



Ministry
of Justice



Annual Report and Accounts

2024 to 2025

HC 1417

Ministry of Justice
Annual Report and Accounts 2024 to 2025

For the period 1 April 2024 to 31 March 2025

Accounts presented to the House of Commons pursuant to Section 6(4) of the
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Annual Report presented to the House of Commons by Command of His Majesty

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This is part of a series of departmental publications which, along with the Main Estimates 2025 to 2026 and the document Public Expenditure: Statistical Analyses 2024, present the government's outturn for the financial year 2024 to 2025 and planned expenditure for the financial year 2025 to 2026.



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Contents

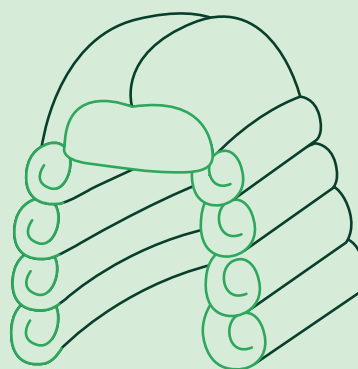
Performance	6
Overview	6
Executive agencies and arm's length bodies	8
2024 to 2025 in numbers	11
Forewords	14
From the Deputy Prime Minister, Lord Chancellor and Secretary of State for Justice	14
From the Permanent Secretary	16
From the Lead Non-Executive Board Member	18
Chief Operating Officer's review of the year	20
Our performance	26
Our performance analysis	36
Outcome 1 – Punishment that cuts crime	36
Outcome 2 – Swifter justice for victims	45
Outcome 3 – A beacon for justice and the rule of law	51
United Nations Sustainable Development Goals	57
Climate and sustainability report	63
Accountability	79
Directors' report	80
Statement of Accounting Officer's responsibilities	85
Governance statement	87
Risk management arrangements	101
Remuneration and staff report	112
Our staff	138
Parliamentary accountability	146
The certificate and report of the Comptroller and Auditor General to the House of Commons	167

Financial statements	185
-----------------------------	------------

Consolidated Statement of Comprehensive Net Expenditure	186
Consolidated Statement of Financial Position	188
Consolidated Statement of Cash Flows	190
Consolidated Statement of Changes in Taxpayers' Equity	193

Annexes	287
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Annex A: Other notes to the Statement of Parliamentary Supply	288
Annex B: Public expenditure core financial tables	291
Annex C: Information on arm's length bodies	300
Annex D: Off-payroll engagements	301
Annex E: Report by the Secretary of State on the use of powers under section 70 of the Charities Act 2006 for the year 2024 to 2025	304
Annex F: Trade union facility time	305
Annex G: Reconciliation between contingent liabilities reported in the Supply Estimate and those reported in the annual report and accounts	306
Glossary	308



Performance

Performance

Overview

This section sets out the department's objectives for the financial year 2024 to 2025, the challenges to the delivery of our objectives and how we have performed during the year.

Who we are and what we do



The Ministry of Justice (MoJ) is a major government department responsible for the following parts of the justice system:

- prisons
- probation
- courts and tribunals, which we administer in partnership with the independent judiciary
- a range of services to help victims of crime, children, vulnerable people and those seeking access to justice

How we operate



MoJ is a ministerial department, supported by 35 executive agencies and other arm's length bodies. In the financial year, we had five executive agencies responsible for the delivery of the majority of our services to the public:

- HM Prison and Probation Service
- HM Courts and Tribunals Service
- Legal Aid Agency
- Office of the Public Guardian
- Criminal Injuries Compensation Authority

We provide services across England and Wales, and certain non-devolved tribunals in Scotland and Northern Ireland.

Our objectives



MoJ is responsible for all aspects of justice. In the financial year 2024 to 2025, we worked with renewed purpose, focusing on our ambitions for justice delivery: punishment that cuts crime, swifter justice for victims, and a beacon for justice and the rule of law.

Read more about our strategic outcomes, objectives and performance on pages 6 to 77 (performance overview and our performance analysis).

Throughout this annual report and accounts, we use the following terminology:

- 'MoJ', 'department' or 'departmental group', to mean the single economic unit comprising the core department, its executive agencies and its arm's length bodies
- the department's financial year to 31 March 2025 is written as 'financial year 2024 to 2025' or 'this financial year'

Executive agencies and arm's length bodies

MoJ and its agencies deliver prison, probation and youth custody services, administer criminal, civil and family courts and tribunals, and support victims, children, families and vulnerable adults.

Working in partnership with the independent judiciary and our arm's length bodies, and supported by our corporate functions, we deliver these services, protect the justice system and uphold the rule of law.

Agencies

HM Prison and Probation Service (HMPPS)

manages around 88,000 prisoners across over 100 prisons and supervises around 240,000 offenders in the community, providing a high level of monitoring and public protection.

The prison service runs public sector prisons and oversees prisons run by private providers. The Youth Custody Service delivers public sector secure provision and oversees secure provision run by the private sector and local authorities for children and young people.

HM Courts and Tribunals Service (HMCTS)

administers the criminal, civil and family courts and tribunals in England and Wales, and non-devolved tribunals in Scotland and Northern Ireland.

It operates more than 350 courts and hearing centres. HMCTS is governed through a partnership between the Lord Chancellor, the Lord Chief Justice and the Senior President of Tribunals, each of whom has specific responsibilities enshrined in statute.

Legal Aid Agency (LAA) works with solicitors, barristers and others to provide simple, timely and reliable access to legal aid for those whose life and liberty is at stake, where they face the loss of their home, in domestic violence cases, or where their children may be taken into care. LAA also provides a high-quality public defender service.

Office of the Public Guardian (OPG)

protects people who may not have the mental capacity to make certain decisions for themselves. It offers services including registering lasting and enduring powers of attorney, supervising court-appointed deputies, and investigating complaints made against deputies and attorneys.

Criminal Injuries Compensation Authority

(CICA) administers compensation schemes for victims of crime who suffer injuries and victims of overseas terrorism.

Arm's length bodies and other bodies

Children and Family Court Advisory and Support Service (Cafcass) safeguards and promotes the welfare of children, representing them in family court cases and making sure that children's voices are heard and decisions are taken in their best interest.

Judicial Appointments Commission selects candidates for judicial office in courts and tribunals in England and Wales, and for some tribunals in Scotland and Northern Ireland.

Independent Monitoring Authority for the Citizens' Rights Agreements monitors how public bodies in the UK and Gibraltar implement and apply the citizens' rights part of the EU Withdrawal Agreement and European Economic Area and European Free Trade Association Separation Agreement.

Legal Services Board oversees the regulation of lawyers in England and Wales, approving regulatory arrangements and reviewing the performance of frontline regulators.

Parole Board for England and Wales protects the public by risk-assessing prisoners to decide whether they can be safely released.

Youth Justice Board for England and Wales is responsible for overseeing the operation of the youth justice system and the provision of youth justice services.

Criminal Cases Review Commission (CCRC) investigates and reviews possible miscarriages of justice in the criminal courts in England, Wales and Northern Ireland and refers appropriate cases to the appeal courts.

Advisory non-departmental bodies

Civil, Family, Tribunal and Criminal Procedure Rule Committees make necessary procedure rules to improve and simplify court procedures for the public.

Sentencing Council issues guidelines on sentencing and evaluates the impact of guidelines on sentencing practice.

Independent Advisory Panel on Deaths in Custody advises ministers on ways to reduce the number of deaths in custody.

Law Commission undertakes projects at the request of the government to ensure that the law in England and Wales is fair, modern, simple and cost-effective.

Prison Service Pay Review Body advises on pay for governors, prison officers and staff in the England and Wales prison service, and equivalent posts in Northern Ireland.

Civil and Family Justice Councils improve the justice system and the public's understanding of it.

Advisory Committees on Justices of the Peace in England and Wales interview candidates and make recommendations to the Lord Chancellor about who to appoint to their local benches as Justices of the Peace.

Office holders

Assessor of Compensation for Miscarriages of Justice gauges the amount of compensation to be paid to applicants under the miscarriages of justice compensation scheme.

Office for Legal Complaints operates the Legal Ombudsman scheme, an independent and impartial scheme set up to deal with complaints from consumers on the services they receive from regulated legal providers.

HM Inspectorate of Prisons ensures independent inspection of places of detention, reports on conditions and treatment, and promotes positive outcomes for those detained and the public.

Offices of the Official Solicitor and Public Trustee help people who are vulnerable because of lack of mental capacity or young age to access services offered by the justice system.

HM Inspectorate of Probation reports on the effectiveness of work with offenders to reduce reoffending and protect the public.

Office of the Prisons and Probation Ombudsman for England and Wales investigates complaints from, and deaths in custody of, prisoners, children in secure training centres/homes, immigration detainees and those subject to probation supervision.

Judicial Appointments and Conduct Ombudsman investigates complaints about the judicial appointments process and the judicial conduct investigation process.

Office of the Commissioner for Victims and Witnesses promotes the interests of victims and witnesses and regularly reviews the Code of Practice for Victims of Crime.

Other

Gov Facility Services Limited provides facility maintenance services to prisons across the south of England.

Independent Monitoring Boards of prisons, immigration removal centres and short-term holding facilities monitor each facility for England and Wales on a regular basis to confirm the treatment received by those detained is fair, just and humane.

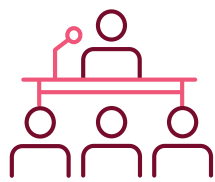
Judicial Office supports the judiciary, providing advice on judicial statutory functions, legal information, communications and human resources support. It includes the Judicial College, which provides training to the judiciary, and supports the Civil Justice Council and Family Justice Council.

Oasis Restore Trust is a charitable trust responsible for the operation and management of Oasis Restore, a secure academy for individuals in the youth custody estate which aims to improve outcomes through specialised provision of care and rehabilitation.

2024 to 2025 in numbers

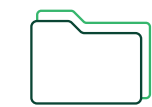
In this section we outline our performance during the financial year 2024 to 2025. Here is a snapshot of the services we provide for the public. Further information on our performance is shown in the performance analysis on pages 36 to 77.

Courts and tribunals



Courts and tribunals sitting days – across all our courts and tribunals

We sat over **550,000** days across our courts and tribunals and facilitated over **3 million** hearings.¹

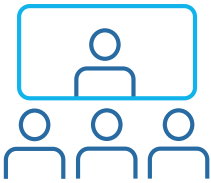


Courts and tribunals cases received during the year

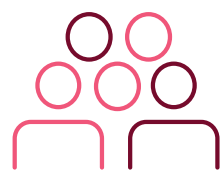
We received over **4.2 million** cases of which **36%** were criminal cases, an increase from the **4.1 million** cases received during the financial year 2023 to 2024.

Crown Court

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

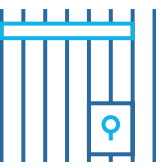


Prisons and probation



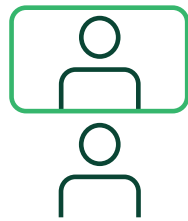
People on probation

On 31 March 2025, there were **241,540** offenders supervised by the probation service in England and Wales which is **1%** higher than as at 31 March 2024.



People in prison

On 31 March 2025, there were **87,919** prisoners in England and Wales compared to **87,869** the previous year.



Youth custody services

As at 31 March 2025, there were **402** children under 18 in the children and young people secure estate in England and Wales, a decrease from **410** in March 2024. Including those aged 18 and over, the total number in the children and young people secure estate was **502**, down from **530** in the previous year.

¹ The number of sitting days includes those in the High Court and the Royal Courts of Justice. The sitting day methodology has been revised and there are differences in counting methods for civil and family jurisdictions compared with the financial year 2023 to 2024.

Legal Aid Agency, Office of the Public Guardian and Criminal Injuries Compensation Authority

Legal aid applications

We processed over **380,000** legal aid applications, compared to over **360,000** in the previous financial year.

100% of criminal applications were processed in two working days and **95%** of civil applications in 20 working days, except the most complex cases.



Bills processed

We processed more than **1.45 million** legal aid bills, compared to over **1.3 million** in the previous financial year. **99%** of complete, accurate bills were paid within 20 working days, exceeding the 95% target.



Customer service

We took over **89,000** civil and over **34,000** crime legal aid calls. We answered **85%** of civil and **79%** of crime calls in five minutes or less, beating our 75% target. On average, our call handling satisfaction achieved **92%**.



Number of lasting powers of attorney registered

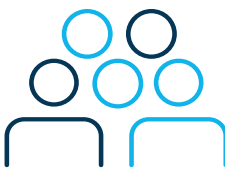
We received **1.41 million** lasting power of attorney applications, an 11% rise from the previous year.



CICA claims

We assessed over **42,000** applications and finalised more than **35,000**, providing **£164 million** in compensation to victims.

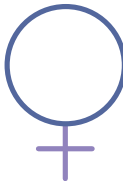
Corporate

 Finance – net spend There was £12.3 billion total net expenditure (total spend less income received) in this financial year, compared to £11.9 billion in the previous financial year.	 Diversity – ethnicity In this financial year, of the staff who self-reported their ethnicity, 18.7% were from ethnic minorities, up from 16.9% in the previous financial year. The figure for senior civil servants was 9.3%, up from 8.8% in the previous financial year.
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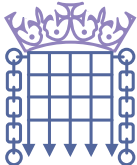
Diversity – disability

In this financial year, of the staff who self-reported their disability status, **18.0%** were declared disabled, up from **17.4%** in the previous financial year. The figure for senior civil servants was **14.3%**, up from **12.6%** in the previous financial year.



Carbon emissions (CO2e) reduction in total emissions Our emissions have reduced by 25% compared to our baseline year (2017 to 2018),  against a target of 41% by 2025.	 People Survey engagement score The Employee Engagement Index score for 2024 was 61%, unchanged from 2023.	Representation of female staff at MoJ At the end of March 2025, women made up 51% of the department’s Senior Civil Service (SCS), and female representation across all grades was 58%. 
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Parliamentary activity

 Statutory instruments laid 46 statutory instruments were laid in the financial year 2024 to 2025, compared to 53 in the previous financial year.

Parliamentary questions answered within deadline 89% of 1,858 parliamentary questions were answered within the parliamentary deadline, against a target of **85%**.



Forewords



From the Deputy Prime Minister, Lord Chancellor and Secretary of State for Justice

It is my pleasure to introduce the annual report and accounts for MoJ, reflecting on the department's achievements during this financial year.

Justice is not abstract. Prisons and probation protect our communities. The courts and tribunals support people to access justice when they need it. MoJ sustains a justice system that shines as a beacon for the rule of law internationally. It supports our legal services sector, which underpins our economy and brings billions into the UK every year. It makes legal aid available to protect the most vulnerable in our society. Most of all, it ensures justice – the thread that binds us all together – is delivered.

But when this government took office in July 2024, the justice system was under unprecedented strain. Prisons were within weeks of running out of space and court backlogs had reached record highs. The government gripped the prison capacity crisis to protect the public from the collapse of criminal justice. In our courts, we sat over 107,700 days in the Crown Court in this financial year and ensured agreement for an increase to 110,000 in the financial year 2025 to 2026 – and one of my first moves as Justice Secretary was adding over a thousand more days to aid those efforts.

Not only have we rescued the system, we have begun the work to rebuild it for a stronger future.

We have committed to the largest prison building programme since the Victorian era and will increase capacity in the estate by 14,000 places by 2031, as set out in our 10-year Prison Capacity Strategy. These places will be delivered through the construction of three new prisons, in addition to HMP Millsike, which we opened earlier this year, as well as expansion and refurbishment of the existing estate. We have strengthened the probation service which will receive up to £700 million additional funding per year by the financial year 2028 to 2029, compared to the financial year 2025 to 2026, to deliver transformative reforms to sentencing based on the recommendations of the Independent Sentencing Review. We will also provide up to £450 million additional investment per year for the courts system by the financial year 2028 to 2029 compared to the financial year 2025 to 2026, increasing Crown Court sitting days to record levels.

We have also started to reform the system, so that it can better serve the public.

David Gauke's Sentencing Review has given us a framework to address prison capacity and ensure sentencing cuts crime. Sir Brian Leveson is leading a review of our criminal courts to examine how we can cut backlogs and modernise the system, and efforts are underway to reduce the number of women in custody by responding to their distinct and often complex needs.

We have also acted to put victims at the centre of the justice system. Through the Victims and Courts Bill, and the Victims and Prisoners Act, we are strengthening victims' rights and improving the support they receive. We are working to deliver this government's pledge to halve violence against women and girls in a decade – by creating a new offence for spiking, placing domestic abuse specialists in police control rooms, and expanding victim protection orders.

When it comes to the UK's position globally, we are ensuring our justice system remains a world leader. The Arbitration Act 2025 modernises arbitration procedures, boosts efficiency and cements the UK as a global hub for legal services. In civil and family justice, we have expanded private law Pathfinder courts, placing children's needs at the heart of proceedings and better supporting survivors of domestic abuse. We have also launched the Understand Your Rights campaign to help more people exercise their entitlements under the Victims' Code.

None of this would be possible without the skill and commitment of the people who work across MoJ. Every one of them has played a part in delivering real change over the past 12 months. I am proud of what they have achieved, and grateful for the dedication they show every day. I pay tribute in particular to my predecessor for leading the department through this challenging period.

As we look ahead, there is much more to do. We will continue to deliver more prison places and pass legislation to reform sentencing so that prison capacity is put on a sustainable footing. We will respond to Sir Brian Leveson's recommendations and continue building resilience across our courts to create a sustainable justice system. We will strengthen probation so that offenders are supervised effectively, reoffending is reduced and communities are kept safer. And we will continue modernising the system – using technology, driving efficiency and ensuring victims have a stronger voice.

With a clear plan, the right investment and the determination of our people, I am confident we will deliver a justice system that not only commands public trust and protects the public, but also boosts economic growth and stands as a model of fairness and integrity across the world. That will be my focus over the coming year and throughout my tenure leading the department.

Rt Hon David Lammy MP

Deputy Prime Minister, Lord Chancellor and Secretary of State for Justice



From the Permanent Secretary

It is my pleasure to present the MoJ annual report and accounts for the financial year 2024 to 2025 – the first time since I returned to MoJ with the privilege of leading this brilliant department.

Having been Second Permanent Secretary and before that Chief Executive of HMPPS, I know just how vital a public service MoJ provides – this isn't just another job for me, it feels like coming home.

I want to thank my predecessor, Dame Antonia Romeo, who served as Permanent Secretary until June this year. Antonia led MoJ through a period of significant challenge for the justice system. She strengthened its resilience and ability to serve the public – and we are all grateful for her outstanding contribution.

This year began with prisons nearly at full capacity, and Crown Court caseloads at record levels. Through the hard work of so many colleagues at MoJ, its executive agencies, arm's length bodies and partners right across the justice system, we have stabilised the system.

We successfully implemented the standard determinate sentence (SDS40) release scheme, allowing eligible prisoners to be released automatically into the community on licence after serving 40% of their sentence. We also expanded the use of electronic monitoring and home detention curfew, all of which relieved pressure on the prison estate in the short term while maintaining public protection.

In December 2024, we published the 10-year Prison Capacity Strategy, setting out plans to deliver 14,000 new prison places by 2031. Earlier this year, we opened the estate's newest prison – HMP Millsike – on time, under budget and with sustainability at its heart as the UK's first all-electric prison.

In February 2025, we announced a new vision for the probation service, with more intensive supervision of medium and high-risk offenders, and earlier intervention with low-risk offenders to address the root causes of their reoffending. We have also boosted probation capacity, recruiting over 1,000 new trainee probation officers and laying the groundwork for a further 1,300 in the next financial year.

In the courts, we have worked closely with partners across criminal justice to reduce the number of cases waiting to be heard. Although challenges remain, we are pulling every lever to alleviate pressure: recruiting more judges and investing in court buildings to make them better able to meet demand. In the longer term, we must go further – which is why the previous Lord Chancellor commissioned the independent review of the criminal courts, led by Sir Brian Leveson. The review will also consider the efficiency of the courts, from charge to case completion.

During the reporting year, MoJ has put an increased emphasis on women in the justice system. The launch of the Women's Justice Board has helped us bring together experts and frontline voices to shape better outcomes and reduce the number of women entering custody. We piloted social workers in four women's prisons to empower women in understanding their parental rights while in custody, support family relationships, and improve child safeguarding.

We have also taken important legislative steps to support and protect victims, including launching the Understand Your Rights campaign, which sets out what victims can expect from the criminal justice system and their entitlements for support. In addition, we implemented the Victims and Prisoners Act to strengthen victims' rights and improve their experience in the justice system.

Our work as a beacon for justice and the rule of law globally has continued. The Arbitration Act received Royal Assent in February 2025, modernising arbitration procedures and strengthening the UK's standing internationally. We continue to modernise and simplify access to civil and family justice, including by expanding the private law Pathfinder model to more courts – so that children's voices are heard, trauma is reduced and more specialised support is available.

The justice system matters – especially to those at their most vulnerable. In the year ahead, we will continue to deliver punishment that works to cut crime, ensure swift access to justice for victims, uphold the rule of law at home and abroad, and ensure our outstanding legal services sector can contribute even more to UK economic growth.

I am proud of what we have achieved during this reporting year, and excited about what we can do together in the year ahead. We have begun to deliver reforms which will transform justice for generations and I look forward to working with MoJ colleagues, and with the Deputy Prime Minister and his ministerial team, to build a more effective justice system, which delivers for the public it serves.

Dr Jo Farrar CB OBE
Permanent Secretary



From the Lead Non-Executive Board Member

Departmental Board members have continued to operate within an exceptionally demanding operational and policy environment. Throughout the past year, the non-executives have supported and advised the department as it has tackled critical issues within the justice system.

July 2024 saw a change of government and the non-executives were impressed by how rapidly the then Lord Chancellor and her ministerial team got to grips with the issues facing the department and the justice system.

The non-executives are fully supportive of the government's reform priorities and have worked closely with ministers and the executive team on its strategic approach to sentencing and court reforms. I welcome the system-level approach that the department has taken to ensure measures to reform courts, prisons and probation services are taken holistically. This joined-up approach is reflected in the department's work to stabilise the system through delivering sentencing reform, modernisation of the court system through better use of technology and the easing of pressures on the prison estate through coordinated action across agencies. These priorities are critical to securing fairer outcomes for victims, reducing reoffending, and strengthening public confidence in the justice system.

Progress towards the department's digital transformation agenda has been rapid, supported by Andrew Robb in his role advising MoJ's Service Transformation Group. In addition to supporting embedding technology at the heart of delivering policy reforms, the non-executives continue to advise on strengthening the department's overall digital and data capabilities, ensuring that performance insights are used more effectively to drive outcomes. Our engagement has helped identify opportunities to modernise operations and embed innovation at the heart of delivery, reflected in Jennifer Rademaker's leadership of a review into the culture within HMPPS and its impact on professional standards. The report was published in May 2025 and is a vital step towards building a more open, inclusive and accountable culture across the service.

We also support the department to raise and action key priorities through formal corporate governance channels. The Departmental Board has convened twice since the start of the new Parliament (in November 2024 and March 2025). Alongside standing items on departmental performance and cross-cutting risks, we've undertaken in-depth reviews, including of probation delivery within the criminal justice system. The Board also conducted its annual effectiveness review to reflect on areas of strength and development for the financial year 2024 to 2025. Initial findings, to be considered in June 2025, indicate improvements in the Board's functioning and collaborative approach.

The Delivery Board, which met five times over the reporting period, has scrutinised some of the department's most complex programmes that form part of the Government Major Projects Portfolio. These include:

- the Decommissioning and Legacy Risk Mitigation Programme, which addresses the operational, technical and cyber security risks posed by ageing technology within the HMCTS estate
- the Electronic Monitoring Programme, which is working to improve offender compliance and community safety
- the Evolve IT Portfolio, which will modernise critical IT systems across the agencies to support more efficient, resilient and user focused services
- the Prison Education Service, which is focused on reshaping how learning is delivered in custody to support rehabilitation and improve post-release outcomes

This oversight continues to be a key mechanism for enhancing delivery and ensuring accountability across the department.

The Audit and Risk Assurance Committee has continued to provide robust assurance on the department's governance, risk management, and internal controls. I commend Paul Smith, our non-executive and Chair of the Audit and Risk Assurance Committee, for his leadership and diligence in this area. Paul has played a central role in strengthening the Board's understanding of performance metrics and risk, while also guiding work to enhance the department's public appointments process. Alongside the wider non-executive team, he has contributed significantly to mentoring senior civil servants and shaping the new departmental risk framework.

Since the end of the reporting period, there have been key changes to the department's senior leadership. The Permanent Secretary, Antonia Romeo, stepped down in April 2025, after four years, to take up the role of Permanent Secretary at the Home Office. On behalf of the non-executives I would like to recognise Antonia's outstanding contribution to the department. She built a robust Executive Committee team which enhanced individual strength with a collaborative approach. Antonia combined fundamental grip with a consistently positive and collaborative leadership style, always being very focussed on delivery for the Lord Chancellor. Whilst being a hard act to follow, we were impressed with the continuity provided by Amy Rees, who served as interim Permanent Secretary during this transition ahead of the appointment of Jo Farrar as Permanent Secretary.

I would like to extend my sincere thanks to the previous Lord Chancellor, and to the executive team for their continued openness in engaging with the non-executives on the far-reaching and complex challenges the department faces. In September 2025, we welcomed the new Deputy Prime Minister as Lord Chancellor to the department. We look forward to working closely with the Deputy Prime Minister to support his priorities and remain committed to supporting the department as it strives to improve outcomes across the justice system.

Finally, on a personal note, this will be my last foreword. In March next year I will step down as lead non-executive after nearly eight years in post. It is easy to lose sight of how much risk the department carries. Given the scope of the department and the continuing challenges it faces, it is no easy task simply to keep the system functioning. The department is incredibly resilient and always seems to rise to the challenge of the latest crisis. It has many talented and committed people. I will miss them.

Mark Rawlinson

Non-Executive Board Member



Chief Operating Officer's review of the year

In the financial year 2024 to 2025, MoJ operated within the budgetary limits approved by Parliament through the Supplementary Estimate. The departmental expenditure limits (DEL) were set at £12,212 million for resource spending (RDEL) and £1,689 million for capital spending (CDEL). In addition, the annually managed expenditure (AME) allocations were £810 million for resource and £23 million for capital.

MoJ's expenditure is partly funded by income generated from various sources, including court fees, fines, client contributions towards legal aid and revenue from prison industries.

Total income for the year amounted to £1,932 million, representing a 8% increase from £1,788 million in the previous financial year. As a share of the gross resource budget, income accounted for 14% in the financial year, compared to 15% in the previous year.

A detailed breakdown of the approved budgets, actual outturn for the financial year, and variances is presented in the table below. This information corresponds directly with the audited Statement of Outturn against Parliamentary Supply on page 146.

Table 1: Performance against parliamentary control totals

	Supplementary Estimate £m	2024-25 Outturn £m	2024-25 Variance £m
Resource DEL	12,212	12,043	169
<i>Of which</i>			
Administration	581	549	32
Capital DEL	1,689	1,541	148
Resource AME	810	297	513
Capital AME	23	(1)	24
Non-budget expenditure*	100	-	100
Net cash	13,043	12,520	523

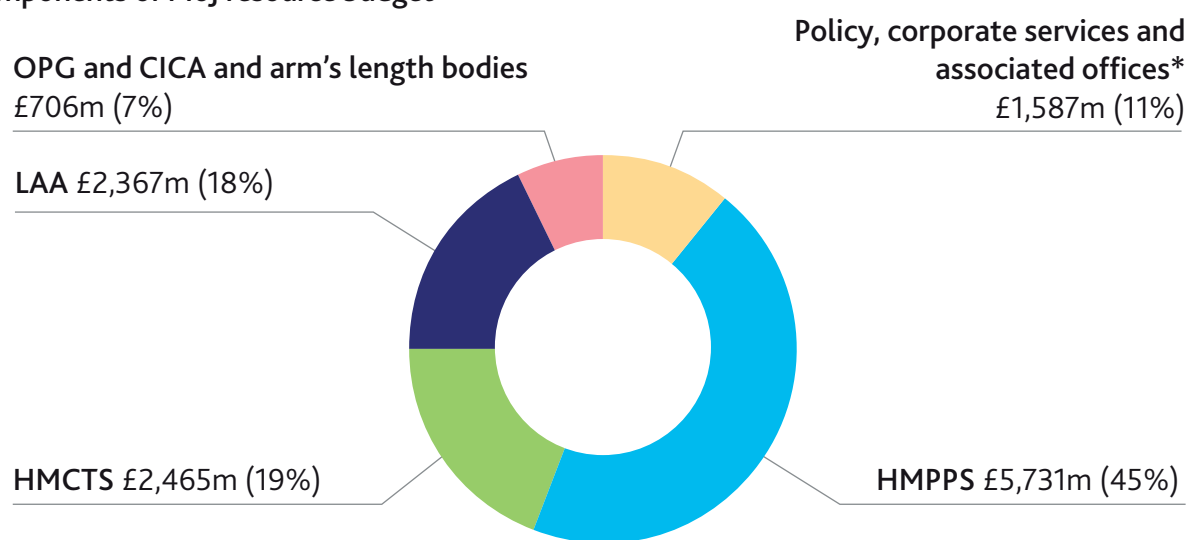
* MoJ sought £100 million non-budget expenditure cover in the Supplementary Estimates 2024 to 2025 for a prior period adjustment for CICA scheme provisions. In the event, the department did not restate the prior year and the non-budget cover was not utilised.

Where we spend our money

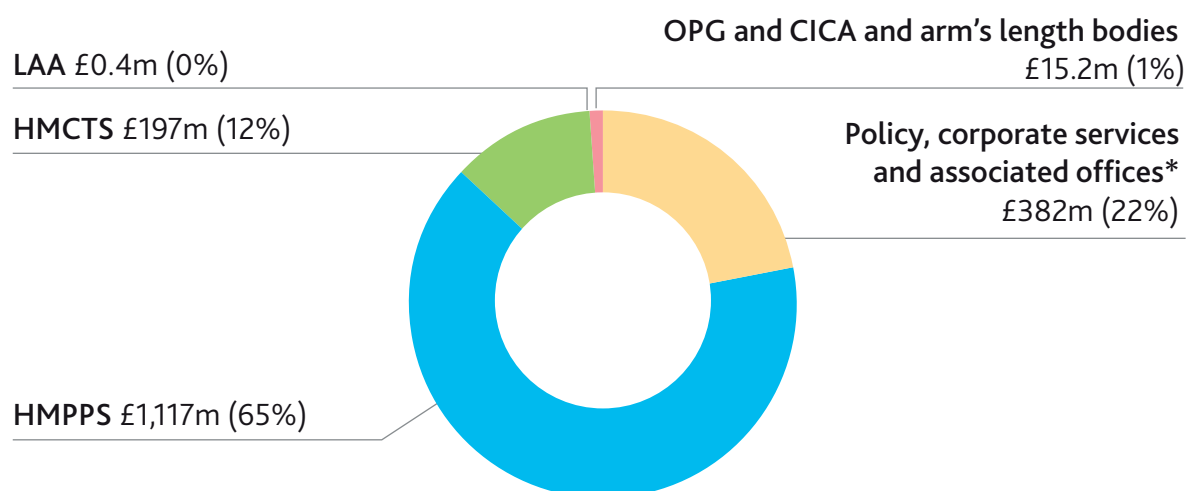
The department's total resource budget (DEL and AME) for the financial year 2024 to 2025 is £13 billion and total capital budget (DEL and AME) for the financial year 2024 to 2025 is £1.7 billion. MoJ is a large operational delivery 'downstream' department, and therefore subject to demand pressures not fully within our control, including prisoner numbers and legal aid spending. The department is also susceptible to changes in the level of fee and fine income collected through the courts. In terms of expenditure, HMPPS is the largest body within MoJ, followed by HMCTS and LAA. The department invests over 80% of its resource funding and over 75% of its capital funding in these three agencies. The charts below show the department's resource and capital budgets across its agencies and arm's length bodies.

Figure 1: Resource and capital budgets across agencies and arm's length bodies²

Components of MoJ resource budget



Components of MoJ capital budget



*Includes: MoJ HQ costs including Justice Digital costs and grants to local government and non-departmental public bodies less corporate recharges to agencies, and HMPPS estate costs for properties managed by MoJ estates. These costs sit in HMPPS for financial reporting but in MoJ HQ for budgeting purposes.

² Budget figures are reported after any virements stated in Note 1 of the Statement of Outturn against Parliamentary Supply.

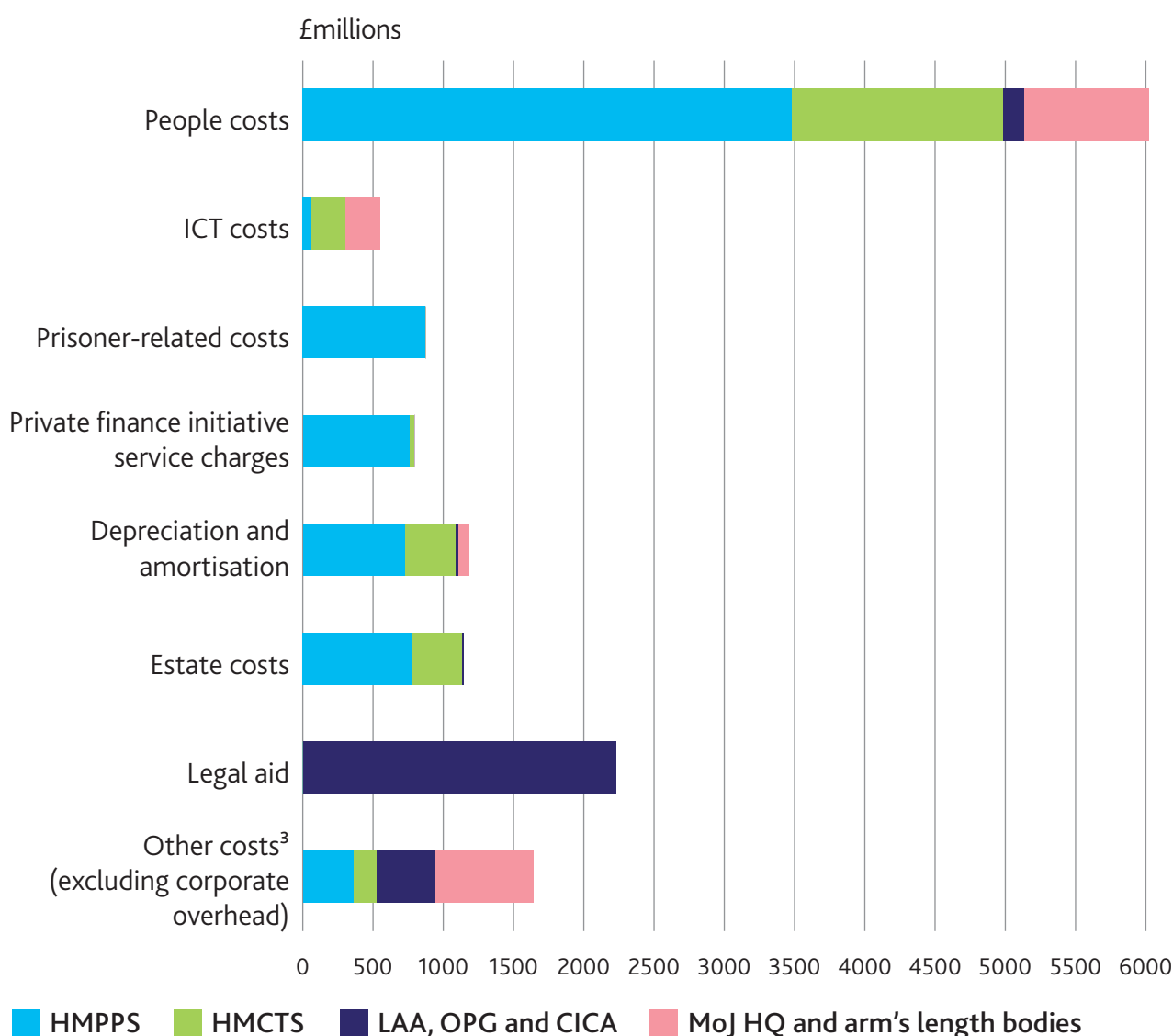
Resource

As a predominantly operational department, the majority of MoJ's resource budget is spent on running prison and probation services, the courts and tribunals system, and funding on legal aid.

The department continued to face significant financial pressures, reflecting both demand coming into the justice system, the impact of inflation on core goods and services, and pay demands being higher than planned for at Spending Review 2021. We successfully managed these pressures through efficiency measures and robust prioritisation switching funding from capital, which we were unable to utilise in-year, to resource.

Figure 2: Where we spent our money in the financial year 2024 to 2025

Departmental expenditure by category of spend



³ Other costs of £1.86 billion include: grants £308.8 million (Note 11), contracted out costs £281.8 million (£182.6 million Note 6 and £99.2 million Note 11), compensation to victims of crime £252.2 million (Note 20), other programme costs £217.7 million (Note 11), and professional services £114.8 million (Note 6). The remainder, spread over various expenditure lines, totals £686 million.

We continued to invest in delivering the department's priority outcomes. In the Crown Court, over 107,700 days were sat during the year, with over 550,000 sitting days across all court and tribunal jurisdictions. The financial year 2024 to 2025 also marked the formal conclusion of the HMCTS reform programme. Since 2016, the programme invested over £1.2 billion in the modernisation of our courts and tribunals, making

services faster, simpler and more accessible, and the development of 14 modern digital services.⁴

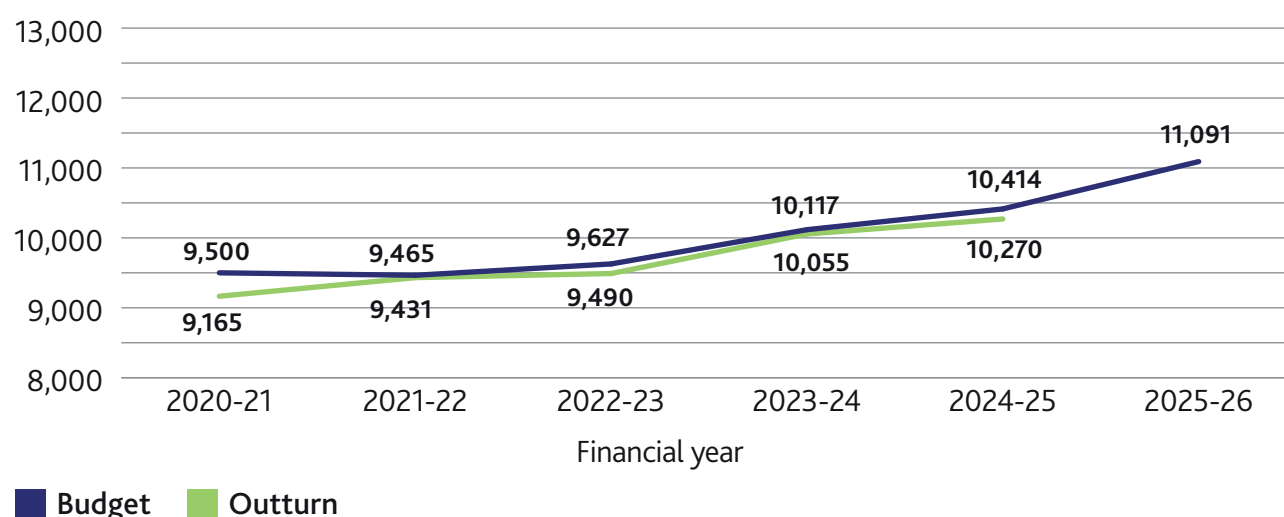
There was continued investment in reducing reoffending measures aligned to Spending Review allocations, including additional community accommodation delivery to support releases under the standard determinate sentence (SDS40) early release scheme in autumn 2024.

Long-term resource trends

Figure 3: RDEL outturn vs budget (real terms)⁵

RDEL budget vs outturn

Annual amount (£m)



Over the past five years, MoJ has seen real-term increases in its RDEL spending, reflecting the department's commitment to strengthening the justice system and responding to evolving demands. The increase has supported frontline services, particularly in prisons and probation. The department has invested in recruiting additional prison officers and enhancing probation services, with a focus on reducing reoffending and tackling crime.

These efforts are part of a broader strategy to improve public safety and rehabilitate offenders.

Alongside this, we have increased investment in core infrastructure. This includes maintenance of the prison estate and improvements to technology across the justice system. Courts and tribunals have also received additional funding to respond to rising demand, improve operational performance and recover from the impacts of the COVID-19 pandemic.

⁴ Case studies across crime, civil, family, tribunals and cross-cutting services, demonstrating how HMCTS' digital transformation has improved access to justice for all users. Available at: <https://www.gov.uk/government/collections/modernised-court-and-tribunal-services>

⁵ To assess how departmental funding has changed over time in real terms, nominal expenditure figures have been adjusted using GDP deflator indices from the Office for National Statistics June 2025 Quarterly National Accounts (series L8GG) and the financial year 2020 to 2021 as the base year. This allows for inflation adjusted comparisons across financial years.

The department's settlement for the financial year 2025 to 2026 provides a minimum £500 million investment across prisons and the probation system in 2025 to 2026 to recruit new prison and probation staff and deploy new electronic tags to monitor more offenders in the community.

Capital

The majority of MoJ's capital budget is spent on delivering the largest prison build programme since the Victorian era, designed to create modern, secure facilities that support rehabilitation and meet future demand for prison places.

