has complete coverage across all protected characteristics. We also have coverage across a wide range of priority areas such as social mobility, wellbeing, and carers. Each area is led by an executive director working alongside deputy directors, prison group directors, and regional probation director champions. We are determined that the efforts of our champions will improve the experiences of all staff across HMPPS: we know that more engaged and motivated staff are better placed and more capable of delivering policies which build a justice system which works for all. Action lies at the heart of this ambition and each champion has committed to improve two to three areas over a 12-month period and they are held accountable for driving change which will improve experiences and outcomes across HMPPS, with our staff networks providing vital support and insight.

⁵² W1: Eng./Welsh/Scot./N.Irish/British and W2: Irish

⁵³ HMPPS (2025), Use of force review: An exploratory analysis of use of force in prisons 2018 to 23, available at: <https://www.gov.uk/government/publications/use-of-force-review-an-exploratory-analysis-of-use-of-force-in-prisons-2018-to-23>

The **Discrimination Incident Reporting Form (DIRF)** root and branch review uncovered inconsistency in the management of DIRFs between prisons. Good examples generally relied on a strong commitment from the senior management team and the diversity and inclusion lead to manage the process well, providing meaningful responses and deep scrutiny. Following the review, the HDU concluded that four fundamental improvements are required to build the confidence and trust of the DIRF process. Over the following 12 months the unit will: introduce a new governance capability to provide oversight, assurance and continuous improvement of the DIRF process, improve training for prison case investigators, enhance external scrutiny and transparency of the process and outcomes, and improve the data associated with the process and outcomes.

Reporting of discrimination in the Probation Service continues to be through the probation standard complaints process.

Sick absence data

The overall rate of HMPPS staff sickness in 2024 to 2025 was 11.9 days (compared to 11.1 days in 2023 to 2024).

Staff turnover and departmental turnover

In 2024 to 2025, HMPPS staff turnover was 10.1% (2023 to 2024: 11.0%) and the departmental turnover was 10.8% (2023 to 2024: 12.2%). Transfers within the Civil Service are not included in HMPPS staff turnover but are included within department turnover.

Communications and employee involvement

The HMPPS communications team supports the agency and its senior leaders in delivering their strategic objectives. Communications can range from urgent and crisis communications and operational updates, to delivering national recruitment campaigns and providing timely information to staff, prisoners, people on probation and their families.

Messages are created for specific audiences and shared in the most effective way, using our suite of internal and external channels including the intranet, weekly senior leaders' bulletin, global updates, a suite of social media channels, GOV.UK, launchpad and weekly probation news. We work closely with partners such as National Prison Radio, Wayout TV and prison newspaper 'Inside Time' to continue to **inform and engage with prisoners**.

Communications delivery was reshaped this year to better support HMPPS operational priorities and to mirror **organisational changes** brought about by the OneHMPPS programme. This saw a detailed review conducted into all communications work to ensure resources remained fully focussed on supporting the strategic aims of HMPPS and the needs of our audiences.

Areas of work through 2024 to 2025 included:

- providing expert communications support for operational colleagues as part of the ongoing response to the prison population pressures, including communicating about End of Custody Supervised Licence, Operation Early Dawn and SDS40
- ongoing support for the national 'extraordinary jobs' campaign, which promotes the variety of roles across the service to meet recruitment targets across England and Wales, while also highlighting the extraordinary job HMPPS staff do – this has included partnership content across external channels, PR promotion and organic storytelling
- provided dedicated communications advice and support for HMPPS' priorities for the Probation Service, including work to free up more staff time to prioritise work with highest risk cases
- supporting HMPPS' ongoing efforts to reduce reoffending by delivering strategic communications that promote the importance of education and purposeful activity – helping to improve prisoners' prospects and lower the risk of reoffending after release
- delivery of the HMPPS staff awards, which recognise the often-unseen work of frontline staff in custodial and community environments, and how they help to change lives

- managing and issuing high volumes of operational communications, ensuring audiences are informed of the changing operational instructions and rules – this includes the use of Welsh language products and, where appropriate, management of our established Independent Advisory Forum to ensure key partners remain engaged and able to discuss issues of importance with HMPPS senior leaders
- supporting the rollout of Launchpad (which delivers in-cell technology for prisoners) with educational and rehabilitation content which has high professional editorial standards that align with our other staff-facing channels
- maintaining GOV.UK prison pages to support prisons and family support services in their communications with family and friends of prisoners, providing strategic advice on longer-term policy changes and projects such as the launch of the specialist foreign national offender roles, counter corruption and a change in approach to how we deal with prisoners of concern

Staff wellbeing

The HMPPS senior wellbeing champion supports the People Board in its leadership and management of the people plan objective ‘promoting wellbeing for everyone’. This is achieved by driving our four **wellbeing priorities** across HMPPS including promoting the wellbeing support services available to staff.

Looking ahead to the new people strategy, we recognise that working for HMPPS can be both highly rewarding and demanding, and the nature of the work can present challenges that may place significant pressure on our staff. Our ambition is to create an environment and culture that actively supports the factors driving workplace wellbeing, enabling staff to thrive and perform at their best.

Empowering our people to recognise the available support services and understand how these services can help them is one of our four priorities. Our commitment to staff wellbeing in 2024 to 2025 saw us implement a new **wellbeing model** that puts a staff support and wellbeing lead in every region. They are responsible for coordinating wellbeing services, overseeing volunteer peer support, providing post-incident care, and collaborating with HR and other key stakeholders to make wellbeing a collective priority. An updated HMPPS staff support directory supports this work.

Area wellbeing plans have been implemented, concentrating on workplace wellbeing interventions identified in the annual wellbeing survey, including the role of line managers in supporting wellbeing. Given the challenges of both probation and prison work, we continue to provide extensive mental health support, including a 24-hour helpline, confidential counselling, and online wellbeing services. Reflective sessions, the preventative and proactive mental health initiative, offers all HMPPS staff (including a bespoke offer for governors and deputy governors) the opportunity to reflect in the here and now. Our volunteer peer support programmes include trauma risk management practitioners and care teams providing frontline support following workplace incidents. A review of the effectiveness of these peer support programmes has been carried out and several recommendations identified. In 2025 to 2026, we will focus on implementing actions, ensuring we are supporting employees affected by traumatic events in alignment with government guidance on trauma-informed practice.

In September 2024, the MoJ launched an updated **supporting attendance policy** covering workplace adjustments for employees, support guides on mental health, bereavement, stress and terminal illness, supporting long term sickness, and guidance on planning for a return to work, to ensure managers and employees work together to help an employee remain in or return to work. In addition, a new sickness dashboard has been developed to identify absence trends across HMPPS which will allow a data-led approach and targeted interventions. Development is being delivered through the ‘people management essentials’ training, which includes management of attendance training to build confidence in the process and support a quicker resolution to individual absences.

Our broader wellbeing and staff support services include:

- Optima Health (the occupational health provider to HMPPS) hosts a workplace wellbeing platform
- My Physio Checker offers employees access to support without referral from a line manager
- the Post-COVID-19 Syndrome support (Long COVID-19) occupational health service
- My Health Condition Management – a self-referral health management tool
- the e-flu vaccine voucher scheme

- trauma risk management teams at prisons and approved premises providing on-site support to help staff understand the symptoms of post-traumatic stress and offer practical self-management and signposting advice – a pilot is currently taking place in probation and is also being scoped for roll out in HQ
- Mental Health Allies – a peer support programme to encourage colleagues to seek help at the earliest opportunity by raising awareness and signposting to a range of support services
- new colleague mentor roles to support the welcoming and settling in of new colleagues in prisons

HMPPS recognised trade union relationships

HMPPS recognises ten trade unions.

For prisons, YCS and HQ, these are:

- Prison Officers Association (POA)
- Prison Governors Association (PGA)
- NTUS (comprising PCS, UNITE, FDA, PROSPECT and GMB)

For the Probation Service, these are:

- National Association of Probation Officers (NAPO)
- GMB Society of Chief Officers of Probation (SCOOP)
- Unison

A key focus of engagement with all these recognised trade unions, during 2024 to 2025, has been on managing the acute operational pressures of the prison capacity (prisoner population) situation and on delivering the additional measures to increase capacity within the Probation Service to support the early release and supervision of more offenders into the community.

All trade unions have been constructively engaged during the Independent Sentencing Review. Engagement has also focused on violence and drug reduction and enabling decent, safe and rehabilitative prison regimes. This has been

during a year of increases in assaults on staff (and prisoners), prisoner self-harm rates and deaths in custody.

The final year of the 2022 Probation Service multi-year pay deal, and a timelier 2024 Prison Service Pay Review Body outcome, were important stabilising factors against a wider backdrop of cost-of-living pressures and continuing wider public sector union pay challenge. The outcomes of forthcoming 2025 probation single year pay talks, and the Prison Service Pay Review Body outcome for prisons, will be equally important ahead of another expected year of prison and probation capacity and prison safety challenges.

HMPPS published Jennifer Rademaker's report and recommendations to address workplace cultural concerns and engaged constructively with the trade unions as key stakeholders in taking this forward.

It remains critical that trade union relationships and levels of engagement continue to be constructive at a national and local level to support operational delivery and reform priorities. HMPPS has comprehensive engagement frameworks and dispute resolution measures in place to ensure this remains the case.

Leadership, talent and capability

Through 2024 to 2025, the leadership, talent and capability teams have designed and delivered a portfolio of programmes, initiatives and schemes that provide quality learning experiences for HMPPS staff to enable them to discover their talent, build their capability and grow their leadership.

Talent development

We have delivered several initiatives aimed at building a **pipeline of future leaders** within the organisation. In support of the Enable programme, we developed the Future Prison Leaders Programme which builds on the success of previous fast track programmes and aims to recruit and train the next generation of prison leaders. The three-year programme will recruit 35 talented individuals from diverse backgrounds, including successful graduates, and offers a clear career pathway to a senior leadership position in prisons.

The Spark Custodial scheme, a fast-track development offer for internal staff to become heads of function, launched its third cohort. Support continued for the current cohorts of the Unlocked Graduates programme (designed for graduate entry prison officers).

We launched Enabling Diverse Talent, a talent development programme targeted at high-potential colleagues from an ethnic minority background and/or those who have a disability or long-term condition.

Existing staff and new entrants were given opportunities to participate in a variety of Cabinet Office-led talent schemes, including Beyond Boundaries, Launch (Care Leavers Internship programme), Fast Stream (generalist, HR and the new operational delivery strands), Future Leaders Scheme, and Senior Leaders Scheme, all aimed at broadening the skills and perspectives of potential leaders across different levels of the organisation.

Capability enhancement

We have continued to develop a learning offer to build knowledge, skills and behaviours across the workforce.

The recommendations from the **review of mandatory learning** (completed in 2023 to 2024) have been embedded across the organisation and an enhanced reporting dashboard developed to help the business areas to ascertain completion levels. The HMPPS digital induction modules have been developed and published to increase consistency in content provided to new recruits.

Deployment of **apprenticeships** across the MoJ and HMPPS continues to be an important capability building activity. As of December 2024, there were 1,637 HMPPS colleagues working towards an apprenticeship. Work has been undertaken to design, scope and tender for a new default entry qualification for Probation Service officers and this is scheduled to launch in autumn 2025. The launch of this programme will support employees to strengthen their ability to deliver effective practice and enhance the delivery of effective probation services.

Leadership development

We delivered a diverse range of leadership development to build confidence and capability of staff across all grades in HMPPS.

- Our annual leadership school provides an immersive mix of keynote speakers, specialist workshops and guided facilitation, this year focusing on the theme of ‘believe in people’ across two four-day events.
- We introduced ‘learning to lead’ to support emerging leaders from grades AA to EO to grow their leadership capability.
- The First Line Leader programme was delivered to 1,300 new line managers in HMPPS, providing them with timely and impactful knowledge, skills and behaviours that are essential to their role.
- We launched our coaching and mentoring hub in June 2024, matching people to a coach or mentor within MoJ, supporting our ambition to enhance the coaching culture across the organisation.
- Our ‘discover build grow’ sessions supported colleagues to develop their innovation and people manager capability in line with Civil Service-wide initiatives.
- In support of the Enable programme, we successfully developed and tested a leadership module for custodial managers ready for wider rollout in 2025 to 2026 and are developing a leadership package for heads of function.
- ‘Leading and managing as a senior probation officer’ began national rollout in 2024 to 2025 and nearly 220 senior probation officers have already completed the six-month programme that has been designed to support the strategic outcomes of the HMPPS people strategy, with a further 450 actively engaged in sessions.

Off-payroll engagements

During the financial year 2024 to 2025, HMPPS reviewed off-payroll engagements where we are required to consider the intermediaries (IR35) legislation using HMRC’s guidance and online status indicator. We have advised our contracting body of the outcome of the status determinations so that, where appropriate, tax deductions are made at source from payments made in respect of the engagement with HMPPS. Further details of off-payroll engagements are shown in the off-payroll tables in the MoJ Group Annual Report and Accounts 2024 to 2025.

Parliamentary accountability

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

Regularity of expenditure

Losses and special payments

The following losses and special payments are included within the Statement of Comprehensive Net Expenditure (SoCNE) on page 116. Special payments are disclosed at the point that payment is made:

	2024-25		2023-24	
	Cases	£'000	Cases	£'000
Cash losses	312	25	98	20
Losses of accountable stores	11,035	2,481	20,584	3,143
Fruitless payments and constructive losses	4	40,791	1	5,100
Claims waived or abandoned	14	53	29	205
Administrative write-offs	–	–	–	–
Losses statement	11,365	43,350	20,712	8,468
Special payments to staff	561	8,308	493	8,570
Special payments to offenders	5,803	18,461	5,702	14,752
Special payments to third parties	232	3,544	166	5,741
Special payments	6,596	30,313	6,361	29,063

In 2024 to 2025 HMPPS made four (2023 to 2024: one) loss payments over £300,000.

During 2024 to 2025 HMPPS recognised three constructive losses arising from the prison capacity programme of £24.0 million. Losses arose from: our continued focus on delivering sites which provided greatest value for money, resulting in the write-off of construction costs incurred to date on descope build projects within existing prison sites, and supplier failure.

In order to deliver 20,000 additional prison places by 2031, the full prison capacity portfolio is regularly evaluated to identify the optimal projects for both value for money and feasibility. Following commencement of these particular projects there have been material increases to the costs to completion, in part due to the extent of asbestos contamination, which have meant that they no longer represent value for money.

We anticipate that further losses of a similar order will be disclosed in the 2025 to 2026 annual report and accounts in relation to construction, demobilisation and remediation costs incurred after March 2025.

In order to comply with International Financial Reporting Standards, and in light of the likelihood of the continued vacant state of the prison in the short to medium term, the accounting judgement has been taken to reclassify HMP Dartmoor to surplus property. As the building is not owned by HMPPS but held on a finance lease, it holds no inherent value to HMPPS outside of its value in use. Therefore, the value of the right of use asset previously recognised has been reduced to nil, triggering recognition of an impairment loss of £16.8 million in accordance with IFRS 16. This represents the reduction in the capitalised value of the asset, based on the assumption that it is now not being used for its intended purpose.

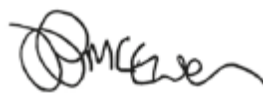
We continue to hold responsibility for future lease payments of £13.6 million.

In 2024 to 2025, HMPPS made 12 special payments over £300,000 (2023 to 2024: eight):

- six compensation payments were made to operational members of HMPPS staff – £820,178 (in addition to £10,000 from previous financial years), £824,950, £773,647 (in addition to £36,000 from previous financial years), £604,178, £516,991, and £307,703 (in addition to £170,000 from previous financial years)
- three payments were made to third parties – £496,067, £450,000 (in addition to £15,000 from previous financial years), and £333,008
- two payments were made to prisoners – £5,592,353 (in addition to £351,000 from previous financial years), and £498,269 (in addition to £2,804,219 from previous financial years)
- one payment was made to a third party as part of a contract termination – £532,962

The likelihood of a liability arising from these contingencies is considered to be remote.

HMPPS would be liable as provider of last resort for continuity of service at the privately operated prisons.



James McEwen
Chief Executive Officer
21 October 2025

Remote contingent liabilities

As required by Managing Public Money, in addition to contingent liabilities disclosed in accordance with IAS 37 in Note 17 to the accounts, HMPPS discloses, for parliamentary reporting and accountability purposes, certain statutory and non-statutory contingent liabilities where the likelihood of transfer of economic benefit is remote.

HMPPS has the following remote contingent liabilities:

- The Secretary of State for Justice has given assurance to the Heathrow Airport Holdings Limited and other third parties (for example, airlines) that may be affected by our operations. This assurance covers the following amounts:
 - up to £50 million for damage or injury per incident to third parties caused airside in the event of negligence by HMPPS
 - up to £250 million for damage or injury to third parties per incident in the event of negligence by HMPPS while on board an aeroplane
 - personal accident and/or sickness for HMPPS staff while on escorting duties

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 His Majesty's Prison and Probation Service (HMPPS) for the year ended 31 March 2025 under the Government Resources and Accounts Act 2000.

The financial statements comprise the HMPPS'

- 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 HMPPS'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 (2024).

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 HMPPS 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 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 HMPPS'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 HMPPS'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 HMPPS 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 HMPPS and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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 HMPPS 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 HMPPS 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 the HMPPS'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 the HMPPS 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 HMPPS's accounting policies.
- inquired of management, HMPPS's and those charged with governance, including obtaining and reviewing supporting documentation relating to HMPPS'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 HMPPS's controls relating to HMPPS's compliance with the Government Resources and Accounts Act 2000, Managing Public Money.
- inquired of management, HMPPS'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 HMPPS for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates including the valuation of the prison estate and the valuation of the defined benefit pension scheme. 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 HMPPS's framework of authority and other legal and regulatory frameworks in which HMPPS operates. 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 HMPPS.

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.

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 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;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- 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
Comptroller and Auditor General

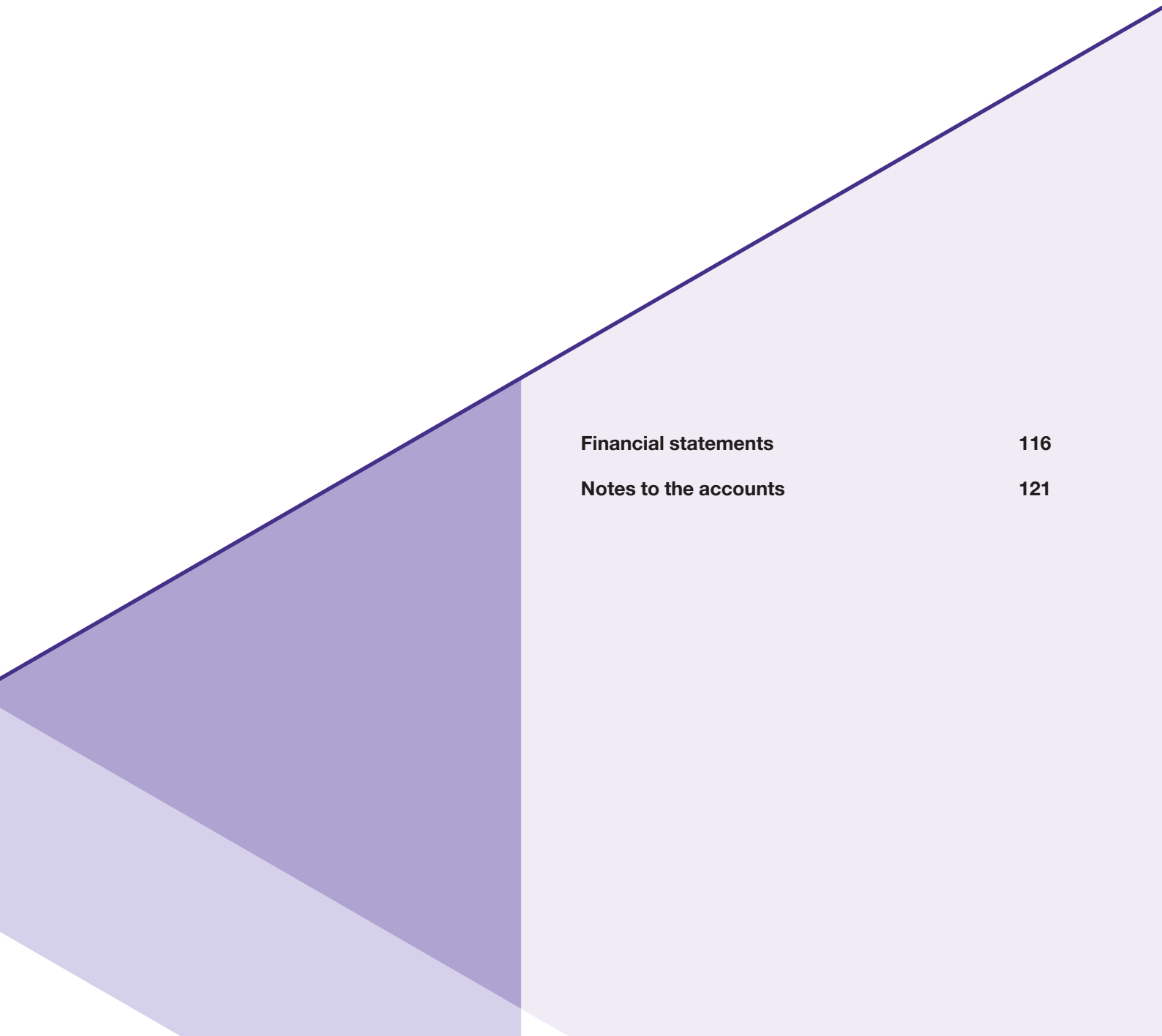
22 October 2025

National Audit Office
157–197 Buckingham Palace Road
Victoria, London, SW1W 9SP



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Financial statements

Statement of Comprehensive Net Expenditure (SoCNE)

For the period ended 31 March 2025

	Notes	2024–25		2023–24	
		£'000	£'000	£'000	£'000
Income from contracts with customers	3a	(256,298)		(241,584)	
Other operating income	3b	(45,752)		(41,716)	
Total operating income			(302,050)		(283,300)
Staff costs	4a	3,479,323		3,294,506	
Purchase of goods and services	4b	2,800,810		2,574,358	
Depreciation, amortisation and impairment charges	4c	728,545		570,901	
Other non-cash expenditure	4d	492,688		493,629	
Total operating expenditure			7,501,366		6,933,394
Net operating expenditure			7,199,316		6,650,094
Finance expense	4e	33,654		4,215	
Net expenditure for the year			7,232,970		6,654,309

Other Comprehensive Expenditure

For the period ended 31 March 2025

Items which will not be reclassified to net operating expenditure:	Notes	2024–25		2023–24	
		£'000	£'000	£'000	£'000
Net (gain)/loss on revaluation of property, plant and equipment	5	(54,684)		(28,580)	
Net (gain)/loss on revaluation of intangible assets	6	(262)		(350)	
Net (gain)/loss on revaluation of right of use assets	7	3,084		211	
Net (gain)/loss on revaluation of assets held for sale	8	579		164	
Remeasurement of net pension liabilities (gain)/loss	18	(12,797)		788,534	
Total comprehensive expenditure			7,168,890		7,414,288

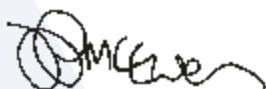
The notes on page 121 to 169 form part of these accounts.

Statement of Financial Position (SoFP)

At 31 March 2025

		31 Mar 2025		31 March 2024	
	Notes	£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	5	11,699,975		11,144,079	
Intangible assets	6	81,977		70,648	
Right of use assets	7	120,444		163,951	
Investments		251		239	
Total non-current assets			11,902,647		11,378,917
Current assets					
Assets held for sale	8	9,898		2,490	
Inventories	9	70,463		63,622	
Trade and other receivables	10	133,045		163,729	
Cash and cash equivalents	11	59,201		61,308	
Total current assets			272,607		291,149
Total assets			12,175,254		11,670,066
Current liabilities					
Trade and other payables	12a	(900,840)		(841,160)	
Financial liabilities	14b	(20,911)		(23,536)	
Lease liabilities	7ii	(22,563)		(20,230)	
Provisions	13	(26,122)		(33,458)	
Total current liabilities			(970,436)		(918,384)
Non-current assets less net current liabilities			11,204,818		10,751,682
Non-current liabilities					
Trade and other payables	12b	(238)		(281)	
Financial liabilities	14b	(127,755)		(148,666)	
Lease liabilities	7ii	(112,112)		(139,305)	
Provisions	13	(184,727)		(187,814)	
Pension deficit	18b	(472,245)		(529,505)	
Total non-current liabilities			(897,077)		(1,005,571)
Assets less liabilities			10,307,741		9,746,111
Taxpayers' equity					
General Fund			6,910,612		6,323,951
Revaluation Reserve			3,397,129		3,422,160
Total taxpayers' equity			10,307,741		9,746,111

The notes on page 121 to 169 form part of these accounts.



James McEwen
Chief Executive Officer
21 October 2025

Statement of Cash Flows (SoCF)

For the period ended 31 March 2025

		2024–25		2023–24	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net expenditure		(7,232,970)		(6,654,309)	
Adjustments for non-cash transactions		1,254,166		1,048,407	
Adjustment for intradepartmental settlements and asset transfers with MoJ		293,320		264,956	
Adjustment for finance costs	4e	9,826		16,787	
Adjustment for pension contributions paid less service costs	18	(68,531)		(49,435)	
(Increase)/decrease in trade and other receivables:	10	30,684		2,200	
Less: Impairments in trade and other receivables	4c	(1,009)		(1,568)	
(Increase)/decrease in inventories	9	(6,841)		1,552	
Increase/(decrease) in trade and other payables	12a	59,680		(23,881)	
Increase/(decrease) in capital payables		(33,888)		37,616	
Less: Payments of amounts due to the Consolidated Fund to MoJ		–		75	
Utilisation of provisions	13	(35,697)		(25,506)	
Net cash outflow from operating activities			(5,731,260)		(5,383,106)
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(1,204,328)		(1,161,449)	
Purchase of intangibles	6	(11,361)		(20,483)	
Proceeds on disposal of property, plant and equipment		187		143	
Proceeds on disposal of assets held for sale		7,154		10,054	
Proceeds on disposal of investments		–		–	
Net cash outflow from investing activities			(1,208,348)		(1,171,735)

		2024–25		2023–24	
		Notes	£'000	£'000	£'000
Cash flows from financing activities					
Net funding received from MoJ			6,997,500		6,620,000
Payments of amounts due to the Consolidated Fund to MoJ			–		(75)
Repayments of local authority loans	12b		(43)		(43)
Capital element of payments in respect of finance leases and on-balance sheet (SoFP) PFI contracts			(23,535)		(23,084)
Repayment of IFRS 16 lease liabilities	7		(26,595)		(24,255)
Interest paid			(9,826)		(16,787)
Net financing			6,937,501	6,555,756	
Net increase/(decrease) in cash and cash equivalents in the period			(2,107)	915	
Cash and cash equivalents at the beginning of the period	11		61,308		60,393
Cash and cash equivalents at the end of the period	11		59,201		61,308
Increase/(decrease) in cash and cash equivalents			(2,107)	915	

The notes on page 121 to 169 form part of these accounts.

Statement of Changes in Taxpayers' Equity (SoCTE)

For the period ended 31 March 2025

		General Fund	Revaluation Reserve	Total Reserves
	Notes	£'000	£'000	£'000
Balance at 1 April 2023		6,263,983	3,528,804	9,792,787
Changes in taxpayers' equity for 2023–24				
Net expenditure for the year to 31 March 2024		(6,654,309)	–	(6,654,309)
Net gain/(loss) on revaluation of:				
Property, plant and equipment		–	28,580	28,580
Intangible assets		–	350	350
Right of use assets			(211)	(211)
Assets held for sale		–	(164)	(164)
Release of reserves to the General Fund		135,199	(135,199)	–
Remeasurement of net pension liabilities	18	(788,534)	–	(788,534)
Funding from the MoJ		6,615,363	–	6,615,363
Settlement of transactions with MoJ		291,522	–	291,522
Notional items:				
Auditor's remuneration	4d	405	–	405
Notional element of MoJ overhead recharges		460,322	–	460,322
Balance at 31 March 2024		6,323,951	3,422,160	9,746,111
Changes in taxpayers' equity for 2024–25				
Net expenditure for the year to 31 March 2025		(7,232,970)	–	(7,232,970)
Net gain/(loss) on revaluation of:				
Property, plant and equipment			54,684	54,684
Intangible assets			262	262
Right of use assets			(3,084)	(3,084)
Assets held for sale			(579)	(579)
Release of reserves to the General Fund		76,314	(76,314)	–
Remeasurement of net pension liabilities	18	12,797	–	12,797
Funding from the MoJ		6,997,500	–	6,997,500
Settlement of transactions with MoJ		260,564	–	260,564
Notional items:				
Auditor's remuneration	4d	450	–	450
Notional element of MoJ overhead recharges		472,006	–	472,006
Balance at 31 March 2025		6,910,612	3,397,129	10,307,741

The notes on page 121 to 169 form part of these accounts.

Notes to the accounts

1. Statement of accounting policies

1.1 Basis of preparation

The accounts have been prepared in accordance with the *Government Financial Reporting Manual* (FReM) 2024–25 issued by HM Treasury. The accounting policies contained in the FReM follow International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the policy which has been judged to be the most appropriate to the particular circumstances of His Majesty's Prison and Probation Service (HMPPS, or 'the agency') for the purpose of giving a true and fair view has been selected. The particular accounting policies adopted by HMPPS are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The functional and presentational currency of HMPPS is the British pound sterling (£).

1.2 Accounting convention

These accounts have been prepared on an accruals basis under the historical cost convention, modified to account for the revaluation of non-current assets, assets held for sale, inventories and financial assets, where material.

1.3 Changes in accounting policy and disclosures

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

The 2025 to 2026 FReM withdraws the option to remeasure intangible assets using the revaluation model from 1 April 2025. With permission from HM Treasury all MoJ entities are adopting this adaptation of *IAS 38 Intangible Assets* early. This change is applied prospectively with carrying values at the transition date of 1 April 2024 now considered historical cost. Intangible assets have not been revalued in 2024 to 2025.