By the end of the financial year, 6,500 places had been delivered, with around 1,000 places delivered in the current Parliament, including opening

new houseblocks at HMP Rye Hill. Construction was also completed on the new 1,500-place HMP Millsike, which received its first prisoner in April 2025.

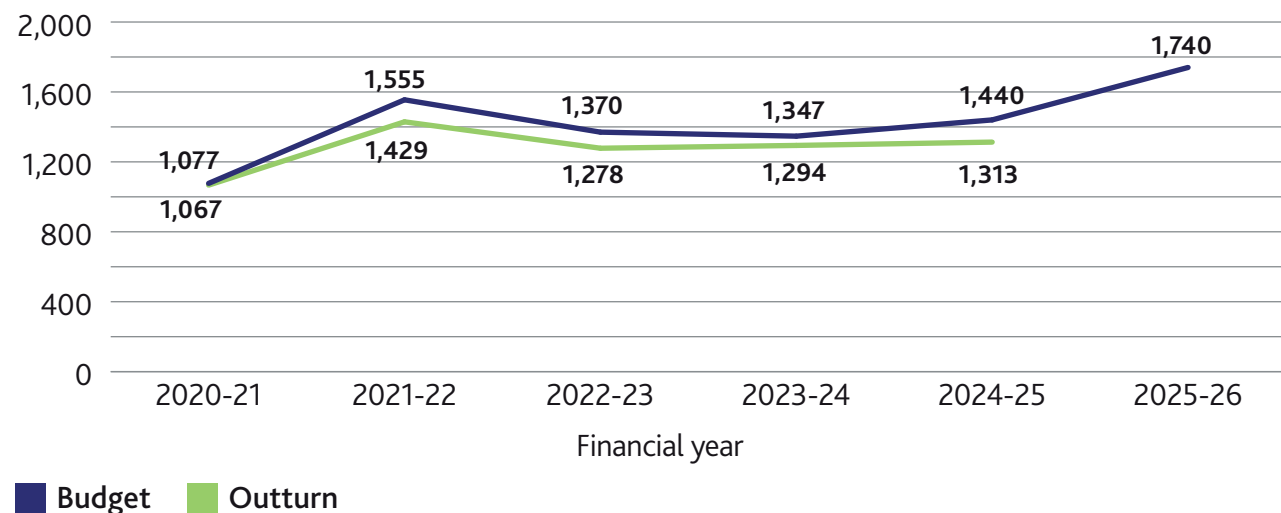
The rest of the capital budget is spent on maintenance costs for the courts and tribunals, prisons and MoJ HQ estates, leases, and digital and technology. We invested £240 million in maintenance, renewal and renovation of the operational prisons and probation estate, despite a challenging year for the market and key supplier failure. We also invested £125 million in the courts and tribunals estate, of which £40 million was spent on major refurbishments and new building projects.

Long-term capital trends

Figure 4: CDEL outturn vs budget (real terms)⁶

CDEL budget vs outturn

Annual amount (£m)



⁶ To assess how departmental funding has changed over time in real terms, nominal expenditure figures have been adjusted using GDP deflator indices from the Office for National Statistics June 2025 Quarterly National Accounts (series L8GG) and the financial year 2020 to 2021 as the base year. This allows for inflation adjusted comparisons across financial years.

Capital expenditure has increased since the financial year 2020 to 2021, reflecting a period of substantial investment aimed at modernising and expanding critical infrastructure across the justice system. The increase is primarily driven by:

- the department's prison build programme
- the maintenance and improvement of the existing prison, probation and court estates and the youth custodial estate
- enhancing electronic monitoring capabilities
- modernising the technology and infrastructure that underpins the courts system

Together, these investments mark a transformative period for the justice system, focused on long-term sustainability and improved outcomes for the public.

Spending Review 2025

Phase one of the Spending Review 2025 settlement established the budget for the financial year 2025 to 2026 and set the strategic direction for MoJ for the remainder of the Spending Review period. Phase two was announced in the Spending Review Statement in June 2025 and set budgets for the financial years 2026 to 2027 and 2028 to 2029 for RDEL, and up to 2029 to 2030 for CDEL. The settlement demonstrates the government's commitment to building a stronger, more effective justice system by expanding prison, probation and courts capacity to record levels, while delivering long-term reform to safeguard the system's future.

The settlement includes investment of up to £4.7 billion in prison expansion across the financial years 2026 to 2027 and 2029 to 2030. A total of £7 billion will have been invested between this financial year and 2029 to 2030 to deliver the commitment to build 14,000 new prison places, with an aim to complete delivery by the end of 2031. There is also a focus on day-to-day expenditure, with up to £700 million additional funding to the probation service by the financial year 2028 to 2029 to deliver reforms to sentencing based on the recommendations of the Independent Sentencing Review, and up to £450 million per year for court activity, including funding that would enable Crown Court sitting days to reach record levels.

Our performance

During the year we focused on our three core priority outcomes for the justice system. These are:

Punishment that cuts crime – to rebuild public confidence in the criminal justice system by protecting the public and reducing reoffending – this was supported by a sustainable and effective prison and probation service



Swifter justice for victims – to ensure timely and just outcomes for both victims and defendants through a modern, efficient criminal courts system, helping to restore trust in justice



A beacon for justice and the rule of law – to deliver accessible and timely civil, family and administrative justice – we also upheld the rule of law at home and abroad, while promoting our world-leading legal services that contribute to economic growth



These priorities support MoJ's broader long-term goals and reflect our commitment to improving outcomes across prisons, probation, courts and legal services. We use operational data to understand and improve our performance. Our published performance metric information can be found on GOV.UK.^{7,8}

⁷ Ministry of Justice, Statistics at MoJ. Available at: <https://www.gov.uk/government/organisations/ministry-of-justice/about/statistics>

⁸ Justice Data homepage. Available at: <https://data.justice.gov.uk/>

Performance overview

The performance overview provides a high-level summary of our performance against our priority outcomes. Our performance analysis which is set out on pages 36 to 77 provides full details of our activities and analysis of performance against each outcome. More details on corporate functions can be found on pages 30 to 35 in our principal risk section.

Punishment that cuts crime



We are building confidence in the criminal justice system by protecting the public and reducing reoffending through a sustainable and effective prison and probation service. In the financial year 2024 to 2025, we took a range of steps to strengthen the criminal justice system, focusing on prison capacity, safety and security, probation reform, and support for people in custody and on release.

These included:

- introducing measures to reduce demand on prison capacity, to ensure the prison system operates effectively
- enhancing prison security through digital security products, the launch of a state-of-the-art learning hub, and delivery of the Security Development Programme
- addressing issues specific to women in the justice system, including establishing the Women's Justice Board in January 2025 which aims to reduce the number of women in prison, and providing better support for children of prisoners
- implementing operational changes through the Probation Reset initiative in July 2024, and the launch of Impact in April 2025, aimed at mitigating service pressures, empowering practitioners, prioritising high risk cases, and working differently with lower risk cases
- making significant progress in operational staff recruitment, onboarding 1,057 trainee probation officers in this financial year and setting a target of 1,300 more in the financial year 2025 to 2026 – as at March 2025, we are at 96% of the national target staffing figure for Band 3 to 5 prison officers in prisons across England and Wales
- engaging with employers through the Unlocking Potential campaign led by the New Futures Network, launching regional Employment Councils in January 2025, offering sector-specific training courses, and encouraging the usage of electronic monitoring devices

Swifter justice for victims



We have created the foundations for timely and fair outcomes for victims and defendants through a modern, efficient criminal courts system. In the financial year 2024 to 2025, we strengthened the system by expanding court capacity, upgrading digital tools and improving victim support.

Our actions included:

- increasing the number of sitting days in the Crown Court to over 107,700, allowing more cases to be heard
- closing the HMCTS reform programme in March 2025, consolidating and stabilising digital services such as Common Platform, enhancing support for vulnerable users, and driving efficiency in data sharing and accuracy between criminal justice partners⁹
- launching an independent review led by Sir Brian Leveson in December 2024 to explore long-term criminal court reform and efficiency – part one of the review was published in July 2025¹⁰
- developing new legislation to improve protections for victims of violence against women and girls
- continuing to improve victims' experience of the justice system and ensure victims have knowledge of, and access to, the support they need

⁹ HM Courts and Tribunals Service (2025), Modernising courts and tribunals: benefits of digital services. Available at: <https://www.gov.uk/guidance/modernising-courts-and-tribunals-benefits-of-digital-services>

¹⁰ Independent Review of the Criminal Courts. Available at: www.gov.uk/guidance/independent-review-of-the-criminal-courts

A beacon for justice and the rule of law



In the financial year 2024 to 2025, we delivered timely civil, family and administrative justice, promoted legal services to support economic growth, and strengthened the justice system through innovation and international engagement – while reaffirming our commitment to the rule of law at home and abroad.

Our actions included:

- rolling out digital services to streamline processes, reduce costs and improve accessibility
- improving the experience for children and families by expanding the Pathfinder Scheme, and extending the family mediation voucher scheme, which aims to resolve cases more quickly and reduce backlogs¹¹
- introducing the Arbitration Act 2025 which received Royal Assent on 24 February 2025 – the Act modernises the UK’s arbitration framework, enhancing its effectiveness and international competitiveness¹²
- supporting the legal sector to flourish by working towards addressing market access barriers in priority jurisdictions and securing legal services provisions in free trade agreements, promoting English and Welsh law to domestic and international audiences
- consolidating the UK as a leading jurisdiction for innovation
- strengthening international relationships, bilaterally and through multilateral institutions to promote the rule of law internationally
- establishing a programme aimed at protecting and promoting the rule of law and coordinating work with the Attorney General’s Office and the Foreign, Commonwealth and Development Office on current challenges

11 Ministry of Justice (2025), Thousands of children to be supported thanks to multi-million expansion of innovation in family courts. Available at: www.gov.uk/government/news/thousands-of-children-to-be-supported-thanks-to-multi-million-expansion-of-innovation-in-family-courts

12 UK Parliament (2025), Arbitration Bill. Available at: <https://commonslibrary.parliament.uk/research-briefings/cbp-10134>

Principal risk summary

Key to outcomes and strategic enablers

● **Punishment that cuts crime**



● **Swifter justice for victims**



● **A beacon for justice and the rule of law**



Principal risk area	Outcome	Trend this year	Comment on trend	External factors
Operational delivery: Ensuring effective service delivery and compliance in our operations.	● Punishment that cuts crime	▲ Increase	Pressure on prisons continues due to the rising prison population despite bringing on new prison capacity through a combination of new builds, expansions and temporary accommodation. Drone-enabled contraband delivery is an increasing threat to security. We have also seen an increase in threats to the safety of prisoners and prison staff. HMPPS continues to focus on tackling these risk areas in HMPPS. There have been challenging workloads in some probation services. To manage this, we have reset operating levels. These continue to be revised in response to changes proposed by the Independent Sentencing Review. There are increasing levels of demand across courts, tribunals and other operational services. This has impacted on timeliness and size of caseloads. We have increased court sitting days and are working to improve efficiency and effectiveness of processes. We will seek to stabilise this risk during the financial year 2025 to 2026.	Criminal justice system demand, labour markets, planning permission, economic factors, supply chain costs and stability, technology advancements e.g. drones, and criminal case complexity.
	● Swifter justice for victims			
	● A beacon for justice and the rule of law			

Principal risk area	Outcome	Trend this year	Comment on trend	External factors
Capacity: Managing and maintaining sufficient criminal justice system capacity to meet demand.	 Punishment that cuts crime  Swifter justice for victims  A beacon for justice and the rule of law	 Increase	Acute capacity challenges continued in the financial year. In prisons, medium-term forecast for demand growth continues to surpass capacity. Measures were taken throughout the year to mitigate short-term risks in the adult male prison estate. This had an impact on probation services where initiatives were taken to reduce service pressures, prioritising high risk cases, and working differently with lower risk cases. In courts, we have increased sitting days, kept open temporary Nightingale courtrooms and recruited more judges. Ageing property infrastructure continues to impact physical capacity across the operations of HMCTS and HMPPS. We expect this risk to stabilise once the Sentencing Bill has been passed and reforms are implemented.	Planning permission and environmental requirements for new build and expansion capacity, and criminal justice system demand.
People and capability: Recruiting and retaining sufficient capable individuals to ensure continually effective service delivery.	 Punishment that cuts crime  Swifter justice for victims  A beacon for justice and the rule of law	 Decrease	Retention rates in our prison and probation services have improved throughout the financial year. We have diversified our recruitment and strengthened processes and the employment offer. Retention activity has focused on wellbeing, pay and workload pressure. Investment in this area is improving recruitment timelines and training packages for incoming candidates. Progress is being made to support newly appointed officers to reach the required standard. Ongoing capacity and operational factors in prisons and probation are expected to cause this risk to remain high over the next financial year.	Other government department pay and labour market factors, cost of living, and changing needs of employees.

Principal risk area	Outcome	Trend this year	Comment on trend	External factors
Digital: Reducing the level of technical debt and improving resilience and flexibility of digital and technology services to the business.	 Punishment that cuts crime  Swifter justice for victims  A beacon for justice and the rule of law	 No change	We have made progress on critical systems, but resource constraints mean that technical debt remains in many areas. Attracting technical skills and capability continues to be an issue. Despite the increased focus on digital solutions it is possible this risk will rise in 2025.	Competitive labour markets, rapid development of new technologies, and developments in artificial intelligence.
Security and information: Reducing the likelihood of a cyber security attack, keeping our information secure and improving compliance with GDPR and other legislation.	 Punishment that cuts crime  Swifter justice for victims  A beacon for justice and the rule of law	 Increase	We continue to enhance our internal security governance, policy, standards and training. This includes seeking supplier assurance given MoJ's reliance on outsourced services. Crystallisation of this risk in LAA reinforces digital as a critical area of risk exposure for LAA specifically, and the rest of the organisation. Due to the heightened risk from cyber threats, work is being done to improve incident management and recovery from incidents or breaches. An independent review of cyber risk across digital and technology has been undertaken – actions are being worked through. As work progresses and is embedded, we expect to see risk stabilisation.	Geopolitical tensions, economic climate particularly cost of living increases, rapid development of new technologies, and advancing capabilities of threat actors.

Principal risk area	Outcome	Trend this year	Comment on trend	External factors
Commercial: Ensuring we can put in place and manage effective contracts which support the delivery of justice services.	 Punishment that cuts crime  Swifter justice for victims  A beacon for justice and the rule of law	 No change	Supply chain risks and issues have continued across multiple industries. MoJ monitors the financial stability of its major suppliers and develops contingency plans, in the event of any supplier failures. Contingency plans were invoked on October 2024 on the collapse of ISG, a primary supplier to HMPPS. Action is ongoing to let new contracts as needed. We are focused on the further development of commercial skills and assurance across the organisation, and building a long-term pipeline of commercial requirements, to ensure we are planning effectively for the future. The expectation is for this risk to remain stable for the financial year 2025 to 2026.	Market cost pressures coupled with exchange rate fluctuations, supply chain costs and stability.
Change: We have an ambitious portfolio of change projects with a range of risks that require active management to ensure delivery.	 Punishment that cuts crime  Swifter justice for victims  A beacon for justice and the rule of law	 No change	There is continued focus on ensuring programmes within our major change portfolio are set up for success and adhere to the appropriate government standards. During the financial year 2024 to 2025, we have put in place new frameworks for benefits management and realisation, and reporting. We have also published guidance on initiating and setting up new projects and programmes. Following the reviews commissioned by the Secretary of State into sentencing and the criminal courts, MoJ will be undertaking a significant amount of transformational change which is expected to heighten risk exposure.	Planning permission, inflationary pressures on construction materials, and market cost pressures.

Principal risk area	Outcome	Trend this year	Comment on trend	External factors
Evidence and insight: Ensuring decisions taken by ministers and others are underpinned by sufficiently accurate evidence.	 Punishment that cuts crime	 Increase	Demand caused by the change in government and capacity challenges across all jurisdictions, but principally in prisons and probation, created workload challenges in data analytical services. We continue to modernise and improve our use and approach to data reducing the use of outdated data systems. We are progressing work to look at 'what works' through data linking, quality improvement initiatives, and strengthening links across the criminal justice system to develop data and understand drivers of demand. We expect this risk to stabilise in financial year 2025 to 2026.	Reliance on other government department delivery partners to join up criminal justice system data.
	 Swifter justice for victims			
	 A beacon for justice and the rule of law			
Property: Maintaining an estate that is compliant, operational, environmentally sensitive and efficient.	 Punishment that cuts crime	 No change	We continue to invest in our buildings to maintain capacity and reduce dilapidations, while also undertaking planned maintenance programmes. Condition surveys have taken place throughout the financial year. We have managed a range of compliance risks throughout the year including asbestos, fire safety, Reinforced Autoclaved Aerated Concrete and radon levels at some sites. Progress has been slower than planned due to prison capacity pressures and the collapse of ISG, a primary supplier to HMPPS. The risk is expected to remain stable.	Inflationary pressures on construction materials and supply shortages. Instability of primary contractor.
	 Swifter justice for victims			
	 A beacon for justice and the rule of law			

Principal risk area	Outcome	Trend this year	Comment on trend	External factors
Climate change and sustainability: Adapting effectively to physical and transition climate change exposures.	 Punishment that cuts crime  Swifter justice for victims  A beacon for justice and the rule of law	 Increase	Climate change and sustainability risk management controls have been introduced to improve operational resilience to climate change, embed sustainability commitments in prison design, and improve consideration of the environment in spending decisions, programmes and projects, and policy-making. However, these controls will not deliver the pace or scale of change required to materially reduce our risk exposure in the short or medium term, and our environmental debt continues to grow.	Extreme weather and increasing compliance obligations.
Finance: Long-term funding uncertainty and inflationary pressures on current budgets.	 Punishment that cuts crime  Swifter justice for victims  A beacon for justice and the rule of law	 No change	In October 2024 HM Treasury settled the first phase of the Spending Review covering budgets for the financial years 2024 to 2025 and 2025 to 2026, and in June 2025 they settled the second phase. This will enable MoJ to develop a clear strategy for the remainder of this Parliament, which will include the implementation of sentencing reform and criminal court reform. We expect this risk to come down in the financial year 2025 to 2026.	Wider macro-economic environment, in particular inflationary pressures and consequent pay settlements, and judicial litigation.

Our performance analysis

Outcome 1 – Punishment that cuts crime

This year, we focused on rebuilding confidence in the criminal justice system by protecting the public and reducing reoffending through a sustainable and effective prison and probation service. Despite facing significant challenges, we implemented a range of measures to support delivery of this outcome. These included managing prison capacity pressures, implementing probation reforms, enhancing safety and security measures, and providing robust support for rehabilitation.

Prison capacity

The prison system has continued to face significant and sustained pressure since September 2022, particularly in the adult male prison estate which operated at over 99% capacity between January 2023 and July 2024. These pressures were driven by rising demand, including a growing remand population linked to court delays, longer custodial sentences, and limited use of community-based alternatives. In September 2024, the construction firm ISG entered administration, directly impacting projects expected to deliver around 3,600 prison places across 13 sites, and fire safety works.¹³

In response we:

- implemented temporary measures to manage prison capacity and ensure safety across the estate
- introduced several policy changes to ease pressure on the prison estate and support rehabilitation, including longer home detention curfews, shorter fixed-term recalls, earlier release points, and expanded access to open conditions for eligible prisoners

- proactively engaged with the market to minimise delays caused by the ISG insolvency
- raised awareness of the use of bail as an alternative to remand, including the rollout of a dedicated Bail Information Service and expanding the community accommodation offer
- increased removals of foreign national offenders – there were 5,154 removals in the year ending March 2025, an increase of 21% compared to the previous year

In December 2024, we published a 10-year Prison Capacity Strategy, and committed to deliver the remaining 14,000 of the 20,000 prison places, with £4.7 billion investment over this Spending Review period announced on 14 May 2025 to fund the expansion.¹⁴ By March 2025, around 6,500 of the 20,000 prison places had been delivered.¹⁵ As part of the new strategy, in April 2025 a new all-electric prison, HMP Millsike, started taking prisoners, which will add around 1,500 prison places when it reaches full capacity. Delivering these prison places has faced challenges, including delays in securing planning permission, unforeseen site and infrastructure conditions, and affordability and funding constraints.

In October 2024, the Lord Chancellor launched an Independent Review of Sentencing, led by former Lord Chancellor David Gauke, with the aim of creating a sustainable justice system. The review explores options based on three principles: punishing offenders and protecting the public, ensuring sentences encourage prisoners to turn away from crime, and expanding tough non-prison punishments.

¹³ Construction Management (2024), ISG collapse to delay prison projects by up to 18 months. Available at: <https://constructionmanagement.co.uk/isg-collapse-to-delay-prison-projects-by-up-to-18-months>

¹⁴ Ministry of Justice (2024), 10-year Prison Capacity Strategy. Available at: www.gov.uk/government/publications/10-year-prison-capacity-strategy

¹⁵ 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).

A report of the review's findings was published on 22 May 2025.¹⁶ This government accepted, in principle, the majority of David Gauke's recommendations:

- release will be earned – and the most dangerous offenders excluded
- we are ramping up tagging and monitoring, with an up to £700 million uplift in annual probation budgets
- we are toughening up punishment outside of prison, so offenders pay back their debt to society

Safety and security

Effective security is fundamental to maintaining a safe, stable and rehabilitative prison environment, as well as maintaining public confidence in the criminal justice system. Making prisons safer for both staff and prisoners remains a key priority. We recognise the significant challenges posed by capacity pressures and overcrowding, and are actively addressing them by:

- undertaking a range of initiatives, including removing wet shave razors from 31 adult male closed prisons, providing targeted support to prisons with the highest rate of assaults, and introducing the Prison Safety Policy Framework¹⁷
- planning for the trial of conducted energy devices, more commonly known as tasers, by the Operational Response and Resilience Unit in the summer of 2025, as part of our tactical response to serious incidents

We continued efforts to enhance security by:

- carrying out trials of wastewater testing in prisons – the pilot ended in April 2025 and demonstrated potential as a monitoring tool in detecting substances, but further investment and research are required before it can be confidently applied in operational settings

- implementing digital security products and a state-of-the-art learning hub, upskilling all staff working in operational settings

We overhauled our approach to counter terrorism (CT) and delivered significant change, including improved information sharing and joint working between prisons, probation and police. We continue to enhance our CT strategies and strengthen multi-agency case management to mitigate risk.

Throughout this reporting period, among other things:

- we established the National Pathfinder in December 2024 to provide greater assurance and senior oversight of CT case management, and we are continuing to reform the case management process to ensure it is a truly multi-agency process
- the Crime and Policing Bill introduced in February 2025 includes provisions to strengthen our approach to CT, including amending the section 13 of the Terrorism Act 2000 offence of displaying an article associated with a proscribed organisation to apply equally to prisons, as it already does to public places
- we developed a new CT training package for prison and probation staff, which features a codified list of terrorist risk behaviours and provides staff with the essential skills and practical guidance on how to 'notice', 'check' and 'share' terrorism concerns

We continue to work closely with law enforcement organisations to address the risk posed by serious and organised crime, which is assessed to be the largest single risk to HMPPS operations. Joint working has led to several key operational successes, including tackling drugs supply into custody.

16 Independent Sentencing Review 2024 to 2025. Available at: https://assets.publishing.service.gov.uk/media/682d8d995ba51be7c0f45371/independent-sentencing-review-report-part_2.pdf

17 Ministry of Justice (2024), Prison Safety Policy Framework. Available at: www.gov.uk/government/publications/prison-safety-policy-framework

Probation reform¹⁸

Demand for probation services is increasing, a trend that will continue.

In response, in July 2024, we implemented the Probation Reset, a strategic initiative designed to alleviate workload pressures and allow staff to focus on supervising the most serious offenders. This initiative prioritises early engagement and supervision during the initial two thirds of an offender's sentence, a critical period where probation staff can exert the greatest impact on public protection and reducing reoffending.¹⁹

In February 2025, the then Lord Chancellor outlined a vision for the future of the probation service, refocusing efforts and resources on work that is most effective at reducing reoffending and supervising higher risk offenders. We introduced new measures in April 2025 to free up staff time by launching Impact, a probation policy that reduces contact with lower risk offenders and intensifies focus on high risk cases in the first 16 weeks. We're also prioritising practitioner recruitment and expanding technology use to ease workloads.

Prison and probation staffing

We have made significant progress recruiting additional operational staff to support in delivering our priorities.

We successfully onboarded 1,057 trainee probation officers with an aim to recruit a further 1,300 trainee probation officers in the financial year 2025 to 2026.^{20,21} At 31 March 2025, there were 21,396 full-time equivalent staff in probation service grades, an increase of 637 (3.1%) since 31 March 2024.

As of 31 March 2025, there were 22,716 full-time equivalent Band 3 to 5 prison officers in post, which represents 96% of the national target staffing figure. Between April 2024 and March 2025, there were 2,417 full-time equivalent Band 3 to 5 joiners. Substantive recruitment efforts will continue at all sites where there is a current or future need.

Women in the criminal justice system

We made good progress against the 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 2024.²²

The then Lord Chancellor announced the creation of a Women's Justice Board with the clear goal of reducing the number of women in prison and addressing the distinct needs of women in the criminal justice system. The Women's Justice Board has now met twice since January, and its initial focus will be on:

- work to intervene earlier, and divert women away from the criminal justice system where appropriate
- community solutions, such as residential alternatives to custody
- improving outcomes for young adult women, pregnant women, and mothers of dependent children across the criminal justice system

Prison-based social worker roles are 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, helping mothers maintain appropriate contact with their children.

18 Ministry of Justice (2025), Probation Service to cut crime by focusing on dangerous offenders. Available at www.gov.uk/government/news/probation-service-to-cut-crime-by-focusing-on-dangerous-offenders

19 Ministry of Justice (2025), Lord Chancellor sets out her vision for the probation service. Available at: www.gov.uk/government/speeches/lord-chancellors-sets-out-her-vision-for-the-probation-service

20 HM Prison and Probation Service (2025), Trainee probation officer recruitment: April 2024 to March 2025. Available at www.gov.uk/government/statistics/trainee-probation-officer-recruitment-april-2024-to-march-2025

21 Ministry of Justice (2025), Probation Service to cut crime by focusing on dangerous offenders. Available at: www.gov.uk/government/news/probation-service-to-cut-crime-by-focusing-on-dangerous-offenders

22 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

Youth Custody Service

We have improved outcomes for young offenders in the criminal justice system by:

- updating the release on temporary licence framework for the Youth Custody Service in March 2025, ensuring structured and supervised temporary release for young offenders – the framework is being piloted at five sites from May 2025
- reviewing the qualifications and training for youth justice workers, recommending updates to training and ensuring consistent standards across the sector

Reducing reoffending

Our approach to reducing reoffending is guided by the evidence of what works: securing employment, stable accommodation, access to treatment for drug and alcohol use, and support to develop the personal skills and behaviours people need to turn their back on crime. We work in partnership across government and with external organisations to ensure offenders in the community get the support they need.

In the financial year 2024 to 2025, we have taken steps to ensure that robust support is in place for individuals being released, with a particular focus on continuity of healthcare, substance misuse provision, and access to employment, benefits and accommodation by:

- successfully engaging with 186 employers and partners through our Unlocking Potential campaign led by the New Futures Network – as a result, 1,888 prisoners participated in upskilling and recruitment sessions and the campaign included 129 events, resulting in nearly 100 job offers
- launching new regional Employment Councils in January 2025 to support offenders in finding employment – in this financial year, the proportion of prison leavers in employment within six months of their release was 34.5%²³

- offering sector-specific training courses in prisons through the Future Skills Programme, helping prisoners prepare for employment in sectors such as construction and warehousing
- enhancing prisoners' literacy with reading strategies now implemented in every prison and supporting routes into employment through skills based training, including an apprenticeship programme now available in both the closed and open estates
- commissioning independent approved premises bed spaces to replace contracts that are expiring, providing stable accommodation for individuals released from custody
- reaching our target of opening 85 Incentivised Substance-Free Living Units, alongside six drug recovery wings in March 2025, creating environments that promote recovery and long-term stability

Electronic monitoring

Electronic monitoring continues to serve as a robust alternative to custody, with evidence indicating positive behavioural impacts on individuals during monitoring. We are engaging with the police, Crown Prosecution Service, and judiciary to raise awareness of electronic monitoring's potential as a court bail option and its role in supporting reforms to short sentences and post-sentence supervision.

²³ This figure is derived from a revised metric introduced as part of an initiative to reduce workload pressures and allow staff to concentrate on supervising the most serious offenders. The data is not directly comparable with previous years.

In May 2024, Serco took over delivery of our electronic monitoring service, and experienced significant performance challenges. This led to unacceptable delays in some individuals being tagged. Serco have addressed those delays and are close to completing migration to new systems that will improve the resilience and scalability of electronic monitoring going forward.^{24,25,26}

Digital

We are 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 have supported this by:

- improving access to digital services for prisoners and young people through the Launchpad initiative, providing laptops in cells in an additional four sites in this financial year – Launchpad now reaches around 12,900 prisoners across 19 sites, with core services through self-serve kiosks in communal spaces in a further 12 sites
- completing the PIN phone services programme in April 2024, installing in-cell telephony across the entire closed estate to enable closer family ties and improve safety on wings – there are over 2,000 ‘staff to cell’ phones, allowing staff to call and speak to a prisoner in their cell to support safety, security and decency
- piloting digital services that will unlock capacity by automating manual processes, meaning probation staff can spend more time working with offenders and less time on administration tasks
- investigating artificial intelligence transcription tools to reduce the burden of notetaking – if successful, this will enable probation officers to focus on face time with offenders and support rehabilitation
- investigating the potential for technology to support management of offenders in the community, looking to international examples as identified by the Sentencing Review, including the potential for remote check-ins using technology and better use of data to support real-time monitoring of tagged offenders

24 HM Prison and Probation Service (2023), Electronic monitoring update in Probation Service Change Bulletin Issue 21. Available at: www.gov.uk/government/publications/strengthening-probation-building-confidence-monthly-bulletin/probation-service-change-bulletin-issue-21-december-2023

25 Ministry of Justice, Electronic Monitoring Statistics Publications. Available at: www.gov.uk/government/collections/electronic-monitoring-publication

26 In May 2024, Serco took over delivery of the electronic monitoring service, changing how electronic monitoring data is provided to MoJ. To ensure the publication series continued to meet our high accuracy and quality standards, releases were paused while data assurance processes were implemented. The series has resumed with a release of management information using June 2025 data.

Our performance metrics

Key to metrics

Value change from previous year:

- ⬆ Increasing
- ⬇ Decreasing
- ➡ No change

Progress on previous year:

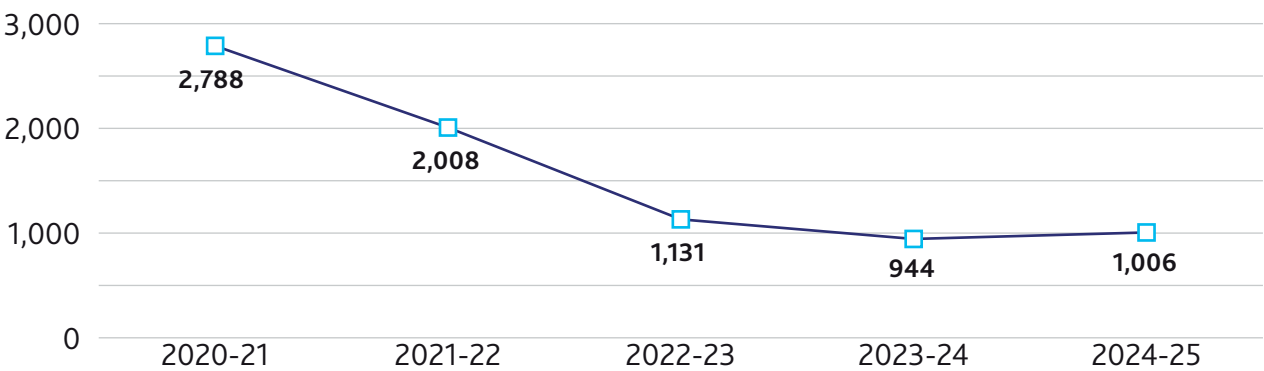
- Green = improving
- Amber = marginal or no change
- ⬮ Red = worsening

Prison supply/demand gap

Total prison supply /demand gap, the difference between the number of useable prison places (supply) and the prison population (demand), has marginally increased to 1,006 spaces at 31 March 2025, up from 944 on 31 March 2024. This level of headroom is not sufficient resilience to respond to shocks to the system (e.g. sudden capacity losses or exceptional population growth). Despite a series of emergency measures throughout the financial year 2024 to 2025 aimed at reducing pressure, including operational adjustments and policy interventions, the prison population continued to grow, particularly within the adult male estate. This sustained increase has placed considerable strain on both national and regional capacity.

Value change/ progress

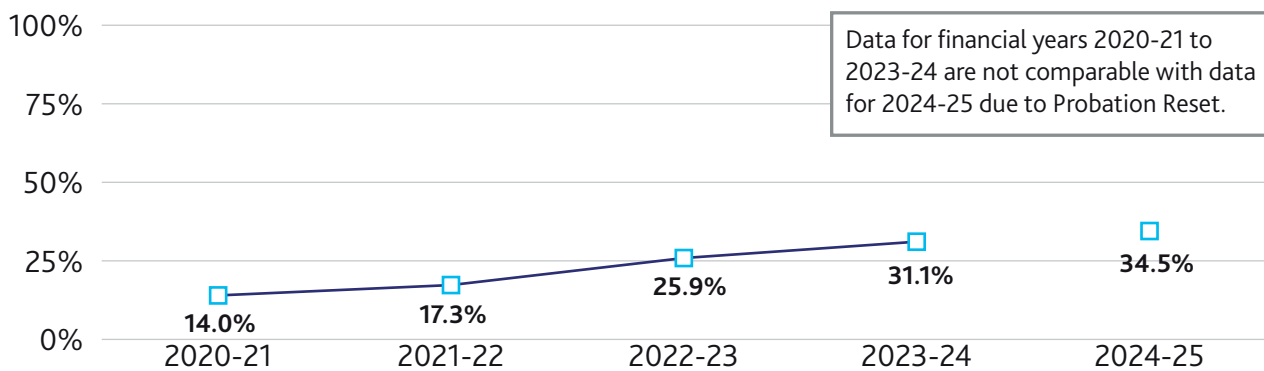
⬆



Percentage of prison leavers in employment six months post-release

Due to the implementation of the Probation Reset in July 2024, there is a break in the time series for employment at six months post-release from custody.²⁷ Under Probation Reset, supervision is suspended at the two-thirds point for eligible cases. This results in a reduction in the number of offenders still under supervision at the six-month point where employment status is captured. This change in the cohort means that this financial year's performance cannot be compared like-for-like with previous years.

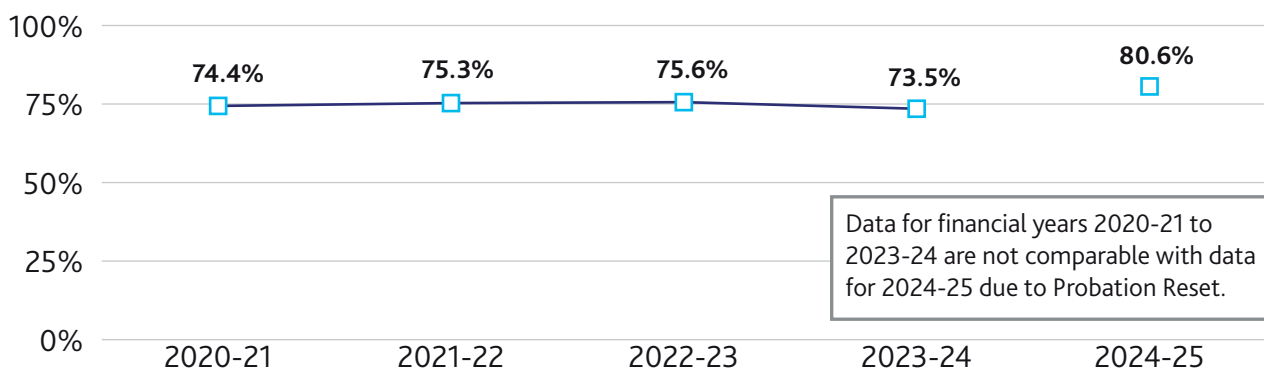
Between May 2024 and April 2025, the proportion of prison leavers in employment six months after release was 34.5%.



Percentage of prisoners in settled accommodation three months after release

Due to the implementation of the Probation Reset in July 2024, there is a break in the time series for accommodation at three months post-release from custody.²⁷ Under the Probation Reset, supervision is suspended at the two-thirds point for eligible cases. This results in a reduction in the number of offenders still under supervision at the three-month point where accommodation status is captured. This change in the cohort means that this financial year's performance cannot be compared like-for-like with previous years.

Between May 2024 and April 2025, the proportion of prison leavers in settled accommodation three months after release was 80.6%. There were variations at regional level, influenced by housing market pressures. In addition, the operational impact of the Probation Reset restructured supervision priorities and influenced both support pathways and measurement scope.

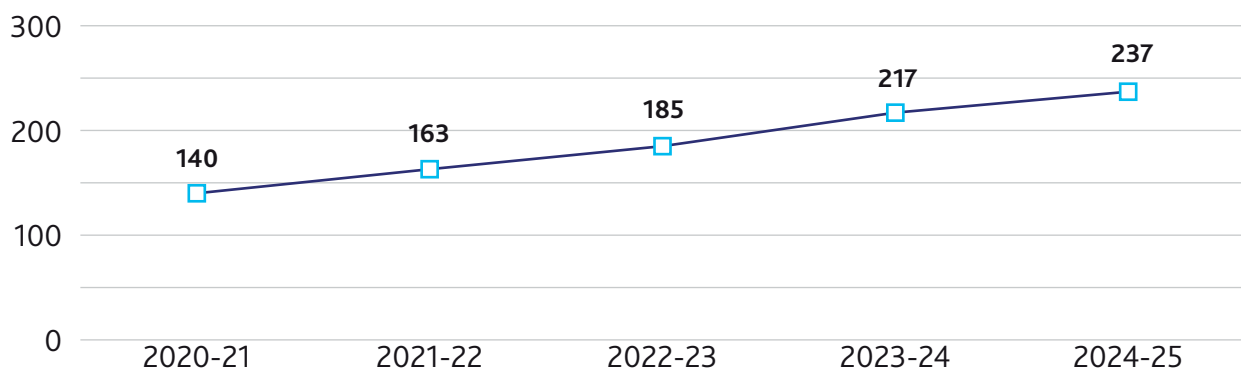


²⁷ Ministry of Justice (2025), Offender employment outcomes – statistical guidance. Available at: <https://www.gov.uk/government/statistics/offender-employment-outcomes-update-to-march-2025/offender-employment-outcomes-statistical-guidance#policy-interventions>

Rate of assaults by prisoners on prisoners (per 1,000 prisoners)

In the financial year 2024 to 2025, the rate of prisoner on prisoner assaults rose to 237 per 1,000 prisoners, continuing an upward trend from 217 in the financial year 2023 to 2024 and 185 in the financial year 2022 to 2023. This increase highlights ongoing challenges in managing violence within the custodial environment, despite targeted interventions such as enhanced staff training, improved intelligence gathering, and the rollout of violence reduction strategies. Work continues to strengthen safety and support across the estate, with a focus on early intervention and trauma-informed approaches.

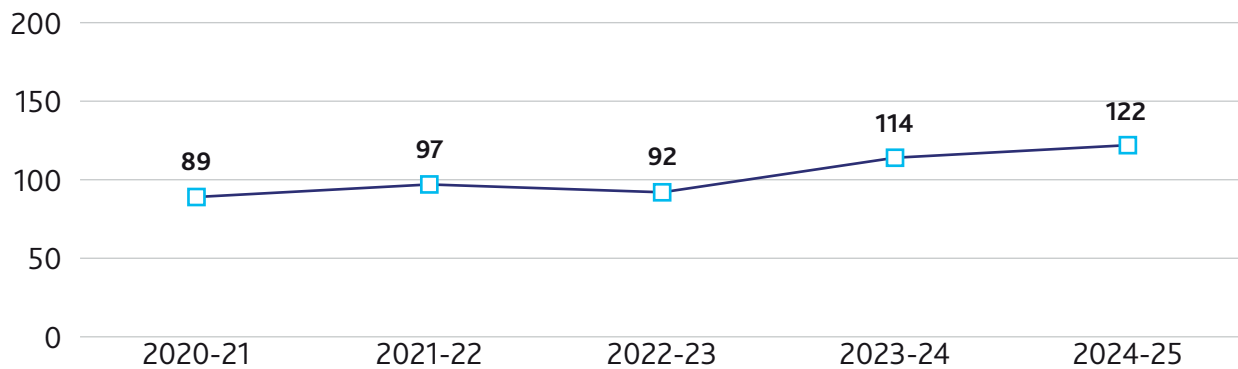
Value
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Rate of assaults on staff (per 1,000 prisoners)

In the financial year 2024 to 2025, the rate of assaults on staff rose to 122 per 1,000 prisoners, up from 114 in the financial year 2023 to 2024 and 92 in the financial year 2022 to 2023. This increase underscores the pressures faced by frontline staff and highlights the importance of continued investment in staff safety measures, including enhanced training, improved incident reporting systems, and the deployment of violence reduction strategies across the estate.