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

IFRS 17 Insurance Contracts replaces *IFRS 4 Insurance Contracts* and is to be included in the FReM for mandatory implementation from 2025 to 2026. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this Standard. It will require all insurance contract liabilities within scope to be calculated as the present value of future insurance cash flows with a provision for risk and held as liabilities on the SoFP. To assess the impact of the standard, we have reviewed contracts, provisions, contingent assets and liabilities for terms that meet the definition of an insurance contract under IFRS 17. Following further clarification guidance to support public sector adoption of the standard, we have assessed there will be no significant impact of the new standard on the HMPPS accounts.

IFRS 18 Presentation and Disclosure in Financial Statements will change the way HMPPS presents the SoCNE. The full impact of this new standard on HMPPS will not be determined until it has been adopted for use in the public sector by the FReM. It is expected to be implemented in the public sector from 1 April 2028.

HMPPS does not consider that any other new or revised standard or interpretation will have a material impact.

c) Changes in presentation and reclassifications

There have been no changes to presentation or reclassifications in 2024 to 2025. Changes required to reflect the revised structure of HMPPS have been made to the statement of operating costs by operating segment (Note 2) and the 2023 to 2024 statement has been restated for comparability.

1.4 Going concern

HMPPS is an executive agency of the MoJ. The future financing of HMPPS' activities is expected to be met by the MoJ from supply funding, which is voted annually under the relevant Appropriation Act.

1.5 Operating income

Operating income is generated directly from the operating activities of HMPPS and is recognised as revenue in the SoCNE in accordance with IFRS 15. Revenue is recognised when a performance obligation included within an agreement with a customer is satisfied, at the transaction price allocated to that performance obligation.

A large proportion of operating income relates to grant funding from the European Social Fund (ESF), and the recharge of expenditure to other government departments, particularly healthcare funding.

Grant funding from the ESF is recognised in accordance with *IAS 20 Accounting for Government Grants and Disclosure of Government Assistance* on a systematic basis over the period in which the related eligible expenditure is incurred. ESF grants are presented using the gross method in accordance with IAS 20, with income disclosed under other operating income in Note 3. The funding is subject to conditions including delivery of agreed outputs, timely submission of claims, and compliance with funding rules. Non-compliance may result in clawback or the withholding of future funds.

Healthcare funding is recognised on an accruals basis. Establishments log healthcare activity (medical escorts and bedwatches), which is used as the basis for raising invoices with standard 30-day payment terms.

The recharge of expenditure for provision of immigration detention is also recognised on an accruals basis. The cost of provision is recharged under a service level agreement, whereby the costs are recharged based on management accounts information and an agreed rate for each prison bed used in the year.

Another significant element of operating income comes from retail sales in prison shops, where the income is recognised on the exchange of goods.

Operating income is stated net of VAT. Further information can be found in Note 3.

Supply funding drawn down from the department is treated as financing and credited directly to the General Fund on a cash basis, in accordance with the FReM.

1.6 Purchases of goods and services

Purchases of goods and services are recognised on an accruals basis. Accrued expenditure is recognised when HMPPS has an unconditional obligation to pay customers, and is based on agreed amounts, contractually or by another form of mutual agreement.

1.7 Staff costs

Staff costs are recognised as expenses on an accruals basis when HMPPS has an unconditional contractual obligation to pay them.

1.8 Notional costs

Notional costs comprise statutory auditors' remuneration, which represents the National Audit Office's cost for the audit of HMPPS' accounts, and notional costs for HMPPS' usage of corporate services provided by MoJ. Such notional costs are credited directly to the General Fund. The majority of the notional recharge costs relate to IT services, HR services, estates costs, and shared services processing charges that are centrally managed by the department on behalf of HMPPS.

1.9 Property, plant and equipment, and intangible assets

Initial recognition and capitalisation threshold

Property, plant and equipment, and intangible assets, including subsequent expenditure on existing assets, are initially recognised 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. The threshold for capitalising individual assets is £10,000 (including irrecoverable VAT).

Significant purchases of assets which are separately beneath the capitalisation threshold, in connection with a single project, are treated as a grouped asset, with a capitalisation threshold of £1 million (including irrecoverable VAT).

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.

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

Subsequent expenditure

Subsequent expenditure to enhance 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 item 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 during the financial year in which it is incurred.

Intangible assets are recognised if it is probable that future service potential will flow to HMPPS and the cost can be measured reliably. Intangible assets comprise software developed by third parties, including MoJ, and software licences.

Assets under construction

Assets under construction are valued at historic cost within property, plant and equipment and intangible assets. The assets are not subject to depreciation or amortisation until completion, when the carrying value is transferred to the respective asset category. Expenditure is capitalised where it is directly attributable to bringing an asset into working condition, such as external consultant costs, relevant employee costs and an appropriate portion of relevant overheads.

Subsequent valuation

Subsequent to initial recognition, property, plant and equipment are carried at current value.

Land and buildings (including dwellings) are recorded at current value, as interpreted by the FReM, on the basis of professional valuations, which are conducted for each property at least once every five years. Full professional valuations are undertaken by the Valuation Office Agency, an independent body, using Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards, known as the Red Book. In between full valuations, carrying values are adjusted through desktop valuations to ensure they are not materially different from those that would be determined at the end of the reporting period. For buildings, the index applied is the Building Cost Information Service (BCIS) construction data Tender Price Index (TPI) that reflects price changes in the construction sector and is a good indicator of price pressure in building contracts in the UK. Furthermore, location factors are applied reflecting movements in the local property markets and a reduction in remaining life is reflected. In 2024 to 2025, 31% of the valuations were physical.

Freehold prison buildings and secure training centres are classified as specialised buildings which cannot be sold on the open market. Specialised properties are valued and carried at depreciated replacement cost (DRC) to a modern equivalent basis in accordance with the Red Book, adjusted for functional obsolescence.

Land associated with buildings valued to depreciated replacement cost (DRC) have 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, equally suitable for the existing use and of the same size, with normally the same physical and locational characteristics as the actual site, other than characteristics of the actual site that are irrelevant, or of no value, to the existing use. Where the use is too specialised to categorise in market terms, regard has been had to the range of uses prevailing in the locality of the actual site.

Assets which were recently held for their service potential but are now surplus are valued at current value in existing use where there are restrictions on HMPPS or the asset, which would prevent access to the market at the reporting date. Otherwise, surplus assets are valued at fair value in accordance with *IFRS 13 Fair Value Measurement*.

In determining whether a non-operational asset is surplus, HMPPS assesses whether there is a clear plan to bring the asset back into use as an operational asset. Where there is a clear plan, the asset is not considered as surplus and is maintained at current value in existing use. Otherwise, the asset is assessed as being surplus and valued at fair value under *IFRS 13 Fair Value Measurement*.

Farms and surplus freehold land, prison officers' quarters and some other non-specialised buildings are carried at open market valuations.

Non-property assets are recorded at cost on purchase and restated at each reporting date using the Producer Price Index published by the Office for National Statistics (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 to 2025. 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. 2023 to 2024 figures have been maintained as published as we do not have details of the level of error involved and are therefore unable to calculate a restated figure.

Subsequent to initial recognition, intangible assets are recognised at fair value in accordance with *IAS 38 Intangible Assets* as adapted by the FrEM.

As no active market exists for the intangible assets held by HMPPS, fair value is assessed as replacement cost less accumulated amortisation and impairment losses.

Intangible assets in service were re-measured at the end of each reporting period using the Producer Price Index issued by the ONS up until 31 March 2024. From 1 April 2024 all MoJ entities have been granted permission to early adopt the 2025 to 2026 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.

Fair value hierarchy and inputs

The valuation technique applied to all fair value figures of surplus, non-operating properties, is the market approach in accordance with *IFRS 13 Fair Value Measurement*. It uses prices and other relevant information generated by market transactions involving identical or comparable (that is, similar) assets.

The inputs to this technique constitute level 2 inputs in each instance. Level 2 inputs are inputs that are observable for the asset, either directly or indirectly. The inputs used take the form of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date.

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 in use of a non-cash-generating asset 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 HMPPS' estate is inherently subjective due to, among other factors, build cost, functional obsolescence, changes in the TPI, prevailing market yields and comparable market transactions. As a result, the valuations HMPPS 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, which is considered to fit the modern equivalent asset.

The costs used for the DRC valuations are costs relating to actual construction projects and as such are reliable and documented. Costs include VAT with the exception of PFI contracts which are delivered via a tax-efficient route.

Adjustments are made to the costs in line with the RICs Red Book to exclude certain costs, such as contingencies, abnormal expenditure due to ground conditions, and demolitions. These costs are readily identifiable in the cost data provided.

Fees shown 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% to 2% in the fee additions applied.

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

The Valuation Office Agency approach to depreciation takes a componentised approach to assign ages and remaining lives and reflect any changes incurred such as on capital expenditure (capex), the level of maintenance, and applying physical obsolescence. The physical age of an asset is established through factual evidence and 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.

Assumptions tested	Change	New valuation £m	Variance £m	Variance %
Actual total DRC buildings value 2025		8,228		
Alternate scenarios:				
Capex changes ⁵²	50%	8,250	23	0.3
Changes in TPI ⁵³	-2points	8,188	(40)	(0.5)
Changes in TPI ⁵³	2points	8,268	40	0.5
Physical depreciation ⁵⁴	-10%	8,274	46	0.6
Changes in functional obsolescence ⁵⁵	5%	8,224	(4)	(0.05)
Changes in functional obsolescence ⁵⁵	-5%	8,232	4	0.05
Changes in professional fees ⁵⁶	-1%	8,196	(32)	(0.4)

52 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, which provides a result that is not in our opinion sufficiently robust as it does not consider other factors that might affect the valuations. The value of the estate could be up to 0.3% or £23 million higher under this scenario.

53 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 and there is a difference of +/- 2 points from the TPI level used in the valuation.

54 This assumption considers the application of physical depreciation, which is directly related to the remaining lives. Here it has been moderated to 90% of the projection on the assumption that works undertaken across the estate have had a moderating effect on remaining lives.

55 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 15% is assumed as an average (based upon experience and empirical evidence) and this is varied by 5% either way. The current value of the estate could be up to +/- 0.05% or +/- £4 million.

56 This assumption considers the impact of professional fee additions. This considers a 1% reduction in fee additions which would reduce the current value of the estate by -0.4% or -£32 million.

Land

Land associated with buildings valued to DRC has been assessed to current value, interpreted as EUV, having regard to the cost of purchasing a notional replacement site in the same locality. This land has been valued using the direct comparable approach. 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 Valuation Office Agency has agreed with the MoJ for each site as to whether the actual site remains appropriate for the valuation.

In some circumstances, alternative sites would be appropriate and in these instances the land has 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.

Having regards to 2019 RICS Guidance Note 'Comparable Evidence in Real Estate Valuation', due to a lack of direct land comparable for valuers to draw upon this year, greater regard was given to market reports/forecasts.

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

Assumption tested	Assumption	Elmley £000	Extrapolated total £000
£/hectare	5%	119	55,590
£/hectare	-5%	(119)	(55,590)

A reasonable alternative assumption is to adjust the price per hectare (£/ha). The current value of the asset could be up to +5% higher £119,000 or by -5% lower (-£119,000), which extrapolates to +/- £55.6 million across the total population. Given the level of valuer judgement involved in land valuations, which are subjective, and the current market conditions with a lack of transactions, we are unable to quantify the potential level of uncertainty.

Existing use value – buildings

For the HMPPS estate the use of the EUV basis of valuation is used to support those properties where there is market-based evidence to support the use of EUV. This basis of valuation is typically used to value the land element of prisons, non-specialist assets, married quarters, farms, land as well as non-specialist approved premises and probation assets. As a market-based assessment of value, EUV relies on the availability of comparable market evidence that is capable of analysis and appropriate application by the valuer, using the required assumptions embodied within EUV, to reliably inform the asset valuation being undertaken.

The table below shows sensitivity analysis on one of the EUV valuations provided (Worthing Probation Office), extrapolated across the EUV population.

Assumption tested	Assumption	Valuation		
		Worthing £000	Extrapolated total £000	Variance from base £000
Market yield (base)	10.00%	493	65,500	
Market yield	10.25%	480	67,100	1,600
Market yield	9.75%	505	63,900	(1,600)

The UK investment market has experienced a significant rebasing over the past year, and in particular this has resulted in drops to the yields for regional offices. Assumptions are reviewed annually to ensure they remain appropriate.

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. Reversals are credited to the SoCNE to the extent of the previous amount expensed, and any excess is credited to the Revaluation Reserve.

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 Reserve balance released to the General Fund.

A revaluation decrease (other than as a result of a permanent diminution) is reversed against any existing amount held in the Revaluation Reserve in respect of that same asset, with any residual decrease taken to net operating costs 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 and amortisation

Depreciation and amortisation are charged on a straight-line basis at rates calculated to write off the value of assets less any estimated residual value evenly over their estimated useful lives. Useful lives are reviewed annually. Where a change to the life of an asset or asset category is determined, depreciation is charged on a straight-line basis over the assessed remaining life. Depreciation commences in the month of acquisition for all non-current assets.

If an asset comprises two 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
Freehold buildings including dwellings	Shorter of remaining life or up to 60 years (up to 55 years for dwellings) depending on building
Leasehold buildings including dwellings	Shorter of remaining life, remaining lease period or up to 50 years (up to 55 years for dwellings)
Information technology, plant and equipment, furniture, fixtures and fittings	3 to 15 years depending on individual asset type
Vehicles	5 to 15 years depending on individual asset type
Intangible assets – software	3 to 10 years
Intangible assets – licences	Length of the licence

1.10 Leases

Government bodies typically lease properties used for administrative purposes for reasons of efficiency and flexibility. HMPPS also benefits from the lease of land under leases with peppercorn consideration, which could not have been obtained through outright purchase. For other types of asset, HMPPS determines 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.

Scope and exclusions – HMPPS as lessee

In accordance with *IFRS 16 Leases*, contracts, or parts of contracts, that convey the right to control the use of an asset for a period of time are accounted for as leases.

As adapted by the FRoM, IFRS 16 has been applied to leases with nil or nominal (that is, significantly below market value) consideration and arrangements for accommodation between government departments.

When making the above assessments, HMPPS excludes two types of leases. Firstly, 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. Secondly, contracts whose term (comprising the non-cancellable period together with any extension options HMPPS is reasonably certain to exercise and any termination options HMPPS is reasonably certain not to exercise) is less than 12 months.

Initial recognition – HMPPS as lessee

At the commencement of a lease (or on the date of transition to IFRS 16, if later), HMPPS recognises a right of use asset and a lease liability.

The lease liability is measured at the value of the remaining lease payments, discounted either by the interest rate implicit in the lease or, where this is not readily determinable, HMPPS' incremental rate of borrowing. This rate is advised annually by HM Treasury (4.72% for leases recognised in 2024, 4.81% for those in 2025). Where the lease includes extension or termination options, the lease payments will be for the non-cancellable period together with any extension options HMPPS is reasonably certain to exercise and any termination options HMPPS is reasonably certain not to exercise.

In the event that a lease contract has expired, but HMPPS remains 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.