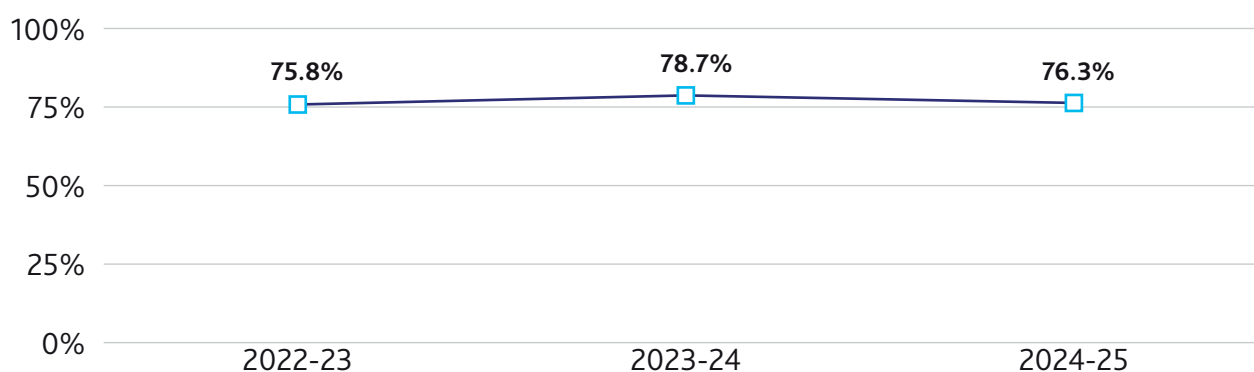
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Proportion of cases where requirements are delivered by probation before the sentence expires

In the financial year 2024 to 2025, 76.3% of Community Orders and Suspended Sentence Orders terminated with successful completion of attached requirements, including accredited programme, rehabilitation activity or unpaid work. This was a 2.4 percentage point decrease compared to 78.7% in 2023 to 2024.

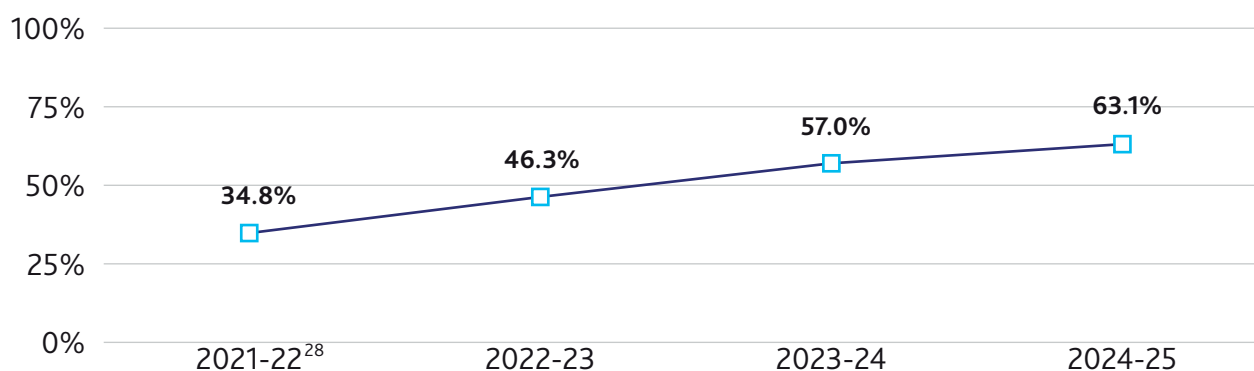
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Community payback – proportion of cases where unpaid work hours are completed within 12 months

In the financial year 2024 to 2025, 63.1% of unpaid work requirements were completed within 12 months. This is a 6.1 percentage point increase compared to 57.0% in the financial year 2023 to 2024. This upward trend reflects improved operational delivery, enhanced offender engagement, and more effective scheduling and supervision of community payback activities. The consistent year-on-year growth demonstrates the system's increasing efficiency in delivering timely reparation to communities while supporting rehabilitation.

Value
change/
progress



²⁸ The financial year 2021 to 2022 covers the period from July 2021 to April 2022. There is no data available prior to July 2021.

Outcome 2 – Swifter justice for victims

This year, we have increased capacity to manage the open Crown Court caseload, which continues to create risks around timely justice for victims. We have made good progress in developing strategies to tackle violence against women and girls and to improve the experience of victims within the criminal justice system, although challenges remain.

Criminal courts performance

Ensuring victims do not face lengthy waits for justice remains central to improving confidence in the criminal justice system.

In the financial year 2024 to 2025, these pressures persisted, with the backlog exceeding 73,000 cases from September 2024. Despite disposals exceeding expectations and sitting days reaching record levels, demand continues to outstrip capacity, leading to longer waiting times for victims and defendants. To tackle these challenges, we have continued to implement targeted measures to reduce both caseloads and waiting times in the criminal courts through:

- sitting over 107,700 days in the Crown Court – maximising our allocated funding – and ensuring agreement for an increase to 110,000 in the financial year 2025 to 2026²⁹
- doubling sentencing powers for certain offences for magistrates, ensuring Crown Court time is reserved for the most serious and complex cases³⁰
- investing £116.8 million in capital and resource in maintenance and repair works to improve the condition of our buildings³¹

- growing our use of video technology, allowing us to rapidly adapt to deal with increased volumes of cases following civil unrest in summer 2024
- piloting a new case coordinator role to assist judges with case progression, aiming to improve throughput and case management

Criminal courts efficiency

To address the longer-term capacity of the criminal courts, the government commissioned an independent review by Sir Brian Leveson to explore criminal court reform and efficiency. Part one of the review was published in July 2025 with findings on court efficiency due in autumn 2025.³²

Our ambitious HMCTS reform programme, aimed at transforming our justice system, closed in March 2025, delivering faster, simpler services and reducing reliance on paper-based processes across a range of jurisdictions.

This financial year, we focused on stabilising and refining existing digital services, particularly Common Platform, the digital case management system in the criminal courts, while enhancing support for vulnerable users and investing in estate improvements. These efforts are helping to create a more efficient and streamlined justice service.³³

29 Ministry of Justice (2025), Swifter justice for victims as courts sit at record level. Available at: www.gov.uk/government/news/swifter-justice-for-victims-as-courts-sit-at-record-level

30 Ministry of Justice (2024), Increased sentencing powers for magistrates to address prisons crisis. Available at: www.gov.uk/government/news/increased-sentencing-powers-for-magistrates-to-address-prisons-crisis

31 Ministry of Justice (2025), Swifter justice for victims as courts sit at record level. Available at: www.gov.uk/government/news/swifter-justice-for-victims-as-courts-sit-at-record-level

32 Independent Review of the Criminal Courts. Available at: www.gov.uk/guidance/independent-review-of-the-criminal-courts

33 HM Courts and Tribunals Service (2025), Modernising courts and tribunals: benefits of digital services. Available at: www.gov.uk/guidance/modernising-courts-and-tribunals-benefits-of-digital-services

We invested an extra £24 million into criminal legal aid, including additional funding for legal aid work undertaken in police stations and youth courts, to improve the sustainability of criminal legal aid and ensure access to justice for the most vulnerable people.³⁴

At the time of publishing our annual report and accounts for the financial year 2023 to 2024, we had paused reporting on the criminal courts statistics following concerns over data quality. Following investigation and remedial work, the reporting was reinstated in December 2024 with an independent review concluding that MoJ can have significant confidence in the revised statistics.

Tackling violence against women and girls

Improving the justice system's response to violence against women and girls forms an important part of the government's Safer Streets Mission, which aims to halve such violence over the next 10 years. The volume of rape cases reaching court continues to increase following work to improve victim engagement and how cases are investigated and prosecuted.³⁵

Additional steps taken to improve the system's response to violence against women and girls include:

- introducing new legislation in the Crime and Policing Bill to ensure that anyone taking an intimate image without consent faces two years' imprisonment, and creating a new criminal offence for spiking – protection against the creation of sexually explicit deepfakes has also been included in the Data (Use and Access) Act, which received Royal Assent in June 2025
- strengthening protections for victims of coercive and controlling behaviour, with offenders who are sentenced to 12 months or longer now automatically managed under multi-agency protection arrangements – research shows this can reduce reoffending to less than half the national average³⁶
- announcing new measures in December 2024 to protect victims of stalking, including helping ensure victims have the right to know the identity of online stalkers and widening the use of Stalking Protection Orders³⁷
- launching a Domestic Abuse Protection Order pilot in November 2024 to selected areas to ensure victims of all types of domestic abuse can seek protection and more abusers face harsher restrictions
- embedding domestic abuse specialists in 999 control rooms under Raneem's Law, helping to improve the police response to domestic abuse and ensuring victims are referred to appropriate support services swiftly³⁸

34 Ministry of Justice (2024), £24 million boost for criminal legal aid to support most vulnerable. Available at: www.gov.uk/government/news/24-million-boost-for-criminal-legal-aid-to-support-most-vulnerable

35 Prime Minister's Office, Safer Streets. Available at: www.gov.uk/missions/safer-streets

36 Ministry of Justice (2025), Better protection for victims from domestic abusers. Available at: www.gov.uk/government/news/better-protection-for-victims-from-domestic-abusers

37 Home Office (2025), Government pledges to protect more women from violence. Available at: www.gov.uk/government/news/government-pledges-to-protect-more-women-from-violence

38 Home Office (2025), Government pledges to protect more women from violence. Available at: www.gov.uk/government/news/government-pledges-to-protect-more-women-from-violence

Supporting victims

Ensuring victims have the support and information they need is crucial to improving their experience of the justice system. We are achieving this by:

- launching the Understand your Rights campaign to raise awareness of the Victims' Code, which sets out what victims can expect from the justice system and what support they are entitled to
- implementing the Victims and Prisoners Act, which introduces measures to enable the Victims' Commissioner to hold bodies accountable for delivering victims' entitlements under the Victims' Code³⁹
- developing the Victims and Courts Bill, introduced to Parliament in May 2025 following its announcement in the 2024 King's Speech – the Bill proposes stronger powers for the Victims' Commissioner, improved access to support for victims, and automatic restrictions on parental responsibility for child sex offenders sentenced to four years or more
- developing guidance for the commissioners of victim-specific support services (such as police and crime commissioners) to stand as a benchmark of good practice, helping commissioners make the best decisions for victims' services and the vulnerable people they support⁴⁰

39 Ministry of Justice (2025), Circular 2025/01: Victims and Prisoners Act 2024 – part 1 (victims of crime) related measures. Available at: www.gov.uk/government/publications/circular-202501-victims-and-prisoners-act-2024-part-1-victims-of-crime-related-measures/circular-202501-victims-and-prisoners-act-2024-part-1-victims-of-crime-related-measures

40 Ministry of Justice (2024), Victim services commissioning guidance. Available at: www.gov.uk/government/publications/victim-services-commissioning-guidance/victim-services-commissioning-guidance

Our performance metrics

Key to metrics

Value change from previous year:

- ↑ Increasing
- ↓ Decreasing
- No change

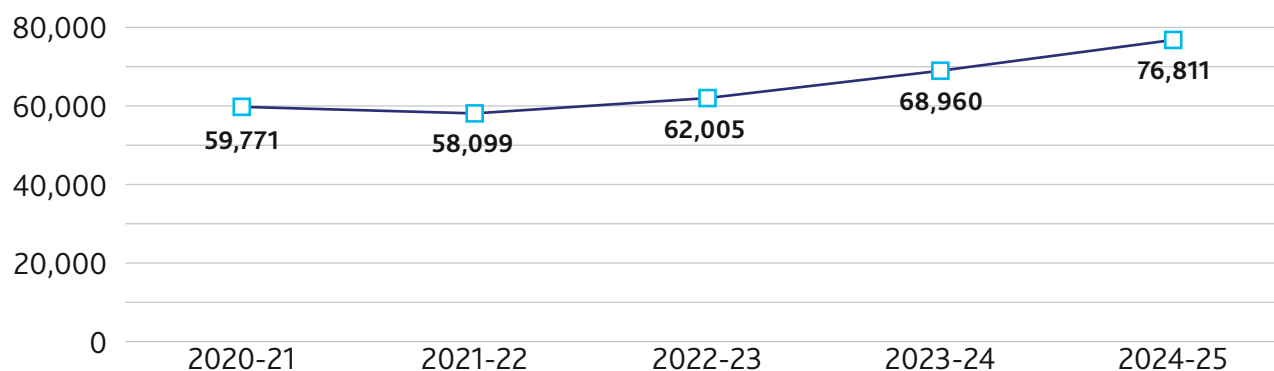
Progress on previous year:

- Green = improving
- Amber = marginal or no change
- ⬡ Red = worsening

Open caseload in the Crown Court

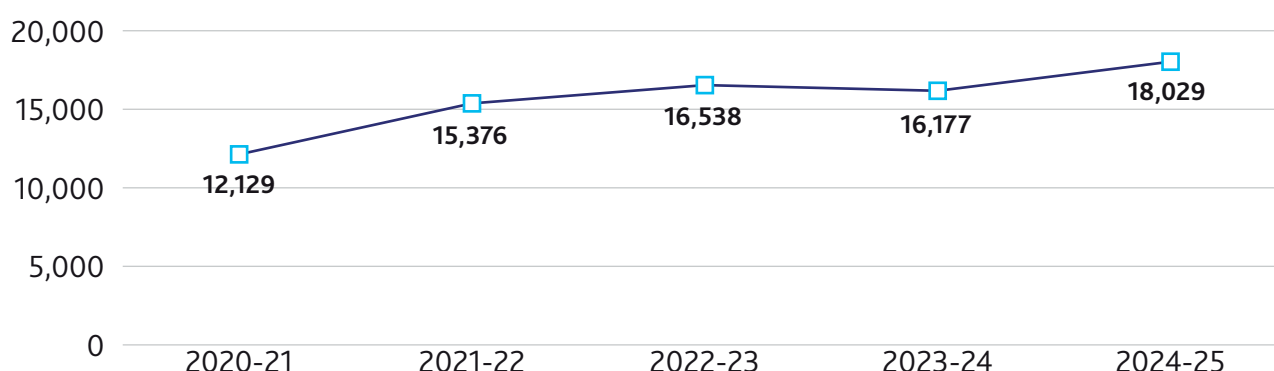
The open caseload in the Crown Court increased by 11.4% from 68,960 to 76,811 between March 2023 to March 2024, and March 2024 to March 2025. This reflects ongoing pressures across the criminal justice system, including increased case receipts. However, sitting days in the financial year 2024 to 2025 were the highest for a decade with disposals and the disposal rate increasing.

Value
change/
progress



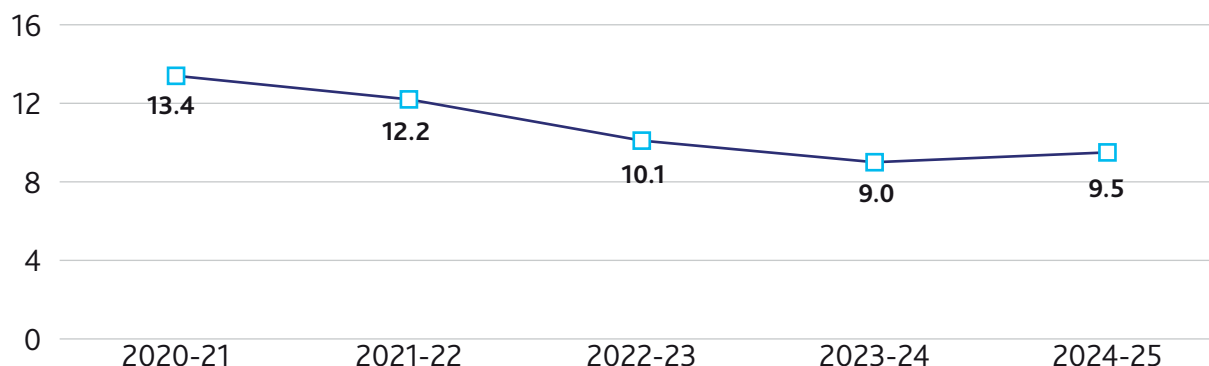
The number of Crown Court cases older than 12 months

The number of Crown Court cases older than 12 months increased by 11.4% from 16,177 to 18,029 between March 2023 to March 2024, and March 2024 to March 2025. However, the number and proportion of the oldest cases has decreased: 8% of the open caseload were older than two years at the end of March 2025 (down from 10% at the end of March 2023). Despite interventions such as increased sitting days and digital case management, the volume of aged cases remains a key challenge, with ongoing efforts focused on improving listing efficiency and reducing delays.



Magistrates' timeliness – average time from charge to disposal criminal cases in weeks

The mean average time from charge to disposal criminal cases in weeks increased by 0.5 weeks from 9.0 to 9.5 between March 2023 to March 2024, and March 2024 to March 2025.⁴¹ This steadiness follows a period of recovery from pandemic-related delays and reflects ongoing efforts to maintain throughput through digital case management, improved listing practices, and targeted resource allocation.

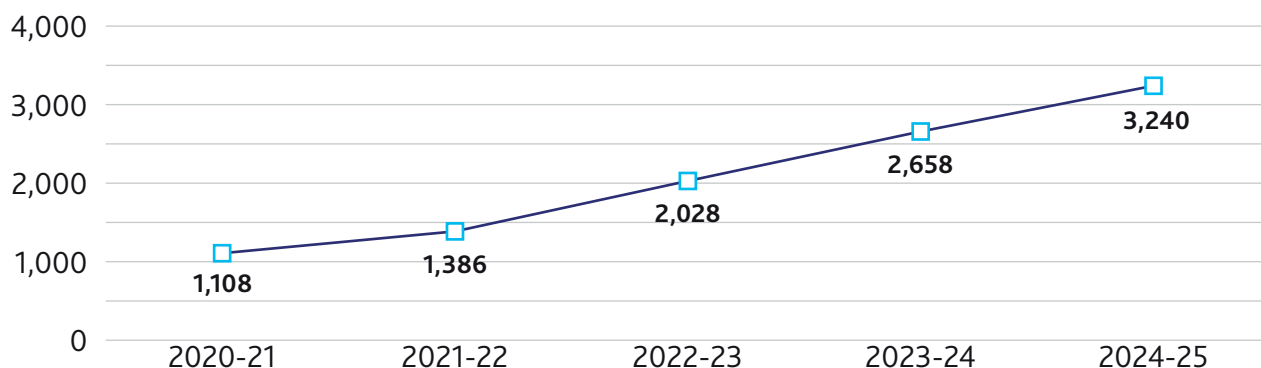


⁴¹ Variation from the HMCTS annual report and accounts 2024 to 2025 is attributable to routine subsequent revisions made during the reporting cycle.

Volumes of adult rape cases going to court

The volume of adult rape cases going to Crown Court increased by 21.9% from 2,658 to 3,240 between the financial years 2023 to 2024 and 2024 to 2025. The previous government's fifth and final 'Rape Review Progress Report' was published in February 2024, confirming that receipts met the ambitions of the review. Adult rape receipts have since continued to follow a rising trend – remaining at their highest point in the series.

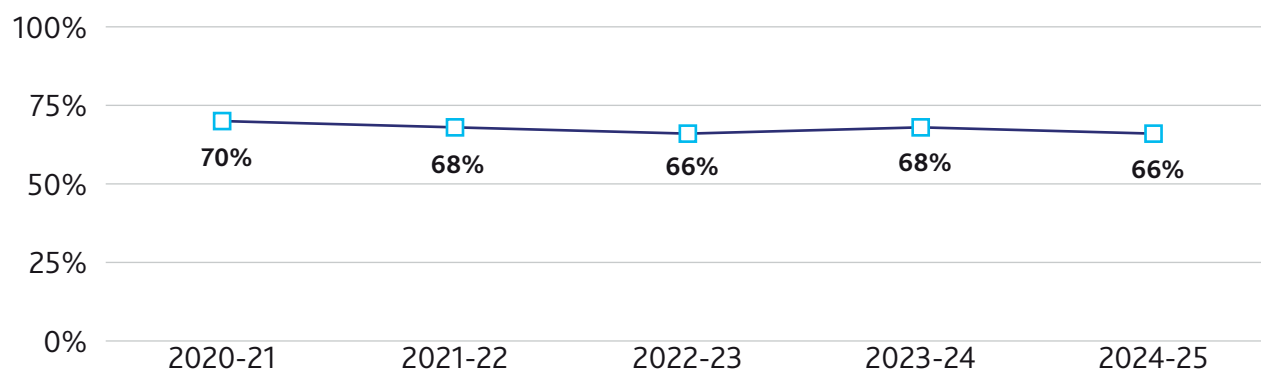
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CICA: Percentage of new criminal injury compensation applications decided within 12 months

The percentage of new criminal injury compensation applications decided within 12 months decreased by 2 percentage points from 68% to 66% between the financial years 2023 to 2024 and 2024 to 2025. CICA has seen new applications rise from 29,000 in the financial year 2020 to 2021 to 43,000 in the financial year 2024 to 2025, with a 3.6% increase this year alone. This growth has affected performance against key performance indicators, but with resources now focused on new applications, we expect to reach 70% from October 2025.

Value
change/
progress



Outcome 3 – A beacon for justice and the rule of law

This year, we have continued to invest in improving the experience of children in the justice system, and in making our courts and tribunals system a beacon for justice. We have introduced legislation to ensure greater protection for vulnerable youth and launched consultations on cohabitation rights to support couples. We have modernised and improved many digital services and systems and delivered the final phase of the HMCTS reform programme.⁴² We have continued our work to promote the rule of law at home and abroad, introducing legislation to streamline the arbitration process, continuing to support our legal services and advancing our justice priorities internationally.

Family justice

We remain committed to supporting families and protecting children by encouraging earlier resolution by:

- expanding the Pathfinder model for private law from Dorset and North Wales to Birmingham in May 2024, the whole of Wales by March 2025 and West Yorkshire in June 2025 – so far, Pathfinder courts have resolved cases 11 weeks faster and have contributed to a reduction in family court backlogs in the pilot areas, which is crucial for improving the experience and wellbeing of children⁴³
- extending the government’s family mediation voucher scheme to March 2026 – it has now provided nearly 41,000 vouchers up to the end of the financial year 2024 to 2025⁴⁴

- working with the Department for Education to introduce the Children’s Wellbeing Bill to Parliament in December 2024 – the Bill amends the Criminal Justice and Courts Act 2015 to allow the prosecution of care workers and an introduction of new measures to promote kinship care and improve quality of pre-proceedings which may help to reduce demand on family courts
- publishing the Family Procedure Rule Committee’s consultation on unregulated experts in March 2025 – this is intended to improve the quality and reliability of expert evidence in family proceedings and aims to ensure that experts meet certain standards⁴⁵
- launching a new end-to-end digital system for private law cases in two District Family Judge areas⁴⁶

Probate

During the financial year 2024 to 2025, we delivered significant improvements to the probate service, with the total open probate caseload reduced by 49%, from over 69,000 at the end of March 2024 to around 35,500 by March 2025. The average processing time for digital probate applications reduced to just over five weeks, while paper applications fell to under 13 weeks. Digital uptake has risen to 80%, and online applications are now processed faster than paper submissions. These achievements were driven by proactive case management, increased engagement with applicants and professional users, and targeted recruitment of additional staff.

42 HM Courts and Tribunals Service (2025), Modernising courts and tribunals: benefits of digital services. Available at: www.gov.uk/guidance/modernising-courts-and-tribunals-benefits-of-digital-services

43 Ministry of Justice (2025), Thousands of children to be supported thanks to multi-million expansion of innovation in family courts. Available at: www.gov.uk/government/news/thousands-of-children-to-be-supported-thanks-to-multi-million-expansion-of-innovation-in-family-courts

44 Ministry of Justice (2023), Voucher Mediation Scheme Analysis. Available at: <https://assets.publishing.service.gov.uk/media/6419cd288fa8f547c7ffd692/family-mediation-voucher-scheme-analysis.pdf>

45 Family Procedure Rule Committee (2025), Consultation on the standards required for expert witnesses: proposed Practice Direction changes. Available at: www.gov.uk/government/consultations/family-procedure-rules-new-draft-255a-changes-to-252-and-practice-directions-25b-and-25c/consultation-on-the-standards-required-for-expert-witnesses-proposed-practice-direction-changes

46 HM Courts and Tribunals Service (2025), Annual report and accounts 2024 to 2025. Available at: <https://www.gov.uk/government/publications/hm-courts-tribunals-service-annual-report-and-accounts-2024-to-2025>

Civil justice

Ensuring that people and businesses can resolve their issues is a cornerstone of the justice system, and critical to our economic growth.

This year we have built on this by:

- automatically referring all small money claims (under £10,000) to the Small Claims Mediation Service – all parties are required to attend a mediation session to try and find a resolution before proceeding to a court hearing, offering a faster, better and more cost-effective method for resolving disputes without a hearing fee⁴⁷
- launching the new Online Civil Money Claims Service for litigants in person, which was previously only available to legal professionals⁴⁸
- launching an end-to-end digital service for small and fast track claims (under £25,000) for litigants, making the service quicker and easier to access⁴⁹
- completing the rollout of the reformed Employment Tribunal service to allow people to digitally submit single claims and responses, and manage cases online – the system was designed around our users to ensure the service is simpler to understand and provides a quicker resolution⁵⁰

- modernising the First-Tier Tribunal Immigration and Asylum Chamber service by implementing an online system for both legally represented and unrepresented appellants, which allows parties to submit, track and manage their appeals all the way through to the First-Tier Tribunal system⁵¹
- increasing our court rooms – a multi-jurisdictional courtroom in Redditch predominately serves as both the magistrates' court and the Crown Court, and can also hear family and civil cases⁵²
- completing the Leeds Business and Property Court in April 2024, specialising in business, financial and property litigation – this court provides a dedicated space for high-value dispute resolution outside of London, positioning Leeds as a leading legal hub⁵³

Office of the Public Guardian

OPG ensures that individuals can stay in control of decisions about their health and finances and make important decisions for others who cannot decide for themselves. This year, we have supported OPG by:

- appointing 21 new Court of Protection general visitors and 18 new special visitors who support OPG in supervising court-appointed deputies and providing mental capacity assessments⁵⁴

47 Ministry of Justice (2024), Faster resolution for small claims as mediation baked into courts process. Available at: <https://www.gov.uk/government/news/faster-resolution-for-small-claims-as-mediation-baked-into-courts-process>

48 Make a court claim for money. Available at: www.gov.uk/make-court-claim-for-money/mediation

49 HM Courts and Tribunals Service (2025), Annual report and accounts 2024 to 2025. Available at: <https://www.gov.uk/government/publications/hm-courts-tribunals-service-annual-report-and-accounts-2024-to-2025>

50 HM Courts and Tribunals Service (2025), Annual report and accounts 2024 to 2025. Available at: <https://www.gov.uk/government/publications/hm-courts-tribunals-service-annual-report-and-accounts-2024-to-2025>

51 HM Courts and Tribunals Service (2025), Immigration and Asylum Appeals Reformed Service: Evaluation Report January 2025. Available at: assets.publishing.service.gov.uk/media/6798cf26419bdbc8514fdf56/Immigration_Asylum_Reform_Evaluation_-_Report_2025_.pdf

52 HM Courts and Tribunals Service (2025), Boost for local justice in Redditch as new Crown courtroom opens. Available at: www.gov.uk/government/news/boost-for-local-justice-in-redditch-as-new-crown-court-room-opens

53 HM Courts and Tribunals Service (2024), Justice served for West Yorkshire as new courts and tribunals centre opens in Leeds. Available at: <https://www.gov.uk/government/news/justice-served-for-west-yorkshire-as-new-courts-and-tribunals-centre-opens-in-leeds>

54 Office of the Public Guardian (2024), Appointment of Court of Protection general and special visitors. Available at: www.gov.uk/government/news/appointment-of-court-of-protection-general-and-special-visitors

- continuing to plan and prepare the design and delivery of our Modernising Lasting Powers of Attorney Project that will introduce a new digital service and an improved paper process

Rule of law

In the financial year 2024 to 2025, we delivered a range of initiatives aimed at enhancing the UK's commitment to the rule of law, fostering international relationships, and implementing key legislative measures. These include:

- promoting open justice – in January 2025, we published a summary of responses to a call for evidence on open justice and transparency and will be using this evidence base to inform future policy thinking on these matters
- introducing the Arbitration Bill, which received Royal Assent in February 2025 – the Bill has streamlined arbitration processes, making them more accessible and efficient and has modernised the UK's arbitration framework, enhancing our competitiveness on the global stage⁵⁵
- promoting the rule of law internationally through bilateral engagement and work with multilateral institutions such as the G7 and Council of Europe – this has included strengthening of the justice system in Ukraine and the signature of a Memorandum of Co-operation in May 2025, formalising support for Ukraine's justice reform programme
- supporting cross-border judicial cooperation as part of the wider reset of relations with Europe, strengthening our alliance through the UK-EU Summit in May 2025 and continuing to foster bilateral relations that strengthen justice outcomes
- promoting the UK as a jurisdiction, supporting the UK legal sector to expand its international reach, promoting English law and the UK as a global centre for dispute resolution, and taking GREAT Legal Services campaign delegations to Australia, the USA and Mexico⁵⁶
- establishing a rule of law programme, to uphold justice principles and promote the key components of the rule of law, and to facilitate work with the Attorney General's Office and the Foreign, Commonwealth and Development Office to ensure a cross-government approach

55 Ministry of Justice (2025), Boost for UK economy as Arbitration Act receives Royal Assent. Available at: www.gov.uk/government/news/boost-for-uk-economy-as-arbitration-act-receives-royal-assent

56 Shabana Mahmood (2025), Shabana considers Texas-style prison reforms in US trip. Available at: www.shabanamahmood.org/2025/02/28/shabana-considers-texas-style-prison-reforms-in-us-trip/

Our performance metrics

Key to metrics

Value change from previous year:

- ↑ Increasing
- ↓ Decreasing
- No change

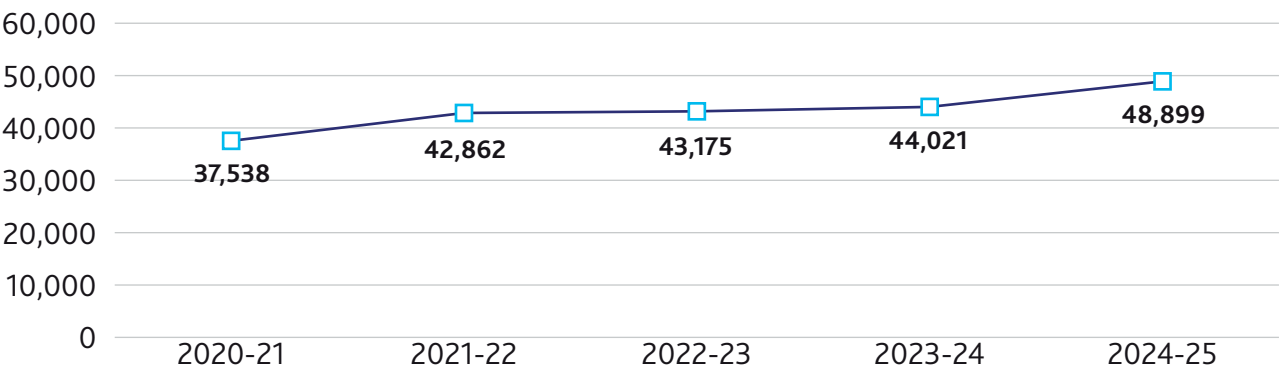
Progress on previous year:

- Green = improving
- Amber = marginal or no change
- ⬡ Red = worsening

Number of family court disposals – private law

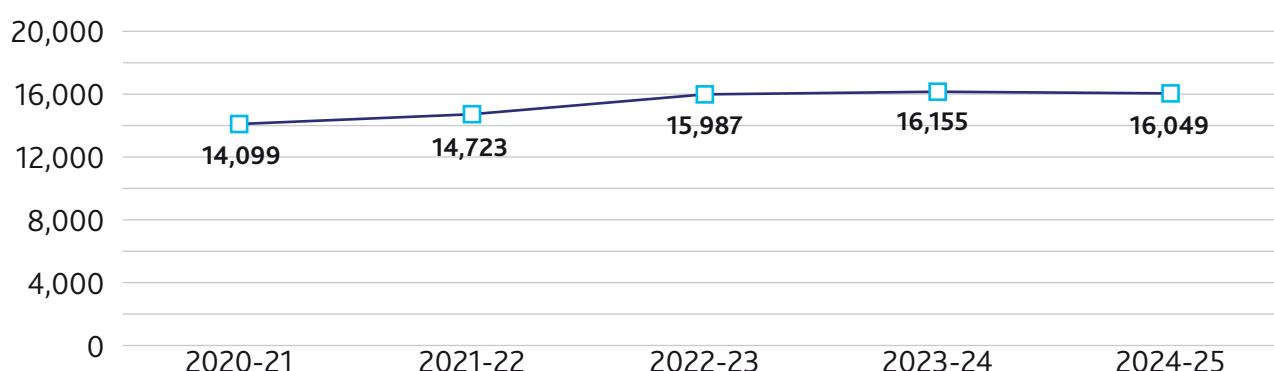
The volume of cases reaching a final disposal (completed cases) in family private law has increased by 11% from 44,021 to 48,899 between the financial year ending March 2024 and the financial year ending March 2025. This increase reflects improved system responsiveness, supported by enhanced case management practices such as the expansion of the Private Law Pathfinder pilot, which promotes early resolution and better outcomes for families. Digital reforms and more efficient scheduling have also contributed to faster case progression and reduced delays.

Value change/ progress



Number of family court disposals – public law

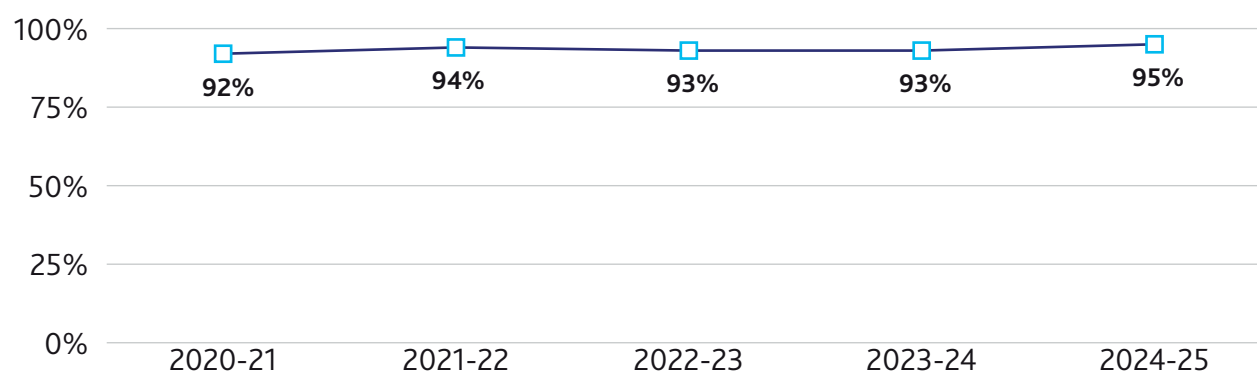
The volume of cases reaching a final disposal (completed cases) in family public law has decreased by 1% from 16,155 to 16,049 between the financial year ending March 2024 and the financial year ending March 2025. In line with priorities set by the Family Justice Board, the family court has focussed on finalising older cases. As a result, the open caseload has reduced and is lower than it was five years ago. Targeted reforms such as the relaunch of the Public Law Outline and maximising the use of judicial sitting days on these cases have led to improvements in case durations although regional disparities persist, underscoring the need for continued investment to improve outcomes for children and families.



LAA: Percentage of civil legal aid applications within 20 working days

The percentage of civil legal aid applications within 20 working days increased by 2 percentage points from 93% to 95% between the financial year ending March 2024 and the financial year ending March 2025, 10 percentage points higher than the key performance indicator target of 85%.

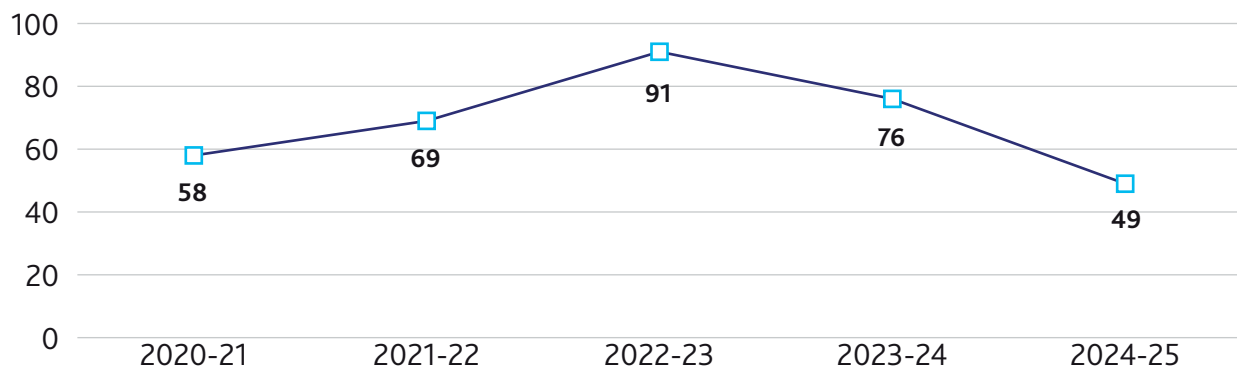
Despite there being a year-on-year increase of 1.4% in civil application volumes throughout the financial year 2024 to 2025, the service has been delivered to a very high standard. This is down to prioritising resources effectively to focus on core processing work to enable LAA to influence the internal element of this core target whilst recognising that time with providers is also included on this end-to-end target.



OPG: Average actual clearance time for a lasting power of attorney application in working days

During the financial year 2024 to 2025, we received 1.41 million lasting power of attorney applications, an increase of 11% compared to the previous year.. The average actual clearance time for a lasting power of attorney application decreased by 35.5% from 76 to 49 working days between the financial year ending March 2024 and the financial year ending March 2025.

Value
change/
progress



United Nations Sustainable Development Goals

Moj shares responsibility with other government departments for supporting delivery of the UK's commitments to the United Nations Sustainable Development Goals (SDG). The following pages outline Moj's primary contributions for the financial year 2024 to 2025.

SDG

SDG 3 – Good health and wellbeing
(Target 3.5 – Substance abuse)

Moj's priority outcomes
(contributing to SDG)

Punishment that cuts crime



Moj activity in the financial year 2024 to 2025

We are reviewing early findings from the Intensive Supervision Courts pilot following the interim evaluation published in January 2025. Work continues with health partners to expand and improve community sentence treatment requirements, with numbers rising over the past two years.

In custody, 85 prisons now have Incentivised Substance-Free Living Units to support drug-free living. To maintain treatment post-release, we have strengthened information sharing between providers and probation and introduced virtual pre-release appointments via secure laptops. Engagement in treatment within three weeks of release for adults with substance misuse needs has increased from 38% in April 2021 to 56% in March 2025.

Over 100 staff are driving these efforts, coordinating prison drug strategies, supporting continuity of care, and promoting greater use of treatment requirements.

SDG

SDG 4 – Quality education
(Targets 4.4 – Youth and adult skills, 4.6 – Literacy and numeracy, 4a – Education facilities)

Moj's priority outcomes
(contributing to SDG)

Punishment that cuts crime



Moj activity in the financial year 2024 to 2025

Literacy and numeracy remain challenges in the three public young offender institutions, with barriers including staff shortages and difficulty recruiting English and maths specialists.

In April 2025, the Youth Custody Service launched Roadmaps to Effective Practice. Each young offender institution is developing plans to:

- prioritise integrated ways of working
- strengthen staff-child relationships through enrichment activities
- develop Nurture Pathways for high-needs children, supporting their social and emotional growth through small-group learning and stable routines

In September 2025, all young offender institutions completed education needs analyses and have contributed to the co-designing of a new curriculum. To support this and ensure it is responsive to children's needs, the learning and enrichment teams and heads of education have achieved Level 5 trauma-informed practice qualifications.

To improve the delivery of education in the adult estate, from October 2025 new education contracts will deliver consistent screening, assessment and nationally standardised careers advice. Every prison now has a reading strategy, supported by partnerships with the Shannon Trust and National Literacy Trust.

Prisoners are being better prepared for work through apprenticeships and the Future Skills Programme, helping leavers secure employment on release.

SDG

SDG 5 – Gender equality

(Targets 5.1 – Discrimination against women and girls, 5.2 – Violence against women and girls, 5c – Gender equality policies)

MoJ's priority outcomes (contributing to SDG)

Punishment that cuts crime



Swifter justice for victims



MoJ activity in the financial year 2024 to 2025

We have established a Women's Justice Board to reduce the number of women in prison by increasing community-based management. The board is supported by a Partnership Delivery Group of senior officials across government and external experts.

We have allocated £7.2 million for the financial year 2025 to 2026 to fund community support for women in or at risk of contact with the justice system. Funding for victim and witness services continues, including domestic abuse and sexual violence support, alongside core MoJ funding for police and crime commissioners. Ministers have protected funding dedicated for victims of violence against women and girls at the financial year 2024 to 2025 funding levels.

The Domestic Abuse Protection Order pilot is live in three London boroughs, Greater Manchester, North Wales and Cleveland, in partnership with British Transport Police. It combines behaviour change programmes with measures such as electronic monitoring to strengthen the response to domestic abuse.