The measurement of lease payments excludes any VAT payable, and irrecoverable VAT is expensed at the point it falls due in line with *IFRIC 21 Levies*.

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, and any costs of removing the asset and restoring the site at the end of the lease.

However, where the lease requires nil or nominal consideration (usually referred to as a 'peppercorn' lease), the asset will instead be measured at its EUV, using market prices or rentals for equivalent land and properties, with the difference between the carrying amount of the right of use asset and lease liability treated as notional income (or on transition, a credit to the General Fund).

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 FRoM.

Subsequent measurement – HMPPS as lessee

After initial recognition, the right of use asset will be measured using the fair value model. HMPPS considers that the cost model (measurement by reference to the lease liability) is a reasonable proxy for fair value in the case of non-property leases, and for property leases of less than five years or with regular rent reviews. For other leases, the asset will be carried at a revalued amount.

The value of the asset will be 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.

The lease liability will be adjusted for the accrual of interest, repayments, reassessments and modifications. Reassessments are reappraisals of the probability of the options given by the existing lease contract, for example where we no longer expect to exercise an option, while modifications are changes to the lease contract. Reassessments and modifications are accounted for by discounting the revised cash flows: using a revised discount rate where HMPPS becomes or ceases to be reasonably certain to exercise or not exercise an extension or termination option, or the lease is modified to amend the non-cancellable period, change the term of the lease, change the consideration or the scope, or at the existing discount rate where there is a movement in an index or rate that will alter the cash flows, or the amount payable under a residual value guarantee changes.

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.

Estimates and judgements

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 stand-alone price of the lease component only. Where this is not readily observable, a determination will be made by reference to other observable data, such as the fair value of similar assets or price of contracts for similar non-lease components.

As described above, HMPPS has determined the lease term 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.

HMPPS has determined that the cost model is 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 cost and fair value, hence a professional revaluation is appropriate.

HMPPS leases various non-property assets such as vehicles and IT equipment. Since 2023 to 2024 the leasing of a fleet of vehicles has also been recognised as a right of use asset. No other non-property leases have been recognised in these accounts.

1.11 Non-current assets held for sale

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

Gains and losses on disposal of non-current assets are determined by comparing the proceeds with the carrying amount and are recognised in the SoCNE. When revalued assets are sold, the amounts included in the Revaluation Reserve are transferred to the General Fund.

1.12 Impairment

At each reporting date, in accordance with *IAS 36 Impairment of Assets* as adapted by the FReM, HMPPS assesses all assets for indications of impairment. If any such indications exist, the assets in question are tested for impairment by comparing the carrying value of those assets with their recoverable amounts. If 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' as defined under 'Subsequent valuation' in Note 1.9. Current values in existing use are determined as follows:

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

Impairment losses are recognised in the SoCNE, except where the asset had been revalued previously and a Revaluation Reserve is held for the asset. In this case the value of the reserve is released first, and then excess impairment is charged to the SoCNE.

Impairment losses resulting from a permanent diminution in the value of the asset, due to a clear consumption of economic benefit or service potential, are recognised directly in the SoCNE, and any Revaluation Reserve held for the asset is transferred to the General Fund.

The reversal of an impairment loss is 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.

1.13 Deferred income

Deferred income is recognised at the point in time where income has been received but a performance obligation has not been met.

1.14 Payables

These are financial liabilities other than those classified as held at fair value through profit or loss (net operating expenditure). Payables are recognised at the point in time where the expense of the same transaction is recognised.

They are valued initially at fair value, with the transaction value regarded as the fair value at the date of initial recognition. Where the time value of money is considered to be material, the estimated cash values are discounted using the effective interest rate. They are derecognised when all obligations are settled.

1.15 Service concession arrangement including PFI arrangements

Service concession arrangements, including those under PFI contracts, involve private sector operators being contractually required to provide services to the public using certain infrastructure assets. HMPPS classifies these as service concession arrangements when they satisfy the conditions set out in *IFRIC 12 Service Concession Arrangements*, as adapted for the public sector context by the FReM. Future payment streams are assessed to identify separately the infrastructure, interest and service components.

Where the service concession arrangement involves the creation or provision of an asset by the operator, HMPPS recognises the infrastructure asset at fair value (or the present value of future

minimum infrastructure payments, if lower) as a non-current asset in the SoFP, with a corresponding liability for future payments under the agreement, following the principles contained within IFRS 16. As per the FReM, this approach means the liability is remeasured whenever there is a change in future lease payments resulting from a change in an index or rate used to determine those payments.

The service element is charged to the SoCNE in the period the services are rendered by the operator. The interest element is charged to the SoCNE over the contract to produce a constant periodic rate of interest on the remaining balance of the liability. Older prison PFI arrangements and other service concession arrangements use HM Treasury discount rates. HMP Thameside PFI and, where possible, any future PFI contracts will use the interest rate implicit in the contract.

'Manage and Maintain' contracts are used for some privately operated prisons where the building is owned by HMPPS, but access is provided to the operator in order to deliver the contracted services. As the assets relating to these contracts were owned by HMPPS prior to the start of the contract there is no related liability or interest charge.

1.16 Inventories

Inventories comprise raw materials, work-in-progress, finished goods and consumable stores. Inventories are valued at the lower of current replacement cost and net realisable value. Current replacement cost is not considered materially different from historical cost.

1.17 Employee benefits

Short-term benefits such as salaries and wages or post-employment benefits resulting from employment and long-term benefits such as long service awards, including termination benefits (for example early departure costs) and pension benefits 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.

The department recognises the expected cost of the annual leave entitlement of its employees that is accrued at the end of the financial year in accordance with *IAS 19 Employee Benefits*.

Defined benefit pension schemes

Principal Civil Service Pension Scheme

The provisions of the PCSPS cover most past and present employees in HMPPS HQ and prisons. While this is an unfunded defined benefit scheme, in accordance with the FReM adaptation of IAS 19, HMPPS accounts for it as a defined contribution scheme. HMPPS recognises contributions payable as an expense in the year in which they are incurred, and the legal or constructive obligation is limited to the amount that it agrees to contribute to the fund.

Local Government Pension Scheme

HMPPS probation staff and past employees of the probation trusts, including those who transferred to Community Rehabilitation Companies (CRC) and/or Commissioned Rehabilitative Services (CRS) are covered by the provisions of the LGPS via a pension fund administered by the Greater Manchester Pension Fund (GMPF). This is a funded defined benefit scheme.

The Secretary of State for Justice has provided a guarantee to GMPF in respect of the CRS' participation in the GMPF for pension liabilities that transferred to the CRS.

The pension fund is subject to an independent triennial actuarial valuation to determine each employer's contribution rate. The last formal actuarial valuation was at 31 March 2022 and was carried out during 2022. The results of the valuation as at 31 March 2022, and the annual roll forward for each subsequent year including 2024 to 2025, are shown in the actuarial report as at 31 March 2025 and are reflected in the 2024 to 2025 accounts.

A professional calculation of the net pension position at the reporting date is obtained from Hymans Robertson LLP, the independent actuary for GMPF. The assumptions underpinning the actuarial calculations are subject to review as part of HMPPS' annual reporting and audit process.

The IAS 19 net pension position is the present value of the defined benefit obligation less the fair value of plan assets at the reporting date. The present value of the obligation is determined by discounting estimated future cash outflows using rates as advised by the scheme actuary.

In between formal actuarial valuations, the obligation is approximated by adjusting the most recent full valuation using latest available membership data. Where this net position is a surplus, *IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* is applied and limits that surplus by means of an asset ceiling to reflect that the full economic benefit is not realisable by the agency. Further detail on the application of IFRIC 14 is included in Note 18 Pensions.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, and the return on plan assets (excluding interest) are recognised within Other Comprehensive Expenditure in full in the period in which they arise. Service costs are recognised in the SoCNE and are spread systematically over the working lives of the employees. The net interest charge in the SoCNE reflects the unwinding of the discount applied to the net liabilities of the scheme.

IAS 19 requires that the discount rate is determined by reference to market yields at the end of the reporting period, on high-quality AA corporate bonds of a currency and duration consistent with the currency and duration of the benefit obligations. The discount rate at 31 March 2024 is slightly higher compared to the previous year, reflecting a higher yield on high-quality corporate bonds and reducing the pension obligation.

National Employment Savings Trust (NEST) Defined Contribution Pension Scheme

Under the government's policy of 'Workplace Pensions', all workers who meet the minimum requirements for auto-enrolment must be enrolled into a pension scheme by their employer.

NEST Defined Contribution Scheme is offered to individuals working in HMPPS who are not civil servants and are therefore not eligible to join the Civil Service Pension Scheme (public sector prisons/HQ prison staff) or the LGPS (Probation Service staff). This covers those working on a sessional/fee paid basis who are on a contract of services and not a contract of employment.

Civil Service Injury Benefits Scheme

The Civil Service Injury Benefits Scheme is accounted for under IAS 37. Please see Note 1.18.

1.18 Provisions and contingent liabilities

Provisions represent liabilities of uncertain timing or amount. Provisions are recognised when HMPPS has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and for which a reliable estimate can be made of the amount.

If the likelihood of payment is less than probable, but greater than remote, or the obligation cannot be measured reliably, a contingent liability is disclosed in the accounts.

Provisions and contingent liabilities are valued at the best estimate of the expenditure required to settle the obligation. They are discounted to present value using rates set by HM Treasury (4.03%, 4.07% and 4.81% for short-term, medium-term and long-term cash flows respectively), where the effect is material.

Litigation

For litigation provisions, the likelihood of the outcome and the estimated amount due are calculated by legal professionals, using their professional judgment and expert knowledge of the case providing a range of values with the most likely estimate of the amount payable being provided for. Where legal cases relate to contract disputes, commercial professionals are also involved in the calculation of the likelihood and value. Further information on the inherent uncertainties in the litigation provision is included at Note 13.

Civil Service Injury Benefits Scheme

HMPPS is required to pay benefits to staff who are members of the PCSPS, who are injured in connection with their employment, under the Civil Service Injury Benefits Scheme. Benefits are paid only in respect of loss of earning capacity, and a provision is made for expected future costs. The Government Actuary's Department provides HMPPS with annuity rates each year covering whole of life (for total liability value), one year, and two to five years (for cash flow values). These assumptions take the time value of money into account.

Injury benefit provisions are discounted using the HM Treasury post-employment benefits real discount rate of 2.40% (2023 to 2024: 2.45%).

In calculating the provision, assumptions are made around life expectancy and the discount rate, as prescribed by HM Treasury, used in the calculation. Further detail is included at Note 1.20 and Note 13.

Dilapidation

The dilapidations provision reflects an estimate of the future expenditure required to return office space and other leased facilities to their original condition at the end of the lease term.

The provision is calculated using the assumed repairing level for each location, which is stipulated in the lease terms. A cost of repair per square metre is determined by our contracted surveyors, Cushman and Wakefield, and applied to the area for each lease at the specified level. The repair rates for each level are reviewed bi-annually and updated as required.

The provision is calculated on the assumption that HMPPS will occupy the space until the end of each lease agreement with no intention to exercise any break options, unless there is a clear plan to terminate the lease early.

Further detail on assumptions is included at Note 13.

1.19 Value Added Tax

Most of HMPPS' activities are outside the scope of VAT. 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 capitalised purchase costs of non-current assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

1.20 Critical accounting estimates and judgements

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

Critical accounting estimates and assumptions

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.

Revaluation and impairment of non-current assets

Subsequent to initial recognition, land and buildings (including dwellings) are recorded at current EUV based on professional valuations performed at 31 March each year by the Valuation Office Agency, an independent body, in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual.

Buildings that are specialised, such as the prisons, are 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 'beacon' sets the cost to build a new modern equivalent asset and was updated in 2022 to 2023 based on the cost data from Berwyn, Five Wells and Fosse Way. The revised beacon cost has been applied to all of the prison estate. However, a factor has been applied to the older prisons to reduce the DRC and remove increases relating to the high specification of a new build. Substantially all other buildings are measured at current value determined from market-based evidence. Each property is valued annually, with 31% of valuations physically inspected in 2024 to 2025. The remaining 69% of properties are valued via desktop calculations using the BCIS TPI, location factors and a one-year reduction in remaining life.

Land associated with buildings valued to DRC have been assessed to current value, interpreted as EUV, having regard to the cost of purchasing a notional replacement site in the same locality, equally suitable for the existing use and of the same size, with normally the same physical and locational characteristics as the actual site, other than characteristics of the actual site that are irrelevant, or of no value, to the existing use. Where the use is too specialised to categorise in market terms, regard has been given to the range of uses prevailing in the locality of the actual site.

All assets other than land, buildings, intangible assets and assets under construction are ordinarily revalued at each reporting date 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 to 2025.

LGPS assets and liabilities

The present value of the net pension position depends on several actuarially derived assumptions about inflation, salary and pension trends, discount factors and mortality rates. The estimated assets and liabilities are subject to fluctuation and uncertainty due to changes in these assumptions over time and differences between assumptions and actual events. Sensitivity analysis in relation to the key assumptions used in the calculation of the gross pension liability is provided in Note 18 along with details of the assumptions underlying the application of IFRIC 14.

The pension position for 2024 to 2025 has been calculated using suitable assumptions that have been selected and validated for use by the scheme actuary.

All assumptions remain under constant review. As the economic climate changes and more information becomes available, assumptions are reconsidered. More detail is reflected in [Note 18](#).

Provisions for liabilities and charges

The recognition and measurement of provisions rely on the application of professional judgement, historical experience and other factors expected to influence future events. Provision balances which contain regular, homogeneous transactions are often derived from complex financial models. Estimates and assumptions applied in these models are continually reviewed. Where the likelihood of a liability crystallising is deemed probable and can be measured with reasonable certainty, a provision is recognised. Further information is set out in Note 1.18 and Note 13.

Critical judgements in applying HMPPS accounting policies

Service concession arrangements

The classification of arrangements as service concession arrangements requires HMPPS to determine, based on an evaluation of the terms and conditions of the arrangements, whether it controls the infrastructure. Where HMPPS is judged to control the infrastructure, the contract assets are reflected in the SoFP.

2. Statement of operating costs by operating segment

The statement of operating costs by operating segment presents net operating cost information based on the structure reported to the HAB. The segments reflect the main directorate structure within HMPPS, allowing the Board to have a clear view on the costs of frontline operations. Net cost information for directorates where budgets are held by MoJ is not reported to the HAB. This includes MoJ corporate services and estates functions and the National Distribution Centre.

The HMPPS directorate structure is as follows.

Public Sector Prisons

The Public Sector Prisons Directorate is responsible for line management and leadership of public sector prisons in England and Wales. The directorate drives the transformation of public sector prisons by implementing effective and efficient performance measures. It also ensures that offenders are treated with decency.

Probation Service

The Probation Service Directorate is responsible for line management and leadership of probation services in England and Wales. The Probation Service is a statutory criminal justice service that supervises all offenders released into the community, working closely with local delivery partnerships including prisons, CRS and other providers. The directorate also provides pre-sentence reports to the courts, advising on appropriate sentencing measures for all individuals convicted of an offence.