To improve victim support:

- every Crown Prosecution Service area now has a victim liaison officer in its rape and serious sexual offences unit
- the Crown Prosecution Service has simplified the process for advocates to join the rape and serious sex offences panel, significantly increasing barrister numbers
- we piloted free sentencing transcripts for victims of rape and sexual offences between May 2024 to May 2025 – these are now provided free of charge subject to any required judicial approval

Other actions include:

- preparing the cross-government violence against women and girls strategy
- introducing trauma-informed training in three Crown Courts
- commissioning an independent review of placement options for girls in the youth secure estate, ending the use of young offender institutions for girls

SDG

SDG 8 – Decent work and economic growth

(Targets 8.3 – Job creation, entrepreneurship, creativity, innovation, and SMEs, 8.5 – Full and productive employment, 8.6 – Youth not in employment, education, or training, 8.8 – Labour rights and safe working environments)

Moj's priority outcomes (contributing to SDG)

Punishment that cuts crime



Performance

Moj activity in the financial year 2024 to 2025

Probation Reset was implemented in July 2024, meaning that probation supervision was suspended at the two-thirds point for non-high-risk cases. This results in a reduction in the number of offenders still under supervision at the six-month point where employment status is captured. This change in the cohort means that performance for the financial year 2024 to 2025 cannot be compared like-for-like with previous years.

To support the goal of increasing prison leavers in jobs within six months of their release, 93 prisons now have key roles in place including: prison employment leads who match prisoners to jobs on release, and ID and banking administrators who ensure individuals leave custody with identification and a bank account.

In January 2025, we launched regional Employment Councils. These bring together businesses, prisons, probation and the Department for Work and Pensions to support more offenders into work on release from prison.⁵⁷

In April 2024 we published a policy framework on employment on release, providing guidance on the actions for prisons relating to the effective implementation and continued operation of prison employment initiatives.⁵⁸

57 Ministry of Justice and Department for Work and Pensions (2025), Top bosses join forces to get thousands of offenders into work. Available at: www.gov.uk/government/news/top-bosses-join-forces-to-get-thousands-of-offenders-into-work

58 Ministry of Justice and HM Prison and Probation Service (2024), Employment on release policy framework. Available at: www.gov.uk/government/publications/prison-employment-initiatives-policy-framework

SDG

SDG 10 – Reduced inequalities

(Target 10.2 – Empower and promote the social, economic and political inclusion of all)

**Moj's priority outcomes
(contributing to SDG)**
Punishment that cuts crime

Swifter justice for victims

**A beacon for justice and
the rule of law**

Moj activity in the financial year 2024 to 2025

In December 2024, we published our annual gender pay gap report and continued actions to maintain representation and narrow the gap, including:

- rolling out Making Fair and Effective Decisions in Recruitment training
- improving measurement of learning impact
- monitoring pay deals and reward use to ensure fairness and alignment with Civil Service strategy

In October 2024, we carried out an LGBT+ self-assessment and developed a high-level action plan based on the findings to enhance inclusion.

We continue to hold Disability Confident Leader and Carer Confident employer status, reflecting our commitment to supporting staff with disabilities and caring responsibilities.

We support the Civil Service Social Mobility Programme, benefiting over 10,000 mentees from over 70 government organisations since 2021. Our outreach initiative coordinates 3,500 volunteers for around 400 annual events in schools, colleges, and non-Russell Group universities to promote Civil Service careers to young people.

Judicial diversity remains a priority. We work with partners through the Judicial Diversity Forum, which published its 2025 action plan in February.⁵⁹ Our inclusive marketing and magistrates' recruitment aim to attract underrepresented groups, and we continue to publish comprehensive judiciary diversity data.

In May 2025, we published the Professional Standards and Behaviour Review, conducted by an MoJ non-executive director. See page 140.

59 Judicial Diversity Forum (2025), Judicial diversity priorities and actions. Available at: <https://judicialappointments.gov.uk/wp-content/uploads/2025/02/Judicial-Diversity-Forum-Priorities-and-Actions-for-2025-Final.pdf>

SDG

SDG 12 – Responsible consumption and production

(Targets 12.5 – Reduce waste, 12.6 – Companies adopting sustainable practices, 12.7 – Sustainable public procurement practices)

MoJ's priority outcomes (contributing to SDG)

Punishment that cuts crime



MoJ activity in the financial year 2024 to 2025

Prison waste management units in 93 prisons now operate as in-house recycling centres, providing meaningful activity for around 1,000 prisoners.

In the financial year 2024 to 2025, we launched the Waste Jobs Routeway to link prison waste roles with sector employment for leavers. A regional waste and recycling event in Yorkshire led to job offers and three new recycling workshops, including IT recycling at HMP Wealstun in partnership with WasteCare.

Prisoners are also gaining green skills through TV and phone repair workshops in four prisons. The workshops employ 50 prisoners at any one time and since January 2024 have repaired approximately 17,000 televisions and 1,300 phones – saving over £750,000 in costs and reducing carbon emissions by more than 450,000 kg (CO₂e).

In 2024 community payback teams took part in two national clean-up campaigns to make a real difference to local communities. In the spring, people on probation contributed to 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 clear large areas of coastline, removing significant amounts of waste and contributing to environmental conservation.

We continue to embed sustainability in procurement through policies such as the Sustainable Construction Building Research Establishment Environmental Assessment Method (BREEAM) Policy and Sustainable Procurement Policy.

SDG

SDG 13 – Climate action

(Target 13.2 – Integrate climate change measures into national policies)

MoJ's priority outcomes (contributing to SDG)

Punishment that cuts crime



MoJ activity in the financial year 2024 to 2025

We support the United Nations' climate action goal by providing meaningful activity and green skills training in three prisons focused on decarbonisation. Since 2021, around 700 prisoners have manufactured approximately 18,000 LED lighting gear trays for installation across the custodial estate, saving around £900,000 annually in energy costs.

Participants, many with no prior electrical experience, have received training and completed certificated courses in PAT testing, electricity awareness and renewable energy. HMP Guys Marsh also offers a Level 1 electrical installation course, providing a comprehensive introduction to the electrical industry and supporting future employment opportunities.

SDG

SDG 15 – Life on land

(Target 15.5 – Reduce the degradation of natural habitats and loss of biodiversity)

**Moj's priority outcomes
(contributing to SDG)**
Punishment that cuts crime

Moj activity in the financial year 2024 to 2025

We support the United Nations' life on land goal through a range of nature-based initiatives in prisons. Nine prison-based tree nurseries produce around 200,000 trees annually and are piloting hedgerow shrubs and wildflower plug plants. These initiatives have supported 150 horticultural qualifications for prisoners.

Prisoners are also planting orchards and installing ponds across the custodial estate, with training in planting techniques contributing to the Royal Horticultural Society's Level 1 qualifications. Additional Moj-owned land is being repurposed for habitat improvement, with prisoners gaining skills in grassland management. Ecological management plans are now included in the new facilities management contract to enhance biodiversity across the estate.

SDG

SDG 16 – Peace, justice, and strong institutions

(Targets 16.1 – Reduce violence, 16.3 – Promote the rule of law, 16.B – Strengthen national institutions)

**Moj's priority outcomes
(contributing to SDG)**
Punishment that cuts crime

Swifter justice for victims

**A beacon for justice and
the rule of law**

Moj activity in the financial year 2024 to 2025

We remain committed to promoting and upholding the rule of law at home and abroad. In January 2025, we published a summary of responses to our call for evidence on open justice and transparency, which will inform future policy development.

To support access to justice, we announced uplifts to immigration, asylum, housing and debt legal aid fees. In December 2024, we confirmed an additional £92 million annually for criminal legal aid solicitors to address pressures in the criminal justice system.

Parliament introduced the Arbitration Act 2025, strengthening the UK's position as a global hub for flexible and robust dispute resolution.

We continued to invest in judicial capacity, recruiting around 1,000 judges and tribunal members and 898 magistrates in the financial year 2024 to 2025.

Climate and sustainability report

As the second largest government department estate, MoJ has responsibility to minimise its impacts on the environment. We use our climate and sustainability programmes and projects to deliver justice outcomes, driving efficiency while supporting the government's climate and environment goals, targets and commitments.

Scope

Information is prepared in accordance with HM Treasury's [Government Financial Reporting Manual 2024 to 2025](#), [Sustainability Reporting Guidance 2024 to 2025](#) and [Task Force for Climate-Related Financial Disclosures \(TCFD\)-aligned Disclosure Application Guidance](#) (December 2024).^{60,61,62}

MoJ reports on all its executive agencies and non-departmental public bodies, subject to any agreed exemptions. 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

MoJ tracks its progress against the Greening Government Commitment (GGC) targets for the period 2021 to 2025. This report shows progress for the financial year, against a 2017 to 2018 baseline, using data available to December 2024, due to the timing of this report. The non-financial indicators for the financial year 2023 to 2024 have been restated to show the full financial year up to March 2024.

Tackling climate change

TCFD compliance statement

MoJ considers climate change to be a principal risk, and this annual report and accounts complies with HM Treasury's TCFD phased implementation timetable and recommended disclosures on climate-related:

- governance – (a) board oversight and (b) management's role
- risk management – (a) identification, (b) management and (c) integration
- metrics and targets – (a) metrics, (b) emissions/risks and (c) targets

In addition, this report makes voluntary disclosures, ahead of the phased implementation timescale on strategy – (a) risks, (b) impacts and (c) resilience.

Governance

In the financial year 2024 to 2025, we have improved our departmental climate governance by:

- introducing quarterly climate change and sustainability transition risk reporting to the HMPPS Risk Advisory Group, higher leadership team, and the Audit and Risk Assurance Committee
- agreeing clear lines of HMPPS management accountability, with principal risk ownership held by the Executive Director for Strategy, Performance and Corporate Delivery

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

61 HM Treasury (2024), Sustainability Reporting Guidance 2024 to 2025. Available at: www.gov.uk/government/publications/sustainability-reporting-guidance-2024-25

62 HM Treasury (2023), TCFD-aligned disclosure guidance for public sector annual reports. Available at: www.gov.uk/government/publications/tcf-aligned-disclosure-application-guidance

Board oversight of climate issues

The Departmental Board now receives an annual climate change and sustainability transition risk report, and our MoJ Audit and Risk Assurance Committee receives quarterly risk updates and a biannual risk overview.

Management's role

The MoJ Senior Sustainability Board, which meets quarterly, oversees departmental climate-related risks, opportunities, strategies and performance. Our Climate Change and Sustainability Unit supports the Senior Sustainability Board by co-ordinating climate-related activity across MoJ.

Climate-related risks, performance milestones and metrics are reviewed quarterly at our Finance, Performance and Risk Committee, which reports in the MoJ Executive Committee.

The Investment Committee has delegated financial authority (from the Executive Committee) to invest in programmes and major projects. Our project delivery function supports this by managing a keyholder assurance process, which includes a climate change and sustainability review of all business cases above £10 million. This keyholder review includes screening programmes and projects for energy and greenhouse gas emission impacts and climate adaptations.

Strategy

Risks, opportunities and time horizons

Climate change is already impacting our business and without effective risk management and climate mitigation and adaptation action, these risks and impacts will only grow as climate change accelerates.

During this financial year, we have worked with the Government Actuary's Department to mature our climate risk understanding under future scenarios, which included agreeing new time horizons, in line with the latest TCFD-aligned disclosure application guidance. Our short-, medium- and long-term time horizons for climate-related risks are:

- **short-term** 2020 to 2040 (near term)
- **medium-term** 2041 to 2060 (mid-century)
- **long-term** 2061 to 2100 (end of century)

Tables 1 and 2 summarise MoJ's key risks and opportunities, by time horizon.

Table 1: Climate-related risks

Risk type		Description	Time horizon	MoJ mitigation response
Transition risks	Policy and legal	Non-compliance with new policy and legislation. Exposure to litigation. Phase out of fossil fuel energy resulting in early retirement of assets.	Short to medium	Net Zero Carbon Strategy and Climate Adaptation Strategy and plans. Horizon scanning compliance obligations.
	Finance: funding and costs	Insufficient investment for transition and annual financial cycles that constrain multi-year delivery and payback. Increased cost of energy and pricing of greenhouse gas emissions increase operating costs.	Short to long	Invest to save (energy/carbon) and invest to avoid (flooding, overheating) external funding bids. Investment decisions consider climate-related costs and benefits.
	Governance and leadership	Ineffective strategy and plans and lack of accountability.	Long	Net Zero Carbon Strategy and Climate Adaptation Strategy. Improved governance and oversight.
	Delivery	Energy use increases with prison expansion and grid decarbonisation fails to deliver scope 2 savings	Short to medium	Sustainable Construction Policy to future-proof new builds. Renewable energy programmes.
	Technology	Substitution of assets with lower emission alternatives. Financial, operational and security constraints limit the use of new technology and reliance on fossil fuels increases energy security.	Short to long	Piloting technologies (such as heat pumps, heat networks and electric vehicles).
Physical risks	Acute	Increased frequency and severity of extreme weather events (flooding and overheating) impact the operational resilience of courts and prisons and increase operating costs.	Short to long	Climate Change Risk Assessment, Flood Risk Assessment, overheating studies, Climate Adaptation Strategy and Adaptation Plan.
	Chronic	Changes in mean temperatures, precipitation and sea level impact the operational resilience of courts and prisons and increase operating costs.	Short to long	

Table 2: Climate-related opportunities

Type	Description	Potential benefits
Resource efficiency	Energy-efficient equipment, systems, buildings and vehicles.	Use of more energy-efficient assets reduces operating costs and increases value of fixed assets.
Energy source / security	Deployment of lower emission energy sources. Use of new technologies.	Reducing operating costs from cheaper forms of energy. Increased energy security and reduced exposure to energy price inflation.
Services (justice outcomes)	Green skills and jobs within prison industries.	Green skills, qualifications and experience delivered within prison industries provides a pathway for ex-offenders into the rapidly expanding green economy, reducing the likelihood of reoffending and ultimately helping protect the public and reducing custodial demand.
Operational resilience	Investment in climate adaptation (preventive measures).	Increased resilience of court sittings and prison capacity, value for money and whole-life cost considerations.

Impacts on business, strategy and financial planning

Climate-related risk and opportunities will impact the department's strategy, finances and business operations.

Business operations	Climate change is already disrupting operations through flooding and overheating. We expect these risks to grow under both 2°C and 4°C warming scenarios, along with the creation of supply chain vulnerabilities (specifically food and energy) and energy resilience challenges, as we shift from fossil fuels to electrification.
Strategy	Climate change impacts and opportunities will affect the justice system and MoJ will need to consider this when developing new strategies and refreshing existing ones. The justice system must mitigate emissions and adapt to climate change by: • planning for long-term estate decarbonisation and resilience to capacity disruptions • managing the electrification of heating and transport • supporting green skills in prisoner education and meaningful activity, and environmental initiatives through community payback • integrating climate considerations into health and decency strategies, especially for vulnerable groups
Financial planning	Achieving net zero 2050 and adapting to the changing climate will be costly, so we must: • accurately quantify and cost our decarbonisation, flooding and overheating risks • minimise costs by aligning justice, property and climate strategies • factor in future climate risks to strengthen investment business cases • manage exposure to volatile energy markets

Scenario analysis

To help us understand our physical risks from the changing climate, we complete a five-yearly MoJ Climate Change Risk Assessment, that uses the Met Office UK Climate Projections (UKCP18) Representative Concentration Pathways that relate to the UK Climate Change Committee's global warming levels of 2°C (low emission optimistic pathway) and 4°C (high emission reasonable worst-case pathway) scenarios.

The department's strategy is most resilient within the low emissions pathway, as this scenario enables an orderly transition to net zero and 2°C warming level. Whereas under a high emission warming pathway, more urgent action will be required to ensure ongoing operational resilience against increasingly frequent and severe weather events.

Climate strategy next steps

In the financial year 2025 to 2026 we will:

- align our climate risks to TCFD categories and into a single transitional and physical risk framework, against our newly adopted time horizons
- explore transition risk analysis aligned to low and high transition risk scenarios
- consider reporting on geographic climate risk exposure
- quantify financial exposure to transition (net zero) and physical (flood remedy) risks

Risk management

Ongoing risk identification and assessment – Climate change and sustainability transition is a principal MoJ risk, reviewed quarterly and through in-depth assessments (for example, the Climate Change Risk Assessment, Flood Risk Assessment, risk deep dives, overheating research and flood cost modelling).

Risk management – Risks are managed using the MoJ risk management framework, which is aligned to the [Orange Book](#).⁶³

Overall integration – Climate risks are integrated into MoJ principal risk reporting and embedded across key functions (property), programmes (prison expansion), agencies (HMPPS) and business continuity planning (flood risk).

Metrics and targets

MoJ uses several targets and metrics to measure our performance and impacts, and to understand our vulnerability to climate-related risks. Tables x and x below show our present position against the GGC climate-related targets and our key metrics for the financial year, against a 2017 to 2018 baseline, using data available to December 2024, due the timing of this report.

63 Government Finance Function and HM Treasury (2013), Orange Book. Available at: www.gov.uk/government/publications/orange-book

Table 3: Performance against GGC carbon reduction targets 2021 to 2025⁶⁴

2021 to 2025 GGC target	2024-25 progress	Target achieved	Commentary
Reduce overall greenhouse gas emissions by 41%	25%	● No	Progress to date has been driven by energy efficiencies, renewable energy installations and lower carbon electricity supply. Target missed due to the increase in capacity of the prison estate, which is directly contributing to an increase in overall emissions from previous years. Funding availability continues to be a key challenge to net zero delivery.
Reduce direct (scope 1) greenhouse gas emissions by 23%	4%	● No	Direct emissions reductions are slowing due to prison expansion and maintenance backlogs hindering the ability to drive efficiencies, due to reliance on temporary assets, poor connectivity and insufficient electrical infrastructure.
Reduce domestic flight emissions by 30%	76%	● Yes	Flights taken continue to be considerably lower than the 2017 to 2018 baseline.

Table 4: Overall greenhouse gas emissions and financial costs

Metrics	Baseline 2017-18	2023-24 performance restated ⁶⁵	2024-25 performance
Energy consumption			
Electricity use (MWh)	474,376	437,202	442,537
Renewables on site (MWh)	28,605	1,947	2,558
Gas use (MWh)	924,849	809,573	842,922
Other energy use (purchased heat, steam, oil, LPG, coal) (MWh)	38,984	68,858	117,651
Total energy use (MWh)	1,438,237	1,317,580	1,405,668

⁶⁴ GGC performance may not align exactly with the emissions reporting table, due to differences in the scope of emissions reported.

⁶⁵ The 2023 to 2024 calendar year data has been restated to show the full financial year up to March 2024.

Metrics	Baseline 2017-18	2023-24 performance restated ⁶⁵	2024-25 performance
Energy financial expenditure			
Energy expenditure (£m)	92	186	211
Official business travel (£m)	24	34	39
Carbon reduction scheme (£m)	7	0	0
Total energy and business travel (£m)	123	220	250
Greenhouse gas emissions⁶⁶			
Scope 1 emissions (tCO ₂ e)	189,874	163,482	173,577
Scope 2 emissions (tCO ₂ e)	166,976	90,818	90,940
Scope 3 emissions from official business travel (tCO ₂ e)	13,546	10,431	13,820
Total emissions (tCO₂e)	370,396	264,731	278,337
Air travel			
Domestic flights (km)	1,905,878	181,203	410,419
Domestic flight emissions (tCO ₂ e)	270	29	66
International business flights (km)	3,387,593	1,079,993	2,450,052
Short haul economy class (km)	1,255,551	251,229	820,455
Short haul business class (km)	58,527	-	12,246
Long haul economy class (km)	1,252,533	398,555	1,191,215
Long haul premium economy class (km)	329,097	222,166	171,278
Long haul business class (km)	491,885	208,043	254,858
International flight emissions (tCO₂e)	372	187	351

66 Definitions for scope 1-3 emissions can be found at: www.gov.uk/government/publications/environmental-reporting-guidelines-including-mandatory-greenhouse-gas-emissions-reporting-guidance

Table 5: Climate-related metrics for TCFD-aligned disclosure

Climate-related risks		2024-25 performance
Transitional risks	Operational energy use intensity (kWh/m2/year)	227
	Operational carbon emission intensity (tCO2e/m2/year)	0.047
	Percentage of assets reliant on coal heating	0.1%
	Percentage of assets reliant on oil heating	6%
	Percentage of assets reliant on liquified petroleum gas	1%
	Percentage of car/van fleet that is ultra-low emission	38%
	Percentage of car/van fleet that is zero emission at tailpipe	9%
Physical risks	Proportion of prisons at high risk of flooding ⁶⁷	89%
	Percentage of assets at high/very high risk of overheating from increased maximum summer temperatures under 2°C warming scenario ⁶⁸	65%
	Percentage of assets at high/very high risk of overheating from increased maximum summer temperatures under 4°C warming scenario ⁶⁹	73%

Mitigating climate change: working towards net zero 2050

Moj has continued to work towards the vision outlined in our [Net Zero Carbon Strategy](#) to reach its carbon emission reduction targets.⁷⁰

Moj's overall carbon emissions have reduced by 25% from the 2017 to 2018 baseline, but they represent an increase of 3% from the financial year 2023 to 2024. This increase can be primarily attributed to increasing prison expansion and reliance on temporary generators. Flight-related emissions continue to be considerably lower than the baseline year, with emissions from domestic flights being 76% lower than 2017 to 2018.

During the financial year we have:

- delivered energy efficiency projects, such as LED lighting upgrades and the installation of optimisation units on 17 boilers at HMPPS sites, forecasted to save 361 tCO2e
- started site works to decarbonise buildings at HMP Eastwood Park, partially funded via the Public Sector Decarbonisation Scheme, and completed feasibility studies looking to decarbonise the remainder of the site⁷¹
- developed an investment decision tool to support cost-benefit analysis of proposed interventions, allowing more strategic business case development

67 Calculated using the Environment Agency's NaFRA2 dataset: www.gov.uk/guidance/updates-to-national-flood-and-coastal-erosion-risk-information#new-national-flood-risk-assessment-nafra

68 Calculated using RCP2.6 for the period 2020 to 2039

69 Calculated using RCP8.5 for the period 2020 to 2039

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

71 More information on the scope of the Public Sector Decarbonisation Scheme grant can be found out: www.gov.uk/government/collections/public-sector-decarbonisation-scheme

Case study:

Bradford courts joining district heating network

In the financial year 2024 to 2025, HMCTS secured £3.5 million in Public Sector Decarbonisation Scheme grant funding to connect Bradford Combined Court and Bradford Magistrates' Court to the Bradford Energy Network. A supplier has been appointed to replace the existing fossil fuel heating, which will reduce carbon emissions by up to 75% over the next two decades.



Next year we will:

- commission future heat decarbonisation plans at priority sites across MoJ estate
- continue solar power deployment and commence wind power feasibility studies
- explore opportunities for connections to community and district heat networks

Adapting to climate change

Through our [Climate Change Adaptation Strategy](#) we are committed to making MoJ more resilient to the impacts of climate change, in line with our commitments under the Third National Adaptation Programme.⁷²

During the financial year we have:

- developed a climate change adaptation action plan
- commissioned Flood Risk Assessments at 21 sites, alongside four studies to assess the potential for implementing flood interventions

- completed overheating studies at six prisons
- embedded extreme weather preparedness into local business continuity processes
- installed temperature, humidity, and CO2 sensors in two prisons for as part of a 'living wall' pilot to understand the potential benefits of covering walls with vegetation

Next year we will:

- deliver the next phase of Flood Risk Assessments across our estate
- enhance our evidence base by researching the relationship between climate and health and wider cost implications of inaction
- prepare for the next iteration of MoJ's internal Climate Change Risk Assessment
- improve our visibility of extreme weather events across the estate
- further our understanding of the impact of future climate scenarios on physical risks

72 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

Table 6: 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%	3%	● 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	39%	● No	The volume of recycled waste has increased following data improvements, but this is less than the total waste volume, leading to lower recycling than the previous year.
Reduce paper use 50%	50%	● Yes	Services are increasingly moving online to increase accessibility.
Reduce water use 8%	-6%	● No	Prison expansion and leaks and burst pipes from our aged prison water supply infrastructure have resulted in an overall increase in consumption from the 2017 to 2018 baseline.

Waste and circular economy

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

Table 7: Waste generation and disposal⁷³

Metrics	Baseline 2017-18	2023-24 performance restated ⁷⁴	2024-25 performance
Waste reused/recycled (tonnes)	25,863	18,012	19,095
Food waste (tonnes)	2,109	4,464	5,148
Waste electrical and electronic equipment, including ICT (tonnes)	255	604	466
Waste to energy recovery (tonnes)	16,037	22,952	25,312
Waste to incineration (tonnes)	21	1,191	881
Waste to landfill (tonnes)	6,797	5,451	3,887
Total waste arisings (tonnes)	51,082	52,674	54,789

⁷³ Waste related expenditure is not separately disclosed due to its integration within broader facilities management contracts and the complexity of disaggregating costs across the MoJ estate.

⁷⁴ The 2023 to 2024 calendar year data has been restated to show the full financial year up to March 2024.

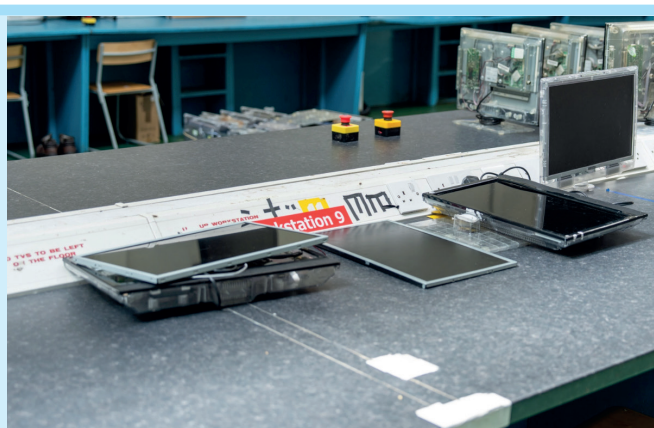
During the financial year we have:

- set up a new waste management unit at HMP Birmingham to facilitate reuse and recycling
- worked with suppliers to implement processes to ensure compliance with the new simpler recycling regulations⁷⁵
- invested £250,000 in waste management equipment to support recycling capability in prisons
- launched our first used cooking oil concessions contract for prisons, generating used cooking oil for reuse
- hosted a Yorkshire waste jobs event, leading to employment offers for prisoners and the establishment of three recycling workshops, such as the IT recycling in HMP Wealstun, run with WasteCare
- initiated a circular economy textile recycling pilot progressing with a prototype table and chair manufactured using old prison textiles

Case study:

Prison industries TV and in-cell phone repair workshops

Prisoners are gaining valuable green skills to help to save prisons money and reduce waste through TV and phone repair workshops across four prisons. The workshops employ 50 prisoners at any one time and since January 2024 have repaired approximately 17,000 TVs (saving over 450,000 kg of CO₂e and £750,000 in costs) and over 1,300 phones, saving £14,800 in costs.



Next year we will:

- work with facilities management providers and stakeholders to provide support and training on circular economy opportunities and recycling best practice
- expand the textiles repair and recycling pilot
- deliver a circular plastics project focused on granulating prison industry manufactured plastic items and reducing waste by using the regrind as a feedstock for manufacturing

⁷⁵ Department for Environment, Food and Rural Affairs (2024), Simpler recycling: workplace recycling in England. Available at: www.gov.uk/guidance/simpler-recycling-workplace-recycling-in-england

Case study:

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 spring, people on probation took part in hundreds of national litter picks as part of the Great British Spring Clean, collecting around 6,349 bags of litter and completing 17,000 hours of community payback. In autumn, people on probation took part in national beach cleans as part of the Great British Beach Clean, surveying over 17,000m² of beaches and collecting around 8,535 items of litter.



Reducing our water use

Our water usage has increased by 6% compared to the 2017 to 2018 baseline, driven by prison expansion and leaks and burst pipes from our ageing water supply infrastructure.

Table 8: Water consumption and financial costs

Metrics	Baseline 2017-18	2023-24 performance restated ⁷⁶	2024-25 performance
Water use (m ³ 000)	9,503	10,219	10,143
Water costs (£m)	26	31	35

In this financial year, we have:

- developed and implemented a water management strategy, which supports evidence-based decision making, making leakage detection and water loss solutions more systematic and repeatable
- shifted targeting methods from maximum daily demand to minimum night flow, making it easier to identify sites with real water losses

In the financial year 2025 to 2026 we will:

- increase the use of minimum night flow analysis to understand and optimise our water network

- proactively carry out checks and analysis of plumbing systems across the estate to catch and fix problems before they cause system failures
- continuously identify the top 10 sites with highest minimum night flow to drive targeted actions
- launch a behaviour change campaign to promote water saving habits
- work with colleagues across MoJ and its partners to ensure we're purchasing water-efficient products and employing best practices

⁷⁶ The 2023 to 2024 calendar year data has been restated to show the full financial year up to March 2024.

Case study:

Finding and fixing water leaks across the prison estate

Last year we started work to find and fix large water leaks across the prison estate which led to saving £435,000 in avoided costs and 205,246m² in water at HMP Huntercombe and HMP Norwich. Significant night time usage between 2am and 5am was identified while undertaking routine monthly automated meter reading analysis. A specialist leakage team were deployed to site. The survey involved using conventional and other methods of leakage detection to locate exactly where the leaks were so that they could be fixed.



Sustainable construction

To monitor the environmental impact of new construction projects, MoJ has a [Sustainable Construction Policy](#) which sets standards using the Building Research Establishment Environmental Assessment Method (BREEAM) for its new construction and refurbishment projects.^{77,78} This supports the delivery of a fit-for-purpose, sustainable estate with lower operating costs. It has been embedded in the prison expansion and projects are on track to deliver BREEAM 'Excellent' as a minimum, with the ambition to deliver 'Outstanding' which is the highest rating achievable. BREEAM credits include consideration of climate adaptation, waste, ecology, water efficiency and other environmental impacts. A 'sustainability impact capture sheet' has also been developed for projects where BREEAM is not the most appropriate assessment.

Case study:

HMP Millsike – our greenest prison yet

HMP Millsike is our first all-electric and net zero ready prison. The prison will house 1,500 prisoners and is built using modern methods of construction and features over 130 air source heat pumps, 1,800 solar panels and 78 electric vehicle charging spaces. HMP Millsike was awarded a BREEAM 'Excellent' design-stage certificate, with a score of 87%. HMP Millsike will save 67% in operational energy use and 75% in carbon emissions, when compared to our previous HMP Fosse Way design.



77 Ministry of Justice (2021), Property Directorate, Sustainable Construction BREEAM Policy. Available at: <https://assets.publishing.service.gov.uk/media/65116b0006e1ca000d616136/moj-breeam-policy.pdf>

78 BREEAM is a third-party certification process which assesses a project's environmental, social and economic sustainability performance using a set of standards developed by BRE.

Nature recovery

MoJ has a Nature Recovery Plan setting out nine principles of behaviour and action to restore biodiversity across the estate and to benefit our people.

In this financial year, action has focused on the provision of technical support to the Property Transformation Programme and prison expansion, delivering significant cost savings to both major programmes. Progress has also been achieved in creating and restoring habitats. We have:

- planted 126 fruit trees across the custodial estate
- supplied 17 raised pond kits to prisons
- sensitively grazed 4.5 hectares of protected land, including a Site of Special Scientific Interest to support its restoration to favourable condition⁷⁹
- supplied specialist machinery to support habitat management and tree production within HMPPS, which will be used to develop biodiversity 'banks' that will enable future prison expansion at lower cost

In the financial year 2025 to 2026 we will:

- develop a refreshed Nature Recovery Plan (MoJ Nature Strategy) for 2025 to 2030
- produce Prison Greenspace Design Principles to improve prison design for prisoner and staff wellbeing through access to biodiverse natural spaces
- gain approval for 10 hectares of woodland (14000 trees) creation at HMP Stanford Hill using prison-produced trees and shrubs, where planting will provide purposeful activity for prisoners
- proceed with the ponds and orchards in every prison programme

Reducing the environmental impacts from ICT and digital

MoJ follows the [Greening Government: ICT and Digital Services Strategy](#) to ensure our digitisation and ICT initiatives minimise our environmental footprint.⁸⁰ In the last year, we have:

- installed more energy-efficient equipment, with improved connectivity to support prisoners to attend court hearings virtually, saving on transport costs and emissions
- recycled almost 10,000 legacy pieces of technology equipment across probation
- introduced a requirement to calculate, and take action to reduce, the carbon footprint of the contract delivery of two key ICT procurement projects

⁷⁹ Details of our responsibilities regarding Sites of Special Scientific Interest can be found at: www.gov.uk/guidance/sites-of-special-scientific-interest-public-body-responsibilities#protecting-sssis

⁸⁰ 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

Case study:

Saving electricity in our courts

In HMCTS, 25% of the wifi access points have been scheduled to switch off during evenings and weekends when court buildings are not in use. This is saving carbon emissions and electricity costs. We are currently saving two megawatt hours of electricity every week in our courts. More than 33 megawatt hours of electricity have been saved within the first year of the project, which is enough to power 12 homes for a year. We will continue to explore taking this approach with other sites.



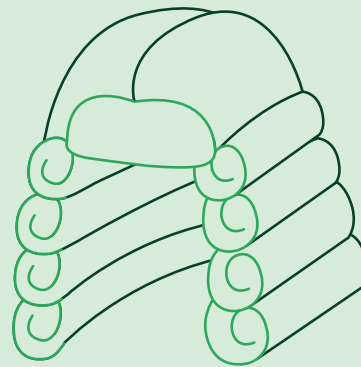
Procuring sustainable products and services

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. Moj's 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. A new contract procured in 2024 has been awarded which will run through to 2026 to collect used cooking oil from our estates to be recycled and turned into biodiesel, reducing waste produced our organisation.

Dr Jo Farrar CB OBE

**Permanent Secretary and Principal
Accounting Officer**

24 October 2025



Accountability

Corporate governance report

The purpose of the corporate governance report is to explain the composition and organisation of the department’s governance structures and how these arrangements have supported the achievement of its objectives during the financial year 2024 to 2025.

Directors’ report

The table below sets out names and titles of all ministers and members of the Departmental Board who have had responsibility for the department during the financial year.

Departmental Board, Audit and Risk Assurance Committee, and Nominations Committee member attendance from 1 April 2024 to 31 March 2025			
	Meetings attended per member of those eligible to attend		
	Departmental Board	Audit and Risk Assurance Committee	Nominations Committee ⁸¹
Ministers ⁸²			
The Rt Hon Shabana Mahmood, Lord Chancellor and Secretary of State for Justice (from 5 July 2024)	2/2	-	-
Lord James Timpson OBE, Minister of State for Justice (from 5 July 2024)	2/2	-	-
Heidi Alexander MP, Minister of State for Justice (from 8 July 2024 to 28 November 2024)	0/1	-	-
Alex Davies-Jones MP, Parliamentary Under Secretary of State for Justice (from 9 July 2024)	2/2	-	-
Lord Ponsonby of Shulbrede, Parliamentary Under Secretary of State for Justice (from 9 July 2024)	2/2	-	-
Sir Nic Dakin MP, Parliamentary Under Secretary of State for Justice (from 23 July 2024)	1/2	-	-
Sarah Sackman KC MP, Minister of State for Justice (from 2 December 2024)	1/1	-	-

81 The Chief People Officer is a member of the Nominations Committee and attended both meetings but is not listed in this table as they are not a member of the Departmental Board.

82 There was a change in ministerial team following the general election on July 4, 2024. In September 2025, the Rt Hon David Lammy MP was appointed Lord Chancellor and Secretary of State for Justice. The Rt Hon Shabana Mahmood MP moved to become Secretary of State for the Home Office.

Departmental Board, Audit and Risk Assurance Committee, and Nominations Committee member attendance from 1 April 2024 to 31 March 2025

	Meetings attended per member of those eligible to attend		
	Departmental Board	Audit and Risk Assurance Committee	Nominations Committee ⁸¹
The Rt Hon Alex Chalk KC MP, Lord Chancellor and Secretary of State for Justice (from 21 April 2023 to 5 July 2024)	0/0	-	-
Lord Christopher Bellamy KC, Parliamentary Under Secretary of State for Justice (from 7 June 2022 to 5 July 2024)	0/0	-	-
Mike Freer MP, Parliamentary Under Secretary of State for Justice (from 20 September 2022 to 5 July 2024)	0/0	-	-
Laura Farris MP, Parliamentary Under Secretary of State for Justice (from 13 November 2023 to 5 July 2024) ⁸³	0/0	-	-
Gareth Bacon MP, Parliamentary Under Secretary of State for Justice (from 13 November 2023 to 5 July 2024)	0/0	-	-
The Rt Hon Edward Argar MP, Minister of State for Justice (from 27 October 2022 to 5 July 2024)	0/0	-	-
Executive management			
Dame Antonia Romeo DCB, Permanent Secretary ⁸⁴	2/2	4/8	1/1
Amy Rees, Chief Executive, HMPPS	2/2	-	-
Nick Goodwin, Chief Executive, HMCTS	2/2	-	-
Jerome Glass, Director General, Policy Group – Courts and Access to Justice ⁸⁵	1/2	-	-
James McEwen, Chief Operating Officer	2/2	6/8	-
Ross Gribbin, Director General, Policy Group – Prisons, Offenders and International Justice (from 16 November 2023)	2/2	-	-

⁸³ Laura Farris MP held a joint ministerial role within the Home Office. Following the general election, the portfolio was split, with Alex Davies-Jones MP taking over the component remaining within the department.

⁸⁴ Dame Antonia Romeo DCB left the department on 11 April 2025 to join the Home Office.

⁸⁵ Jerome Glass left the department on 13 June 2025 to join the Home Office.

Departmental Board, Audit and Risk Assurance Committee, and Nominations Committee member attendance from 1 April 2024 to 31 March 2025

	Meetings attended per member of those eligible to attend		
	Departmental Board	Audit and Risk Assurance Committee	Nominations Committee ⁸¹
Megan Lee-Devlin, Director General, Service Delivery Transformation (from 28 March 2024 to 16 March 2025)	1/1	-	-
Amy Holmes, Interim Director General, Service Delivery Transformation (from 17 March 2025)	1/1	-	-
Richard Price, Director General, Performance, Strategy and Analysis (to 31 October 2024)	0/0	-	-
Non-executive or independent members			
Mark Rawlinson, Lead Non-Executive Member	2/2	-	1/1
Paul Smith, Non-Executive Member and Chair of Audit and Risk Assurance Committee	2/2	8/8	-
Mark Beaton, Non-Executive Member	2/2	-	-
Jennifer Rademaker, Non-Executive Member (from 21 August 2023)	2/2	2/3	1/1
Jonathan Spence, Non-Executive Member (from 21 August 2023)	1/2	8/8	-
Andrew Robb, Non-Executive Member (from 21 August 2023)	2/2	-	-
Nicky Wilden, Independent Member of Audit and Risk Assurance Committee	-	6/8	-
Jonathan Flory, Independent Member of Audit and Risk Assurance Committee (from 19 May 2024)	-	7/8	-
Alison Bexfield, Independent Member of Audit and Risk Assurance Committee (to 31 October 2024)	-	3/6	-
Heather Savory, Independent Member of Audit and Risk Assurance Committee (to 19 May 2024)	-	0/0	-

Managing conflicts of interest

Members of the department's governance forums are asked to declare any interest that could give rise to a conflict of interest. Declarations are documented alongside any agreed actions to manage the risk of conflicts of interest.

Any significant interest held by management, where there is a link with the department, is included in Note 27 on related party transactions. The list of ministers' interests can be found at: www.gov.uk/government/publications/list-of-ministers-interests.

Our executive and non-executive register of interest can be found at: www.gov.uk/government/publications/ministry-of-justice-register-of-board-members-interests.

Personal data-related incidents

Moj handles millions of records containing personal data and takes all data incidents seriously. The following table provides a summary report of personal data-related incidents reported to the Information Commissioner's Office (ICO) in the financial year. Moj has seen a 37% reduction in the number of reportable incidents in comparison to the previous financial year.

The cyber attack detected in LAA in April 2025 was reported to the ICO by LAA. LAA's investigation into the attack has shown that systems were breached from December 2024 with data being exfiltrated from January 2025. The cyber attack will be formally recorded as an incident in the annual report and accounts for the financial year 2025 to 2026.

All staff are required to undertake mandatory data protection training on joining the department and yearly afterwards. Security measures are implemented effectively in line with the government's security policy framework and the Security Functional Standard. Adherence is monitored through a network of trained security and data protection practitioners.

Personal data incidents reported to the ICO

Table 1 – Personal data incidents reported to the ICO

Date incident reported	Nature of incident	Nature of data involved	Number of people potentially affected	Notification status
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)
5 August 2024	A letter was left visible to offenders in a wing office	Name and offence details	1	Case closed by the ICO with no further action (14 August 2024)
23 September 2024	Confidential address of an applicant in a private family law case disclosed to case party	Name and address	2	Case closed by the ICO with no further action (16 August 2024)
15 November 2024	Personal details of data subject disclosed to the offender	Name, address and contact details	4	Case closed by the ICO with no further action (19 November 2024)
20 February 2025	Court list disclosed on public website	Name and offence details	15	Case closed by the ICO with no further action (24 February 2025)

MoJ continues to monitor and assess its personal data risks to identify and address any weaknesses and ensure continuous improvements. For further information on information security, see page 105.

Complaints to the Parliamentary and Health Service Ombudsman

The Parliamentary and Health Service Ombudsman (PHSO) 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 department's performance for the financial year is shown below. The PHSO's annual analysis of the complaints it has received for each government department can be found at: www.ombudsman.org.uk

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	%
15	9	5	56%	4	44%	0	0%
		Complied with		Not complied with		Total	
The number of Ombudsman recommendations		5		0		5	

The completed PHSO investigations refer to complaints made in relation to HMCTS, OPG, HMP Birmingham and the probation service. Further details can be found in those bodies' annual reports and accounts. Where complaints are upheld or partly upheld, we review the case to ensure any learning is identified and improvements made.

Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed MoJ to prepare, for each financial year, consolidated resource accounts. These must set out the resources acquired, held or disposed of by the department during the year, and the uses to which those resources have been put. The scope of the accounts must cover the department, including its executive agencies, and those of its sponsored arm's length public bodies that are designated by order made under the Government Resources and Accounts Act 2000 by Statutory Instrument 2024 No. 295. These public bodies are together known as the 'departmental group', consisting of the department and sponsored bodies listed at Note 29 to the accounts. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the department and the departmental group and of the income and expenditure, Statement of Financial Position, and cash flows of the departmental group for the financial year.

In preparing the accounts, the Accounting Officer of the department 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
- ensure that the department has appropriate and reliable systems and procedures in place to carry out the consolidation process
- make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by non-departmental and other arm's length bodies
- 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

HM Treasury has appointed me as the Permanent Secretary and Principal Accounting Officer of MoJ.

As the Principal Accounting Officer of the department, I have appointed the chief executives or equivalents of the department's sponsored arm's length bodies as accounting officers of those bodies. I am responsible for ensuring that appropriate systems and controls are in place to ensure that any grants that the department makes to its sponsored bodies are applied for the purposes intended, and that such expenditure and the other income and expenditure of the sponsored bodies are properly accounted for, for the purposes of consolidation within the resource accounts. Under their terms of appointment, the accounting officers of the sponsored bodies are accountable for the use, including the regularity and propriety, of the grants received and the other income and expenditure of the sponsored bodies.

My responsibilities as Accounting Officer, including responsibility for the propriety and regularity of public finances for which I am answerable, for keeping proper records and for safeguarding the assets of the department, non-departmental body or other arm's length body for which the Accounting Officer is responsible, are set out in Managing Public Money published by HM Treasury.

As the Principal 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 MoJ's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.



The annual report and accounts as a whole is fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Accounting Officer System Statement

The Accounting Officer System Statement provides Parliament with a single statement setting out all of the accountability relationships and processes within the department, making clear who is accountable for what, from the Principal Accounting Officer down. It ensures accountability for all of the public money and other public resources which fall within the Accounting Officer's responsibilities.

The department's Accounting Officer System Statement is available at: www.gov.uk/government/publications/moj-accounting-officer-system-statement-2025

Governance statement

This governance statement sets out the main features of the governance, risk management and internal control frameworks for the financial year 2024 to 2025 through to the date of approval of the annual report and accounts. It sets out the current view of the most significant challenges across the department and the collective steps teams are taking to continuously improve and strengthen associated frameworks. The governance statement should be considered in conjunction with the [Accounting Officer System Statement](#).

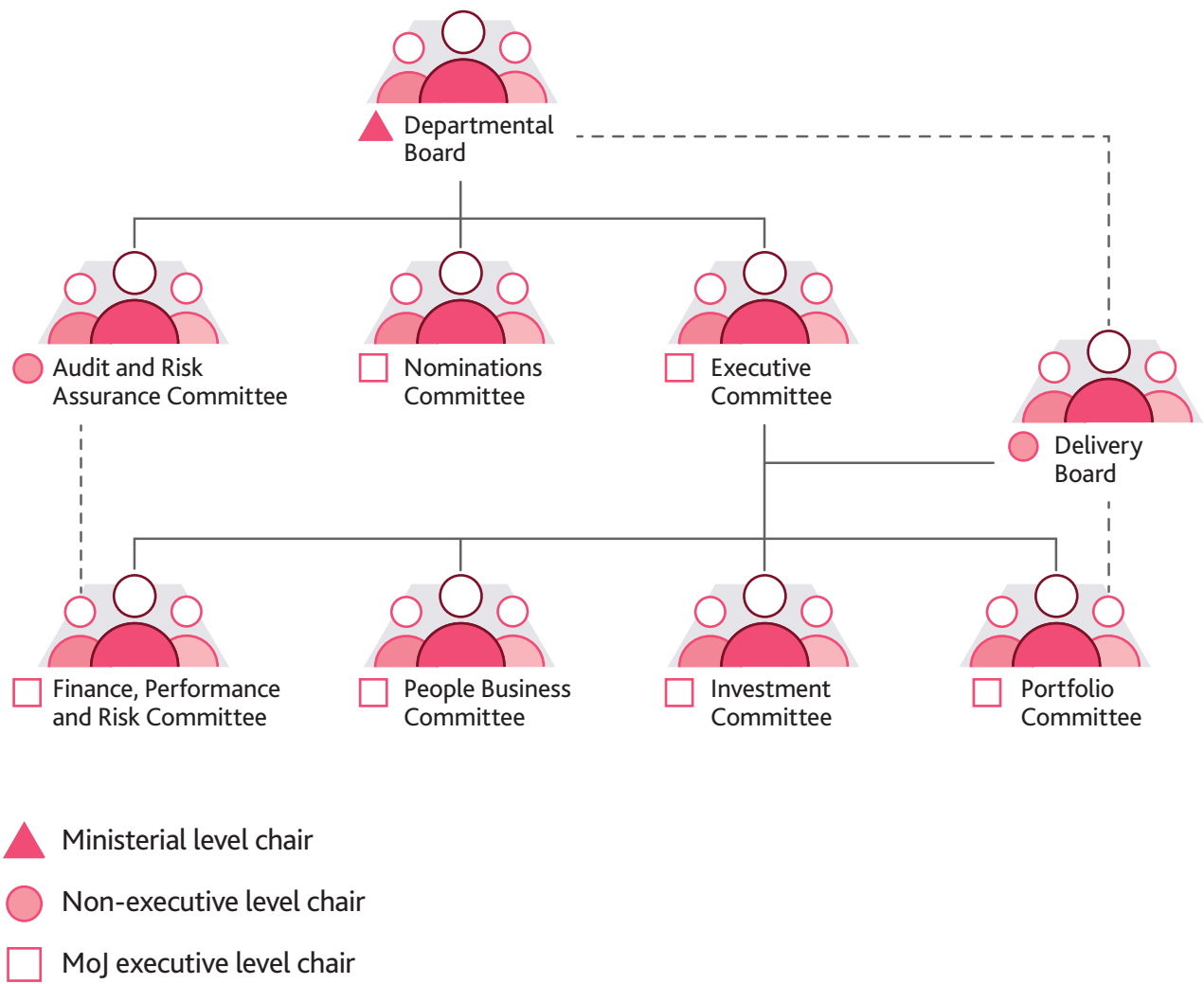
The department's governance structures

Moj maintains governance arrangements to support the delivery of departmental priorities and objectives. The governance framework:

- provides leadership and direction, including a clear vision of what the department is trying to achieve
- brings relevant capabilities, experience and insights together to provide rigorous scrutiny of the efficiency and effectiveness of performance and value for money
- promotes transparency and accountability that maintains the trust and confidence of stakeholders through clear, complete and accurate reporting on what is being achieved and to what standards
- ensures compliance with HM Treasury's Corporate Governance Code for Central Government Departments
- ensures effective risk management in alignment with the Orange Book's risk control framework

Moj's governance arrangements have been structured with the aim of ensuring we have complete, timely and insightful information flows to direct and manage the department's delivery and allocation of resources.

Board and corporate committee information



The Departmental Board secretariat team supports delivery of the MoJ Departmental Board and its sub-committees to ensure the department is run effectively, manages risk and delivers its objectives.

Moj committees

Departmental Board	
Chair:	Secretary of State
Meetings in 2024-25:	2

Purpose: The Departmental Board forms the collective strategic and operational leadership of the department. Chaired by the Secretary of State for Justice, it brings together the ministerial and Civil Service leaders with senior non-executives from outside government. It is responsible for setting strategic direction, including reviewing delivery against the business plan.

Meeting composition:		19 members		
7	12	6	7	6
7 female		6 ministers		
12 male		7 executive directors		
		6 non-executive directors		

Activities in the year under review included:

- assessment of progress against the department’s missions including performance and delivery critical milestones
- monitoring of departmental strategic priorities
- consideration of the recommendations and actions from the Audit and Risk Assurance Committee
- consideration of the department’s significant risks, including prison capacity, Crown Court Case loads and digital capabilities

Audit and Risk Assurance Committee

Chair: Non-executive board member

Meetings in 2024-25: 8

Purpose: The Audit and Risk Assurance Committee supports the Departmental Board and Principal Accounting Officer in their responsibilities to ensure effective arrangements for governance, risk management and internal control are in place for the department. It does this by focusing on assurance arrangements over governance, financial reporting, and the annual report and accounts, including the evidence for and content of the governance statement. The committee reviews the comprehensiveness of assurances in meeting the Departmental Board and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances.

Meeting composition: 5 members

2	3	3	2
2 female		3 non-executive directors	
3 male		2 independent members	

Activities in the year under review included:

- consideration of the Government Internal Audit Agency findings
- consideration of the work of external audit, including reviewing end-of-year accounting estimates and judgements and the controls and processes to reduce the risk of error
- consideration and challenge of the department's approach to prison capacity, commercial risks, climate change and sustainability, digital, security and information
- reviewing the annual report and accounts and providing independent oversight and challenge on its content
- continuing oversight of public bodies and executive agencies through dedicated meetings with their Audit and Risk Assurance Committee chairs to increase openness, encourage collaboration and share information
- challenge on the department's approach and progress to mitigate against fraud, bribery and corruption, and test of the whistleblowing process
- consideration of MoJ's overall risk profile to ensure there is an adequate and effective risk management and assurance framework in place
- consideration of the Audit and Risk Assurance Committee effectiveness review

Nominations Committee

Chair:	Permanent Secretary
Meetings in 2024-25:	1

Purpose: The Nominations Committee provides assurance on senior executive appointments within the department. This includes succession planning, talent management and pay strategy.

Meeting composition:	4 members
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2	2	2	2
2 female		2 non-executive directors	
2 male		2 executive directors	

Activities in the year under review:

The standing agenda included appraisal of directors general and discussion and advice in relation to performance assessment. The meetings considered:

- pay award recommendations
- talent strategy
- succession planning

Executive Committee

Chair: Permanent Secretary

Meetings in 2024-25: 36

Purpose: Chaired by the Permanent Secretary, the Executive Committee is the executive leadership team for the department and comprises of senior officials. It ensures that the department is fully aligned with the strategic direction set by the Secretary of State, maintains and directs the capabilities to deliver, oversees the delivery of outcomes, and prioritises and allocates financial and other resources.

Meeting composition: 10 members

3

7

10

3 female

7 male

10 executive directors

Activities in the year under review included:

- reviewing and monitoring the department’s performance against its budget and objectives, and managing the delivery of its outcomes
- examining specific risks or issues that could affect the delivery of the department’s objectives, including a quarterly review of the overall departmental risk profile
- reviewing the approach to capital spend and fiscal planning, and associated spending allocations
- reviewing the progress made against agreed diversity priorities in the department’s diversity and inclusion strategy
- assessing and monitoring the position on prison capacity and plans to manage risks and address pressures
- reviewing the department’s priorities, including long-term policy priorities

Delivery Board	
Chair:	Non-executive board member
Meetings in 2024-25:	5

Purpose: The Delivery Board provides assurance to the Principal Accounting Officer and the Departmental Board on the delivery of the department’s strategy, Outcome Delivery Plan and Government Major Projects Portfolio. This includes oversight and scrutiny of the activities, projects and programmes that drive agreed outcomes, ensuring that plans are well-evidenced and strategic benefits are on track to be delivered.

Meeting composition:	8 members
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3	5	3	3	2
3 female		3 non-executive directors		
5 male		3 executive directors		
		2 external officials		

Activities in the year under review included:

- oversight and scrutiny of the department’s major projects and programmes, ensuring that plans are well-evidenced, that strategic benefits are on track to be delivered, and that there is a clear line of sight from objectives and activities through to defined outputs and measurable outcomes
- challenge and scrutiny of the robustness of the plans and processes for delivery and the adequacy of their management

Finance, Performance and Risk Committee

Chair: Chief Operating Officer

Meetings in 2024-25: 11

Purpose: The Finance, Performance and Risk Committee is responsible for scrutinising, challenging and supporting departmental delivery against strategic outcomes and maintains oversight of the department's performance framework. It also oversees management of the department's principal and secondary risks, reviews financial reporting, and monitors compliance with functional standards and other government, legal or professional requirements

Meeting composition: 13 members (plus one vacancy and vacant Chair role)

5

8

13

5 female

8 male

13 executive directors

Activities in the year under review included:

- examining the department, its executive agencies and other public bodies' in-year finances
- considering and advising on the departmental Spending Review settlement
- assessing and challenging performance, delivery and risk against strategic outcomes

People Business Committee

Chair:	Interim Director General, People and Capability
Meetings in 2024-25:	11

Purpose: The People Business Committee supports the Executive Committee in its leadership and management of people and workforce strategies to improve the coordination and design, decisions, and implementation of cross-cutting programmes of work.

Meeting composition:	21 members
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10	11	17	3	1
10 female		17 executive directors		
11 male		3 deputy directors		
		1 independent member		

Activities in the year under review included:

- reviewing the strategic landscape of diversity, inclusion and wellbeing alongside performance against strategic outcomes of diversity, talent and culture
- reviewing workforce planning activity including headcount, geographical location and capability
- oversight of strategic people risks and identification of appropriate management actions

Investment Committee

Chair: Chief Operating Officer

Meetings in 2024-25: 28

Purpose: The Investment Committee has delegated powers to make investment decisions on the Executive Committee's behalf, with oversight of the MoJ portfolio. This includes ensuring that portfolio projects remain strategically aligned, affordable and deliverable from inception through to implementation. The committee considers and, where appropriate, approves investment decisions on behalf of the Executive Committee, including gated release of funds for change programmes, ensuring that investments deliver value for money, meet regularity and propriety considerations, and are affordable and sustainable.

Meeting composition: 16 members



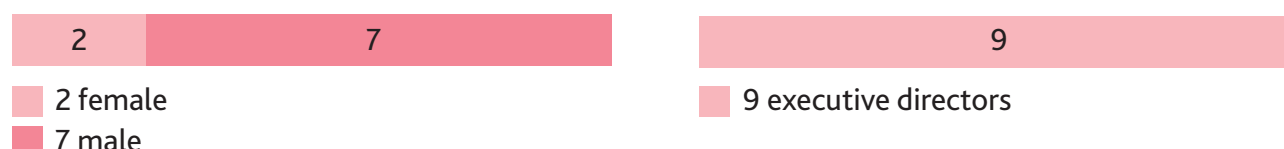
Activities in the year under review included:

- scrutiny and approval of investment spend where whole-life cost is more than £60 million
- agreeing and monitoring departmental change programmes' funding
- setting permissible tolerances that include costs, benefits, schedule, quality, scope and performance
- release of funds after reviewing progress of programmes and projects

Portfolio Committee	
Chair:	Director General, Service Transformation Group
Meetings in 2024-25:	11

Purpose: The Portfolio Committee provides oversight of our major change portfolio, reporting to both the Executive Committee and Delivery Board. It ensures projects are set up for success, resolves issues that may compromise successful delivery, and improves overall delivery confidence. It further advises on prioritisation decisions regarding the deployment of expert resources. The committee ensures that the portfolio is strategically aligned, affordable and deliverable and that project leaders comply with project delivery standards.

Meeting composition:	9 members (excluding one vacancy)
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Activities in the year under review included:

- assuring that all portfolio programmes and projects comply with agreed delivery standards and best practice, including oversight of the tolerances for time, cost, scope and quality set by the Investment Committee
- oversight of delivery confidence of the portfolio and identification of projects and programmes that merit enhanced governance and/or scrutiny
- review and resolution of project or programme-level issues including risks and benefits management
- undertaking deep dives on cross-cutting systemic issues, thematic risks and constraints, using data to drive improvement actions

Further details and membership of these forums can be found at: www.gov.uk/government/organisations/ministry-of-justice/about/our-governance.

In addition to the standing corporate governance arrangements in place, further structures were introduced during the financial year 2023 to 2024 to strengthen departmental oversight of the immediate prison capacity challenges. In this financial year, the Capacity Options Taskforce continued to coordinate information flows on capacity forecasts and supply and demand choices across the department, reporting this to the Executive Committee, ministers and No 10. It also fed into and received updates from the Criminal Justice System Strategic Command, a multi-agency group set up to manage the impact across the wider criminal justice system, ensuring cross-government collaboration and alignment.

Departmental Board performance and effectiveness

In alignment with the HM Treasury Corporate Governance Code for Central Government Departments, a board effectiveness evaluation was undertaken in April 2025. The report noted improvement in performance from the review carried out the previous year, concluding that overall, the Departmental Board is operating effectively. As part of the exercise, opportunities for further improvement have been highlighted. This has included the strengthening of information flow through the corporate committee environment and continued effort to strengthen regular risk reporting with a focus on risk appetite.

Identifying and managing conflicts of interests

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 board members.⁸⁶ 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 circumstances 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, MoJ holds a [register of senior civil servant secondary paid employment](#) which includes details of all senior civil servants who have declared outside employment.⁸⁷

In line with the current Declaration of Interest Policy for special advisers, all special advisers have declared any relevant interests or confirmed they do not consider they have any relevant interests. The Permanent Secretary has considered these interests, and the following relevant interests are set out in public:

Full name	Details of interest
Ellie Cumbo	Ms Cumbo is a Local Councillor for the St Giles ward in the London Borough of Southwark

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

86 Ministry of Justice (2025), Register of board members' interests. Available at: www.gov.uk/government/publications/ministry-of-justice-register-of-board-members-interests/ministry-of-justice-register-of-board-members-interests

87 Ministry of Justice (2024), Register of senior civil servant secondary paid employment. Available 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

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.

Moj has a clear procedure in place for considering applications under the business appointment rules for 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 the financial year 2024 to 2025, there were 35 exits from the department at 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.

Whistleblowing

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 Group has strengthened awareness of the whistleblowing policy across the department through continuous improvement activities. The department actively 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.

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. Moj reports annually to the Cabinet Office on the number of closed whistleblowing cases. In this financial year, Moj (including the executive agencies) reported 13 closed whistleblowing cases.

Significant control issues

As part of the measures to understand significant control issues across MoJ and its executive agencies, we request that any risks or issues that agencies are including in their governance statements are shared with the MoJ corporate governance team at year end. These are then reviewed and those considered significant are included in the MoJ governance statement.

At the time of publishing the MoJ annual report and accounts for the financial year 2023 to 2024, we reported HMCTS' concerns about the quality of criminal court statistics. The release of the latest criminal court statistics was postponed for further quality assurance on the data. This included assessing and reviewing potential control failures that may have led to material errors in key data inputs. That process was completed in 2024, and it concluded that there was not a significant control failure. In December 2024, the official statistics for the criminal courts were published together with an update on the investigation and impact of the Crown Court data issues, and the steps taken to ensure the data is now fit for purpose.⁸⁸

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

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

88 Ministry of Justice (2024), Criminal court statistics quarterly: July to September 2024. Available at: www.gov.uk/government/statistics/criminal-court-statistics-quarterly-july-to-september-2024

Risk management arrangements

Risk management

The department's risk management framework sets out the principles, concepts and accountabilities that underpin how we manage risk in alignment with the [Orange Book: Management of Risk – Principles and Concepts](#).⁸⁹ These arrangements are harmonised with requirements outlined in the Corporate Governance Code.

Risk management is an essential part of MoJ's governance and leadership. It is fundamental to the way that the organisation is directed, managed and controlled at all levels. The department has maintained a risk management framework, which establishes robust processes and structures to ensure principal and emerging risks are identified, evaluated and managed appropriately. Our risk management framework and capabilities enhance our strategic planning and prioritisation, assist in achieving the delivery of outcomes and objectives, and strengthen the ability of the department to respond agilely to the challenges faced.

The Principal Accounting Officer, supported by the Audit and Risk Assurance Committee, established the organisation's overall approach to risk management. Responsibilities for the management of areas of risk are devolved through the organisational structure, defined roles and responsibilities, and delegated authorities. Risk management practices within MoJ comply with the requirements of the Orange Book's five principles. Responsibility for the effective operation of the risk framework is delegated to the Chief Operating Officer who is supported by our Chief Risk Officer.

The Chief Risk Officer is actively engaged with the department's governance arrangements, and their responsibilities include:

- setting the framework and guidance in accordance with the principles in the Orange Book
- assessing compliance with this, reviewing effectiveness and driving continuous improvement in risk maturity
- supporting MoJ's Executive Committee, Audit and Risk Assurance Committee, and Departmental Board in understanding the risk landscape and assessing the department's risk appetite to inform decision making

Our risk management framework continued to evolve and improve during the financial year, with focused activity and initiatives to support robust systems of risk management including:

- our principal risks being considered and discussed by the Finance, Performance and Risk Committee and Executive Committee, and reported to the Audit and Risk Assurance Committee quarterly
- the Departmental Board routinely considering combined risk and performance reports since November 2024
- principal risk deep dives on property, commercial, technology and security, change, and evidence and insight being considered and discussed by the Finance, Performance and Risk Committee or Executive Committee, and the Audit and Risk Assurance Committee
- risks being routinely assessed as a part of investment decisions and within the lifecycle of our projects, programmes and commercial relationships

89 Government Finance Function and HM Treasury (2013), Orange Book. Available at: www.gov.uk/government/publications/orange-book

- the Departmental Operations Centre horizon scanning the external environment routinely and principal risks being assessed against findings
- short-term resilience risks being reported to the executive team and ministers in advance of significant recess periods
- risk training and awareness being provided to our risk community and leaders throughout the year, including a Risk Awareness Week in October 2024 with the theme of thinking long term
- ongoing strengthening of relationships between risk leads and practitioners across all parts of the department, facilitated by our Risk Management Centre of Expertise
- our strategy, strategic finance, planning, risk management and performance teams continuing to work together closely to ensure that risks inform our allocations processes and Spending Review preparations
- undertaking a range of deep-dive assurance visits to test the business continuity arrangements of individual business areas across the department – seven visits will have been undertaken in this reporting period
- running cross-departmental exercises to test preparedness for major National Security Risk Assessment threats, including respiratory pandemics and public disorder, and promoting an exercise suite to allow business areas to manage their own local plans and responses for lower-level disruption
- developing a corporate crisis management strategy for the department, outlining response arrangements in the event of a crisis materialising
- developing a resilience policy which defines MoJ's approach to organisational resilience and promoting aspects of the resilience cycle to support delivery in an increasingly challenging environment

Business continuity and organisational resilience

The Departmental Operations Centre leads on business continuity, organisational resilience and incident response for MoJ, enhancing the department's preparedness for, and ability to respond to, risks and challenges.

During the financial year 2024 to 2025, we have taken steps to strengthen the organisational resilience of the department including:

- developing products to increase awareness and understanding of external threats to the department (such as severe weather, pandemics, industrial action, power outages and public disorder), including horizon scanning reports and justice impact assessments
- improving business continuity self-assessment processes and reporting through the appointment of a new business continuity governance and assurance team – data overview packs for individual business areas have been developed based on self-assessment returns

- the director-led Business Continuity and Resilience Governance Board which meets on a quarterly basis to oversee business continuity and resilience work across MoJ and supports the development of the community of staff working in those areas

Fire, health and safety

The department remains dedicated to ensuring the health, safety and wellbeing of all employees and service users. This year, we have been working on developing an Occupational Health and Safety Management System in alignment with ISO 45001 standards. Additionally, we have established a variety of information and guidance materials to foster a strong safety culture within the department, championed at the highest levels of the department.

Internal control framework

The Principal Accounting Officer is responsible for the development and maintenance of effective systems of internal control for the department, its executive agencies and other public bodies. This is supported through a framework of delegated authorities with the standards, policies and practices set and monitored through our governance and risk management frameworks.

MoJ's [Accounting Officer System Statement](#) describes the component parts of our system of internal control, including delegated authorities. In this section of the governance statement, the most significant changes to our control framework in this financial year are outlined, in addition to material issues where we have responded to limitations in our control framework.

Functional maturity

In the financial year 2024 to 2025 there was a focus on examining the effectiveness of the functional leadership model. In the first six months of the year, the functional reform team investigated the functional model via a discovery exercise devised to drive enhancement.

The remit of the functional reform team was subsequently broadened which included transition into a new Business Effectiveness Division operating within the Business Architecture and Transformation Directorate. The division sets up proportionate, value-adding mechanisms to join up different areas of MoJ in the resolution of cross-cutting challenges and is supported by a Business Effectiveness Committee established to act as a forum to coordinate cross-departmental initiatives. The benefits of this new approach are expected to be realised during the financial year 2025 to 2026, and beyond.

Throughout the financial year, the overall maturity of functions, including progress in embedding functional standards, has been reviewed through twice-yearly deep dives with the Chief Operating Officer.

Public bodies are strengthening processes to provide MoJ functional leads with sufficient assurance that they are adopting the relevant functional standards.

Finance

The Principal Accounting Officer establishes plans to use resources affordably and sustainably within agreed limits. Authority is delegated to commit resources and incur expenditure, ensuring compliance with financial controls including those mandated by HM Treasury and the Cabinet Office, as set out in our spending control framework. These controls are designed to ensure that the department and its public bodies operate effectively and to the high standard of probity expected. Each budget holder is required to check expenditure to ensure that all transactions are legitimate and in line with anticipated spend, retaining records of all approvals with supporting documents. Any anomalies are investigated with action taken as appropriate, including, where necessary, disciplinary action.

Commercial

The Chief Commercial Officer (CCO) exercises commercial authority on behalf of the Secretary of State for Justice and the Lord Chancellor. The CCO subdelegates a limited commercial authority to commercial staff in MoJ Commercial who use it to meet the procurement requirements of MoJ and most of its public bodies, including HMPPS and HMCTS.

In the financial year 2024 to 2025, MoJ Commercial contributed to strengthening governance through reforming the scheme of commercial delegated authority, and clearly defining the scope, limits and conditions of that authority in a new policy. The CCO issued new letters of delegated authority to each member of commercial staff, requiring them to adhere to the new policy.

As a result of the cross-government review of supplier resilience conducted by the Government Internal Audit Agency, we established a team to review the end-to-end monitoring of both market and supplier resilience. In addition to this, we published our Commercial Strategy (2025 to 2028), which places a strong emphasis on our approach to risk. Working groups relating to supplier resilience and market insights have been established to address this during the financial year 2025 to 2026.

In this financial year, the department managed the collapse of two suppliers. ISG went into administration on 20 September 2024, and ESS followed on 23 September 2024. ISG was a critical supplier to MoJ, delivering capacity expansion and capital maintenance projects across HMCTS and HMPPS. Both companies were also key suppliers to other government departments.

Detailed operational, communications and resourcing plans were prepared and enacted immediately following notification of insolvency in September 2024, maintaining critical site safety and security across the operational estate. At the time of publication, we have re-procured all but four of the affected projects, with those expected to be procured imminently.

Projects and programmes

The department's projects and programmes are each led by a senior responsible owner who is accountable for delivery and responsible for ensuring that the project or programme delivers the business case benefits and outcomes.

All major projects require an individual project Integrated Assurance and Approvals Plan, quality assured by our project delivery assurance team, and the Infrastructure and Projects Authority.⁹⁰ This is reported to our Portfolio Committee.

Business cases above £10 million are required to undertake a keyholder review and gateway review which provides an additional layer of assurance that the project is complying with all functional standards.

Portfolio reporting drives informed discussions and outcomes at departmental committees including the Delivery Board and Portfolio Committee.

In the financial year 2025 to 2026, we will continue to focus on project delivery fundamentals, including risk management, benefits management and planning to increase the aggregated delivery confidence across the portfolio. Once delivered, the Project Delivery Function Business Plan will be the primary mechanism to control and monitor the principal risk currently held: failure to deliver the outcomes and benefits of the portfolio of major change projects to time, cost and scope.

People

During the financial year 2024 to 2025, we implemented the recommendations from the review of the People Function (now known as People and Capability Group) which was undertaken in the previous financial year, to drive performance improvements and efficiencies. Based on the findings, we implemented:

- a new structure based on professional best practice which builds on our Target Operating Model and forms a central People and Capability Group, supporting the whole of the department
- a new governance model including a HR Delivery and Approval Board to manage HR change projects, performance and change hubs, underpinned by three director-led sub-groups to manage portfolios, policies and risks associated with workforce capacity, capability and experience
- improved assurance and risk management, developing the people and capability performance hub to monitor delivery against our commitments using key performance indicators, while also refreshing our people risks

⁹⁰ As of 1 April 2025, the Infrastructure and Projects Authority combined with the National Infrastructure Commission to form a new organisation, the National Infrastructure and Service Transformation Authority, a unit within HM Treasury.

Property

We continued to improve governance arrangements for the management of property in MoJ. The MoJ Property Board, which is attended by the Government Chief Property Officer, met regularly to discuss and review the overall management of the estate.

Following a corporate fire, health and safety (FHS) audit, we introduced a standard operating procedure to support a risk assessment and assurance management framework. The FHS Corporate Committee was refreshed, FHS intranet pages enhanced, and a new FHS risk register established following corporate guidance.

The Property Strategy and Strategic Asset Management Plan has been refreshed to reflect the new administration's updated priorities and the Spending Review settlement. Functional partnership agreements, especially with our public bodies, have been improved to better set out the service offerings, points of contact and escalation routes.

During the year we began a change and organisational design project, examining the way our services were delivered and managed in preparation for the Future State. This generated resource efficiencies and structural changes that will continue over the next two years, with a clear workforce requirement for the Future State and updated strategic workforce plan.

We also embarked on an HMPPS Reset Programme to improve our working relationship. This improved alignment between the HMPPS area directors and the local heads of property operations through more consistent governance arrangements. We have allocated more funding locally to support joined-up decision making on local priorities.

Climate change and sustainability

The department maintains robust oversight of climate change and sustainability matters, with risks, strategy and performance overseen by the Senior Sustainability Board (chaired by the Chief Operating Officer), with risks and performance reviewed quarterly by the Finance, Performance and Risk Committee, biannually by MoJ's Audit and Risk Assurance Committee, and annually to MoJ's Departmental Board. MoJ has an agreed lead minister for climate and sustainability matters and board-level oversight of climate-related risks and disclosures. MoJ's first climate-related financial disclosure report was published for the financial year 2023 to 2024, aligned to new HM Treasury requirements. During the financial year 2024 to 2025, the climate and sustainability assurance process for major projects was updated, providing additional scrutiny of environmental impacts of spend.

Information security

We continued to actively engage with investment decision making to control the departmental exposure to information security risk and to implement assurance measures across MoJ and its supply chain to improve resilience to cyber attack. Our information security culture continues to improve through implementation of government standards, policy, education and awareness sessions and understanding insider risk.

Regular assurance is undertaken through external government audits, the GovAssure cyber assurance regime, and the Departmental Security Health Check for non-cyber security assurance. GovAssure results at the time of writing indicate MoJ is implementing improvements to its cyber security systems in line with the GovAssure standards. Targeted remediation plans are in place for these systems to drive up security standards, and security training is mandated for all staff. Over 1,000 staff have also attended bespoke training sessions, and the security champions network has grown 300% in the last year.

We continue to focus on improving our response and recovery from security breaches across MoJ through application of consistent incident management processes and systems.

LAA cyber attack and response

LAA has continued to manage risks in relation to its systems and digital services throughout the financial year 2024 to 2025. On 23 April 2025, LAA became aware of a cyber attack on its online digital services. Immediate action was taken to bolster security of the system, with close working across MoJ digital and security, alongside experts at the National Crime Agency, the Government Cyber Coordination Centre, and the National Cyber Security Centre. The ICO was alerted and LAA informed all legal aid providers that some of their details had been compromised.

On 16 May 2025, LAA learned that the cyber attack was more extensive than originally thought and that the attackers had accessed a large amount of information relating to legal aid applicants. Its investigation into the attack has shown that systems were breached from December 2024, with data being exfiltrated from January 2025. LAA believes a significant amount of personal data was downloaded, including data from those who applied for legal aid through its digital service between 2007 and 16 May 2025. In line with advice from the National Cyber Security Centre, LAA took its online services down. There are no indications that other parts of the justice system have been impacted.

Contingency plans were put in place to ensure that those most in need of legal support continue to access the help that they need, and to provide financial support to legal aid providers. Helplines are in place to support legal aid clients and legal aid providers. At the time of publication of this annual report and accounts, this remains an ongoing issue with investigation and mitigation action continuing. Work is ongoing to restore systems and recover services, and LAA continues to keep legal aid clients and providers informed.

Data and quality of information

The Analysis Function and Data Function continued to collaborate to provide a quality, robust and impactful analysis and data service for the department, helping to shape and inform departmental policy and operational delivery. This year, we have met demands for prison capacity and other priority work, alongside modernising MoJ's use and approach to data. We have made progress in looking at 'what works' to reduce reoffending and improve social outcomes through ambitious data linking programmes like Better Outcomes through Linked Data (BOLD) and Data First. We continue to improve data quality and strengthen links across the criminal justice system to develop data and understand drivers of demand though the system.

Building specialist analysis and data capacity to keep pace with increasing demand remains a challenge. Across the Analysis Function we have expanded our flexible resourcing pool to allow rapid deployment of resources to emerging priorities and have put in place new cross-departmental forums to share best practice and improve collaboration.

Analytical quarterly assurance processes have been improved by establishing a new analytical assurance team to provide further scrutiny of the most business-critical pieces of analytical work. We are progressing actions on the recommendations of the Government Internal Audit Agency audit into the end-to-end quality of data, including progressing data governance solutions, such as developing a consistent approach to monitoring data quality and consistent data processing.

Through the Data Improvement Programme, we started to build foundational data capabilities to improve the quality of data, access to data, and the data skills of staff, to enable MoJ to make better decisions. As part of this, we built data governance expertise and developed a Data Ownership Model for MoJ with a focus on understanding and improving the quality of key data sets to mitigate risk.

Counter fraud

Fraud, bribery and corruption are unacceptable. They affect the ability of MoJ to deliver its responsibilities for protecting and advancing the principles of justice. Where fraud occurs, resources are wrongfully diverted and cannot be used for their intended purpose. Working collaboratively with partners across MoJ and the wider government counter fraud community, we will take a collective approach to understanding and tackling the risks from fraud, bribery and corruption.

The Chief Operating Officer has overall responsibility for counter fraud in the department. In 2024 a Senior Security and Counter Fraud Advisor (SCS1) was appointed and the Centre of Expertise merged with the MoJ Security Function to achieve improved alignment.

A Counter Fraud Sub-Committee was created which is attended by counter fraud leads and stakeholders across MoJ.

Initial Fraud Impact Assessments are being completed for all new spending initiatives and programmes that come through the Project Delivery Function. Counter fraud plays a role in the keyholder review process for all new investment, and Initial Fraud Impact Assessments are completed for all investment, including those identified as mandatory by the Public Sector Fraud Authority and functional standards.

The MoJ Counter Fraud Strategy will be refreshed later this year with a view to having a new five-year strategy, which will continue to address the Enterprise Fraud Risk Assessment risks, compliance with functional standards and greater use of data analytics.

Grants

The department's grants are overseen by a senior officer responsible for the grant and delivery of its expected outcomes. The Grants Centre of Expertise supported the senior officer responsible and provided a holistic view of MoJ's grant-giving to improve the effectiveness of grant spend and to strengthen governance and assurance.

Further governance and assurance were provided through a grants challenge and assurance panel which had oversight of all grants and ensured a strong focus on value for money by:

- scrutinising and assessing all proposed and existing grants annually and as required for new grants
- providing constructive challenge and advice to grant sponsors
- ensuring consistency across MoJ regarding grant necessity or appropriateness, benefits, risk, and award level
- ensuring grants and grant proposals comply with the Grants Functional Standard

The department participated in the Grants Continuous Improvement Assessment, a biennial exercise covering the department, its executive agencies and other public bodies, which evaluates compliance with the Grants Functional Standard. The most recent assessment (carried out in 2024) assessed the department as being in the 'Best' category with a compliance score of 93.5%, an increase from 80% in the previous assessment.

Senior sponsorship of public bodies

In respect of public bodies where the Principal Accounting Officer doesn't fulfil the senior sponsor role personally, officials have been appointed as senior sponsors. These arrangements are set out in the [Accounting Officer System Statement](#).⁹¹

Assurance over the organisational management and performance of our non-departmental public bodies, other statutory office holders and associated offices, and compliance with their respective framework documents is provided primarily by our Public Bodies Centre of Expertise.

The programme of work to update all framework documents to meet revised HM Treasury requirements has continued with plans in place to complete the exercise by the end of the financial year 2025 to 2026.

This financial year was the third and final year of our programme reviewing several public bodies as part of the Cabinet Office-led Public Bodies Review Programme. During the year, we published reviews of Cafcass and OPG (both of which commenced in the financial year 2023 to 2024). We have also commenced reviews of HMCTS and LAA, and conducted an external-led review of the Youth Justice Board.

Our arrangements in-year for providing proportionate oversight and engagement with public bodies included:

- an annual assessment of the optimum risk-based partnership arrangements between the department and each body
- regular holding-to-account meetings between the Public Bodies Centre of Expertise assurance partners, finance business partners, policy officials and public bodies, with relevant risks escalated to the business group risk register or the departmental risk register as appropriate
- quarterly updates on governance, risk and performance to senior sponsors about the oversight of public bodies
- regular attendance by the Head of the Public Bodies Centre of Expertise at the departmental Audit and Risk Assurance Committee, and Finance, Performance and Risk Committee to provide assurance in respect of public bodies' performance, finance and management of risk

The relationship between the department and its public bodies is informed by the Arm's Length Body Sponsorship Code of Good Practice, which sets out the common standards for good sponsorship arrangements between government departments and public bodies.

The Public Bodies Centre of Expertise is also responsible for ensuring that ministers make diverse and high-quality public appointments to the department's public bodies, and that these appointments are made in accordance with the Governance Code on Public Appointments.

⁹¹ Ministry of Justice (2025), Accounting Officer System Statement. Available at: <https://www.gov.uk/government/publications/moj-accounting-officer-system-statement-2025>

Review of effectiveness

As Principal Accounting Officer, I am required to conduct an annual review of the effectiveness of the department's governance structures, risk management and internal control framework. This review is informed by:

- feedback from senior management with delegated responsibility within the department about the use of resources, responses to risks, compliance with standards and the extent to which in-year budgets and other targets have been met
- information from the department's public bodies on the performance of their organisations and their relevant boards
- insight into the department's performance from internal audit, including an audit opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk and control
- the work of the National Audit Office through their financial audit of the accounts of the department and its public bodies and their value for money reports assessing the economy, efficiency and effectiveness with which public money has been spent
- the views of the Audit and Risk Assurance Committee on the design and operation of the department's governance, risk management and internal control frameworks
- the oversight and assurance provided by the Infrastructure and Projects Authority of the department's change projects that are included in the Government Major Projects Portfolio

As the Principal Accounting Officer, I am responsible for ensuring there is an effective process in place for monitoring and reporting governance issues during the year. In doing so, I have relied on the handover from the previous Permanent Secretary, assurance from the agency chief executives and directors general who have delegated authority appropriate to their responsibilities. As described in the [Accounting Officer System Statement](#),

I prepare the department's governance statement with sight of annual assurance processes, which include:

- completion of annual director assurance statements across MoJ HQ (which have been reviewed and countersigned by the relevant director general) to assess the level of compliance against departmental policies and guidance
- completion of a control maturity assessment, to consider how effectively functional governance and compliance controls operate, and to identify opportunities for improvement
- completion of board and committee effectiveness reviews, to ensure we maintain robust and effective governance and oversight
- information on levels of compliance with relevant government functional standards, complemented by assurance statements from function leads on their assessment of compliance within the department
- an overview of material issues from executive agencies and other public bodies, assessed for materiality at MoJ level, providing an overview of compliance for their organisation

Government Internal Audit Agency

One of the main sources of independent assurance within the department comes from the activities of the internal audit function, which provides me and the Audit and Risk Assurance Committee with a clear view on issues highlighted emerging from internal audit work.

The internal audit programme is closely aligned to the principal risks of the department, its executive agencies and other arm's length bodies. Arrangements are in place to ensure that I am routinely made aware of any significant issues that indicate that risks are not being effectively managed. I am assured that the internal audit service complies with the public sector internal audit standards.

The MoJ Group Chief Internal Auditor has provided a 'moderate' annual opinion on the department's framework of governance, risk management and control. This is defined as: 'some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control'. This is consistent with previous years, but the Group Chief Internal Auditor has noted a slight downward trend. Overall, the Government Internal Audit Agency has issued a higher number of limited assurance reports within the core department this year and within the public body plans there have been fewer substantial assurances and an increase in limited assurances. This is not highlighted as a cause for significant concern but is shown to be in part a result of the high level of risk that the department has been carrying for some time, constrained resources and high levels of demand in many areas, along with the need to continue to deliver a complex criminal justice system.