Contracted Operational Delivery

The Contracted Operational Delivery Directorate manages national HMPPS contracts including privately operated prisons, reducing reoffending contracts and prisoner escort and custody services contracts. It manages strategic relationships and operational contracts. These support frontline delivery in prisons, probation, and the wider criminal justice system. Through these contracts HMPPS seeks to ensure effective system-wide performance, promoting and supporting the integration of services at local level.

National Services

Under the new HMPPS area model, which was launched in October 2023, the newly created Area Executive Director roles oversee the management of seven National Services. These are Community Accommodation Services, Psychology Services, Prison Operational Policy, Foreign National Offenders, Public Protection Group, Women's Services and Health and Safety, Litigation, Estates and Safety.

Youth Custody Service

The YCS was established in September 2017 as a distinct part of HMPPS. It has responsibility for placing and safeguarding children who have been remanded or sentenced to custody and for the provision of sufficient and suitable places for those children. The YCS operates all public sector sites across the Children and Young People Secure Estate, for children and young people between the ages of 10 and 17 across England and Wales. This includes three YOIs, one secure training centre, and the contract supporting delivery of secure children's homes. The YCS is also involved in the oversight of a secure school run by Oasis Restore Trust.

HMPPS Change

HMPPS Change manages complex programmes to deliver them in the most effective way, ensuring the right resources are allocated to the right programmes. It includes Change Delivery Group, electronic monitoring, OneHMPPS and Change – Supply. Change Delivery Group provides central oversight of the major change programmes and projects across HMPPS, providing assurance, reporting of programme delivery, and intervening to tackle emerging, complex issues utilising the Gateway Management System.

Electronic monitoring is a valuable tool which strengthens offender management in the community and drives the broader criminal justice priorities of reducing reoffending and protecting the public. The electronic monitoring team supports the collection of data on the operation of electronic monitoring services, device-wearer compliance and tag performance to support decision making which is vital to the delivery of court-ordered community orders, court bail, post-release licence conditions, and the supervision of foreign national offenders.

OneHMPPS ensures a HQ structure that provides a greater focus on operations and a more joined up model between prisons and probation. This programme has overseen a restructure of HQ functions, supported the development of the area model and the move to national services. Change – Supply includes the Prison Capacity Sub-Portfolio consisting of new prisons, prison estate expansion, private prisons contract expiry and transfer, the Accelerated Houseblock Delivery Programme, small secure houseblocks and the Rapid Deployment Cells Programme, as well as the long-term estates strategy and pipeline.

Rehabilitation

The Rehabilitation Directorate brings together agency oversight of the rehabilitative pathways, focusing on giving the right interventions to the right people at the right time. The work centres around delivery of the HMPPS Rehabilitation Strategy, which forms the basis for how we design and deliver our services. These services cover statutory interventions on drugs and alcohol (testing and community treatment) and education services, as well as a range of core rehabilitation services. These include CRS and accredited programmes, covering areas including employment, skills and education services (such as the Prisoner Education Service), accommodation and priority projects (such as CAS), and health and wellbeing (such as the Joint Offender Personality Disorder Pathway).

Directorate of Security

The Directorate of Security works closely with both MoJ and the operational field to provide the most effective and innovative support for security in prisons and probation.

Strategy, Performance and Corporate Delivery

Strategy, Performance and Corporate Delivery provides core performance, assurance and risk management to allow the HMPPS Accounting Officer to discharge their duties. The directorate sets out the HMPPS organisational strategy with partners and the wider government. It also delivers business planning for the agency, ensuring proper governance and change management to achieve our goals. Additionally, it directly supports operational delivery by enabling people to access and apply evidence and insight.

This helps continuously improve performance, monitor risk, enhance information security, and assure service delivery. The directorate also leads on diversity and inclusion, and works collaboratively to create more inclusive and open learning cultures.

Transforming Delivery

The Transforming Delivery Directorate leads on digital technology and services, operating models and developing the workforce.

Probation Operations

The Probation Operations Directorate provides national assistance to frontline delivery, including responding to emerging issues and improving outcomes. The directorate is made up of the following teams: National Security Division, Courts and Custody Group, Central Operations Support, Community Delivery Group and Professional Register.

Prison Operations

The Prison Operations Directorate provides services to support prison operations and continuous improvement of frontline service delivery across HMPPS.

Table 2a presents resource expenditure, which is reported to the Board by segment. Table 2b reconciles this total to the SoCNE, which also includes annually managed expenditure (AME) and SoCNE expenditure which counts towards capital for budgeting purposes. The HAB does not receive a SoFP analysed by operating segment and therefore such an analysis is not presented here.

Comparative information for 2023 to 2024 has been restated to reflect the current segment structure following the reorganisation on 1 April 2024.

2a Total net resource expenditure as reported to the Board in 2024 to 2025

	2024–25		
	Gross expenditure	Income	Net
	£'000	£'000	£'000
Public Sector Prisons	2,670,982	(84,518)	2,586,464
Probation Service	1,164,060	(11,319)	1,152,741
Contracted Operational Delivery	1,048,726	(93,279)	955,447
National Services	261,036	(6,431)	254,605
Youth Custody Services	220,008	(37,631)	182,377
HMPPS Change	180,449	(15,362)	165,087
Rehabilitation Pathways and Partnerships	143,671	(48,775)	94,896
Directorate of Security	91,275	(1,871)	89,404
Strategy, Performance and Corporate Delivery	58,597	–	58,597
Transforming Delivery	48,069	–	48,069
Probation Operations	29,335	(498)	28,837
Prison Operations	20,735	–	20,735
Total	5,936,943	(299,684)	5,637,259

2b Reconciliation between operating segments and SoCNE in 2024 to 2025

	2024–25		
	Gross expenditure	Income	Net
	£'000	£'000	£'000
Total net expenditure by operating segment as reported to the Board	5,936,943	(299,684)	5,637,259
PFI prisons and service concession arrangements accounting treatment	1,625	–	1,625
HMPPS costs where the budget is held within MoJ	900,600	(1,725)	898,875
MoJ costs where the budget is held within HMPPS	(11,029)	–	(11,029)
MoJ overhead recharges	492,637	–	492,637
Accounting treatment of impairments, provisions and pensions (AME)	156,248	–	156,248
Other	57,996	(641)	57,355
Total net expenditure per SoCNE	7,535,020	(302,050)	7,232,970

2a Total net resource expenditure as reported to the Board in 2023 to 2024 (restated)

	2023–24 (restated)		
	Gross expenditure	Income	Net
	£'000	£'000	£'000
Public Sector Prisons	2,461,202	(78,555)	2,382,647
Probation Service	1,087,315	(10,094)	1,077,221
Contracted Operational Delivery	1,008,842	(90,053)	918,789
National Services	213,371	(8,962)	204,409
Youth Custody Service	222,034	(34,047)	187,987
HMPPS Change	179,893	(12,051)	167,842
Rehabilitation Pathways and Partnerships	143,981	(44,752)	99,229
Directorate of Security	86,531	(1,330)	85,201
Strategy, Performance and Corporate Delivery	81,750	(2)	81,748
Transforming Delivery	21,450	–	21,450
Probation Operations	29,883	(404)	29,479
Prison Operations	22,794	–	22,794
Total	5,559,046	(280,250)	5,278,796

2b Reconciliation between operating segments and SoCNE in 2023 to 2024

	2023–24		
	Gross expenditure	Income	Net
	£'000	£'000	£'000
Total net expenditure by operating segment as reported to the Board	5,559,046	(280,250)	5,278,796
PFI prisons and service concession arrangements accounting treatment	15,498	–	15,498
HMPPS costs where the budget is held within MoJ	825,848	(2,545)	823,303
MoJ costs where the budget is held within HMPPS	(3,484)	–	(3,484)
MoJ overhead recharges	492,512	–	492,512
Accounting treatment of impairments, provisions and pensions (AME)	28,602	–	28,602
Other	19,587	(505)	19,082
Total net expenditure per SoCNE	6,937,609	(283,300)	6,654,309

3. Income

	2024–25	2023–24
	£'000	£'000
(a) Income from contracts with customers		
External sales of prison industries	7,297	7,382
Retail prison shop income	82,623	81,464
In-cell TV income	1,855	1,831
Healthcare funding	75,886	66,400
Provision of immigration detention	3,521	6,609
Youth remand income	37,027	33,284
Education funding	11,359	11,153
Electronic monitoring services	15,357	12,043
Estates recharges	22	425
Other income	21,351	20,993
Total income from contracts with customers	256,298	241,584
b) Other operating income		
European Social Fund and other European funding	44,918	40,818
Rental income	614	898
Capital grant in kind	220	
Total other operating income	45,752	41,716
Total operating income	302,050	283,300

Income from contracts with customers includes sales to prisoners through the prison shop, healthcare funding and youth remand income.

Income in respect of services rendered is recovered in line with the related service level agreement on a full cost basis.

4. Expenditure

4a Staff numbers and related costs

Staff numbers and further details of related costs, including exit packages, are reported in the remuneration and staff report from page 88.

	2024–25	2023–24
	£'000	£'000
Permanent staff – wages and salaries	2,537,983	2,394,375
Permanent staff – social security costs	274,955	257,193
Permanent staff – pension costs	602,211	538,178
Agency staff costs	38,249	54,802
Departures and severance payments	27,347	45,042
Inward secondments	4,756	11,715
Sub-total	3,485,501	3,301,305
Recoveries in respect of outward secondments	(6,178)	(6,799)
Total net costs	3,479,323	3,294,506

4b Purchase of goods and services

	2024–25	2023–24
	£'000	£'000
PFI prison service charges and privately operated prison charges	587,507	563,867
Service concession arrangement charges for prisoner escorting and custody services	169,572	156,543
Electronic monitoring	106,841	87,882
Contracted probation services	99,219	96,388
Accommodation, maintenance and utilities	781,256	688,468
Offender-related costs	538,843	505,659
Offender learning	175,066	157,784
Secure children's homes	32,318	30,759
Secure training centres	25,348	23,202
IT services and telecommunications	62,262	34,148
Training and other staff-related costs	29,634	31,259
Travel, subsistence and hospitality	48,658	53,811
Professional services	48,488	48,828
Communications, office supplies and services	20,002	18,525
Compensation costs	30,818	34,336
Other costs	44,978	42,899
Total purchase of goods and services	2,800,810	2,574,358

Offender-related costs include offender food, clothing, cleaning equipment, prisoner earnings and prison shop cost of sales.

4c Depreciation, amortisation and impairment charges

		2024–25	2023–24
	Notes	£'000	£'000
Depreciation – Property, plant and equipment	5	457,027	435,684
Depreciation – Right of use assets	7	25,500	26,011
Amortisation – Intangible assets	6	14,504	13,288
Impairment charge – Property, plant and equipment	5	216,227	94,392
Impairment charge/(reversal) – Right of use assets	7	14,278	(42)
Impairment charge/(reversal) – Intangible assets	6	–	–
Impairment charge/(reversal) – Assets held for sale	8	–	–
Impairment charge/(reversal) – Trade and other receivables	10	1,009	1,568
Total depreciation, amortisation and impairment charges		728,545	570,901

In January 2025, a newly constructed prison HMP Millsike was brought into use. In accordance with accounting policies the asset was subsequently valued using the DRC method reflecting its specialised nature and this resulted in an impairment charge of £147.4 million which is included in the above. Downwards revaluations on go live are a common consequence of the use of the DRC methodology, which disregards many of the actual costs indirectly involved in creating the asset, by assuming a perfect site and 'instant build', which is not representative of the realities of the construction environment. Management will continue to assess the asset for indicators of impairment annually.

4d Notional expenditure

	2024–25	2023–24
	£'000	£'000
MoJ overhead recharges	492,637	492,512
Net (profit)/loss on disposal of assets	(399)	712
Capital grant in kind	–	–
External auditor's remuneration	450	405
Total other non-cash expenditure	492,688	493,629

MoJ overhead recharges

The MoJ overhead recharges represent the costs of services shared with MoJ including estates, digital technology, finance, HR, communications, analytical services, shared services and commercial and contract management. Recharges are apportioned based on appropriate cost drivers, such as headcount, floor space usage, or direct expenditure, to ensure a fair and transparent allocation aligned with operational resource consumption.

External auditor's remuneration

The costs of the audit performed by the National Audit Office on behalf of the Comptroller and Auditor General are recognised as a non-cash charge. During the year, HMPPS did not purchase any non-audit services. The cost for the audit of the HMPPS Annual Report and Accounts for 2024 to 2025 was £450,000 (2023 to 2024: £405,000).

4e Finance expense

		2024–25	2023–24
	Notes	£'000	£'000
Interest on LGPS pensions	18	24,068	(10,612)
Unwinding of discount on provisions	13	(240)	(1,960)
Total non-cash finance expense		23,828	(12,572)
Finance charge on PFI	14c	8,232	13,784
Finance charge on right of use assets	7	1,538	2,946
Other finance charge		56	57
Total cash finance expense		9,826	16,787
Total finance expense		33,654	4,215

5. Property, plant and equipment

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
2024–25	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation								
At 1 April 2024	1,083,092	7,990,647	27,003	270,584	513,778	21,077	1,767,842	11,674,023
Additions	700	2,538	–	41,931	21,182	18	1,171,847	1,238,216
Disposals	(1,409)	(258)	(885)	(1,289)	(16,406)	–	–	(20,247)
Transfers	(3,950)	(24,134)	–	–	(96)	–	(13,777)	(41,957)
Reclassifications	322	1,000,602	(12,780)	16,733	11,108	532	(1,035,096)	(18,579)
Impairments	(1,379)	(190,242)	–	(1,335)	(3,010)	–	(22,727)	(218,693)
Revaluations	35,565	(352,005)	303	333	32	–	–	(315,772)
At 31 March 2025	1,112,941	8,427,148	13,641	326,957	526,588	21,627	1,868,089	12,296,991
Depreciation								
At 1 April 2024	–	–	(7)	(165,948)	(347,765)	(16,224)	–	(529,944)
Charged in year	–	(370,158)	(511)	(43,582)	(41,660)	(1,116)	–	(457,027)
Disposals	–	–	–	909	15,982	–	–	16,891
Transfers	–	66	–	–	–	–	–	66
Reclassifications	–	73	2	–	1	–	–	76
Impairments	–	–	–	209	2,257	–	–	2,466
Revaluations	–	370,008	504	(50)	(6)	–	–	370,456
At 31 March 2025	–	(11)	(12)	(208,462)	(371,191)	(17,340)	–	(597,016)
Carrying value								
At 31 March 2025	1,112,941	8,427,137	13,629	118,495	155,397	4,287	1,868,089	11,699,975
At 31 March 2024	1,083,092	7,990,647	26,996	104,636	166,013	4,853	1,767,842	11,144,079

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
2024–25	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Asset financing:								
Owned	958,671	6,236,809	13,629	118,495	124,784	4,287	1,868,089	9,324,764
On-balance sheet (SoFP) PFI and other service concession arrangement contracts	154,270	2,190,328	–	–	30,613	–	–	2,375,211
At 31 March 2025	1,112,941	8,427,137	13,629	118,495	155,397	4,287	1,868,089	11,699,975

Non-operational assets

Included in the carrying values above are six non-operational sites with a combined value of £4.4 million (31 March 2024: 63 non-operational sites with a combined value of £18.1 million). These sites are vacant, but do not yet meet the criteria for classification as assets held for sale.