The overall opinion is also informed by the annual opinions provided across the department's executive agencies and other arm's length bodies. They have all been given a 'moderate' opinion, with the exception of Cafcass which is 'substantial' and the CCRC which is 'limited'. This is due to the outcomes from the Henley review, changes in senior management roles, and the most recent Justice Select Committee review of leadership of the CCRC showing significant impacts on the governance and control environment which the organisation has been operating during the past 12 months.

Overall the Government Internal Audit Agency has confirmed that the department has an adequate framework in place to ensure the effectiveness of risk management. They highlight that work has continued to evolve the approach to risk and to embed stronger processes which help to ensure that senior management within MoJ are focused on the key areas that require attention. The department continues to operate a risk position that is out of tolerance across most principal risk areas.

This position is well understood, but the challenge remains to ensure that identified controls are operating effectively, or where additional effort or investment is needed to bring risks into tolerance, there is a credible plan in place to do so.

In relation to governance, their work across the public bodies has confirmed reasonable levels of governance operating (with a notable exception in relation to the CCRC). They highlight our in-year internal qualitative assessments of committees have confirmed a broadly positive picture in relation to effectiveness. Where they have undertaken board effectiveness reviews in arm's length bodies, these findings have also been positive.

On the effectiveness of control and compliance with required controls, they have confirmed that this position has remained static across recent years. There are areas where they highlight good practice within the department, however they have also continued to raise issues with clarity of accountabilities, the understanding of control effectiveness and how internal assurance structures operate to provide management with confidence over the operation of control. This is also replicated across the agencies and arm's length bodies where they have identified some areas of strong practice in understanding assurance and compliance but also areas where this needs to be improved. They state that gaining a clearer, consistent approach to ensuring clarity of accountabilities, how those accountabilities should be discharged and how senior management, including the Principal Accounting Officer, can have confidence over effectiveness of operation of key processes remain challenges for the financial year 2025 to 2026.

External audit

The National Audit Office scrutinises public spending on behalf of Parliament, auditing financial statements to hold government to account and improve public services.

The notional cost of the statutory audit for the core department was £789,400 (previous financial year: £757,250), which also includes the statutory external audit of the consolidated accounts, Office of the Accountant General and the Judicial Pension Scheme. The total cost of statutory external audits across the departmental group was £2,971,400, of which £639,500 was cash and £2,331,900 was notional cost (previous financial year: £2,715,050 comprising £592,800 cash and £2,122,250 notional cost). The notional external audit cost includes the cost of the HMCTS Trust Statement which is not consolidated as part of these accounts.

HM Treasury Corporate Governance Code

As part of the preparation of this report, the department considered its compliance with the HM Treasury Corporate Governance Code for Central Government Departments. This year there were two departures from the recommendations.

The code states that the Board should meet on at least a quarterly basis. The Departmental Board convened twice during the financial year, reflecting the transition period under the new administration.

The code states that the Nominations Committee should be chaired by the lead non-executive. While the lead non-executive is a member, the committee was chaired by the Permanent Secretary in this financial year.

Independent oversight of assurance arrangements

The department is subject to independent oversight in several areas. This oversight included:

- National Audit Office reports (including value for money) and the audit report for the annual report and accounts
- Infrastructure and Projects Authority reviews
- feedback from the Major Projects Review Group
- Cabinet Office and HM Treasury representation on programme boards
- HM Chief Inspector of Prisons publications and annual report
- HM Chief Inspector of Probation publications and annual report
- regular Independent Monitoring Board reports
- Ofsted reports
- Public Accounts Committee

Conclusion

I have considered the handover reporting provided by the former interim Permanent Secretary alongside evidence provided regarding the production of the governance statement and the independent advice and assurance provided by the Audit and Risk Assurance Committee. I conclude that the department has satisfactory governance and risk management systems in place with the necessary policies and procedures to support MoJ 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 responsible.

Dr Jo Farrar CB OBE
Permanent Secretary and Principal Accounting Officer

24 October 2025

Remuneration and staff report

The remuneration and staff report summarises the department's policy on remuneration of ministers, executive board members, non-executive board members and staff. It also provides details of actual costs and contractual arrangements.

The remuneration and staff report has been prepared in accordance with the requirements of the Government Financial Reporting Manual as issued by HM Treasury.

Remuneration policy

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

- the pay and pensions of MPs and their allowances
- peers' allowances
- the pay, pensions and allowances of ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975 (as amended)

In reaching its recommendations, the Review Body on Senior Salaries has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities
- regional and 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 DEL
- the government's inflation target

The [Review Body on Senior Salaries](#) takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.⁹²

Board members and senior civil servants' remuneration

The salaries of MoJ Departmental Board members (excluding the ministerial and non-executive members) are determined in line with the Cabinet Office SCS reward policy. Non-consolidated performance-related payments for senior civil servants are determined by the Executive Committee (SCS pay band 1 and 2) and the Nominations Committee (SCS pay band 3).

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 Commission can be found at: www.civilservicecommission.org.uk

Remuneration and pension entitlement

The following sections provide details of the remuneration and pension interests of the ministers and most senior management (such as board members) of the department.

92 Review Body on Senior Salaries: www.gov.uk/government/organisations/review-body-on-senior-salaries

Remuneration: salary and payments in kind (audited)

Remuneration	2024-25					2023-24				
	Total amount of salary and fees	All taxable benefits (nearest £100)	Pension-related benefits (nearest £1,000) ⁹³	Severance payments	Total (nearest £1,000)	Total amount of salary and fees	All taxable benefits (nearest £100)	Pension-related benefits (nearest £1,000)	Severance payments	Total (nearest £1,000)
Ministers^{94,95}	£	£	£	£	£	£	£	£	£	£
The Rt Hon Shabana Mahmood MP, Lord Chancellor and Secretary of State for Justice (from 5 July 2024)	49,721 (FYE 67,505)	-	13,000	-	62,000	-	-	-	-	-
Lord Timpson OBE, Minister of State for Justice (from 5 July 2024)	-	-	-	-	-	-	-	-	-	-
Heidi Alexander MP, Minister of State for Justice (from 8 July 2024 to 28 November 2024)	12,604 (FYE 31,680)	-	3,000	-	16,000	-	-	-	-	-

⁹³ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

⁹⁴ There was a change in the ministerial team following the general election on 4 July 2024. Information disclosed relates to the period in which the individuals were in post as ministers. When a minister moves from one department to another, the exporting department pays their salary at the current rate of pay until the end of the month of departure, and the importing department pays in the following month at the appropriate salary plus any arrears.

⁹⁵ Lord Ponsonby of Shulbrede and Sir Nic Dakin MP are paid by HM Treasury. Laura Farris is paid by Home Office. Lord Timpson OBE and Lord Christopher Bellamy KC served as unpaid ministers.

Remuneration	2024-25					2023-24				
	Total amount of salary and fees	All taxable benefits (nearest £100)	Pension-related benefits (nearest £1,000) ⁹³	Severance payments	Total (nearest £1,000)	Total amount of salary and fees	All taxable benefits (nearest £100)	Pension-related benefits (nearest £1,000)	Severance payments	Total (nearest £1,000)
Ministers^{94,95}	£	£	£	£	£	£	£	£	£	£
Alex Davies-Jones MP, Parliamentary Under Secretary of State for Justice (from 9 July 2024)	16,300 (FYE 22,375)	-	4,000	-	21,000	-	-	-	-	-
Lord Ponsonby of Shulbrede, Parliamentary Under Secretary of State for Justice (from 9 July 2024)	-	-	-	-	-	-	-	-	-	-
Sir Nic Dakin MP, Parliamentary Under Secretary of State for Justice (from 23 July 2024)	-	-	-	-	-	-	-	-	-	-
Sarah Sackman KC MP, Minister of State for Justice (from 2 December 2024)	10,475 (FYE 31,680)	-	3,000	-	13,000	-	-	-	-	-
The Rt Hon Alex Chalk KC MP, Lord Chancellor and Secretary of State for Justice (from 21 April 2023 to 5 July 2024)	17,784 (FYE 67,505)	-	4,000	16,876	39,000	63,755 (FYE 67,505)	-	16,000	-	80,000

Remuneration	2024-25						2023-24				
	Total amount of salary and fees	All taxable benefits (nearest £100)	Pension-related benefits (nearest £1,000) ⁹³	Severance payments	Total (nearest £1,000)		Total amount of salary and fees	All taxable benefits (nearest £100)	Pension-related benefits (nearest £1,000)	Severance payments	Total (nearest £1,000)
Ministers^{94,95}	£	£	£	£	£		£	£	£	£	£
Lord Christopher Bellamy KC, Parliamentary Under Secretary of State for Justice (from 7 June 2022 to 5 July 2024)	-	-	-	-	-		-	-	-	-	-
Mike Freer MP, Parliamentary Under Secretary of State for Justice (from 20 September 2022 to 5 July 2024)	5,894 (FYE 22,375)	-	1,000	5,593	13,000		22,375	-	6,000	-	28,000
The Rt Hon Edward Argar MP, Minister of State for Justice (from 27 October 2022 to 5 July 2024)	8,346 (FYE 31,680)	-	2,000	7,920	18,000		31,680	-	8,000	-	40,000
Laura Farris MP, Parliamentary Under Secretary of State for Justice (from 13 November 2023 to 5 July 2024)	-	-	-	-	-		-	-	-	-	-

Remuneration	2024-25						2023-24					
	Total amount of salary and fees	All taxable benefits (nearest £100)	Pension-related benefits (nearest £1,000) ⁹³	Severance payments	Total (nearest £1,000)		Total amount of salary and fees	All taxable benefits (nearest £100)	Pension-related benefits (nearest £1,000)	Severance payments	Total (nearest £1,000)	
Ministers ^{94,95}	£	£	£	£	£		£	£	£	£	£	£
Gareth Bacon MP, Parliamentary Under Secretary of State for Justice (from 13 November 2023 to 5 July 2024)	5,894 (FYE 22,375)	-	1,000	5,593	13,000		8,577 (FYE 22,375)	-	2,000	-	11,000	
The Rt Hon Damian Hinds MP, Minister of State for Justice (from 27 October 2022 to 12 November 2023)	-	-	-	-	-		19,624 (FYE 31,680)	-	5,000	-	24,000	
The Rt Hon Dominic Raab MP, Deputy Prime Minister, Lord Chancellor and Secretary of State for Justice (to 20 April 2023) ⁹⁶	-	-	-	-	-		3,750 (FYE 67,505)	-	-	16,876	21,000	

96 Dominic Raab MP opted out of the pension scheme.

Remuneration: salary and payments in kind (audited)

Remuneration	2024-25						2023-24	
	Total amount of salary and fees	All taxable benefits (nearest £100)	Bonuses paid ⁹⁷	Pension-related benefits (nearest £1,000) ⁹⁸	Total	Total amount of salary and fees	All taxable benefits (nearest £100)	Pension-related benefits (nearest £1,000)
Senior managers	£000	£000	£000	£000	£000	£000	£000	£000
Dame Antonia Romeo DCB, Permanent Secretary	205-210	-	-	63	270-275	195-200	-	91
Amy Rees, Chief Executive, HMPPS ^{99,100}	175-180	40.2	15-20	25	260-265	160-165	33.1	23
Nick Goodwin, Chief Executive, HMCTS ¹⁰¹	145-150	-	0-5	85	230-235	135-140	-	54
Jerome Glass, Director General, Policy Group – Courts and Access to Justice	145-150	-	10-15	87	245-250	140-145	-	61
James McEwen, Chief Operating Officer	165-170	-	10-15	141	320-325	150-155	-	82

⁹⁷ Bonus figures include performance-related pay relating to the performance in the previous financial year, which was paid out in this financial year.

⁹⁸ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) 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.

⁹⁹ Amy Rees is remunerated by HMPPS. Her remuneration is also published in the HMPPS annual report and accounts for the financial year ending 31 March 2025.

¹⁰⁰ Amy Rees is a member of the partnership pension scheme and as such did not accrue Principal Civil Service Pension Scheme benefits. The employer contributions to her partnership pension account are included in the 'Pension-related benefits' column of this table and the cash equivalent transfer value (CETV) table.

¹⁰¹ Nick Goodwin is remunerated by HMCTS. His remuneration is also published in the HMCTS annual report and accounts for the financial year ending 31 March 2025.

Remuneration	2024-25					2023-24				
	Total amount of salary and fees	All taxable benefits (nearest £100)	Bonuses paid ⁹⁷	Pension-related benefits (nearest £1,000) ⁹⁸	Total	Total amount of salary and fees	All taxable benefits (nearest £100)	Bonuses paid	Pension-related benefits (nearest £1,000)	Total
Senior managers	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Ross Gribbin, Director General, Policy – Prisons, Offenders and International Justice (from 16 November 2023)	145-150	-	15-20	112	270-275	50-55 (135-140 FYE)	-	0-5	27	80-85
Megan Lee-Devlin, Director General, Service Delivery Transformation (from 28 March 2024 to 16 March 2025)	175-180 (FYE 185-190)	-	0-5	69	245-250	0-5 (170-175 FYE)	-	-	1	0-5
Amy Holmes, Interim Director General, Service Delivery Transformation (from 17 March 2025)	5-10 (FYE 125-130)	-	-	5	10-15	-	-	-	-	-
Richard Price, Director General, Performance, Strategy and Analysis (to 31 October 2024)	85-90 (FYE 145-150)	-	-	81	165-170	140-145	-	-	53	190-195
Jo Farrar, Second Permanent Secretary (to 31 May 2023)	-	-	-	-	-	25-30 (165-170 FYE)	-	-	4	30-35

Remuneration: salary and payments in kind (audited)

	2024-25			2023-24		
Non-executive board members ¹⁰²	Fees (excluding performance-related remuneration)	All taxable benefits (nearest £100)	Bonuses paid	Fees (excluding performance-related remuneration)	All taxable benefits (nearest £100)	Bonuses paid
	£000	£000	£000	£000	£000	£000
Mark Rawlinson, Lead Non-Executive Member	20-25	-	-	20-25	-	-
Paul Smith, Non-Executive Member and Chair of Audit and Risk Assurance Committee	20-25	-	-	20-25	-	-
Mark Beaton, Non-Executive Member	10-15	6.0	-	10-15	0.5	-
Jennifer Rademaker, Non-Executive Member (from 21 August 2023)	10-15	-	-	5-10	-	-
Jonathan Spence, Non-Executive Member (from 21 August 2023)	10-15	2.4	-	5-10	1.4	-
Andrew Robb, Non-Executive Member (from 21 August 2023)	10-15	-	-	5-10	-	-

¹⁰² Information disclosed relates to the period in which the individuals were in post as senior managers or non-executive board members. None of the non-executive board members have pension entitlements with the department.

Salary

'Salary' includes:

- gross salary
- overtime
- reserved rights to London weighting or London allowances
- recruitment and retention allowances
- private office allowances
- any other allowance to the extent that it is subject to UK taxation

This report is based on accrued payments made by the department and therefore recorded in these accounts. In respect of ministers in the House of Commons, departments bear only the cost of the additional ministerial remuneration. The salary for their services as an MP (£91,346 from 1 April 2024) and various allowances to which they are entitled are borne centrally.

Ministers in the House of Lords do not receive a salary but rather an additional remuneration, which cannot be quantified separately from their ministerial salaries. This total remuneration, as well as the allowances to which they are entitled, is paid by the department and is therefore shown in full in the figures above.

Benefits in kind

Taxable benefits include all benefits in kind and taxable cash benefits. The monetary value of benefits in kind covers any benefits provided by the department and treated by HM Revenue and Customs as a taxable emolument. Benefits recognised relate to travel and subsistence.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. Permanent Secretary bonuses are determined by the Permanent Secretary Remuneration Committee within Cabinet Office.

Bonuses for SCS pay band 3 are determined by the Permanent Secretary, as advised by the Nominations Committee which includes the lead non-executive board member and the Chief People Officer. The bonuses reported in the this financial year relate to performance in the financial years 2024 to 2025 and 2023 to 2024. The comparative bonuses reported for the previous financial year relate to performance in the financial years 2023 to 2024 and 2022 to 2023.

Pension entitlements: ministerial pensions (audited)

	Accrued pension at age 65 as at 31 March 2025		Real increase in pension at age 65		CETV at 31 March 2025		CETV at 31 March 2024 ¹⁰³		Real increase/ (decrease) in CETV
	£000		£000		£000		£000		£000
Ministers ^{104,105}									
The Rt Hon Shabana Mahmood MP, Lord Chancellor and Secretary of State for Justice (from 5 July 2024)	0-5		0-2.5		12		-		7
Lord Timpson OBE, Minister of State for Justice (from 5 July 2024)	-		-		-		-		-
Heidi Alexander MP, Minister of State for Justice (from 8 July 2024 to 28 November 2024)	0-5		0-2.5		4		-		2
Alex Davies-Jones MP, Parliamentary Under Secretary of State for Justice (from 9 July 2024)	0-5		0-2.5		4		-		2
Lord Ponsonby of Shulbrede, Parliamentary Under Secretary of State for Justice (from 9 July 2024)	-		-		-		-		-
Sir Nic Dakin MP, Parliamentary Under Secretary of State for Justice (from 23 July 2024)	-		-		-		-		-
Sarah Sackman KC MP, Minister of State for Justice (from 2 December 2024)	0-5		0-2.5		8		-		1

¹⁰³ The 'CETV at 31 March 2024' figure may differ to the figure used for the end date in the previous year's published accounts. This is due to a change in the factors used in part of the calculation since the previous figures were run.

¹⁰⁴ These ministers were not paid by MoJ during the reporting year. Lord Timpson OBE and Lord Christopher Bellamy KC served as unpaid ministers, therefore no pension benefits were received by them from MoJ. Lord Ponsonby of Shulbrede, Sir Nic Dakin MP, and Laura Farris MP were paid by another government department.

¹⁰⁵ Information disclosed relates to the full year, whereas dates included relate to the period in which the individuals were in post as ministers.

	Accrued pension at age 65 as at 31 March 2025	Real increase in pension at age 65	CETV at 31 March 2025	CETV at 31 March 2024 ¹⁰³	Real increase/ (decrease) in CETV
	£000	£000	£000	£000	£000
Ministers ^{104,105}					
The Rt Hon Alex Chalk KC MP, Lord Chancellor and Secretary of State for Justice (from 21 April 2023 to 5 July 2024)	0-5	0-2.5	49	44	2
Lord Christopher Bellamy KC, Parliamentary Under Secretary of State for Justice (from 7 June 2022 to 5 July 2024)	-	-	-	-	-
Mike Freer MP, Parliamentary Under Secretary of State for Justice (from 20 September 2022 to 5 July 2024)	0-5	0-2.5	56	53	1
The Rt Hon Edward Argar MP, Minister of State for Justice (from 27 October 2022 to 5 July 2024)	0-5	0-2.5	51	48	1
Laura Farris MP, Parliamentary Under Secretary of State for Justice (from 13 November 2023 to 5 July 2024)	-	-	-	-	-
Gareth Bacon MP, Parliamentary Under Secretary of State for Justice (from 13 November 2023 to 5 July 2024)	0-5	0-2.5	4	3	1
The Rt Hon Damian Hinds MP, Minister of State for Justice (from 27 October 2022 to 12 November 2023)	-	-	-	-	-
The Rt Hon Dominic Raab MP, Deputy Prime Minister, Lord Chancellor and Secretary of State for Justice (to 20 April 2023)	-	-	-	-	-

Ministerial pension benefits

Pension benefits for ministers are provided by the Parliamentary Contributory Pension Fund. The scheme is made under statute and the rules are set out in the [Ministers' Etc. Pension Scheme 2015](#).¹⁰⁶

Those ministers who are MPs may also accrue an MP's pension under the Parliamentary Contributory Pension Fund (details of which are not included in this report).

Benefits for ministers are payable from state pension age under the 2015 scheme. Pensions are revalued annually in line with pensions increase legislation both before and after retirement. The contribution rate from May 2015 is 11.1% and the accrual rate is 1.775% of pensionable earnings.

The figure shown for pension value includes the total pension payable to the member under both the pre- and post-2015 ministerial pension schemes.

Cash equivalent transfer value

This 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 cash equivalent transfer value (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 pension benefits they have accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total ministerial service, not just their current appointment as a minister. 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 to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

106 Parliamentary Contributory Pension Fund: <https://mycpfpension.co.uk/wp-content/uploads/2019/09/ministerial-pension-scheme-rules.pdf>

Real increase in value of the case equivalent transfer value

This is the element of the increase in accrued pension funded by the Exchequer. It excludes increases due to inflation and contributions paid by the minister. It is worked out using common market valuation factors for the start and end of the period.

Civil Service pensions (audited)

	Accrued pension and related lump sum at pension age as at 31 March 2025	Real increase in pension and related lump sum at pension age	CETV at 31 March 2025	CETV at 31 March 2024	Real increase/ (decrease) in CETV	Employer partnership pension account at 31 March 2025
Senior managers	£000	£000	£000	£000	£000	Nearest £100
Dame Antonia Romeo DCB, Permanent Secretary	60-65 plus a lump sum of 145-150	2.5-5 plus a lump sum of 0	1,310	1,214	36	-
Amy Rees, Chief Executive, HMPPS ¹⁰⁷	-	-	-	-	-	24,900
Nick Goodwin, Chief Executive, HMCTS ¹⁰⁸	45-50 plus a lump sum of 115-120	2.5-5 plus a lump sum of 2.5-5	998	890	63	-
Jerome Glass, Director General, Policy Group – Courts and Access to Justice	50-55	2.5-5	863	767	56	-
James McEwen, Chief Operating Officer	65-70	7.5-10	1,094	945	102	-

¹⁰⁷ Amy Rees is a member of the partnership pension scheme. No Principal Civil Service Pension Scheme benefits were accrued in this financial year (previous financial year: £0). There were no employer contributions to the Local Government Pension Scheme. Amy Rees' remuneration is also published in the HMPPS annual report and accounts 2024 to 2025.

¹⁰⁸ Nick Goodwin's remuneration is also published in the HMCTS annual report and accounts 2024 to 2025.

	Accrued pension and related lump sum at pension age as at 31 March 2025	Real increase in pension and related lump sum at pension age	CETV at 31 March 2025	CETV at 31 March 2024	Real increase/ (decrease) in CETV	Employer partnership pension account at 31 March 2025
	£000	£000	£000	£000	£000	Nearest £100
Senior managers						
Ross Gribbin, Director General, Policy – Prisons, Offenders and International Justice (from 16 November 2023)	40-45	5-7.5	698	587	78	-
Megan Lee-Devlin, Director General, Service Delivery Transformation (from 28 March 2024 to 16 March 2025)	15-20	2.5-5	160	108	30	-
Amy Holmes, Interim Director General, Service Delivery Transformation (from 17 March 2025)	35-40 plus a lump sum of 90-95	0-2.5 plus a lump sum of 0-2.5	745	740	4	-
Richard Price, Director General, Performance, Strategy and Analysis (to 31 October 2024)	60-65 plus a lump sum of 155-160	2.5-5 plus a lump sum of 5-7.5	1,460	1,336	75	-
Jo Farrar, Second Permanent Secretary (to 31 May 2023) ¹⁰⁹	-	-	-	-	-	-

¹⁰⁹ Dr Jo Farrar is a member of the partnership pension scheme. No Principal Civil Service Pension Scheme benefits were accrued in this financial year (previous financial year: £0). There were no employer contributions to the Local Government Pension Scheme.

Civil Service pensions

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

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

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

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

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

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy is made up of two parts.¹¹⁰ The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as 'rollback'.

110 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

The accrued pension benefits, cash equivalent transfer value and single total figure of remuneration reported for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the PCSPS for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the PCSPS for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal and General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website: www.civilservicepensionscheme.org.uk

Fair pay disclosure

This section has been subject to audit.

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in MoJ in the financial year 2024 to 2025 was £235,000 to £240,000 (previous financial year: £215,000 to £220,000). This was 6.9 times (previous financial year: 6.7) the median remuneration of the workforce, which was £34,649 (previous financial year: £32,539).

12 employees (previous financial year: 20), with their pay annualised, received remuneration in excess of the highest paid director. These were agency staff who worked for a part of the reporting year. In line with fair pay disclosure guidance, remuneration for agency workers has been annualised to arrive at the figures disclosed and does not reflect actual remuneration payments made to agency staff in this financial year.

Of the 12 agency workers, 10 (previous financial year: 9) worked less than 30 days in the year, and 1 (previous financial year: 3) received actual compensation in excess of the highest paid director. Remuneration ranged from £20,000 to £25,000, to £310,000 to £315,000 (previous financial year: £20,000 to £25,000, to £365,000 to £370,000).

No permanent staff received remuneration in excess of the highest paid director.

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

Table 1 - Annual percentage change in remuneration of highest paid director and staff

	2024-25		2023-24	
	Salary	Bonus payments	Salary	Bonus payments
Staff average	6%	-7%	10%	29%
Highest paid director	6%	6%	-11%	-

The highest paid director received a bonus of £17,500 in the financial year 2024 to 2025 and a bonus of £16,500 in the financial year 2023 to 2024. In the financial year 2022 to 2023 the highest paid director did not receive a bonus, so a comparative percentage cannot be calculated for 2023 to 2024.

Table 2 - 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	8.5:1	6.9:1	5.7:1
2023-24	8.1:1	6.7:1	5.5:1

The ratio between the highest paid director's remuneration and the staff lower quartile, median and upper quartile increased due to a larger percentage increase in total remuneration of the highest paid director than staff pay.

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

Table 3 - Lower quartile, median and upper quartile remuneration for staff

	Lower quartile		Median		Upper quartile	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Salary	27,840	26,653	34,345	32,268	41,781	39,821
Total remuneration	27,986	27,000	34,649	32,539	42,000	39,821

Compensation for loss of office

This section has been subject to audit.

The Rt Hon Alex Chalk KC MP received compensation of £16,876.

The Rt Hon Edward Argar MP received compensation of £7,920.

Mike Freer MP received compensation of £5,593.

Gareth Bacon MP received compensation of £5,593.

Staff numbers and composition

This section has been subject to audit.

Staff costs

Departmental group

	2024-25				2023-24
	Permanently employed staff ¹¹¹	Other	Ministers ¹¹²	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	3,672,453	240,421	412	3,913,286	3,740,548
Social security costs ¹¹³	400,846	2,205	38	403,089	375,659
Other pension costs	894,076	55	-	894,131	791,876
Sub-total	4,967,375	242,681	450	5,210,506	4,908,083
Early departure costs	32,690	-	-	32,690	45,052
Early departure provisions	(32)	-	-	(32)	-
Add inward secondments	4,880	2,815	-	7,695	25,788
Less recoveries in respect of outward secondments	(12,546)	(10)	-	(12,556)	(13,894)
Total net costs	4,992,367	245,486	450	5,238,303	4,965,029
<i>Of which:</i>					
Core department and agencies	4,750,749	204,067	450	4,955,266	4,701,233
Non-departmental public bodies	241,618	41,419	-	283,037	263,796
	4,992,367	245,486	450	5,238,303	4,965,029

During the financial year 2024 to 2025, £18.1 million of staff costs (previous financial year: £26.5 million) have been capitalised.

The department has disclosed information on the number of hours and associated cost to the department of employees who were relevant union officials during the financial year in Annex F.

111 Includes staff on permanent and fixed-term contracts.

112 Ministers' costs include costs of Scotland Office ministers and staff which are recovered as secondment income.

113 The apprenticeship levy, implemented across England on 6 April 2017, is an employment tax of 0.5% of the annual pay bill and these costs are included within social security costs.

Under the Ministerial and Other Salaries Act 1975, the salary and social security costs of the Lord Chancellor, included under 'Ministers' above, are paid from the Consolidated Fund. In the financial year 2024 to 2025, the Lord Chancellor's full year equivalent salary was £67,505 (previous financial year: £67,505) and the associated combined social security costs were £8,060 (previous financial year: £8,627). Four severance payments totalling £35,982 were made to ministers (previous financial year: one payment of £16,876).

Special advisers are temporary civil servants. In order to improve efficiency, the administration of staff costs for all special advisers across government was moved to the Cabinet Office in July 2019, with corresponding budget cover transfers. Therefore, special adviser costs are now reported in the Cabinet Office annual report and accounts. Special advisers remain employed by the respective departments of their appointing minister.

In line with the Constitutional Reform and Governance Act 2010 and the model contract for special advisers, a special adviser's appointment automatically ends when their appointing minister leaves office. Special advisers are not entitled to a notice period but receive contractual termination benefits to compensate for this. Termination benefits are based on length of service and capped at six months' salary.

If a special adviser returns to work for the government following the receipt of a severance payment, the payment is required to be repaid, less a deduction in lieu of wages for the period until their return. Termination costs for special advisers are reported in the Cabinet Office annual report and accounts.

The PCSPS and the Civil Servants and Other Pension Scheme (known as alpha) are unfunded multi-employer defined benefit schemes where the department is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2020. Details can be found in the accounts of the Cabinet Office: Civil Superannuation on GOV.UK.

For this financial year, employers' contributions of £743.2 million were payable to the PCSPS (previous financial year: £648.6 million) at a single rate of 28.97% of pensionable earnings (previous financial year: at one of four rates which ranged from 26.6% to 30.3% of pensionable pay, based on salary bands). The scheme actuary reviews employer contributions approximately every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during this financial year to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employer pension contributions equivalent to 0.5% (previous financial year: 0.5%) of pensionable pay were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of employees in the PCSPS.

Past employees of the probation trusts, and Local Government Pension Scheme probation staff who transferred to community rehabilitation companies and HMPPS' National Probation Service, are covered by the provisions of the Local Government Pension Scheme via one pension fund, Greater Manchester Pension Fund, administered by Tameside Metropolitan Borough Council. For the year to 31 March 2025, HMPPS paid employers' contributions of £192.9 million to the Greater Manchester Pension Fund, relating to current probation staff, at 26.5% (previous financial year: £181.1 million at 26.5%).

Past employees of the community rehabilitation companies are also members of the Local Government Pension Scheme via the Greater Manchester Pension Fund. This financial year, MoJ paid employers' contributions of £0.4 million in respect of these staff (previous financial year: £0.6 million).

Employees of Cafcass are members of the Local Government Pension Scheme through the West Yorkshire Pension Fund. This financial year employer contributions of £17.5 million were payable at a rate of 18.6% (previous financial year: £17.7 million at a rate of 19.4%).

Employees can opt to open a partnership pension account, which is a stakeholder pension with an employer contribution. Employers' contributions to partnership pension accounts were £2.2 million (previous financial year: £2.0 million) and were paid to one or more of the three appointed stakeholder pension providers. Employer contributions, which are age-related, ranged from 8% to 14.75% (previous financial year: 8% to 14.75%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

The NEST Defined Contribution Scheme is offered to individuals working in HMPPS who are not civil servants and therefore not eligible to join the Civil Service Pension Scheme or the Local Government Pension Scheme. For the year to 31 March 2025, employer contributions of £0.03 million were paid (previous financial year: £0.03 million).

In addition, other pension costs include Greater Manchester Pension Fund pension cost recharge adjustments of £64.8 million (previous financial year: £60.8 million), West Yorkshire Pension Fund pension cost recharge adjustments of £1.3 million (previous financial year: £0.3 million), and other pension scheme costs of £3.3 million (previous financial year: £2.8 million) for some of the department's arm's length bodies. For further details on employers' pension contributions and contribution rates for the Legal Services Commission, Cafcass and probation pension schemes, refer to Note 25.

24 employees (previous financial year: 57 employees) retired early on ill health grounds. The total additional accrued pension liabilities in the year were £123,000 (previous financial year: £320,000).

Judicial costs

Departmental group

	2024-25				2023-24
	Senior judicial salaries	Other judicial salaries	Fee-paid judiciary	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	172,502	134,335	160,717	467,554	432,930
Social security costs	23,143	17,771	16,857	57,771	53,846
Other pension costs	105,623	83,264	73,632	262,519	201,983
Total net costs	301,268	235,370	251,206	787,844	688,759

The Judicial Pension Scheme is an unfunded multi-employer defined benefit scheme which prepares its own accounts, but for which the department (through HMCTS) is unable to identify its share of the liabilities. Details of the most recent completed valuation (as at March 2020) are available in the [Judicial Pension Scheme annual report and accounts 2024 to 2025](#).¹¹⁴

Judicial pensions are paid out of the Consolidated Fund where the judicial office holder's salary was paid from that fund, or the Judicial Pension Scheme where the salary has been paid from the department's Supply Estimate. Contributions to the Judicial Pension Scheme have been made at a rate of 62.55%.

The benefits payable are governed by the provisions of either: the Judicial Pensions Regulations 2022 (for all judicial office holders appointed from 1 April 2022), the Judicial Pensions Regulations 2015 (for judicial office holders appointed between 1 April 2015 and 31 March 2022 and existing judicial office holders who are not in scope of the McCloud remedy), the Judicial Pensions Act 1981 or the Judicial Pensions and Retirement Act 1993 (for those remaining in these schemes due to the McCloud options choice made), and the Judicial Pensions Regulations 2017 (for eligible fee-paid judges with reckonable service up to 31 March 2015).

The Judicial Pensions Regulations 2022 replaced the legacy schemes for judicial office holders appointed from 1 April 2022. The department makes employer contributions to the Judicial Pension Scheme in respect of this scheme as service is incurred.

¹¹⁴ Ministry of Justice (2025), Judicial Pension Scheme annual report and accounts 2024 to 2025. Available at: www.gov.uk/government/publications/judicial-pensions-scheme-annual-report-and-accounts-2024-to-2025

Staff numbers

Departmental group

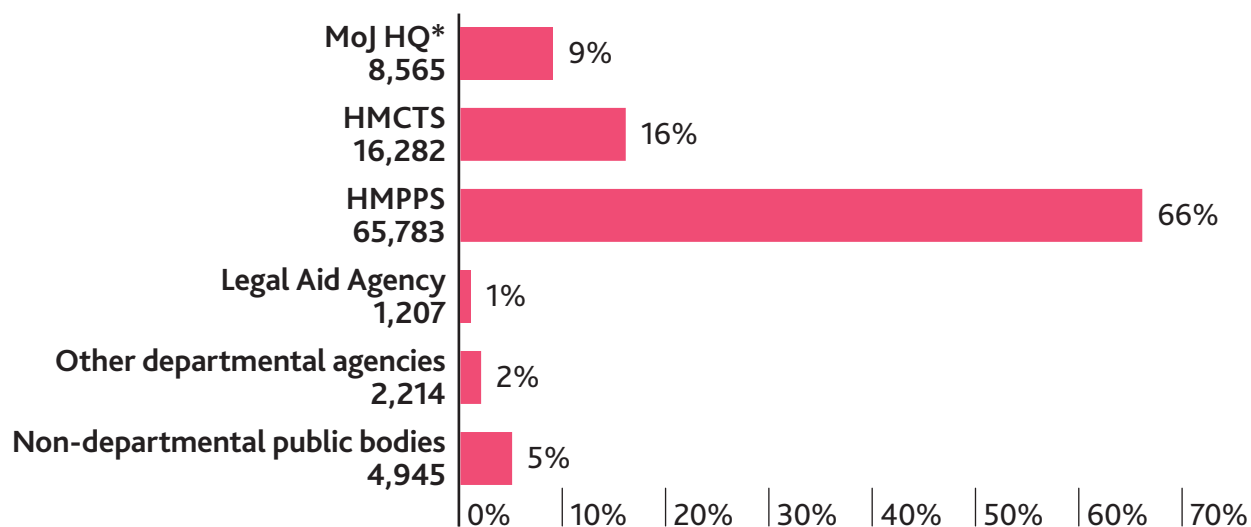
The average number of full-time equivalent persons employed during the year was as follows:

	2024-25					2023-24
	Permanently employed staff ¹¹⁵	Other	Ministers	Special advisers	Total	Total
Moj HQ and associated offices¹¹⁶						
Chief Operating Officer Group	3,000	74	0.4	0.2	3,074	3,040
Policy Group	2,380	1	3.6	1.9	2,386	2,242
Service Transformation Group	2,357	398	-	-	2,755	2,212
Agencies						
HMCTS	14,418	1,863	0.6	0.3	16,282	16,423
OPG	1,702	210	0.1	-	1,912	1,806
HMPPS	64,824	957	1.1	0.6	65,783	65,111
LAA	1,204	2	0.3	0.2	1,207	1,143
CICA	302	-	0.1	-	302	306
Non-departmental bodies						
Non-departmental public bodies	4,366	579	-	-	4,945	4,779
Capital projects						
Staff engaged in capital projects	259	91	-	-	350	254
Total	94,812	4,175	6.2	3.2	98,996	97,316
<i>Of which:</i>						
Core departments and agencies	90,446	3,596	6.2	3.2	94,051	92,537
Non-departmental public bodies	4,366	579	-	-	4,945	4,779
Total	94,812	4,175	6.2	3.2	98,996	97,316

¹¹⁵ Includes staff on permanent and fixed-term contracts. Data for agencies is taken from agency published accounts.

¹¹⁶ Under a restructuring exercise, the functions of Performance Strategy and Analysis and its staff were realigned into other business groups. Therefore, MoJ HQ figures for this financial year are not comparable to the figures from the previous financial year.

Average number of full-time equivalent staff employed in the year



*Includes staff engaged in capital projects

Average number of full-time equivalent judiciary in post in the year

	2024-25				2023-24
	Senior judicial salaried	Other judicial salaried	Fee-paid judiciary	Total	Total
Core department and agencies	1,010	968	1,109	3,087	3,031
Total	1,010	968	1,109	3,087	3,031

The judiciary is independent. Their payroll costs disclosed within HMCTS are met either directly from the Consolidated Fund, in the case of senior judiciary, or by the department for other judiciary. All costs are included within these accounts to ensure that the full cost is disclosed.

Civil Service and other compensation schemes – exit packages

This section has been subject to audit.

Exit package cost band	2024-25				2023-24			
	Compulsory redundancies	Other compensated departures	Total number	Total exit packages	Compulsory redundancies	Other compensated departures	Total number	Total exit packages
	Number	Number	Number	Number	Number	Number	Number	Number
Less than £10,000	-	214	214	214	-	169	169	169
£10,000 - £25,000	-	114	114	114	-	126	126	126
£25,001 - £50,000	-	99	99	99	-	170	170	170
£50,001 - £100,000	-	316	316	316	-	309	309	309
£100,001 - £150,000	-	39	39	39	-	107	107	107
£150,001 - £200,000	-	3	3	3	-	8	8	8
£200,001 - £250,000	-	1	1	1	-	3	3	3
£250,001 - £300,000	-	-	-	-	-	-	-	-
£300,001 - £350,000	-	-	-	-	-	1	1	1
Total number of exit packages by type	-	786	786	786	-	893	893	893

	2024-25			2023-24		
	Compulsory redundancies	Other compensated departures	Total exit packages	Compulsory redundancies	Other compensated departures	Total exit packages
<i>Of which:</i>						
Core department and agencies	-	786	786	-	893	893
Non-departmental public bodies	-	-	-	-	-	-
Total cost of exit packages by type (£000)	-	34,674	34,674	-	46,647	46,647
<i>Of which:</i>						
Core department and agencies	-	34,674	34,674	-	46,647	46,647
Non-departmental public bodies	-	-	-	-	-	-

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in accordance with IAS 19 Employee Benefits within the financial statements. The table above discloses exit packages in the year the exit package is confirmed. Where the department has agreed early retirements, the additional costs are met by the department and not by the PCSPS. Ill health retirement costs are met by the pension scheme and are not included in the table above.

In this financial year, the figures include six departures of £0.7 million for HMPPS staff members leaving under a voluntary departure scheme as part of the delivery of the One HMPPS model. HMPPS is committed to savings on non-frontline staffing by redefining HQ to deliver more efficient and effective support to frontline services. Some of these exits relate to staff who are members of the Local Government Pension Scheme, a funded scheme, and therefore result in additional costs. Other departure exit costs include 67 within the Chief Operating Officer Group and MoJ senior civil servants on voluntary exit terms at a value of £5.3 million within payment bands not exceeding £95,000.

Spend on consultancy and temporary staff

	2024-25			2023-24		
	Core and agencies	Non-departmental public bodies	Total	Core and agencies	Non-departmental public bodies	Total
	£000	£000	£000	£000	£000	£000
Consultancy	13,317	151	13,468	18,329	92	18,421
Temporary staff	198,599	18,388	216,987	232,874	15,891	248,765
Total	211,916	18,539	230,455	251,203	15,983	267,186

Consultants were used to support the delivery of the following strategic programmes.

- **Property Transformation Programme:** this aims to modernise the MoJ estate in England and Wales, particularly within prisons and probation, by transforming facilities management services to improve efficiency and reduce costs.
- **Service Transformation Programme:** this reviews all aspects of the IT architecture and systems, including hardware, software, network infrastructure, security measures and data management practices, identifying transformation options and supporting MoJ to create investment cases.

Our staff

Recruitment

Our recruitment is managed in accordance with the Civil Service Recruitment Principles which require appointments to be made on merit and on the basis of fair and open competition: civilservicecommission.independent.gov.uk/recruitment/recruitment-principles

MoJ continues to champion innovation to improve candidate and vacancy manager experience throughout the recruitment process, whether that be through the introduction of new technology or streamlining of our internal processes.

In November 2024, MoJ published an updated MoJ resourcing policy for delegated grades to ensure the department continued to have a policy which reflects legislation, Civil Service Commission guidelines and HR transactional processes.

This year, we have also made specific improvements to continue to embed inclusion principles within our recruitment model in the methods we use to attract, assess, select and retain diverse talent with the right skills, capabilities and motivation at all levels of the organisation so we can reflect the communities we serve. Inclusive recruitment guidance is available for vacancy managers to support them in embedding all elements of inclusion through each step of their recruitment campaigns. Furthermore, the department has published Diverse Interview Panel Guidance to support vacancy managers to ensure an inclusive sifting and interview process. To increase understanding of the Equality Act 2010 and the impact it has on recruitment, all MoJ People and Capability staff have access to inclusive recruitment workshops and separate one-day training on 'Making Fair and Effective Decisions in Recruitment'.

This year MoJ was shortlisted for the Civil Service Commission's 2024 Mark of Excellence Award. After winning the award in 2023, this year's nomination reflected the work undertaken to:

- embrace technology through the introduction of a new Applicant Tracking System, improvements to candidate communications and attraction tools such as through the introduction of a 'Match Me' tool for HMPPS
- improve visibility of a wide range of roles across the department through sophisticated brand campaigns
- introduce and improve routes for candidates into roles such as the Aspiring Prison and Probation Officer Pathways and a dedicated alumni scheme for former staff who wish to return to roles within HMPPS

Furthermore, over the last year MoJ has developed its offer for applicants from an Armed Forces background, through the development of the Advance into Justice Scheme. MoJ has gained accreditation for extended eligibility for the scheme to be targeted at all Armed Forces veterans, military spouses of serving veterans and those who have exited the Armed Forces within the last 12 months. This revamped campaign will be a permanent feature of our recruitment options for HMPPS roles in the future and its launch in May 2025 will be supported by a suite of marketing and communications to attract applications.

Extensive work has also been undertaken to update policy and practice within the hiring of people with convictions through the Going Forward into Employment Scheme. This work allowed the introduction of new guidance to support current and future staff, providing confidence to the business in using this scheme.

Case study:

CIPD People Development Partnership status

In February 2025, MoJ was awarded the Chartered Institute of Personnel and Development's (CIPD) People Development Partnership (PDP) status.

PDP recognises MoJ's support for its people, HR frameworks, and learning and development approaches which meet People Profession global standards.

PDP status reflects MoJ's dedication and commitment to five key focus areas:

- recognising the CIPD Profession Map as the international standard in the People Profession
- promoting and investing in professionalism aligned with CIPD's standards
- providing career development pathways for both aspiring and established people professionals
- promoting and investing in continuing professional development for people professionals
- collaborating with CIPD to promote and support the People Profession

MoJ joins a select group of Civil Service departments with CIPD PDP status, including the Department for Work and Pensions, the Home Office and the Ministry of Defence.



Employment of people with disabilities

MoJ continues to be an accredited Disability Confident Leader, demonstrating our commitment to attracting, recruiting, developing and retaining disabled people and those with long-term conditions. As part of that commitment, the department continues to ensure its processes, policies and organisational culture promote disability inclusion with leadership from a board-level disability champion, SCS disability leads and staff networks.

From a recruitment perspective, the department has improved access and timeliness regarding the offer of reasonable adjustments to candidates as part of the introduction of our new Applicant Tracking System. This includes providing animated clips to help candidates gain a better initial grasp of reasonable adjustment support for the job assessment process within our volume recruitment processes and how to apply for it. The aim is to provide guidance in a multi-sensory format. Additionally, candidate correspondence has been improved to remind candidates of reasonable adjustment support with text message reminders at every stage of the recruitment process.

Diversity, inclusion and wellbeing

MoJ is committed to equality and inclusion and to providing an employee experience that attracts and enables staff to do their best work. Aligned to our strategic ambition of achieving 'a culture rooted in our values' in the MoJ People Strategy and the commitments set out in the Civil Service People Plan, we want to attract talent from the broadest range of backgrounds to deliver innovative, effective services for the public.

In May 2025 we published the Professional Standards and Behaviour Review, conducted by an MoJ non-executive director. The review looked at organisational culture and how HMPPS applies policies, procedures and practice relating to bullying, harassment and discrimination. It contains 12 recommendations, all of which have been accepted. We are now actively working to implement them in collaboration with our trade unions and staff networks.

MoJ is also delivering cross-government social mobility initiatives including the Catapult mentoring and sponsorship scheme (around 16,000 participants) and the Schools Programme (500 events delivered in this financial year), supported by over 3,600 volunteer ambassadors across government.

We publish gender pay gap information annually, including our action plan to close the gap.

We monitor the impact of our employee policies and procedures via the effective use of equalities data. Staff diversity information is published in the departmental core diversity statistics section of this report on page 144, and MoJ staff diversity data can be found in the [Civil Service statistics tables](#).¹¹⁷

At the end of March 2025, women make up 51% of the department's SCS, and female representation across all grades is 58%.

Self-reporting rates (previously referred to as declaration rates) have risen in the department over the last year. Between March 2024 and March 2025, self-reporting rates have risen for disability (from 80% to 81%), religion (from 77% to 78%) and sexual orientation (from 78% to 79%). Meanwhile, self-reporting rates for ethnicity have remained stable at 85%.

At the end of March 2025, of those staff who have reported their ethnicity, 19% of staff (17% at March 2024) and 9% of SCS (9% at March 2024) are from ethnic minorities. Of those staff who have reported their disability status, 18% of staff (17% at March 2024) and 14% of SCS (13% at March 2024) have indicated that they have a disability.

Modern slavery

The MoJ Modern Slavery Leadership Group brings together leaders from the organisation's functions to provide leadership of this agenda at a corporate level.

MoJ contributes to the [cross-government modern slavery statement](#).¹¹⁸

117 Cabinet Office, Civil Service statistics. Available at: www.gov.uk/government/collections/civil-service-statistics

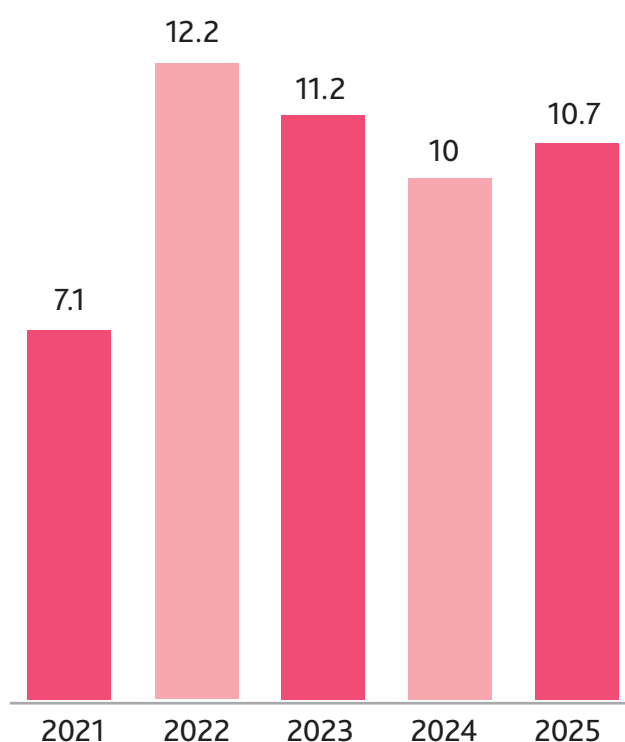
118 Home Office (2023), UK government modern slavery statement 2021 to 2022. Available at: www.gov.uk/government/publications/uk-government-modern-slavery-statement-2021-to-2022

Sickness absence data

Across the department (including its executive agencies), the number of average working days lost in the last 12 months was 10.7 at the end of March 2025, compared to 10.0 at the end of March 2024. This reflects the range of operational and non-operational functions across the organisation. Mental health and muscular-skeletal issues remain the main absence drivers.

The department continues to actively support colleagues who are off work due to illness through various interventions. Occupational health and the Employee Assistance Programme are available for both employees and managers, providing tailored individual advice and support, in addition to regular departmental communications and interventions focusing on wellbeing and staff support.

Number of average working days lost at 31 March each year



Employment and occupation trade union relationships

MoJ (excluding HMPPS) recognises four trade unions – PCS (Public and Commercial Services Union), FDA (formerly the First Division Association), Prospect and GMB (formerly the General, Municipal and Boilermakers' Union). GMB is recognised for LAA only for HEO and below.

This year we have continued to engage on pay, developing progressive people policies and supporting our people through organisational change.

HMPPS recognises 10 trade unions. For prisons, the Youth Custody Service and HQ, these are the POA, PGA and NTUS (comprising PCS, UNITE, FDA, PROSPECT and GMB). For probation (and some HQ roles), these are NAPO, GMB SCOOP and Unison. The prime focus of engagement during this financial year has been on managing the operational pressures of the prison and probation capacity situation and on the strategic measures to relieve this, including resetting probation work to facilitate a move to a more community-based sentencing model (in anticipation of the Independent Sentencing Review). Engagement with trade unions on safety, decency, rehabilitation and workplace culture have also been strong areas of focus. It remains critical that these trade union relationships and levels of engagement and consultation continue to be constructive (as they have been in this financial year) to support operational delivery and reform priorities. HMPPS has comprehensive engagement frameworks in place to ensure this remains the case.

Health and safety at work

All MoJ members are provided with the necessary protections outlined in the Health and Safety at Work etc. Act 1974. As a result, all work processes go through the required risk assessment process to identify and mitigate potential hazards.

To further strengthen workplace safety, senior leadership training has been enhanced, reinforcing a strong commitment at the highest levels to occupational health and safety.

MoJ remains committed to effectively managing health and safety risks, driving outcomes, and ensuring alignment with safety standards and best practices.

Staff engagement

The 2024 Civil Service People Survey was completed by 44,279 (44%) of employees, a decrease of 4 percentage points from 2023 (from 48% to 44%). HMPPS response rate remains low (38%), a reduction from 2023's response rate (41%). HMCTS also saw a decrease in response rate, down 7 percentage points to 48%.

The Employee Engagement Index score remained at 61% since 2023, apart from a decrease of 1% regarding the theme of pay and benefits. We maintained or increased our scores in all the other eight core themes at department level. MoJ scores increased by 1 percentage point in organisational objective and purpose (to 83%), my team (to 79%), and learning and development (to 56%). Resource and workload saw the highest improvement, rising by 2 percentage points to 72%.

We are committed to acting on the survey results. As in 2023, 32% of colleagues believe action was taken last year, and 42% believe action will be taken this year.

Staff turnover

Across MoJ HQ and operational agencies, departmental turnover rates have fallen. Attrition drivers are monitored at the business group level, with HR teams implementing interventions when needed. The pay and reward team is also working to maintain competitive pay to address areas with higher turnover.

HMPPS continued to see a sustained reduction in leaver rates through the financial year 2024 to 2025. The overall leaver rate reduced from March 2024 to March 2025. The retention oversight process is embedded as business-as-usual activity and sites with high attrition being supported with deep dives to support senior leaders in tackling individual issues. The top drivers of attrition are career progression, health and wellbeing, and leadership. To address these we are focusing on thematic reviews to look at national issues arising from the data and insights. The first is focused on the experience of those prison officers in their first two years of service.

	2024-25		2023-24	
	Turnover	Departmental turnover ¹¹⁹	Turnover	Departmental turnover
MoJ HQ	6.0%	10.1%	5.8%	12.1%
HMPPS ¹²⁰	10.1%	10.8%	11%	12.2%
HMCTS	9.2%	11.1%	11.4%	14.5%
OPG	5.9%	8.5%	6.4%	10.2%
LAA	6.5%	8.5%	6.3%	8.6%
CICA	5.5%	8.6%	7.3%	12.8%

Workforce composition¹²¹

The number of staff split between male and female in the five years to 31 March 2025 is as follows.

	2020-21		2021-22		2022-23		2023-24 ¹²²		2024-25	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Board	26	23	34	31	28	30	24	26	26	27
SCS staff only¹²³	157	174	165	168	164	179	152	161	157	163
Non-SCS staff	35,468	43,547	37,315	49,776	38,679	53,239	40,538	55,337	40,685	55,842

119 Transfers of staff within the Civil Service are included in 'Departmental turnover' and excluded from 'Turnover'.

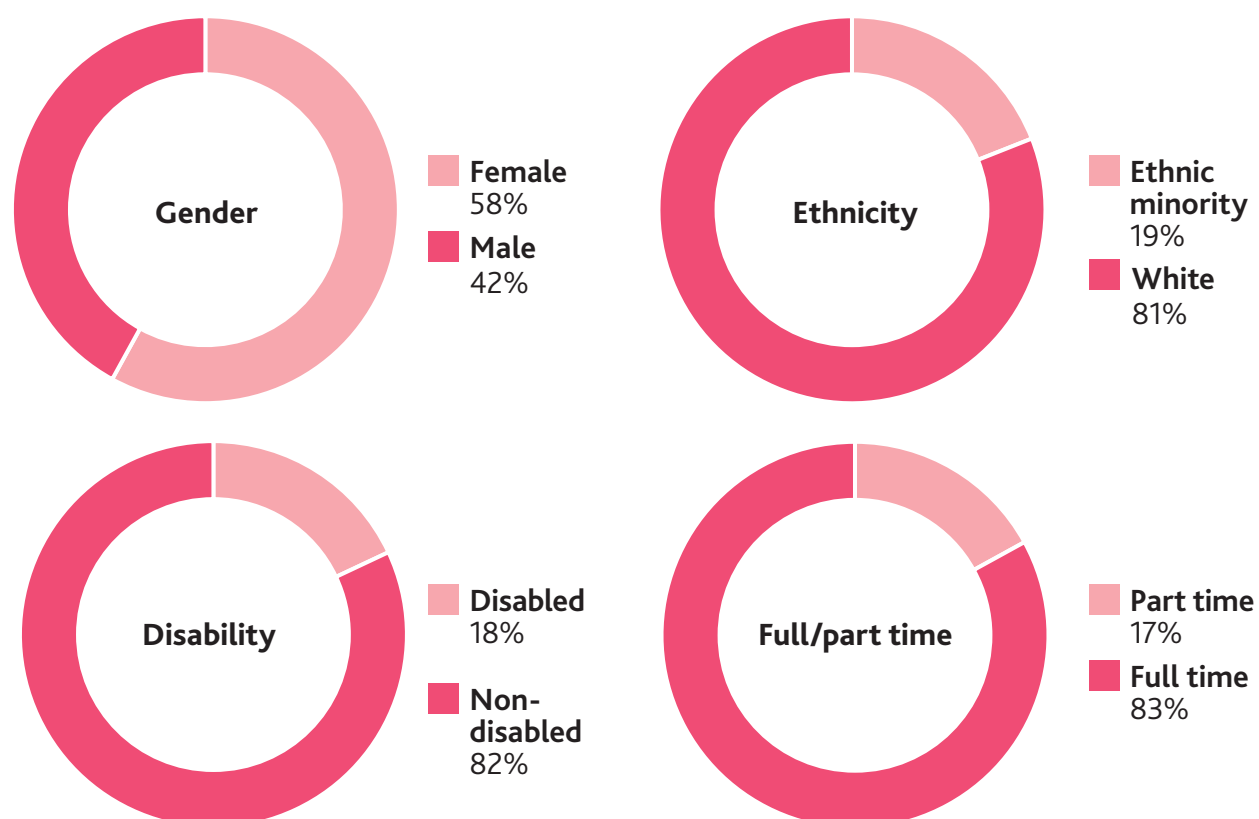
120 Due to changes in data processing, the staff turnover figures were updated from 10.9% and 12.1% to 11% and 12.2% respectively for the previous financial year.

121 The data represents the department and executive agencies (HMPPS, HMCTS, LAA, OPG and CICA). Disability and ethnicity percentages are calculated based on all staff who have provided information on their ethnicity or disability status

122 In August 2023, the equivalent Civil Service grade for HMPPS Band 12s was recategorised from SCS to G6 for reporting purposes, leading to a decrease in overall SCS figures.

123 Headcount for the department and its executive agencies (excluding non-departmental public bodies), at 31 March 2025. The number of staff reported on page 133 represents the average number of full-time equivalent staff over the year.

Departmental core diversity statistics: payroll staff in post on 31 March 2025



These statistics provide a snapshot of the department's workforce. Further detail on MoJ workforce diversity can be found within the [Civil Service statistics for 2025](#).¹²⁴

¹²⁴ www.gov.uk/government/collections/civil-service-statistics

SCS equivalent staff – headcount by band

Salary band	SCS or equivalent within band as at 31 March 2025		SCS or equivalent within band as at 31 March 2024	
	Number	Percentage	Number	Percentage
£60,000-£69,999	0	0%	0	0%
£70,000-£79,999	10	3%	17	5%
£80,000-£89,999	125	39%	143	46%
£90,000-£99,999	63	20%	46	15%
£100,000-£109,999	54	17%	54	17%
£110,000-£119,999	29	9%	20	6%
£120,000-£129,999	16	5%	13	4%
£130,000-£139,999	6	2%	8	3%
£140,000-£149,999	8	2%	3	1%
£150,000-£159,999	1	0%	3	1%
£160,000-£169,999	3	1%	3	1%
£170,000-£179,999	2	1%	2	1%
£180,000-£189,999	2	1%	0	0%
£190,000-£199,999	0	0%	1	0%
£200,000-£209,999	1	0%	0	0%
Total	320	100%	313	100%

Off-payroll engagements

During the financial year, MoJ reviewed off-payroll engagements where we are required to consider intermediaries (IR35) legislation using HM Revenue and Customs' 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 MoJ.

Further details of off-payroll engagements for the core department, executive agencies and arm's length bodies are shown in the off-payroll tables in Annex D and form part of the accountability reports.

Parliamentary accountability

This section has been subject to audit.

Statement of Outturn against Parliamentary Supply

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the financial reporting manual requires the department to prepare a Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes.

The SOPS and related notes are subject to audit, as detailed in the certificate and report of the Comptroller and Auditor General to the House of Commons.

The SOPS shows an entity's spend against its Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated Fund), that Parliament gives statutory authority for entities to utilise. The Estimate details supply and is voted on by Parliament at the start of the financial year. If an entity exceeds the limits set by its Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SOPS mirrors the Supply Estimates, published on [GOV.UK](https://www.gov.uk), to enable comparability between what Parliament approves and the final outturn.

The SOPS contains a summary table, detailing performance against the control limits that Parliament has voted on, cash spent (budgets are compiled on an accruals basis and so outturn will not match exactly to cash spent) and administration.

The supporting notes detail:

- outturn by estimate line, providing a more detailed breakdown (Note 1)
- a reconciliation of outturn to net operating expenditure in the Consolidated Statement of Comprehensive Net Expenditure (CSoCNE), to tie the SOPS to the financial statements (Note 2)
- a reconciliation of outturn to net cash requirement (Note 3)
- an analysis of income payable to the Consolidated Fund (Note 4)

The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on page 147. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on [GOV.UK](https://www.gov.uk).

The SOPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The financial review, on pages 20 to 25 in the performance report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SOPS disclosures.

MoJ operates within a financial framework set by HM Treasury, which categorises public spending into two principal types:

Departmental expenditure limits (DEL)	Annually managed expenditure (AME)
DEL budgets are set for each department over a multi-year period at Spending Reviews, with adjustments each year as set out in the Estimates voted by Parliament. They cover relatively predictable and controllable spending areas, and split further into:	AME budgets are used for spending that is more volatile, demand-led, or otherwise difficult to forecast accurately. In MoJ, they mainly allow for non-cash items such as revaluation of assets and provisions for future costs. These are split further into:
Resource DEL (RDEL) Estimate: £12,212 million Outturn: £12,043 million Of which: Administration Estimate: £581 million Outturn: £549 million	Resource AME (RAME) Estimate: £810 million Outturn: £297 million
This includes day-to-day operational costs, such as staff salaries, legal aid payments, running costs of courts and tribunals, and the maintenance of the prison and courts estate. RDEL costs are split between administration costs (general support costs) and programme costs (direct frontline delivery costs and support costs directly associated with frontline service delivery).	This includes the accounting cost of annually revaluing our property assets, along with provisions for potential future costs such as legal liabilities, which can fluctuate significantly from year to year.
Capital DEL (CDEL) Estimate: £1,689 million Outturn: £1,541 million	Capital AME (CAME) Estimate: £23 million Outturn: £(1) million
This includes long-term investment in infrastructure and assets, including the construction of prisons, refurbishment of court buildings, and investment in digital transformation and IT systems.	In MoJ this is used exclusively for provisions relating to leased assets.

This framework ensures that the department can plan and manage its resources effectively and efficiently, while maintaining flexibility to respond to changing demands and financial pressures.

Net cash requirement in the financial year 2024 to 2025

		2024-25			2023-24
		Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Outturn total
Item	Note	£000	£000	£000	£000
Net cash requirement	Annex A, SOPS 3	12,519,599	13,043,043	523,444	11,835,073

Administration costs in the financial year 2024 to 2025

		2024-25			2023-24
		Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Outturn total
Type of spend	SOPS Note	£000	£000	£000	£000
Administration costs	1.1	549,552	581,481	31,929	517,106

The department sought non-budget cover in the Supplementary Estimate 2024 to 2025 for a possible prior period adjustment of £100 million. It is proper for the department to seek parliamentary authority for the provision that should have been sought previously. The provision has not been required, and therefore the non-budget cover has not been utilised.

Due to their size, the variances in estimate to outturn of RDEL and AME have been explained below.

This financial year, the RDEL budget for day-to-day spending was £12,212 million (previous financial year: £11,400 million) and the final outturn was £12,043 million (previous financial year: £11,330 million). The saving on the RDEL estimate was mainly due to underspending on non-cash charges for depreciation and asset impairment. These are inherently uncertain as they are sensitive to fluctuations in market values and in-year changes to capital investment programmes, and the actual requirement was lower than provided for.

AME is demand-led spending, where budgets are not fixed in advance. Expenditure in AME is generally less predictable and controllable than expenditure in DEL. AME covers costs such as property impairments, provisions for legal claims and legal aid work in progress. MoJ has a relatively small AME budget so large variances are not unusual. This financial year, the department budgeted for £833 million (previous financial year: £721 million) of AME and the final outturn was £296 million (previous financial year: £513 million).

SOPS Notes 3 and 4 in Annex A form part of the SOPS. These notes are subject to audit.

Notes to the Statement of Outturn against Parliamentary Supply 2024 to 2025

SOPS 1. Outturn detail, by estimate line

SOPS 1.1 Analysis of resource outturn by estimate line

	Administration				Programme				Resource outturn				Estimate		Outturn
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virements		including	Total	Estimate	vs	2023-24
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	virements	virements	saving/	(excess)	Outturn total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Spending in DEL voted expenditure															
A	Policy, corporate services and associated offices	510,319	(34,879)	475,440	1,845,831	(1,301,023)	544,808	1,020,248	1,268,855	(113,644)	1,155,211	134,963			932,609
B	HM Prison and Probation Service	16,092	(42)	16,050	5,958,633	(298,673)	5,659,960	5,676,010	5,613,564	70,550	5,684,114	8,104			5,305,652
C	HM Courts and Tribunals Service	23,634	-	23,634	2,440,565	(67,452)	2,373,113	2,396,747	2,416,387	-	2,416,387	19,640			2,294,226
D	Legal Aid Agency	16,999	-	16,999	2,315,476	(53,290)	2,262,186	2,279,185	2,240,449	38,736	2,279,185	-			2,154,655
E	Criminal Injuries Compensation Authority	1,476	(1,802)	(326)	180,753	(17,083)	163,670	163,344	162,766	578	163,344	-			161,126
F	Office of the Public Guardian	84	-	84	105,785	(126,221)	(20,436)	(20,352)	(10,714)	-	(10,714)	9,638			(18,745)

	Administration					Resource outturn			Estimate	Outturn
						Programme				
	Gross	Income	Net	Gross	Income	Net	Total	Total Virements	Total Estimate including virements (excess)	Outturn vs 2023-24 Outturn total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
P Oasis Restore Trust (net)	-	-	-	12,275	-	12,275	12,275	13,376	13,376	1,101
Total voted expenditure in DEL	586,275	(36,723)	549,552	13,181,621	(1,863,742)	11,317,879	11,867,431	12,045,728	- 12,045,728	178,297
Non-voted expenditure										
Q Higher judiciary judicial salaries	92	-	92	198,270	-	198,270	198,362	190,022	- 190,022	(8,340)
R Levy income – Legal Services Board and Office for Legal Complaints	-	-	-	-	(22,864)	(22,864)	(22,864)	(23,471)	- (23,471)	(607)
Total non-voted expenditure in DEL	92	-	92	198,270	(22,864)	175,406	175,498	166,551	- 166,551	(8,947)
Total resource DEL spending	586,367	(36,723)	549,644	13,379,891	(1,886,606)	11,493,285	12,042,929	12,212,279	- 12,212,279	169,350
										11,330,118

	Administration				Resource outturn				Estimate			Outturn
	Programme											
	Gross	Income	Net	Gross	Income	Net	Total	Total Virements including virements			Outturn vs	2023-24 Outturn total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Spending in AME voted expenditure												
S	-	-	-	117,403	-	117,403	117,403	432,450	(697)	431,753	314,350	345,854
T	-	-	-	(21,909)	-	(21,909)	(21,909)	47,000	-	47,000	68,909	(31,522)
U	-	-	-	2,789	-	2,789	2,789	48,500	-	48,500	45,711	7,349
V	-	-	-	87,403	-	87,403	87,403	87,000	403	87,403	-	102,673
W	-	-	-	114,236	-	114,236	114,236	168,680	-	168,680	54,444	81,150
X	-	-	-	(548)	-	(548)	(548)	200	-	200	748	(733)
Y	-	-	-	(1,678)	-	(1,678)	(1,678)	26,000	-	26,000	27,678	(409)
Z	-	-	-	(762)	-	(762)	(762)	300	-	300	1,062	1,006

Spending in AME voted expenditure

	Administration						Programme						Resource outturn				Estimate				Outturn						
	Gross			Income			Net			Gross			Income			Net			Total			Total Virements				Total Estimate including saving/ vs 2023-24 Outturn	Outturn total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
AA Judicial Appointments Commission (net)	-	-	-	-	-	(10)	-	(10)	-	(10)	(10)	-	-	-	-	-	-	1	-	1	-	11	-	-	(6)		
AB Legal Services Board (net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1	-	1	-	-	-		
AC Office for Legal Complaints (net)	-	-	-	-	-	197	-	197	-	197	197	-	197	-	196	197	-	1	196	197	-	-	-	67	-		
AD Parole Board (net)	-	-	-	-	-	248	-	248	-	248	248	-	248	-	98	248	-	150	98	248	-	-	-	383	-		
AE Youth Justice Board (net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1	-	1	-	(63)	-		
AF Gov Facility Services Limited (net)	-	-	-	-	-	(508)	-	(508)	-	(508)	(508)	-	(508)	-	-	1	509	1	-	1	-	509	-	(485)	-		
AG Independent Monitoring Authority (net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1	-	1	-	-	-		
AH Oasis Restore Trust (net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1	-	1	-	-	-		
Total resource AME spending	-	-	-	-	-	296,861	-	296,861	-	296,861	296,861	-	296,861	-	-	810,287	-	810,287	-	810,287	-	513,426	-	505,264	-		
Total resource	586,367	(36,723)	549,644	13,676,752	(1,886,606)	11,790,146	12,339,790	13,022,566	-	13,022,566	11,835,382	-	11,835,382	-	-	682,776	-	682,776	-	682,776	-	11,835,382	-	11,835,382	-		

SOPS 1.2 Analysis of capital outturn by estimate line

	Capital outturn			Estimate			Outturn vs Estimate saving/(excess)	Outturn
	Gross	Income	Net total	Total	Virements	including virements		2023-24 Prior year outturn total
	£000	£000	£000	£000	£000	£000	£000	£000
Spending in DEL voted expenditure								
A Policy, corporate services and associated offices	363,724	-	363,724	312,026	51,698	363,724	-	252,708
B HM Prison and Probation Service	1,011,325	(12,207)	999,118	1,174,333	(56,891)	1,117,442	118,324	949,945
C HM Courts and Tribunals Service	169,037	(2,295)	166,742	192,836	-	192,836	26,094	228,269
D Legal Aid Agency	(19)	(13)	(32)	395	-	395	427	(290)
E Criminal Injuries Compensation Authority	62	-	62	1,306	-	1,306	1,244	5,290
F Office of the Public Guardian	(89)	-	(89)	100	-	100	189	1,138
G Children and Family Court Advisory and Support Service (net)	3,147	-	3,147	4,500	-	4,500	1,353	2,041
H Criminal Cases Review Commission (net)	416	-	416	417	-	417	1	165
I Judicial Appointments Commission (net)	-	-	-	-	-	-	-	-
J Legal Services Board (net)	31	-	31	724	-	724	693	148
K Office for Legal Complaints (net)	2,405	-	2,405	461	1,944	2,405	-	244
L Parole Board (net)	500	-	500	500	-	500	-	42

	Capital outturn				Estimate		Outturn	Outturn
	Gross	Income	Net total	Total	Virements	Total including virements	Estimate saving/ (excess) vs	2023-24 Prior year outturn total
	£000	£000	£000	£000	£000	£000	£000	£000
M Youth Justice Board (net)	1,104	-	1,104	1,158	-	1,158	54	109
N Gov Facility Services Limited (net)	1,850	-	1,850	1	1,849	1,850	-	1,071
O Independent Monitoring Authority (net)	216	-	216	-	216	216	-	(61)
P Oasis Restore Trust (net)	1,185	-	1,185	1	1,184	1,185	-	17,593
Total capital DEL spending	1,554,894	(14,515)	1,540,379	1,688,758	-	1,688,758	148,379	1,458,412
Spending in AME voted expenditure								
S Policy, corporate services and associated offices	(854)	-	(854)	18,494	(449)	18,045	18,899	4,675
T HM Prison and Probation Service	-	-	-	1	-	1	1	-
U HM Courts and Tribunals Service	(364)	-	(364)	4,500	-	4,500	4,864	(601)
V Legal Aid Agency	-	-	-	1	-	1	1	96
W Criminal Injuries Compensation Authority	(213)	-	(213)	1	-	1	214	1,310
X Office of the Public Guardian	188	-	188	1	187	188	-	1,013
Y Children and Family Court Advisory and Support Service (net)	50	-	50	300	-	300	250	784
Z Criminal Cases Review Commission (net)	-	-	-	1	-	1	1	-

	Capital outturn				Estimate			Outturn	Outturn
	Gross	Income	Net total	Total	Virements	including virements	vs Estimate saving/ (excess)	2023-24 Prior year outturn total	
	£000	£000	£000	£000	£000	£000	£000	£000	
AA Judicial Appointments Commission (net)	-	-	-	-	-	-	-	-	
AB Legal Services Board (net)	-	-	-	1	-	1	1	-	
AC Office for Legal Complaints (net)	238	-	238	-	238	238	-	194	
AD Parole Board (net)	-	-	-	-	-	-	-	-	
AE Youth Justice Board (net)	-	-	-	1	-	1	1	-	
AF Gov Facility Services Limited (net)	-	-	-	1	-	1	1	-	
AG Independent Monitoring Authority for the Citizens' Rights Agreements (net)	-	-	-	1	-	1	1	-	
AH Oasis Restore Trust (net)	25	-	25	1	24	25	-	-	
Total capital AME spending	(930)	-	(930)	23,304	-	23,304	24,234	7,471	
Total capital	1,553,964	(14,515)	1,539,449	1,712,062	-	1,712,062	172,613	1,465,883	

The total estimate columns include virements. Virements are the reallocation of provision in the Estimates that do not require parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements is provided in the Supply Estimates Manual, available on [GOV.UK](https://gov.uk).

The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can compare the value to the Estimates laid before Parliament.

SOPS 2 Reconciliation of outturn to net operating expenditure

		2024-25 Outturn total	2023-24 Outturn total
	Note	£000	£000
Total resource outturn in SOPS			
Budget DEL	SOPS 1.1	12,042,929	11,330,118
Budget AME	SOPS 1.1	296,861	505,264
Non-budget		-	-
		12,339,790	11,835,382
Add:			
Capital grants (net of EU contributions)		(3,787)	(1,903)
Research costs classified as capital under ESA 10		19,578	6,284
Other costs and income transferred to capital		(226)	-
		15,565	4,381
Less:			
Income payable to the Consolidated Fund (excluding non-voted levy income)		-	(975)
RDEL private finance initiative adjustments		1,625	15,498
Other adjustments		(5,099)	1,880
		(3,474)	16,403
Net operating expenditure in CSoCNE		12,351,881	11,856,166

Outturn and the estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. This reconciliation therefore bridges the resource outturn to net operating expenditure, linking the SOPS to the financial statements.

Capital grants and capital research and development are budgeted for as capital DEL but accounted for as spend on the face of the CSoCNE, and therefore function as a reconciling item between resource and net operating expenditure. Income payable to the Consolidated Fund is outside of budget but accounted for as income in the CSoCNE, and therefore functions as a reconciling item between resource and net operating expenditure. The depreciation on certain private finance initiative contract assets is accounted for as spend in the CSoCNE, but is non-budget spend and therefore does not appear in the SOPS.

Regularity of expenditure

This section has been subject to audit

Losses and special payments¹²⁵

Losses statement

	2024-25		2023-24	
Values	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Cash losses	273	273	475	480
Claims abandoned	53	53	205	212
Administrative write offs	19,848	20,129	16,128	16,427
Fruitless payments	104	104	3	1,735
Store losses	2,481	2,481	3,143	3,143
Constructive losses	47,995	47,995	11,893	11,893
Total value of losses	70,754	71,035	31,847	33,890

	2024-25		2023-24	
Numbers	Core department and agencies	Departmental group	Core department and agencies	Departmental group
Cash losses	632	632	617	622
Claims abandoned	14	14	29	44
Administrative write offs	10,536	10,541	16,482	16,484
Fruitless payments	6	6	14	15
Store losses	11,035	11,035	20,584	20,584
Constructive losses	8	8	4	4
Total value of losses	22,231	22,236	37,730	37,753

¹²⁵ Descriptions of the types of losses and special payments are covered in the glossary on page 308.

In the financial year 2024 to 2025, there were 17 losses (previous financial year: six) over £300,000 as follows.

HMPPS recognised constructive losses arising from the prison capacity programme of £23,996,152. 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 £16,800,000 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.

During 2012 to 2015, a legal aid provider made fraudulent claims. Following identification of the fraud, improved controls were put in place. These include all providers being subject to an annual risk assessment, and, unless deemed low risk, an

annual file audit. The largest providers are subject to additional levels of scrutiny in proportion with their annual claims. Stewardship arrangements include working closely with providers and collaborating across our contract management, finance and digital teams to strengthen internal controls and provider compliance. LAA contract managers have access to provider activity reports and risk data which allow them to identify patterns in claiming, enabling faster identification and exploration of potential risk areas.

LAA vigorously pursued recovery of the fraudulent claims, including through a private prosecution, which found in LAA's favour, appointment of enforcement solicitors, freezing orders on assets, and a worldwide asset search. In the financial year 2024 to 2025, following the conclusion of legal and recovery action, LAA has recognised a loss of £22,136,000. LAA has also recognised a loss of £3,404,000 in respect of debts owed by the provider in relation to other legally aided work where final bills were not received and we cannot confirm whether the work has been done. The cost of the fraudulent activity was expensed when it occurred, between 2012 and 2015, and therefore does not appear in Note 4 of the financial statements or in the table above, while the cost of the unbilled activity, less the amount already provided for as impaired, has been expensed in the financial year 2024 to 2025.

During the financial year LAA has assessed that further recovery action on a number of provider debts is not appropriate due to, for example, provider bankruptcy, and has therefore written off the remaining debt balances. These mainly relate to payments on account for which final bills have not been received and where we either cannot confirm whether the work has been done, or the provider has recovered costs from other parties. In the financial year 2024 to 2025, there were seven write offs in excess of £300,000, as follows: £1,921,000, £968,000, £819,000, £786,000, £528,000, £407,000 and £399,000 (previous financial year: none). Additionally, one recovery of defence costs order debt of £668,000 has been written off, as our assessment is that the debtor has insufficient assets to justify further recovery action (previous financial year: none).

The department recognised a constructive loss of £3,526,000. Following the government's introduction of the Border Security, Asylum and Immigration Bill in January 2025, LAA has impaired £2,808,000 of digital capital expenditure, and HMCTS has impaired £718,000 of digital capital expenditure, in relation to work undertaken to prepare for the implementation of the Illegal Migration Act 2023.

Following a formal approval process in May 2025 a decision was made to cease the continuation and development of a specific video hearing project in HMCTS due to unresolved technical issues. This has resulted in a constructive loss of £3,632,609.

We identified that some employees at delegated grades received incorrect temporary responsibility allowance payments between 2016 and 2022. A full review has been carried out, resulting in a write off of £683,745.

Special payments

	2024-25		2023-24	
Values	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Compensation payments	31,775	32,758	31,184	31,841
Ex gratia	2,544	2,576	4,644	4,768
Extra-contractual payments	7	7	4	184
Extra-statutory and extra-regulatory payments	5	5	-	-
Total value of special payments	34,331	35,346	35,832	36,793

	2024-25		2023-24	
Numbers	Core department and agencies	Departmental group	Core department and agencies	Departmental group
Compensation payments	6,660	6,974	6,430	6,619
Ex gratia	2,736	2,742	8,262	8,274
Extra-contractual payments	139	139	91	92
Extra-statutory and extra-regulatory payments	40	40	-	-
Total value of special payments	9,575	9,895	14,783	14,985

In the financial year 2024 to 2025, there were 14 (previous financial year: 10) special payments over £300,000.

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, £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, £452,500 (in addition to £12,500 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 £2,844,219 from previous financial years). Finally, one payment was made to a third party as part of a contract termination: £532,962.

In MoJ HQ, a compensation payment of £865,000 was made after MoJ lost a case at the European Court of Human Rights following a breach of Article 6(1) (right to a fair trial) and Article 1 of Protocol 1 (protection of property) rights.

HMCTS paid £375,000 to settle a legal claim, having paid £55,000 in the financial year 2022 to 2023; totalling a payment of £430,000.

Charitable donations

HMCTS made charitable donations totalling £25,000 (previous financial year: £25,000).

Publicity and advertising

The department spent £8,975,058 on publicity and advertising (previous financial year: £12,609,151), relating to media buying services (such as radio advertising) to support multiple priority campaigns, including the HMPPS Extraordinary Jobs brand campaign to recruit prison and probation officers.

Gifts and hospitality

Details of the department's ministers, directors general, Permanent Secretary and special advisers' gifts, hospitality, travel and meetings can be found at: <https://www.gov.uk/government/collections/moj-gifts-hospitality-travel-and-meetings#2025>

Fees and charges

This section has been subject to audit

MoJ is required, in accordance with HM Treasury's Managing Public Money, to disclose results for the areas of its activities where fees and charges are levied. The analysis provided below is for fees and charges purposes and is not intended to meet the requirements of IFRS 8 Operating Segments.

	2024-25					2023-24
	Gross income net of remissions	Full cost	Surplus/ (deficit)	Fee recovery actual	Fee recovery target	Fee recovery actual
	£000	£000	£000	%	%	%
Office of the Accountant General	7,956	7,956	-	100%	100%	85%
Official Solicitor and Public Trustee						
Litigation	1,346	9,802	(8,456)	14%	N/A	14%
Trust and estates	985	348	637	283%	N/A	258%
HM Courts and Tribunals Service						
Family	225,315	359,302	(133,987)	63%	N/A	66%
Civil	591,920	690,183	(98,263)	86%	N/A	86%
Asylum and immigration	6,134	130,748	(124,614)	5%	N/A	5%
Other	1,459	23,724	(22,265)	6%	N/A	7%
Office of the Public Guardian	126,221	121,074	5,147	104%	100%	107%
Legal Services Board	5,220	5,220	-	100%	100%	100%
Office for Legal Complaints	17,644	17,644	-	100%	100%	100%
HMCTS – employment tribunal refunds	(6)	-	(6)			-
HMCTS – council tax liability orders fee refunds and interest paid	(46)	-	(46)			-
HMCTS – other fee refunds	(49)	-	(49)			-
HMCTS – movement in fee refunds provision	5,434	-	5,434			-
Total	989,533	1,366,001	(376,468)			

Fee charging segments

Operating segment	details
Office of the Accountant General (OAG)	OAG invests money on behalf of its clients in the court funds investment account, which earns interest at the Bank of England base rate, or in the equity index tracker fund for long-term investments. Clients do not pay fees for investment services, but the operational costs of OAG are paid out of the surplus interest earned on their funds. OAG is therefore intended to run at nil net cost to the department's vote and in terms of the principles of cost recovery should be 100% self-funding.
Official Solicitor and the Public Trustee (OSPT)	The Official Solicitor's civil, family and court of protection litigation services continue to be largely publicly funded due to the nature of the cases dealt with, but where appropriate, alternative funding arrangements (such as conditional fee agreements) are also entered into. In some classes of court of protection case, where appropriate to do so, the Official Solicitor charges clients at full cost for services provided. OSPT charges for their work in administering trusts and estates. The fee income associated with Public Trustee trusts and estates cases is governed by a fees order and the Official Solicitor's trusts and estates work is charged for on an hourly rate basis. The Public Trustee also processes 'title on death' applications under the Law of Property Act. The budget allocation to OSPT also covers the cost of the Lord Chancellor's Reciprocal Enforcement of Maintenance Orders Unit and the International Child Abduction and Contact Unit. This service is publicly funded in full.
HM Courts and Tribunals Service (HMCTS)	HMCTS collects and reports on fee charges that have been set by MoJ policy and which appear in statutory instrument fees orders. Section 180 of the Anti-social Behaviour, Crime and Policing Act 2014 gives the Lord Chancellor, with the consent of HM Treasury, the statutory power to set certain court and tribunal fees above cost recovery levels. The income generated must be reinvested back into HMCTS. Government introduced enhanced fee charging for money claims on 9 March 2015, and further enhanced fees including divorce, civil and some tribunals in March, April and July 2016. The system of 'Help with fees' (fee remissions) exists to ensure that individuals are not denied access to the courts if they genuinely cannot afford the fee. Only the civil and tribunal businesses have systems for charging fees. HMCTS reports on both the civil and tribunal fee-charging business segments. Civil business contains two business streams: family (including probate and court of protection) and civil (including civil business in the county court, higher courts and magistrates' courts). Tribunal business contains two business streams: immigration and asylum, and other fee-charging special tribunals (including lands, residential property, gambling and gender recognition). Further detail on current fees orders can be found within the HMCTS annual report and accounts.