Valuation, estimation uncertainty and critical accounting estimates and assumptions

Further detail on valuation and estimation uncertainty can be found at Note 1.9 and on critical accounting estimates and assumptions at Note 1.20.

Reclassification as assets held for sale

Properties with a total carrying value of £13.4 million were reclassified to assets held for sale in 2024 to 2025 (2024 to 2025: £0.1 million).

Property, plant and equipment (continued)

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
2023–24	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation								
Balance at 1 April 2023	1,080,203	7,571,396	27,141	352,352	488,725	20,064	1,559,270	11,099,151
Additions	–	10,027	–	24,928	13,945	(475)	1,075,408	1,123,833
Disposals	–	(415)	–	(123,619)	(10,417)	(269)	–	(134,720)
Transfers	489	303	–	–	–	–	5,915	6,707
Reclassifications	384	838,014	(175)	13,172	10,069	999	(866,623)	(4,160)
Impairments	1,222	(89,447)	(38)	–	–	–	(6,128)	(94,391)
Revaluations	794	(339,231)	75	3,751	11,456	758	–	(322,397)
At 31 March 2024	1,083,092	7,990,647	27,003	270,584	513,778	21,077	1,767,842	11,674,023
Depreciation								
At 1 April 2023	–	(851)	(1)	(252,872)	(309,775)	(14,872)	–	(578,371)
Charged in year	–	(360,378)	(490)	(34,275)	(39,503)	(1,038)	–	(435,684)
Disposals	–	2	–	123,619	9,489	269	–	133,379
Transfers	–	–	–	–	–	–	–	–
Reclassifications	–	(245)	–	–	(2)	2	–	(245)
Impairments	–	–	–	–	–	–	–	–
Revaluations	–	361,472	484	(2,420)	(7,974)	(585)	–	350,977
At 31 March 2024	–	–	(7)	(165,948)	(347,765)	(16,224)	–	(529,944)
Carrying value								
At 31 March 2024	1,083,092	7,990,647	26,996	104,636	166,013	4,853	1,767,842	11,144,079
At 31 March 2023	1,080,203	7,570,545	27,140	99,480	178,950	5,192	1,559,270	10,520,780

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
2023–24	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Asset financing:								
Owned	940,042	6,281,756	26,996	104,636	119,742	4,853	1,767,842	9,245,867
On-balance sheet (SoFP) PFI and other service concession arrangement contracts	143,050	1,708,891	–	–	46,271	–	–	1,898,212
At 31 March 2024	1,083,092	7,990,647	26,996	104,636	166,013	4,853	1,767,842	11,144,079

6. Intangible assets

	Software	Licences	Payments on account and assets under construction	Total
2024–25	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2024	235,486	21,504	21,704	278,694
Additions	6,259	–	5,102	11,361
Disposals	(6,829)	–	–	(6,829)
Reclassifications	29,841	272	(25,038)	5,075
Revaluations	276	–	–	276
Transfers	–	–	9,135	9,135
Impairments	–	–	–	–
At 31 March 2025	265,033	21,776	10,903	297,712
Amortisation				
At 1 April 2024	(188,281)	(19,765)	–	(208,046)
Charged in year	(13,643)	(861)	–	(14,504)
Disposals	6,829	–	–	6,829
Reclassifications	–	–	–	–
Revaluations	(14)	–	–	(14)
Transfers	–	–	–	–
At 31 March 2025	(195,109)	(20,626)	–	(215,735)
Carrying value				
At 31 March 2025	69,924	1,150	10,903	81,977
At 31 March 2024	47,205	1,739	21,704	70,648
Asset financing				
Owned	69,924	1,150	10,903	81,977
At 31 March 2025	69,924	1,150	10,903	81,977

At 31 March 2025 and 31 March 2024, there were no individually material intangible assets.

Intangible assets (continued)

	Software	Licences	Payments on account and assets under construction	Total
2023–24	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2023	364,002	21,274	10,741	396,017
Additions	8,723	(3)	11,763	20,483
Disposals	(163,594)	(1,129)	–	(164,723)
Reclassifications	23,886	1,118	(20,679)	4,325
Revaluations	2,469	244	–	2,713
Transfers	–	–	19,879	19,879
Impairments	–	–	–	–
At 31 March 2024	235,486	21,504	21,704	278,694
Amortisation				
At 1 April 2023	(334,307)	(19,879)	–	(354,186)
Charged in year	(12,497)	(791)	–	(13,288)
Disposals	160,662	1,129	–	161,791
Reclassifications	–	–	–	–
Revaluations	(2,139)	(224)	–	(2,363)
Transfers	–	–	–	–
At 31 March 2024	(188,281)	(19,765)	–	(208,046)
Carrying value				
At 31 March 2024	47,205	1,739	21,704	70,648
At 1 April 2023	29,695	1,395	10,741	41,831
Asset financing				
Owned	47,205	1,739	21,704	70,648
At 31 March 2024	47,205	1,739	21,704	70,648

7. Leases

Right of use lease asset	2024–25			2023–24		
	Land and buildings	Other	Total	Land and buildings	Other	Total
	£'000		£'000	£'000		£'000
Cost or valuation						
At 1 April	226,176	3,943	230,119	209,699	–	209,699
Additions and remeasurements	(6,803)	6,158	(645)	18,957	3,943	22,900
Disposals	(5,797)	–	(5,797)	(624)	–	(624)
Reclassifications	–	–	–	–	–	–
Revaluations	(5,898)	–	(5,898)	(1,558)	–	(1,558)
Impairments	(14,278)	–	(14,278)	42	–	42
Transfers	–	–	–	(340)	–	(340)
At 31 March	193,400	10,101	203,501	226,176	3,943	230,119
Depreciation						
At 1 April	(65,922)	(246)	(66,168)	(42,373)	–	(42,373)
Charged in year	(23,602)	(1,898)	(25,500)	(25,765)	(246)	(26,011)
Disposals	5,797	–	5,797	624	–	624
Reclassifications	–	–	–	245	–	245
Revaluations	2,814	–	2,814	1,347	–	1,347
Transfers	–	–	–	–	–	–
At 31 March	(80,913)	(2,144)	(83,057)	(65,922)	(246)	(66,168)
Net right of use assets	112,487	7,957	120,444	160,254	3,697	163,951

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 irrecoverable VAT.

	31 March 2025			31 March 2024		
Buildings	Gross £'000	Interest £'000	Net £'000	Gross £'000	Interest £'000	Net £'000
Amounts falling due:						
Not later than one year	22,844	(2,062)	20,782	21,779	(2,477)	19,302
Later than one year but not later than five years	68,000	(5,204)	62,796	66,779	(7,952)	58,827
Later than five years	46,327	(2,648)	43,679	91,687	(13,998)	77,689
	137,171	(9,914)	127,257	180,245	(24,427)	155,818
Less: unaccrued interest	(9,914)			(24,427)		
Balance at 31 March	127,257			155,818		
Current			20,782			19,302
Non-current			106,475			136,516
			127,257			155,818
	31 March 2025			31 March 2024		
Other	Gross £'000	Interest £'000	Net £'000	Gross £'000	Interest £'000	Net £'000
Amounts falling due:						
Not later than one year	2,091	(310)	1,781	1,079	(151)	928
Later than one year but not later than five years	5,923	(286)	5,637	2,968	(179)	2,789
Later than five years	–	–	–	–	–	–
	8,014	(596)	7,418	4,047	(330)	3,717
Less: unaccrued interest	(596)			(330)		
Balance at 31 March	7,418			3,717		
Current			1,781			928
Non-current			5,637			2,789
			7,418			3,717

Amounts recognised in the Statement of Comprehensive Net Expenditure

	31 March 2025	31 March 2024
	£'000	£'000
Depreciation charge	25,500	26,011
Interest expense	1,538	2,946
Short-term leases	19	19
Low value asset leases (excluding short-term leases)	9	9
Licenses not capitalised	689	689
Total	27,755	29,674

Amounts recognised in the Statement of Cash Flows

	31 March 2025	31 March 2024
	£'000	£'000
Interest expense	1,538	2,946
Repayment of principal on leases	25,057	21,309
Total	26,595	24,255

8. Assets held for sale

	31 March 2025	31 March 2024
	£'000	£'000
Cost or valuation		
At 1 April	2,490	9,115
Reclassifications	13,428	175
Disposals	(5,441)	(6,636)
Impairments	–	–
Revaluations	(579)	(164)
At 31 March	9,898	2,490

HMPPS has committed to a plan to sell various surplus properties, which are to be sold for commercial use and domestic dwellings. The properties are available for sale in their present condition and the sales are highly probable to occur within one year from the date of classification as an asset held for sale.

9. Inventories

	31 March 2025	31 March 2024
	£'000	£'000
Industries and farms		
Raw materials	32,453	26,190
Work-in-progress	2,287	2,544
Finished goods	2,248	2,166
	36,988	30,900
Consumables	33,475	32,722
Total inventories	70,463	63,622

10. Trade and other receivables

	31 March 2025	31 March 2024
	£'000	£'000
Trade receivables	28,414	23,903
Other receivables	21,145	40,045
VAT receivables	40,914	51,644
Intra-departmental receivables	11,332	11,702
Prepayments	6,722	11,938
Accrued income	24,518	24,497
Total trade and other receivables	133,045	163,729

11. Cash and cash equivalents

	31 March 2025	31 March 2024
	£'000	£'000
Balance at 1 April	61,308	60,393
Net change in cash and cash equivalents	(2,107)	915
Balance at 31 March	59,201	61,308
The following balances at 31 March were held at:		
Government Banking Service	57,487	60,015
Commercial banks and cash in hand	1,714	1,293
Cash at bank and in hand	59,201	61,308

At 31 March 2025, all bank accounts were held with the Government Banking Service.

Third party monies

At 31 March 2025, HMPPS held cash of £13.7 million (£13.6 million at 31 March 2024) on behalf of offenders. As this cash belongs to third parties, the balance is not included in the SoFP in these accounts.

12. Trade and other payables

12a. Amounts falling due within one year

	31 March 2025	31 March 2024
	£'000	£'000
Trade payables	60,439	75,958
Taxation and social security	61,156	57,441
Other payables	73,281	54,778
Intra-departmental payables	128,031	123,037
Accruals	523,379	503,394
Deferred income	54,554	26,552
Total	900,840	841,160

12b. Amounts falling due after more than one year

	31 March 2025	31 March 2024
	£'000	£'000
Local authority loan balances	238	281
Total	238	281

13. Provisions for liabilities and charges

				31 March 2025	31 March 2024
	Leasehold property dilapidations	Injury benefit scheme	Litigation and other provisions	Total	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April	55,345	104,885	61,042	221,272	220,394
Provided in year	1,250	10,624	30,506	42,380	47,496
Provisions not required written back	(1,450)	(2,705)	(12,711)	(16,866)	(19,152)
Provisions utilised in year	(532)	(6,872)	(28,293)	(35,697)	(25,506)
Unwinding of discount	–	–	(240)	(240)	(1,960)
Balance at 31 March	54,613	105,932	50,304	210,849	221,272

Analysis of expected timing of discounted cash flows

				31 March 2025	31 March 2024
	Leasehold property dilapidations	Injury benefit scheme	Litigation and other provisions	Total	Total
	£'000	£'000	£'000	£'000	£'000
Not later than one year	13,193	6,579	6,350	26,122	33,458
Later than one year but not later than five years	9,154	23,734	39,520	72,408	75,493
Later than five years	32,266	75,619	4,434	112,319	112,321
Balance at 31 March	54,613	105,932	50,304	210,849	221,272

Leasehold property dilapidations

Dilapidation costs are an estimate of the expenditure required to return vacated leased properties to their original condition. The movement in year is as a result of:

- updated information relating to property vacations
- new properties leased during the year
- leases terminated during the year
- changes in square metre rate (SQM) rate assumptions

The key assumption used in calculating the dilapidation provision is the rate per square metre for each of the three assumed lease types which are set by building surveyors. These are reviewed and updated bi annually, using their expert knowledge to reflect changes in the rate.

For sensitivity purposes, we have calculated the percentage change in value of the dilapidation provision based on various changes in the SQM rate.

% change in SQM rate	Change in dilapidation value (£000)	Change in dilapidation %
+ 5%	1,800	3.30%
– 5%	(1,800)	(3.30%)

Civil Service Injury Benefits Scheme provisions

From 1 April 1998, HMPPS is required to pay benefits under the Civil Service Injury Benefits Scheme. The scheme pays benefits to any PCSPS member who suffers disease or injury, which is wholly or partially attributable to the nature of the duty, or who suffers an attack or similar act which is directly attributable to employment within the service. Benefits are paid only in respect of loss of earning capacity and are designed to enhance a beneficiary's income up to a guaranteed minimum of 85% of pensionable earnings.

One of the key assumptions used in calculating the provision is the discount rate used to place a present value on projected future cashflows. The discount rates are prescribed by HM Treasury and are therefore outside the formal control of HMPPS.

The Injury Benefits Scheme provision is sensitive to the change in discount rate which takes the time value of money into account in the annuity rates used in the calculation. The discount rate is one factor used in the calculation of an annuity rate, along with others such as life expectancy. There was a decrease in discount rate prescribed by HM Treasury in 2024 to 2025, from 2.45% to 2.40%, which in turn increased the annuity rate used in the calculation. This has increased the provision by £0.9 million.

Mortality assumptions are derived by the Government Actuary Department in line with the population within the Injury Benefits Scheme membership. For sensitivity purposes, we estimate that a one-year decrease in life expectancy results in the annuity rate being slightly lower, with the reduction of up to 0.5. For 2024 to 2025, a one-year decrease in member life expectancy would decrease the liability by £2.8 million or 3%.

Litigation and other provisions

Litigation provisions of £50.3 million (31 March 2024: £61.0 million) comprise legal claims against HMPPS and reflect all known claims where legal advice indicates that it is more likely than not that the claim will be successful, and the amount of the claim can be reliably estimated.⁵⁷

Legal claims which are likely to succeed with a lesser degree of certainty or cannot be estimated reliably are disclosed as contingent liabilities in Note 17.

Provisions for six cases which have resulted in annuities arising from litigation are discounted using the HM Treasury rates as payments are due over a number of years – more than 20 years in some cases. The change in the discount rate prescribed by HM Treasury does not have a material effect on the litigation provision balance given the low number of annuity cases.

Other general litigation provisions are not discounted, on the basis that the potential discounting on claims that could continue for longer than 12 months is uncertain and is not material.

The nature of these claims results in inherent uncertainty in the estimation assumptions used to provide for such cases. The significant estimations and judgements required for the calculation of this provision are the likely finding in each litigation case, the timeframe in which it is likely to be resolved, and the value of any compensation which will be due to the claimant. In order to manage the risk inherent in these judgements, cases are reviewed frequently and on an individual basis to ensure that legal experts can attribute specific scenarios to those evidenced in each case. They use their expertise to provide timeframes on settling each claim, but this is a best estimate and progress on each claim may differ as new evidence becomes available and values change to reflect this.

As a result, we do not consider there to be any meaningful sensitivity analysis that would provide further insight on the above claims as there are no common underlying assumptions across the claims.

⁵⁷ Opening and closing balances include the life-cycle value for annuities, which is separate from the extracted litigation provisions total.

14. Commitments under PFI contracts and other service concession arrangements

14a. On-balance sheet (SoFP) PFI contracts and other service concession arrangements at 31 March 2025

Project name	Contract start date	Duration (years)	Description
PFI contracts			
HMP Forest Bank	January 2000	25	Design, build, finance and operate an 800-place category B prison HMP Forest Bank, on site of the former Agecroft power station. PFI contract extended by 12 months
HMP Rye Hill	January 2001	25	Design, build, finance and operate a 600-place category B prison HMP Rye Hill at Onley, near Rugby. New houseblock has been built, increasing capacity by additional 400 places by May 2025
HMP Dovegate	July 2001	25	Design, build, finance and operate a 1,060-place category B prison and therapeutic community facility at HMP Dovegate, Marchington
HMP Bronzefield	June 2004	25	Design, build, finance and operate a 500-place category B prison at Ashford in Middlesex
HMP Peterborough	March 2005	25	Design, build, finance and operate an 840-place category B prison at Peterborough in Cambridgeshire
HMP Thameside	March 2012	25	Design, build, finance and operate a 900-place category B prison at Woolwich in London
Oakhill Secure Training Centre	May 2004	25	Design, construct and manage a secure training centre, located in Oakhill, Milton Keynes
Prison Escort Custody Service	August 2020	10	The supply and running of prison vans and escorts
Other service concession arrangements			
HMP Doncaster	October 2011	15	Manage and maintain a 1,145-place category B prison at Doncaster in South Yorkshire
HMP Oakwood	April 2012	15	Manage and maintain a 2,100-place category C prison at Featherstone in the West Midlands
HMP Northumberland	December 2013	15	Manage and maintain a 1,348-place category C prison at Morpeth in Northumberland
HMP Five Wells	January 2022	10	Manage and maintain a 1,680-place category C prison at Wellingborough in Northampton
HMP and YOI Parc	December 2022	10	Manage and maintain a 1,652-place category B prison and 60-place YOI at Bridgend in South Wales
HMP Fosse Way	May 2023	10	Manage and maintain a 1,715-place category C prison at HMP Fosse Way in Leicester
HMP Altcourse	June 2023	10	Manage and maintain a 1,164-place category B prison located in Liverpool
HMP Ashfield	November 2024	10	Manage and maintain a 400-place category B prison at Pucklechurch in South Gloucestershire

14b. Commitments under PFI and other service concession contracts

Details of the imputed finance lease charges under service concession arrangements recognised on the SoFP are given in the table below for each of the following periods:

	31 March 2025	31 March 2024
	£'000	£'000
Rentals due not later than one year	28,098	31,758
Rentals due later than one year but not later than five years	82,309	105,055
Rentals due later than five years	78,569	83,921
	188,976	220,734
Less interest element	(40,310)	(48,532)
Present value of obligations	148,666	172,202

The present value of liabilities under service concession arrangements recognised on the SoFP are given in the table below for each of the following periods:

	31 March 2025	31 March 2024
	£'000	£'000
Rentals due not later than one year	20,911	23,536
Rentals due later than one year and not later than five years	77,527	81,363
Rentals due later than five years	50,228	67,303
Present value of obligations	148,666	172,202

Details of the minimum service charge under service concession arrangements recognised on the SoFP are given in the table below for each of the following periods:

	31 March 2025	31 March 2024
	£'000	£'000
Not later than one year	801,412	728,773
Later than one year but not later than five years	2,080,788	2,142,537
Later than five years	353,348	608,293
Total service element	3,235,548	3,479,603

Future commitments are estimates based on assumptions, using the best information available. The service concession arrangement for HMP Millsike commenced in April 2025 and so while it is not included in the table at 14a, the future service charges are included in the table above.

14c. Charge to the Consolidated Statement of Comprehensive Net Expenditure

The total amount charged in the SoCNE in respect of on-balance sheet (SoFP) PFI and other service concession arrangements transactions was £771.9 million for the year to 31 March 2025 (2023 to 2024: £752.7 million). Of this total, the service element was £763.7 million (2023 to 2024: £738.9 million) and the interest charges were £8.2 million (2023 to 2024: £13.8 million).

15. Other financial commitments

HMPPS has entered into non-cancellable contracts for which we have a financial commitment which are not included elsewhere within these accounts.

	31 March 2025	31 March 2024
	£'000	£'000
Not later than one year	34,943	78,244
Later than one year but not later than five years	14,199	15,668
Later than five years	–	–
Total other financial commitments	49,142	93,912

16. Capital commitments

Capital expenditure contracted for at the end of the reporting period but not included in these financial statements is as follows:

	31 March 2025	31 March 2024
	£'000	£'000
Property, plant and equipment	1,671,287	284,642
Total capital commitments	1,671,287	284,642

The main cause of the significant year-on-year movement in capital commitments is the different stages of construction of prison builds at each year end. HMP Millsike was within a year of completion at 31 March 2024, while work at HMP Gartree was in the relatively early stages at 31 March 2025.

17. Contingent liabilities

HMPPS faces claims amounting to £69.1 million (31 March 2024: £49.1 million) for injury to staff, prisoners and the public and for third party contract disputes where the likelihood of a liability arising is deemed possible but not likely or not reliably measurable. Other claims where it is more likely than not that a liability will arise have been provided for in the accounts, see Note 13. In addition, there are a number of litigation claims that are in the process of being assessed. As a result, they are currently deemed unquantifiable.

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.

Remote contingent liabilities reported to Parliament are disclosed in the accountability report on page 98.

18. Pensions

Staff costs in Note 4(a) include the cost of pension contributions made by HMPPS.

15 individuals retired early on ill health grounds (2023 to 2024: 20). The total additional accrued pension liabilities in the year amounted to £0.1 million (2023 to 2024: £0.2 million).

Principal Civil Service Pension Scheme

The PCSPS and the Civil Servant and Other Pension Scheme – known as ‘alpha’ – are unfunded, multi-employer defined benefit schemes. HMPPS is unable to identify its share of the underlying assets and liabilities. Civil Service pension schemes are accounted for as defined contribution plans as a result. The scheme actuary valued the PCSPS at 31 March 2020. Details can be found at www.civilservicepensionscheme.org.uk

For the year to 31 March 2025, employer’s contributions of £472.7 million were payable to the PCSPS (2023 to 2024: £416.5 million) at a rate of 28.97% (2023 to 2024: 26.6% to 30.3%) of pensionable pay.

The scheme actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2024 to 2025 to be paid when the member retires and not the benefits paid during this period to existing pensioners. As a result of the 2020 valuation, the employer contribution rate from 1 April 2024 to 31 March 2027 will be 28.97% of pensionable pay.

Partnership pension accounts

Employees can opt to open a partnership pension account, which is a stakeholder pension with an employer contribution. Employers’ contributions of £1.4 million (2023 to 2024: £1.3 million) were paid to one or more of the panels of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2023 to 2024: 8% to 14.75%) of pensionable pay.

Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £0.05 million, 0.5% of pensionable pay, (2023 to 2024: £0.05 million, 0.5%) were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees. There were contributions due of £0.1 million, and no contributions prepaid to the partnership pension providers at 31 March 2025.

National Employment Savings Trust (NEST) Defined Contribution Pension Scheme

Under the government’s policy of ‘Workplace Pensions’, all workers who meet the minimum requirements for auto-enrolment must be enrolled into a pension scheme by their employer.

NEST Defined Contribution Scheme is offered to individuals working in HMPPS who are not civil servants and are therefore not eligible to join the Civil Service Pension Scheme (Public Sector Prisons/HQ prison staff) or the LGPS (Probation Service staff). This covers those working on a sessional/fee paid basis who are on a contract of services and not a contract of employment.

The NEST scheme is run by the NEST Corporation, a non-departmental public body. It is accountable to Parliament through the Department for Work and Pensions and is independent of government in its day-to-day decisions.

Pension contributions are based on a pensionable pay range, of between £6,240 and £50,270 (2023 to 2024: £6,240 and £50,270). A minimum pension contribution is not mandatory for pensionable pay below £6,240 (2023 to 2024: £6,240). Minimum contributions for 2024 to 2025 were 8% in total: 3% by employers and 4% by employees, with 1% through tax relief from government (2023 to 2024: 3% by employers and 4% by employees, with 1% through tax relief from government). For the year to 31 March 2025, employer contributions of £0.03 million were paid (2023 to 2024: £0.03 million).

Local Government Pension Scheme

HMPPS offers retirement benefits within the LGPS to probation staff working within the Probation Service.

Past employees of the Probation Trusts, and LGPS probation staff who transferred to CRS providers, to the former CRCs and to the Probation Service, are covered by the provisions of LGPS via one pension fund, GMPF, administered by their local authority council, Tameside Metropolitan Borough Council. The assets and liabilities from the former Probation Trust's own pension funds were transferred to GMPF. The total pension obligation will continue to be the responsibility of HMPPS and will be reported in the HMPPS annual report and accounts.

The LGPS is a statutory scheme primarily governed by the LGPS Regulations 2013 and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014. These are subject to amendment over time. The LGPS is a funded, multi-employer defined benefit scheme. HMPPS recognises an LGPS pension scheme liability in these accounts, in accordance with IAS 19.

A liability arises as employees earn their future entitlement to payments when they retire. The pension fund is subject to an independent triennial actuarial valuation to determine each employer's contribution rate. The contribution rates reflect benefits as they are accrued and reflect the past experience of the schemes.

The LGPS provides benefits on a 'final salary' basis, up to 31 March 2014, at a normal retirement age of 65. For pensionable service up to 31 March 2008, benefits accrued at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3/80ths of final pay for every year of total membership is payable on retirement. Benefits accrued at the rate of 1/60th of pensionable salary for service from 1 April 2008 to 31 March 2014 with no automatic lump sum.

From 1 April 2014, the scheme provides benefits on a career average revalued earnings (CARE) basis. Benefits accrue at the rate of 1/49th of pensionable salary for each year of service. The scheme permits employees to take a lump sum payment on retirement in exchange for a reduction in their future annual pension. Members pay contributions of between 5.5% and 12.5% of pensionable earnings. Member contributions changed from 1 April 2014 and benefits accrued from this date are on a CARE basis, with protections in place for those members in the scheme before the changes took effect.

Following the 2022 triennial valuation, the probation employer contribution rate for the period 1 April 2023 to 31 March 2026 is 26.5%. For the year to 31 March 2025, HMPPS paid employers' contributions of £192.9 million to GMPF, relating to current probation staff, at 26.5% (2023 to 2024: £181.1 million at 26.5%).

The pension position as at 31 March 2025, as detailed below, is based on the actuarial report from Hymans Robertson LLP, the independent actuary for GMPF, in compliance with IAS 19. There were no plan curtailments or settlements during the year.

Full details of GMPF's Investment Strategy Statement, Funding Strategy Statement, including its annual report and financial statements, and responsibilities of the GMPF Management Panel can be found on the GMPF website: www.gmpf.org.uk

Tameside Metropolitan Borough Council is the administering authority of GMPF.

A number of assumptions are made as part of the actuarial valuation process, and the major assumptions are set out in the table on page 163. The assumptions underlying the calculation of the net pension position as at 31 March 2025 are used for accounting purposes as required under IAS 19.

Risks associated with the fund in relation to accounting

The net pension position, as at 31 March 2025, is shown in the disclosure below. This reflects the appropriate assumptions, and all assumptions remain under constant review. As the economic climate changes and more information becomes available assumptions will be updated to reflect this.

HMPPS is only liable for the pension obligations due to GMPF relating to Probation Service employees (and ultimately the CRS employees under the Secretary of State for Justice Pension Guarantee, referred to in Note 1.17). HMPPS is not liable for pension obligations of other employers that participate in the LGPS with GMPF.

Should HMPPS move to another pension fund or pension scheme, an exit payment to cover the pension liability due would be determined by GMPF and their actuary. However, there are no plans to move to another pension fund or pension scheme.

Discount rate

The discount rate is the most significant financial assumption for assessing pension obligations. An increase in the discount rate results in a decrease in the value of the pension liability for accounting purposes and vice versa. The discount rate used in these financial statements, as required by IAS 19, is based on the market yields of high-quality corporate bonds valued as at the reporting date of 31 March. Hymans' corporate bond yield curve is based on the constituents of the iBoxx AA corporate bond index. The discount rate assumptions set by the actuary are considered appropriate. The increase in the discount rate compared to last year has resulted in a further reduction in the pension obligations, the impact of which is discussed further below in 'Accounting for a net pension surplus and asset ceiling restriction'.

Inflation

The inflation assumption is the second most significant financial assumption for assessing pension obligations and typically drives the assumption for salary growth and pension increases (to the extent they are inflation linked).

A higher inflation assumption will lead to an increase in pension liabilities. The government announced the measure of Retail Price Index will change from 2030 to be in line with the Consumer Price Index, including housing costs. This has been allowed for when deriving the inflation assumption. Whilst there was no change to the inflation assumption this year, the actual increase in pension rate from April 2025 of 1.7%, which is lower than forecast, has resulted in an experience gain.

Mortality

The baseline mortality assumptions are based on analysis carried out by longevity experts Club Vita. Future life expectancy predictions use their continuous mortality investigation model. For 2024 to 2025, the CMI 2023 model has been used, which uses more up to date longevity data. This has resulted in a reduction in obligations.

Risk mitigation strategies

The GMPF Management Panel carries out a similar role to the trustees of a pension scheme. They are key decision makers for:

- investment strategy
- monitoring investment activity and performance
- overseeing administrative activities
- guidance to officers in exercising delegated powers
- reviewing governance arrangements

Each local council within Greater Manchester is represented on the Management Panel, along with MoJ. There have been no concerns raised by MoJ to date on GMPF's investment or funding strategy or asset performance.

Virgin Media v NTL Pension Trustees Judgment

Following last year's Court of Appeal judgment in Virgin Media Limited v NTL Pension Trustees Limited, on 5 June 2025 the government announced it would introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.⁵⁸

⁵⁸ Department for Work and Pensions (2025), Retrospective actuarial confirmation of benefit changes, available at: <https://www.gov.uk/government/news/retrospective-actuarial-confirmation-of-benefit-changes>

The LGPS will therefore work with its advisers to understand whether a review of historic Section 37 confirmations is required and if necessary, undertake such a review.

McCloud Judgment

The December 2018 McCloud Judgment found that transitional arrangements put in place during the reform of firefighters and judges pension schemes was discriminatory on grounds of age. The government has confirmed this ruling also applies to the LGPS. For the 2022 valuation, McCloud liabilities were included as set out in the Department for Levelling Up, Housing and Communities 2022 valuation letter. A further government response was made on 6 April 2023 in relation to McCloud and the amendments to the statutory underpin.⁵⁹ The actuary has advised that no further adjustment to the cost in the pension obligation is required for 2024 to 2025. Further information on the McCloud Judgment can be found at www.civilservicepensionscheme.org.uk/your-pension/2015-remedy/

Accounting for a net pension surplus and asset ceiling restriction

The net pension position at 31 March 2025 was a net surplus of £1,710 million, before any adjustment for the asset ceiling restriction (31 March 2024: £831 million) as set out in the actuary report provided by Hymans, under IAS 19.

IAS 19 requires that the discount rate is determined by reference to market yields at the end of the reporting period, on high-quality AA corporate bonds of a currency and duration consistent with the currency and duration of the benefit obligations. The discount rate at 31 March 2025 is higher compared to the previous year, reflecting a higher yield on high-quality corporate bonds and significantly reducing the pension obligation.

Under the requirements of *IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*, the agency is required to consider whether it is appropriate to limit the amount of net pension surplus in the financial statements which was determined under

IAS 19 if the full economic benefit cannot be obtained. IAS 19 provides a definition of an asset ceiling for these purposes as the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan, with the lower of the surplus and the asset ceiling being recognised. IFRIC 14 provides further guidance on calculating figures for an asset ceiling with reference to minimum funding requirements.

A refund would only be available to the agency on exiting the scheme, however participation in the current pension scheme is dictated by statute meaning an exit would rely on the occurrence of an uncertain future event not wholly within the agency's control, that is, an act of Parliament. Therefore, the agency does not have an unconditional right to a refund of the surplus.

The appropriate method is therefore to consider the economic benefit available as a contribution reduction. The agency has concluded that primary contributions to the scheme (2024 to 2025: 18.1%, 2023 to 2024: 18.1%) and those related to ill health retirements (2024 to 2025: 4.3%, 2023 to 2024: 4.3%) establish a minimum funding requirement for future contributions under IFRIC 14. The economic benefit available as a reduction in future contributions is calculated as the sum of:

- (a) any amount that reduces future minimum funding requirement contributions for future service because the entity made a prepayment
- (b) the estimated future service cost less the estimated minimum funding requirement contributions that would be required for future service in those periods if there were no prepayment as described in a)

In determining this, the agency made a number of judgments.

- We consider it appropriate to treat the current service charge and the primary contributions as continuing in perpetuity as there is no intention to cease operations of the Probation Service, or to change the pension scheme available to employees of the service.

⁵⁹ Department for Levelling Up, Housing and Communities (2023), Amendments to the Local Government Pension Scheme statutory underpin: government response, available at: <https://www.gov.uk/government/consultations/local-government-pension-scheme-amendments-to-the-statutory-underpin/outcome/amendments-to-the-local-government-pension-scheme-statutory-underpin-government-response>

- The additional contributions to meet ill health retirement costs are discretionary with the rate set as part of the triennial valuation. While we would anticipate continuing to fund early retirement on the grounds of ill health via this mechanism, the financial commitment only exists for the three-year period covered by the valuation. In calculating minimum funding requirements under IFRIC 14 we therefore judge the appropriate period over which to include the ill health retirement contributions to be the one year remaining until the next valuation.
- We do not consider that the economic benefit available as a reduction in future contributions can be meaningfully used if negative. This figure will therefore be taken as the maximum of the calculated figure and nil in the calculation of the asset ceiling.

The agency is required to make contributions of 4.1% in relation to past service. This was set by the actuary based on a funding time horizon of 20 years at the last triennial valuation. IFRIC 14 requires that to the extent that the contributions payable will not be available after they are paid into the plan, the entity shall recognise a liability when the obligation arises. We have judged that the appropriate period

over which to consider the secondary contributions is 18 years – this is taking the actuarial assessment of the time it will take for the scheme to be fully funded at the last valuation and reducing by the two years that have elapsed since then. Once the scheme is fully funded the secondary contributions will no longer be required and will therefore end.

Annuity rates for these three time periods were provided by the scheme's actuary using the same assumptions as the IAS 19 calculation as described below.

We consider it appropriate to restrict the net asset relative to funding obligations by use of the asset ceiling. This means that the asset ceiling is applied to the net surplus excluding the unfunded liabilities figure of £24.8 million. These unfunded liabilities are then added back to the closing liability position.

Having applied IFRIC 14 in line with the above facts and judgements, based on the present value of expected reductions in future contributions to the plan, the IAS 19 funded surplus of £1,734 million was reduced to a liability of £447 million. The closing position including unfunded liabilities is therefore £472 million. The table below summarises the effect of the valuation under IFRIC 14.

	31 March 2025	31 March 2024
	£'000	£'000
IAS 19 total closing assets	5,898,595	5,618,264
IAS 19 total closing liabilities	(4,188,973)	(4,787,131)
Net IAS 19 closing surplus/(deficit)	1,709,622	831,133
As IAS 19 shows a surplus, valuation basis adopts IFRIC 14:		
Estimated benefit available as reduction in future contributions	–	–
Minimum funding requirement relating to past service	(447,409)	(499,892)
IAS 19 unfunded liabilities	(24,836)	(29,613)
IFRIC 14 closing surplus/(deficit)	(472,245)	(529,505)
Effect of the asset ceiling	(2,181,867)	(1,360,638)

The major assumptions used by the LGPS actuary were:

	31 March 2025	31 March 2024
	%	%
Rate of increase in salaries	3.55	3.55
Rate of increase for pensions in payment and deferred pensions	2.75	2.75
Discount rate	5.80	4.85

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, a 0% weighting on 2021 and 2020 data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% per year. (2023 to 2024: Life expectancy was based on the Fund's VitaCurves

with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 and 0% weighting on 2021 and 2020 data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of 1.5% per year for both males and females.) Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Male	Female
Current pensioners	21.0 years	23.8 years
Future pensioners*	21.6 years	25.3 years

*Figures assume members aged 45 as at the last formal valuation date

Movements in the LGPS defined benefit obligation during the year:

	31 March 2025				31 March 2024			
	Fair value of plan assets	Present value of obligation	Impact of asset ceiling adjustment	Net pension position	Fair value of plan assets	Present value of obligation	Impact of asset ceiling adjustment	Net pension position
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Plan assets	5,618,264	–	–	5,618,264	5,198,010	–	–	5,198,010
Funded liabilities	–	(4,757,518)	–	(4,757,518)	–	(4,710,429)	–	(4,710,429)
Unfunded liabilities	–	(29,613)	–	(29,613)	–	(31,270)	–	(31,270)
Effect of the asset ceiling	–	–	(1,360,638)	(1,360,638)	–	–	(257,329)	(257,329)
Opening balance at 1 April	5,618,264	(4,787,131)	(1,360,638)	(529,505)	5,198,010	(4,741,699)	(257,329)	198,982
Current service costs	–	(123,523)	–	(123,523)	–	(132,946)	–	(132,946)
Past service costs (including curtailments)	–	(4,147)	–	(4,147)	–	(2,039)	–	(2,039)
Total current and past service costs	–	(127,670)	–	(127,670)	–	(134,985)	–	(134,985)
Net interest (cost)/income	273,527	(231,604)	(65,991)	(24,068)	247,632	(224,797)	(12,223)	10,612
Remeasurements								
Gain/(loss) from change in financial assumptions	–	758,309	–	758,309	–	281,261	–	281,261
Gain/(loss) from change in demographic assumptions	–	8,395	–	8,395	–	31,557	–	31,557
Experience gains/(losses)	–	45,976	–	45,976	–	(151,933)	–	(151,933)
Returns on plan assets, excluding amounts included in net interest	(44,645)	–	–	(44,645)	141,667	–	–	141,667

	31 March 2025				31 March 2024			
	Fair value of plan assets	Present value of obligation	Impact of asset ceiling adjustment	Net pension position	Fair value of plan assets	Present value of obligation	Impact of asset ceiling adjustment	Net pension position
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gain/(loss) from change in the effect of asset ceiling under IFRIC 14	–	–	(755,238)	(755,238)	–	–	(1,091,086)	(1,091,086)
Total remeasurements	(44,645)	812,680	(755,238)	12,797	141,667	160,885	(1,091,086)	(788,534)
Cashflows								
Participants' contributions	45,994	(45,994)	–	–	43,173	(43,173)	–	–
Employer contributions	192,852	–	–	192,852	181,099	–	–	181,099
Contributions in respect of unfunded benefits	3,349	–	–	3,349	3,321	–	–	3,321
Benefit payments	(187,397)	187,397	–	–	(193,317)	193,317	–	–
Unfunded benefit paid	(3,349)	3,349	–	–	(3,321)	3,321	–	–
Closing balance at 31 March	5,898,595	(4,188,973)	(2,181,867)	(472,245)	5,618,264	(4,787,131)	(1,360,638)	(529,505)
Plan assets	5,898,595	–	–	5,898,595	5,618,264	–	–	5,618,264
Funded liabilities	–	(4,164,137)	–	(4,164,137)	–	(4,757,518)	–	(4,757,518)
Unfunded liabilities	–	(24,836)	–	(24,836)	–	(29,613)	–	(29,613)
Effect of the asset ceiling	–	–	(2,181,867)	(2,181,867)	–	–	(1,360,638)	(1,360,638)
Closing balance at 31 March	5,898,595	(4,188,973)	(2,181,867)	(472,245)	5,618,264	(4,787,131)	(1,360,638)	(529,505)

The plan assets in the LGPS were:

	Quoted price (in active markets)	Quoted price (not in active markets)	Value at 31 March 2025	Value as a percentage of total scheme assets at 31 March 2025	Value at 31 March 2024	Value as a percentage of total scheme assets at 31 March 2024
	£'000	£'000	£'000	%	£'000	%
Equity securities	2,236,454	–	2,236,454	38%	2,175,921	39%
Debt securities	691,947	–	691,947	12%	518,861	9%
Private equity	–	371,364	371,364	6%	382,588	7%
Property	–	307,784	307,784	5%	247,549	4%
Investment funds and unit trusts	850,980	1,260,351	2,111,331	36%	2,169,480	39%
Cash and cash equivalents	179,715	–	179,715	3%	123,865	2%
Total plan assets	3,959,096	1,939,499	5,898,595	100%	5,618,264	100%

Assets with a quoted price in active markets

Assets with a quoted price in an active market are valued at their market value or observable bid price quotations.

Private equity and investment funds and unit trusts without a quoted price in active markets

Due to the lack of a readily comparable market, the pensions scheme instructs investment managers to value unquoted equity, infrastructure and special opportunities portfolios in accordance with IFRS. The valuation basis may be any of quoted market prices, broker or dealer quotations, transaction price, third party transaction price, applying earnings multiples of comparable public companies to projected future cash flows, third party independent appraisals or pricing models. Many factors feed into the valuation including changes in interest rates and credit spreads, the operating cash flows and financial performance of the investments relative to budgets, trends within sectors and/or regions, underlying business models, expected exit timing and strategy and any specific

rights or terms associated with the investment, such as conversion features and liquidation preferences. There is inherent estimation uncertainty in these valuations due to the nature of these calculations. The risk is reduced through the use of experts and ongoing review of the suitability of the estimates and assumptions made in the calculations.

Property

Investment properties are valued on the basis of open market value and market rent in accordance with the RICS Appraisal and Valuation Manual by chartered surveyors engaged by the pension scheme. Valuations were performed as at 31 December 2024 and subsequently adjusted for transactions undertaken between 1 January and 31 March 2025. While there is inherent estimation uncertainty, this is reduced by using independent experts with the relevant experience and qualifications to perform the valuations.

Sensitivity analysis

The actuary's assessment of the impact on LGPS pension liabilities of increases and reductions in key actuarial assumptions is below:

	31 March 2025		31 March 2024	
	Approximate monetary amount	Approximate increase to employer liability	Approximate monetary amount	Approximate increase to employer liability
	£000	%	£000	%
0.1% decrease in real discount rate	73,985	2	89,570	2
0.1% increase in the salary increase rate	3,144	0	3,735	0
0.1% increase in the pension increase rate	72,897	2	87,483	2

The principal demographic assumption is the mortality assumption (member life expectancy). For sensitivity purposes, we estimate that a one-year increase in life expectancy would approximately increase the employer's defined benefit obligation by around 3% to 5%. In practice the actual cost of a one-year increase in life expectancy will depend on the structure of the revised assumption (improvements to survival rates predominantly apply at younger or older ages). For 2024 to 2025, a one-year increase in member life expectancy would increase the liability by 4% or £168 million.

19. Financial instruments

Categories of financial instrument

Details of receivables, cash balances and payables can be found in Notes 10, 11 and 12.

Receivables comprise trade receivables, other receivables and accrued income that have fixed or determinable payments that are not quoted in an active market.

Receivables are assessed at each SoFP date and impaired where recoverability is in doubt.

HMPPS holds share investments of £0.25 million (31 March 2024: £0.24 million) in milk companies due to the milk producing prison farms run by HMPPS at HMP Usk. They are held as financial assets at fair value through profit and loss. Fair value is equal to market value at the reporting date, and the movement in the value of assets is recognised immediately in the SoCNE, as income or as an expense.

HMPPS has financial liabilities comprising PFI liabilities, finance lease liabilities, trade payables, other payables and accruals.

Financial liabilities are measured initially at fair value. Where the effect is material, estimated cash flows of financial liabilities are discounted.

Credit risk

HMPPS is exposed to minimal credit risk as loans and receivables are comprised of trade and other receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor and is equal to the total amount of these outstanding. HMPPS manages its credit risk by undertaking background and credit checks prior to establishing a debtor relationship. HMPPS has no collateral to mitigate against credit risk.

Interest rate risk

HMPPS is not exposed to significant interest rate risk. Most of the cash balances carry nil or fixed interest rates.

Liquidity risk

HMPPS' financial liabilities are trade payables, other payables, accruals and finance leases. It is unlikely that HMPPS will encounter difficulty in meeting its obligations associated with these liabilities, as it is financed by the MoJ, whose resources and capital are voted annually by Parliament.

Foreign currency risk

HMPPS undertakes few foreign currency transactions and is not exposed to significant exchange rate risk.

20. Related party transactions

HMPPS is an executive agency of the MoJ, which is regarded as a related party. During the year HMPPS has had material transactions with the MoJ and other entities for which the MoJ is regarded as the parent entity.

HMPPS has also had material transactions with a number of other government departments and central government bodies. The most significant of these transactions have been with HMRC, Home Office, Department for Work and Pensions and Cabinet Office: Civil Superannuation.

In accordance with the requirements of the FReM, these transactions have not been reported.

No board member, key manager or other related party has undertaken any material transactions with HMPPS during the year. Compensation paid to management, including taxable benefits, is disclosed in the remuneration and staff report.

21. Events after the reporting period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

Since 31 March 2025 the decision has been taken to descope several prison build projects. The related assets have been considered for impairment and the accounts adjusted accordingly as we consider this to be an adjusting post-balance sheet event in accordance with *IAS 10 Events After the Reporting Period*. Where these represented a loss they have been included within the losses statement in the parliamentary accountability report.

On 11 April, subsequent to the reporting date but prior to the approval of these financial statements, Amy Rees left her position as Chief Executive of HMPPS to become Interim Permanent Secretary of the MoJ. Phil Copple (formerly HMPPS Director General Operations) was appointed as Interim HMPPS Director General Chief Executive Officer from 1 April 2025 until James McEwen took up the position of HMPPS Director General Chief Executive Officer from 13 October 2025. Changes to the membership of HAB and HLT are detailed in the corporate governance report from page 55.

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