Operating segment	details
Office of the Public Guardian (OPG)	The Mental Capacity Act 2005 provides for fees to be charged for proceedings brought in relation to the functions carried out by the Public Guardian. The levels of charges are contained in two statutory instruments as well as the Lasting Powers of Attorney, Enduring Powers of Attorney and Public Guardian Regulations 2007 and the Public Guardian (Fees etc.) Regulations 2007. Section 180 of the Anti-Social Behaviour, Crime and Policing Act 2014 permits the Lord Chancellor, with the consent of HM Treasury, to prescribe a fee that exceeds the cost of providing that service. Since April 2017, OPG has used this power to charge an enhanced fee for power of attorney registration to cover the costs of exemption and remission of fees and to subsidise the operating costs of delivering supervision services.
Legal Services Board (LSB) and Office for Legal Complaints (OLC)	LSB and OLC income relates to levies receipted from approved regulators. This income is surrendered to the Consolidated Fund in line with the Legal Services Act 2007. In return, LSB and OLC receive grant-in-aid funding from the department equal to the income surrendered.

Remote contingent liabilities

This section has been subject to audit.

As required by Managing Public Money, in addition to contingent liabilities disclosed in accordance with IAS 37 in Note 26 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.

Heathrow Airport Holdings Limited indemnity: Assurance has been given to Heathrow Airport Holdings Limited and other third parties (such as airlines) which may be affected by the operations of HMPPS. The likelihood of a liability arising from these contingencies is considered to be remote.

The 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 of 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

Privately managed prisons: HMPPS would be liable as underwriter of last resort to meet certain losses incurred by the privately managed prisons.

CICA: On occasions, compensation cases at appeal stage, under the jurisdiction of the First-Tier Tribunal – Criminal Injuries Compensation, may proceed to judicial review. These could have an impact on CICA's future liabilities. These cases are not included within the provision due to the fact that a possible obligation exists which will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of CICA.

Dr Jo Farrar CB OBE
Permanent Secretary and Principal Accounting Officer

24 October 2025

The certificate and report of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I certify that I have audited the financial statements of the Ministry of Justice and of its departmental group for the year ended 31 March 2025 under the Government Resources and Accounts Act 2000. The department comprises the core department and its agencies. The departmental group consists of the department and the bodies designated for inclusion under the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2024. The financial statements comprise: the department's and the departmental group's:

- Consolidated Statement of Financial Position as at 31 March 2025;
- Consolidated Statement of Comprehensive Net Expenditure, Consolidated Statement of Cash Flows and Consolidated 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 group 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 the department and the departmental group's affairs as at 31 March 2025 and their net 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 Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2025 and shows that those totals have not been exceeded; and
- 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 the department and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

The framework of authorities described in the table below has been considered in the context of my opinion on regularity.

Framework of authorities

Authorising legislation	Government Resources and Accounts Act 2000
Parliamentary authorities	Supply and Appropriations Act
HM Treasury and related authorities	Managing Public Money

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the department and its group'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 the department or its group'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 the department and its group 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.

Overview of my audit approach

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

This is not a complete list of all risks identified through the course of my audit but only those areas that had the greatest effect on my overall audit strategy, allocation of resources and direction of effort. I have not, for example, included information relating to the work I have performed on the presumed risk of management override of controls; fraud in revenue recognition; valuation of legal provisions; and the implementation of a new lease accounting system where my work has not identified any matters to report.

The key audit matters were discussed with the Audit and Risk Committee.

In this year's report the following changes to the risks identified have been made compared to my prior year report, there is a new key audit matter related to the cyber incident at the Legal Aid Agency; and our work on other provisions is now only focussed on the CICA tariff scheme.

Valuation of property

Description of risk

The group owns significant property valued at £13.2 billion (2023-24: £12.8 billion). This includes the prison and probation estate valued at £9.5 billion (2023-24: £9.1 billion) and courts estate valued at £3.6 billion (2023-24: £3.6 billion). 92% the group's estate is considered specialised and is valued on a depreciated replacement cost basis.

The valuation of this property requires significant judgement and estimation by management and its external valuers, the Valuation Office Agency (VOA). Inaccuracies in inputs or unreasonable assumptions used in these valuations (namely in respect of determining the modern equivalent asset; the level of obsolescence and the gross internal area) could result in a material misstatement of the financial statements.

How the scope of my audit responded to the risk

In response to the risk over the valuation of property, I:

- assessed the design and implementation of the group's processes and controls around the valuation of properties;
- evaluated the competence of the group's external valuers, the VOA, which included consideration of its qualifications and expertise;
- engaged valuation experts who reviewed and challenged the valuation approach and assumptions for a sample of properties. Using the work of an auditor's expert, I reviewed the key inputs adopted by the VOA in its valuation calculations and confirmed that the valuation methodology used is consistent with the RICS Valuation Standards and the Government Financial Reporting Manual. Specific consideration was given to the valuation of Millsike prison which was opened in 2024-25;
- reviewed capital expenditure to identify the completeness of changes to properties. Drawing on this review, I sampled a selection of changes to the gross internal areas used in valuations, conducting site visits where necessary; and
- assessed the adequacy of the disclosures of estimates and valuation assumptions in Note 1.7 that were made in accordance with IFRS 13 – Fair Value Measurement.

Key observations

I consider the inputs, assumptions and methods used by the department to value the property estate to be appropriate. I did not identify material misstatements as a result of the work I have performed. the work I have performed.

Assets under construction

Description of risk

Assets under construction are material to departmental group. Across the group during the year, there were additions of £1.3 billion (2023-24: £1.2 billion); transfers to live assets of £1.2 billion (2023-24: £0.98 billion) and a year-end balance of unfinished projects valued at £2.1 billion (2023-24: £2 billion).

There is a risk that spending on these projects does not meet the recognition criteria of the accounting standards. There is also a risk that projects classified in under construction at year-end have gone live and therefore require valuation at depreciated replacement cost rather than at cost, which generally leads to differences in carrying value. This was an area where we found errors in the prior year.

Accountability

How the scope of my audit responded to the risk

In response to the risk over assets under construction, I:

- assessed the design and implementation of the group's processes and controls over assets under construction;
- tested a sample of in year capital additions, to ensure that they met the requirements for capitalisation under International Accounting Standards;
- reviewed a sample of assets reclassified from assets under construction to live, to ensure that assets had become operational before the end of the reporting period. I also considered the value of these assets to ensure that they were properly reflected in the financial statements; and
- tested a sample of ongoing assets under construction projects to confirm that these projects remained live and to determine whether any needed to be impaired. This included reviewing the £24m of prison projects which were cancelled in the year and therefore disclosed as a constructive loss on page 161.

Key observations

I have obtained sufficient assurance over this risk through my substantive testing. I did not identify material misstatements as a result of the work I have performed.

Legal Aid Agency: Valuation of net receivables

Description of risk

The Legal Aid Agency (LAA) recognises receivables for contributions towards legal aid costs and overpayments to legal aid providers, with gross receivables of £411 million (2023-24: £420 million). LAA does not expect to recover all of these and has recognised an impairment of £255 million (2023-24: £247 million) to reflect this. There are two categories of these receivables:

- Receivables held at amortised cost are debts owed to LAA by providers and funded clients and recovery of costs and damages. Impairment for these amounted to £217 million (2023-24: £210 million against gross debt of £283 million (2023-24: £287 million). Assumptions are made within the models used to calculate the value of impairment and there is significant estimation uncertainty in the recoverability of these debts.
- Receivables held at fair value through profit and loss are debts owed to LAA by funded clients on civil schemes that are secured by a charge against a property. The calculation of the fair value of these receivables is based on unobservable inputs, which results in significant estimation uncertainty. Gross debt was £128 million (2023-24: £132 million) and the impairment was £38 million (2023-24: £37 million).

How the scope of my audit responded to the risk

In response to this risk, I:

- assessed the design and implementation of controls that management has in place over the models used to calculate recoverability of debt;
- reviewed the key assumptions applied to the models and assessed whether they are reasonable and complete;
- assessed the appropriateness of the methodology used;
- understood management's assessment of macroeconomic factors on the expected credit losses for the assets held at amortised cost and on the fair value of other assets. I assessed whether the assumptions are reasonable considering the outcome compared to the prior year estimate;
- tested the completeness and accuracy of the historic caseload data inputs entered drawing upon IT audit specialists to review the extraction of data;
- tested the logical integrity of the models including independently recalculating the output using modelling experts; and
- reviewed the adequacy of the disclosures including the sensitivity analysis in Note 24 of the financial statements.

Key observations

I have obtained sufficient assurance over this risk through my testing of the impairment models, data inputs and assumptions. I did not identify material misstatements as a result of the work I have performed.

Legal Aid Agency: work in progress provision

Description of risk

The provision for unbilled work completed by legal aid providers is highly material to the financial statements at £1.01 billion (2023-24: £936 million). This liability is calculated based on different models for each legal aid stream. The underlying models and methodology used for these provisions are complex and based on assumptions about the operation of the legal aid market and courts. These provisions have a high degree of estimation uncertainty, with a range of reasonable outcomes greater than my materiality for the financial statements.

The financial statements (Note 20) disclose the sensitivity estimated by the group.

How the scope of my audit responded to the risk

In respect of the Legal Aid work in progress provisions, I:

- assessed the design and implementation of the group's processes and controls over the work in progress provision;
- reviewed the key assumptions which are applied within the underlying models and assessed whether these are reasonable and complete;
- understood the changes in assumptions from the prior year and I assessed whether the assumptions are reasonable considering the outcome compared to the prior year estimate. I paid particular attention to how management modelled changes in court and provider behaviour;
- tested the completeness and accuracy of the data inputs, drawing upon the work of IT audit specialists;
- reviewed the results of post-date analysis for the prior year model;
- tested the logical integrity of the models including independently recalculating the output, using modelling experts; and
- reviewed the adequacy of the disclosures including the sensitivity analysis in Note 20 of the financial statements.

Key observations

I have obtained sufficient assurance over this risk through my testing of the models, data inputs and assumptions. I did not identify material misstatements as a result of the work I have performed.

Legal Aid Agency: cyber security incident

Description of risk

In April 2025, the Legal Aid Agency identified a cyber-attack affecting its online digital services. Subsequent investigation revealed that the attack originated in December 2024, within the 2024–25 financial year.

The attackers accessed systems used to process payments to Legal Aid providers. As a result, I assessed a risk that fraudulent claims may have been submitted and paid during the period of compromise.

Additionally, several material balances and transactions in the departmental group financial statements rely on data extracted from the affected systems. These include:

- Work-in-progress provisions;
- Receivables for contributions towards legal aid costs and overpayments to providers; and
- Payments on account to legal aid providers.

I considered there was a risk that the underlying data used to derive these balances may have been manipulated during the cyber-attack, potentially resulting in material misstatement in the financial statements.

How the scope of my audit responded to the risk

To address this risk, I undertook the following procedures:

- assessed the design and implementation of management's controls to identify and respond to risks arising from the cyber-attack;
- reviewed management's expert report on the scope and impact of the incident and commissioned an auditor's expert to evaluate whether the report adhered to industry best practice;
- examined changes to provider bank details and the onboarding of new providers post-December 2024 to identify any material fraudulent payments;
- performed audit procedures to test the reliability and integrity of data sourced from compromised systems and used in the preparation of financial statement balances;
- considered the completeness of any liabilities arising from the incident, including potential fines from the Information Commissioner's Office; and
- reviewed disclosures in the annual report and accounts to ensure the impact of the cyber-attack was appropriately presented.

Key Observations

I have obtained sufficient assurance over this risk through my testing. I did not identify material misstatements as a result of the work I have performed.

Criminal injury tariff scheme provision

Description of risk

The group recognises a provision of £365 million (2023-24: £250 million) for compensation claims under the 2012 Criminal Injuries Compensation scheme. The provision includes all cases known and received by the group but have not yet been processed through to award. To determine the expected level of award; management use historic case data and overlay assumptions around how future cases will be resolve different compared to historic cases.

Due to the complexity of the model; the high levels of estimation uncertainty; and a trend of increasing caseload and increasing average case values, I consider the valuation of the provision could result in material misstatement in the group financial statements.

How the scope of my audit responded to the risk

In response to this risk, I:

- considered the design and implementation of key controls around the estimate and modelling process;
- assessed changes to the model and process for 2024-25. Management updated the model to better capture more complex cases, and to reflect payment patterns arising from the retrospective review of the estimate;
- used an auditor's expert to test and validate model inputs, including SQL reports run from the Case Management System, which form the basis of the model calculation;
- reviewed and recalculated the provision estimate;
- documented our assessment of key model assumptions for reasonableness and best practice; and
- reviewed model disclosures, including those around the sensitivity of the estimate.

Key observations

I have obtained sufficient assurance over this risk through my substantive testing. I did not identify material misstatements as a result of the work I have performed.

Valuation of lease liabilities

Description of risk

The group holds £1.49 billion (2023-24: £1.66 billion) of lease liabilities across a broad portfolio of assets, mostly in the court estate alongside related right of use assets of £1.17 billion (2023-24: £1.33 billion). The lease liabilities are subject to valuation risk because they are dependent on assumptions, for example whether management may exercise a break clause or how management has estimated the term of leases where the contract has expired. These assumptions change depending on the group's strategy for its property and require reassessment each year. Given that changes in these assumptions can have a material impact on the accounts, I have identified the value of lease liabilities as a key audit matter.

During 2024-25, the group transitioned from managing the lease portfolio on spreadsheets to using an off the shelf lease accounting software.

How the scope of my audit responded to the risk

In response to this risk, I have:

- assessed the design and implementation of relevant controls over the leasing model;
- reviewed a sample of new and modified leases in year, including the completeness of new leases;
- tested the lease model and confirmed that it calculates the lease liability appropriately;
- reviewed the key assumptions applied in the model and assessed whether these were reasonable and complete;
- evaluated how management has addressed estimation uncertainty in relation to the values and its consideration of alternative assumptions and inputs in its estimate; and
- assessed the adequacy of disclosures (note 1.11), including the sufficiency of disclosures in relation to estimation uncertainty.

Key observations

I have obtained sufficient assurance over this risk through my substantive testing. I did not identify material misstatements as a result of the work I have performed.

Valuation of defined benefit pension net asset/liability

Description of risk

The departmental group has material gross defined benefit pension liabilities including HMPPS's share of the Greater Manchester Pension Fund (GMPF) of £4.2 billion (2023-24: £4.8 billion); and Cafcass's share of the West Yorkshire Pension Fund (WYPF) of £614 million (2023-24: £706 million). The net liability of HMPPS's share of GMPF is £472 million (2023-24: £529 million); and Cafcass's share of WYPF is £17.4 million (2023-24: £2 million). These net balances are derived from highly material asset and liability balances as set out in Note 25.

Significant estimates are made in determining the key assumptions used in valuing the group's gross defined benefit pension scheme obligations. When making these assumptions management take independent actuarial advice relating to their appropriateness.

A small change in assumptions and estimates can have a material financial impact on the group's gross defined benefit pension obligations.

The most significant assumptions are discount rate, inflation rate and mortality/life expectancy. As part of my risk assessment, I determined that the gross defined benefit pension scheme obligations have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than my materiality for the financial statements, which is why I considered it a key audit matter.

In addition to the pension obligations, the departmental group has rights over a £6.9 billion (2023-24: £6.7 billion) of investment assets. 30% or £2.1 billion of these assets are hard to value, where assumptions and judgments are required when determining their fair value. The remaining elements of the asset balances are easier to value. However, given the overall value of the assets, the level of error identified in prior years in initial data received from the pension funds and the element of hard to value assets, I consider pension asset valuation to be a key audit matter.

How the scope of my audit responded to the risk

For these pension schemes, I:

- assessed the design and implementation of the group's processes and controls over the schemes;
- challenged, with the support of actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data in the context of market practice and the macroeconomic uncertainties;
- engaged actuarial specialists to review the roll-forward methodology used to value the pensions liability based on the previous triennial valuation, considering the implications over the accounting estimate and demographic assumptions. Specifically, I considered whether it was appropriate to recognise the surplus calculated by the actuaries of the two funds. The judgments supporting this conclusion are noted on page 268;
- considered the adequacy of the group's disclosures in respect of the sensitivity of the deficit to these assumptions (Note 25); and
- reviewed assurances about the procedures performed by the auditors of the two funds related to the valuation and existence of fund assets. I also considered the work performed by the auditors over benefits paid; contributions received and membership data which all feed into the calculation of the pension obligation

Key observations

I have obtained sufficient assurance over this risk through my substantive testing. I did not identify material misstatements in the valuation of defined benefit pension net liability as a result of the work I have performed. as a result of the work I have performed.

Application of materiality

Materiality

I applied the concept of materiality in both planning and performing my audit, and in evaluating the effect of misstatements on my audit and on the financial statements. This approach recognises that financial statements are rarely absolutely correct, and that an audit is designed to provide reasonable, rather than absolute, assurance that the financial statements

are free from material misstatement or irregularity. A matter is material if its omission or misstatement would, in the judgement of the auditor, reasonably influence the decisions of users of the financial statements.

Based on my professional judgement, I determined overall materiality for the department and its group's financial statements as a whole as follows:

	Departmental group	Department parent
Materiality	£170 million (2023-24: £170 million)	£136 million (2023-24: £165 million)
Basis for determining overall account materiality	1% of non-current assets (2023-24: 1% of non-current assets)	0.8% of non-current assets (2023-24: 1% of non-current assets)
Rationale for the benchmark applied	Non-current assets are the largest item in both the departmental group and parent Statements of Financial Position. Significant public benefit is derived from the prison and courts estate, driving user interest in the extent and condition of those assets.	
Taxpayer backed financial activity where an additional level of materiality has been applied	£135 million (2023-24: £135 million)	£108m (2023-24: £130 million)
Basis for determining residual account materiality	1% of gross expenditure excluding depreciation and impairment but including capital additions. (2023-24: 1% of gross expenditure excluding depreciation and impairment but including capital additions)	0.8% of gross expenditure excluding depreciation and impairment but including capital additions. (2023-24: 1% of gross expenditure excluding depreciation and impairment but including capital additions)
Rationale for the benchmark applied	This threshold is set to reflect the sensitivity of financial statement users to transactions and balances reflecting taxpayer-backed financial activity. Capital additions are included since these form part of Total Managed Expenditure voted by Parliament, and depreciation is excluded to avoid double-counting.	

Performance materiality

I set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality of the financial statements as a whole. Group performance materiality was set at 70% of Group materiality for the 2024-25 audit (2023-24: 70%). In determining performance materiality, we have considered the uncorrected misstatements identified in the previous period.

Other materiality considerations

Apart from matters that are material by value (quantitative materiality), there are certain matters that are material by their very nature and would influence the decisions of users if not corrected. Such an example is any errors reported in the Related Parties note in the financial statements. Assessment of such matters needs to have regard to the nature of the misstatement and the applicable legal and reporting framework, as well as the size of the misstatement.

I applied the same concept of materiality to my audit of regularity. In planning and performing my audit work to support my opinion on regularity and in evaluating the impact of any irregular transactions, I considered both quantitative and qualitative aspects that would reasonably influence the decisions of users of the financial statements.

Error reporting threshold

I agreed with the Audit and Risk Committee that I would report to it all uncorrected misstatements identified through my audit in excess of £300,000, as well as differences below this threshold that in my view warranted reporting on qualitative grounds. I also report to the Audit Committee on disclosure matters that I identified when assessing the overall presentation of the financial statements.

Total unadjusted audit differences reported to the Audit and Risk Committee have decreased net assets by £14.2 million.

Audit scope

The scope of my group audit was determined by obtaining an understanding of the department and its group's and its environment, including group-wide controls, and assessing the risks of material misstatement at the group level.

The departmental group comprises the core department and the 14 entities within its boundary and has total group assets of £18.6 billion and total group operating expenditure of £14.2 billion. The group's largest components comprise the core department, HMCTS, HMPPS and LAA, which make up 99% of gross assets and 94% of gross expenditure.

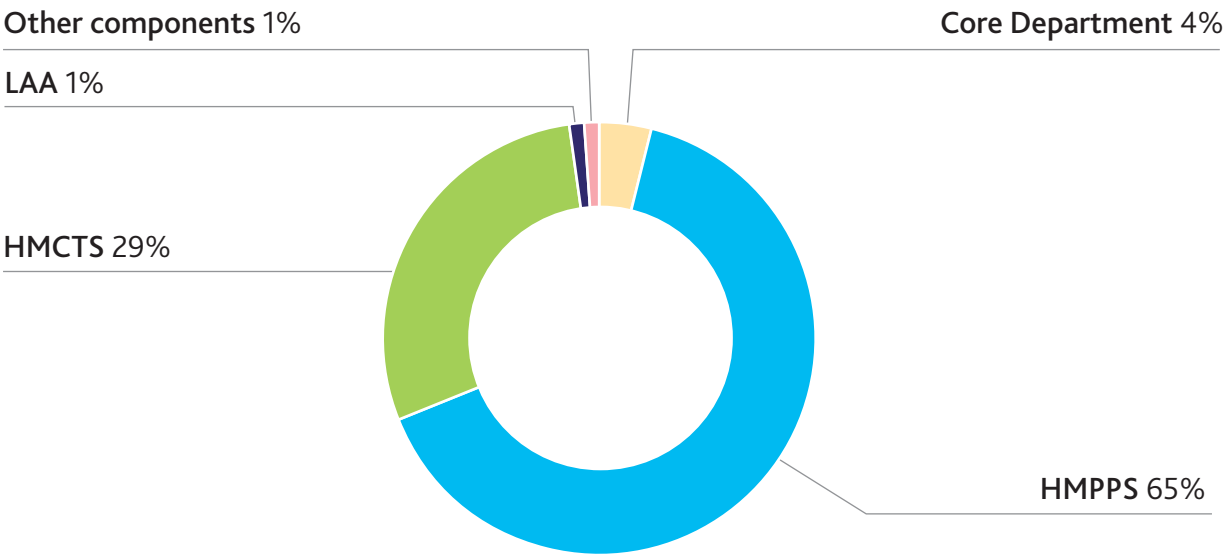
In line with *ISA (UK) 600 Audits of Group Finance Statements (Including the Work of Component Auditors)*, I assessed my approach to the audit of the Ministry of Justice Group considering the risks of material misstatement given the size, estimation, and/or complexity of various classes of transactions, account balances and disclosures within the departmental group financial statements. I used this risk assessment to determine the audit procedures I require to be performed under my direction, supervision and review, whether those classes of transactions, account balances and disclosures arise within the department itself or in its components.

Based on my risk assessment, I included in the scope of my audit various classes of transactions, account balances and disclosures arising from the departmental group, HMPPS, HMCTS, LAA, CICA, OPG, Cafcass, GFSL and YJB. My audit included coverage of 99% of departmental group assets and 99% Departmental group expenditure through the work performed directly as a group auditor and work performed by the component auditors.

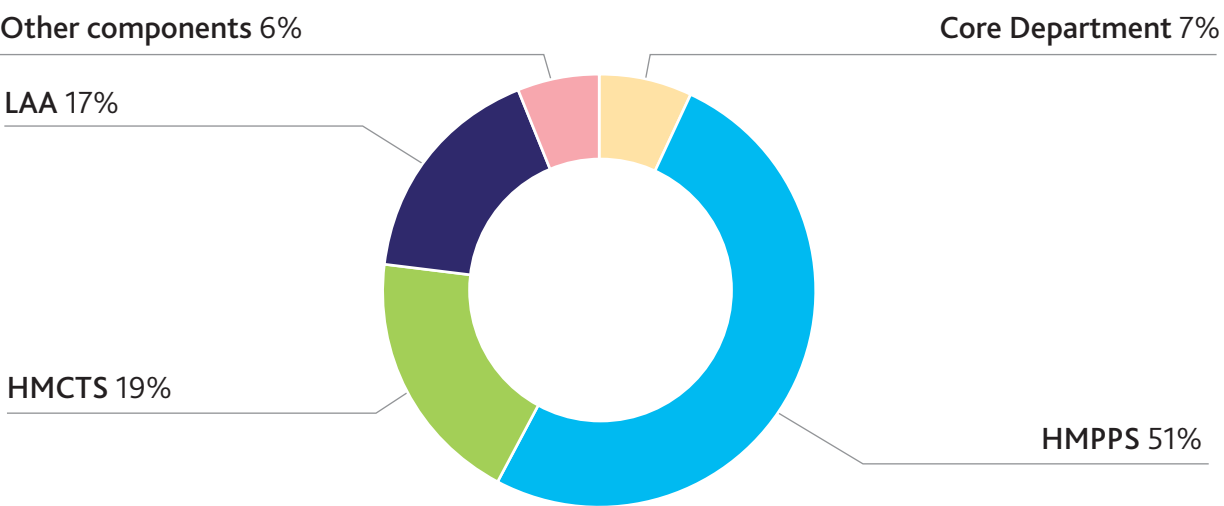
I have satisfied myself that sufficient work has been undertaken to provide the necessary assurances for my audit opinion on the departmental group's consolidated financial statements.

I also reviewed the Statement of Parliamentary Supply, which includes figures derived from the group financial statements. I obtained assurance over the classification of items within this statement and confirmed that these had been properly disclosed and classified. I also tested reconciling items.

Gross expenditure of components of the Ministry of Justice Group
(as at 31 March 2025)



Gross assets of components of the Ministry of Justice Group
(as at 31 March 2025)



Other Information

The other information comprises the 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 the department and its group and their 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 the department and its group 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 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 the department and its group 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 department and its group'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 department and its group 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,¹²⁶ including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

¹²⁶ Non-compliance is defined as acts of omission or commission intentional or unintentional, committed by the entity, or by those charged with governance, by management or by other individuals working for or under the direction of the entity, which are contrary to the prevailing laws or regulations. Non-compliance does not include personal misconduct unrelated to the business activities of the entity. ISA 700 uses the word "irregularities" to describe non-compliance with laws and regulations. We do not use the word irregularities to describe non-compliance within our certificates and reports as it has another meaning in the context of PN10.

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 the department and its group's accounting policies;
- inquired of management, the department's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the department and its group'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 the department and its group's controls relating to the department's compliance with the Government Resources and Accounts Act 2000, Managing Public Money, and the Supply and Appropriation (Main Estimates) Act 2024.
- inquired of management, the department'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; and
- discussed with the engagement team including relevant component audit teams and the relevant internal and external specialists, including modelling experts and property valuation experts 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 the department and its group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the department and group's framework of authority and other legal and regulatory frameworks in which the department and group 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 the department and its group. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2024, employment law, pensions and tax legislation, and legislation setting out fees, charges and compensation in relation to legal aid, courts and tribunals and criminal injuries compensation.

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 and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- 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.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal and external specialists and relevant component audit teams 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 appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement.

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

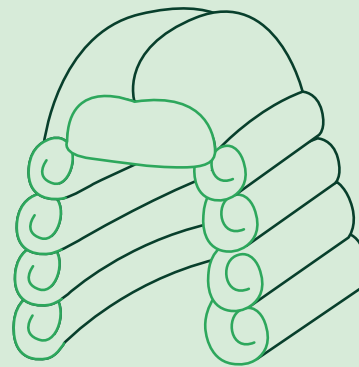
I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

28 October 2025

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



Financial statements

Financial statements

Consolidated Statement of Comprehensive Net Expenditure

for the year ended 31 March 2025

		2024-25		2023-24	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Revenue from contracts with customers	3	(1,867,480)	(1,866,792)	(1,707,852)	(1,727,914)
Other operating income	4	(64,544)	(65,077)	(59,585)	(60,133)
Total operating income		(1,932,024)	(1,931,869)	(1,767,437)	(1,788,047)
Staff costs	5	4,955,266	5,238,303	4,701,233	4,965,029
Judiciary costs	5	787,844	787,844	688,759	688,759
Purchase of goods and services	6	2,993,312	2,847,875	2,742,351	2,621,004
Depreciation, amortisation and impairment	7	1,179,765	1,187,671	1,048,506	1,056,221
Legal aid-funded provisions	8	2,229,386	2,229,386	2,142,419	2,142,419
Other provision expenses	8	283,847	283,814	568,261	569,696
Net (gain)/loss on disposal of assets	9	1,084	1,392	2,050	2,098
Revaluation of non-current and financial assets	10	(7,946)	(7,946)	13,993	13,993
Other operating expenditure	11	1,795,935	1,648,952	1,688,801	1,546,867
Total operating expenditure		14,218,493	14,217,291	13,596,373	13,606,086
Net operating expenditure before financing		12,286,469	12,285,422	11,828,936	11,818,039

		2024-25		2023-24	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Finance income		(15)	(15)	(14)	(14)
Finance expense	12	55,169	55,045	32,447	32,934
Borrowing cost on provisions	20	11,280	11,280	5,061	5,061
Net operating expenditure before tax		12,352,903	12,351,732	11,866,430	11,856,020
Taxation		-	149	-	146
Net expenditure for the year		12,352,903	12,351,881	11,866,430	11,856,166
Other comprehensive net expenditure					
<i>Items that will not be reclassified to operating expenditure:</i>					
Net (gain)/loss on revaluation of:					
Property, plant and equipment		(76,428)	(72,543)	(10,973)	(10,980)
Right of use assets		5,740	5,740	(1,969)	(1,969)
Intangible assets		(391)	(393)	(2,447)	(2,484)
Assets for sale		579	579	164	164
Net (gain)/loss on impairment of:					
Intangible assets		85	85	-	-
Remeasurement of pension schemes:					
Cafcass pension scheme		-	21,055	-	(14,104)
LSC pension scheme		2,649	2,649	22,049	22,049
By-analogy pension schemes		90	(220)	(49)	(430)
Probation pension schemes		(12,797)	(12,797)	788,534	788,534
Total comprehensive net expenditure for the year		12,272,430	12,296,036	12,661,739	12,636,946

The notes on pages 197 to 285 form part of these accounts.

Consolidated Statement of Financial Position

as at 31 March 2025

		31 March 2025		31 March 2024	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	13	15,714,450	15,750,528	15,139,256	15,145,414
Right of use assets	14	1,158,421	1,172,774	1,314,151	1,326,892
Intangible assets	15	639,695	643,979	683,439	688,275
Investments		251	251	239	239
Pension assets	25	45,697	45,697	46,898	48,943
Trade and other receivables	17	119,082	119,082	121,967	121,968
Total non-current assets		17,677,596	17,732,311	17,305,950	17,331,731
Current assets					
Assets held for sale	16	9,898	9,898	2,715	2,715
Inventories		70,805	72,239	63,622	64,823
Trade and other receivables	17	428,047	431,126	456,565	461,614
Cash and cash equivalents	18	303,706	351,525	336,463	378,584
Total current assets		812,456	864,788	859,365	907,736
Total assets		18,490,052	18,597,099	18,165,315	18,239,467
Current liabilities					
Trade and other payables	19	(1,769,716)	(1,781,488)	(1,738,661)	(1,725,219)
Financial liabilities	19	(165,650)	(168,361)	(172,491)	(174,951)
Provisions	20	(1,335,513)	(1,339,437)	(1,204,194)	(1,209,135)
Total current liabilities		(3,270,879)	(3,289,286)	(3,115,346)	(3,109,305)
Total assets less current liabilities		15,219,173	15,307,813	15,049,969	15,130,162

		31 March 2025		31 March 2024	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Non-current liabilities					
Trade and other payables	19	(31,733)	(31,733)	(30,947)	(31,783)
Other financial liabilities	19	(1,309,776)	(1,322,530)	(1,476,329)	(1,487,110)
Provisions	20	(803,348)	(805,365)	(822,063)	(824,026)
Pension liabilities	25	(473,258)	(494,937)	(530,551)	(535,300)
Total non-current liabilities		(2,618,115)	(2,654,565)	(2,859,890)	(2,878,219)
Assets less liabilities		12,601,058	12,653,248	12,190,079	12,251,943
Taxpayers' equity					
General Fund		7,897,973	7,953,718	7,419,289	7,480,670
Revaluation reserve		4,703,085	4,699,530	4,770,790	4,771,273
Total taxpayers' equity		12,601,058	12,653,248	12,190,079	12,251,943

The notes on pages 197 to 285 form part of these accounts.

Dr Jo Farrar CB OBE

Principal Accounting Officer

24 October 2025

Consolidated Statement of Cash Flows

for the year ended 31 March 2025

		2024-25		2023-24	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Net expenditure	CSoCNE	(12,352,903)	(12,351,881)	(11,866,430)	(11,856,166)
Adjustments for non-cash transactions		3,753,312	3,731,702	3,812,963	3,807,245
Finance expense	12	33,228	33,380	46,153	46,272
Movements in pensions		(68,703)	(70,178)	(49,594)	(50,124)
(Increase)/decrease in trade and other receivables	17	31,403	33,374	42,895	40,281
Less: movements in receivables not passing through the CSoCNE and receivable impairments		(15,077)	(14,532)	(15,762)	(15,783)
(Increase) in inventories		(7,183)	(7,416)	1,552	1,840
Increase/(decrease) in trade and other payables	19	31,841	56,219	(48,038)	(60,031)
Less: movements in payables relating to items not passing through the CSoCNE		7,726	7,633	6,130	6,143
Increase/(decrease) in other financial liabilities	19	(173,394)	(171,170)	(114,169)	(115,212)
Less: movements in other financial liabilities relating to items not passing through the CSoCNE		173,394	171,170	114,169	115,212
Utilisation of provisions	20	(2,405,540)	(2,406,758)	(2,273,805)	(2,274,367)
Intra-departmental adjustment through SoCiTE (between MoJ core and agencies)		21,086	13	90	20
Intra-group transfers of non-current assets		(32,130)	(55)	-	-
Net cash outflow from operating activities		(11,002,940)	(10,988,499)	(10,343,846)	(10,354,670)

		2024-25		2023-24	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Cash flows from investing activities					
Purchase of property, plant and equipment	13	(1,409,474)	(1,413,253)	(1,276,353)	(1,280,376)
Purchase of intangible assets	15	(93,751)	(96,163)	(119,974)	(121,046)
Adjust for increase/(decrease) in capital payables		25,823	25,916	(39,455)	(39,468)
Proceeds on disposal of property, plant and equipment		(5,196)	(5,196)	(5,535)	(5,535)
Proceeds on disposal of assets held for sale		13,040	13,040	16,690	16,690
Net cash outflow from investing activities		(1,469,558)	(1,475,656)	(1,424,627)	(1,429,735)
Cash flows from financing activities					
From the Consolidated Fund (Supply)		12,485,000	12,485,000	11,867,000	11,867,000
Grants from bodies external to the department		-	-	-	5,000
From the Consolidated Fund (non-Supply)		198,362	198,362	185,724	185,724
Capital element of finance leases and on-balance sheet private finance initiative (PFI) contracts		(188,579)	(191,072)	(183,750)	(187,167)
Repayment of local authority loans		(792)	(792)	(345)	(345)
Interest paid		(33,228)	(33,380)	(46,153)	(46,272)
Net cash inflow from financing activities		12,460,763	12,458,118	11,822,476	11,823,940

		2024-25		2023-24	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
Note		£000	£000	£000	£000
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(11,735)	(6,037)	54,003	39,535
Payments of amounts due to the Consolidated Fund		(21,022)	(21,022)	(20,333)	(20,333)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(32,757)	(27,059)	33,670	19,202
Cash and cash equivalents at the beginning of the period	18	336,463	378,584	302,793	359,382
Cash and cash equivalents at the end of the period	18	303,706	351,525	336,463	378,584

The notes on pages 197 to 285 form part of these accounts.

Consolidated Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2025

	Core department and agencies				Departmental group	
	Revaluation reserve		Total reserves		Revaluation reserve	
	General Fund	£000	General Fund	£000	General Fund	£000
Note						
Balance at 1 April 2024	7,419,289	4,770,790	12,190,079	7,480,670	4,771,273	12,251,943
Net parliamentary funding – drawn down	12,485,000	-	12,485,000	12,485,000	-	12,485,000
Net parliamentary funding – deemed	315,295	-	315,295	315,295	-	315,295
Grant from bodies external to the department	-	-	-	-	-	-
Unspent Supply drawn down repayable to the Consolidated Fund	(280,696)	-	(280,696)	(280,696)	-	(280,696)
Consolidated Fund standing services						
- Judicial salaries	193,290	-	193,290	193,290	-	193,290
- Lord Chancellor's salary	92	-	92	92	-	92
- Utilisation of Judicial Service Award	4,980	-	4,980	4,980	-	4,980
Consolidated Fund extra receipts (CFERs) payable to the Consolidated Fund	(22,864)	-	(22,864)	(22,864)	-	(22,864)
Net expenditure for the year	(12,352,903)	-	(12,352,903)	(12,351,881)	-	(12,351,881)
Net gain/(loss) on revaluation of						
- Property, plant and equipment	-	76,428	76,428	-	72,543	72,543
- Right of use assets	-	(5,740)	(5,740)	-	(5,740)	(5,740)
- Intangible assets	-	391	391	-	393	393
- Assets held for sale	-	(579)	(579)	-	(579)	(579)
Net gain/(loss) on impairment of						
- Intangible assets	-	(85)	(85)	-	(85)	(85)

		Core department and agencies				Departmental group	
		General Fund	Revaluation reserve	Total reserves	General Fund	Revaluation reserve	Total reserves
	Note	£000	£000	£000	£000	£000	£000
Remeasurement of pension schemes							
- Cafcass pension scheme	25	-	-	-	(21,055)	-	(21,055)
- Legal Services Commission pension scheme	25	(2,649)	-	(2,649)	(2,649)	-	(2,649)
- By-analogy pension schemes		(90)	-	(90)	220	-	220
- Probation pension schemes	25	12,797	-	12,797	12,797	-	12,797
Non-cash adjustment							
- Auditor's remuneration	6	2,332	-	2,332	2,332	-	2,332
- Corporate overhead recharges	11	(2,978)	-	(2,978)	-	-	-
Movements in reserves							
- Transfers from revaluation reserve		138,127	(138,127)	-	138,282	(138,282)	-
Other movements							
Prior year OLC and LSB CFER		21,103	-	21,103	30	-	30
Intra-group transfers of non-current assets		(32,130)	-	(32,130)	-	-	-
Other		(22)	7	(15)	(125)	7	(118)
Balance at 31 March 2025		7,897,973	4,703,085	12,601,058	7,953,718	4,699,530	12,653,248

Consolidated Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2024

	Core department and agencies				Departmental group	
	General Fund		Revaluation reserve		Revaluation reserve	
	Note	£000	£000	£000	£000	£000
Balance at 1 April 2023		7,857,199	4,959,264	12,816,463	7,904,979	12,864,868
Net parliamentary funding – drawn down		11,867,000	-	11,867,000	-	11,867,000
Net parliamentary funding – deemed		283,368	-	283,368	-	283,368
Grant from bodies external to the department		-	-	-	-	5,000
Unspent Supply drawn down repayable to the Consolidated Fund		(315,295)	-	(315,295)	-	(315,295)
Consolidated Fund standing services						
- Judicial salaries		179,400	-	179,400	-	179,400
- Lord Chancellor's salary		99	-	99	-	99
- Utilisation of Judicial Service Award		6,225	-	6,225	-	6,225
CFERs payable to the Consolidated Fund		(22,076)	-	(22,076)	-	(22,076)
Net expenditure for the year	CSocNE	(11,866,430)	-	(11,866,430)	-	(11,856,166)
Net gain/(loss) on revaluation of						
- Property, plant and equipment		-	10,973	10,973	-	10,980
- Right of use assets		-	1,969	1,969	-	1,969
- Intangible assets		-	2,447	2,447	-	2,484
- Assets held for sale		-	(164)	(164)	-	(164)

	Core department and agencies					Departmental group	
	Note	General Fund £000	Revaluation reserve		General Fund £000	Revaluation reserve	
			£000	Total reserves £000		£000	Total reserves £000
Remeasurement of pension schemes							
- Cafcass pension scheme	25	-	-	-	14,104	-	14,104
- Legal Services Commission pension scheme	25	(22,049)	-	(22,049)	(22,049)	-	(22,049)
- By-analogy pension schemes		49	-	49	430	-	430
- Probation pension schemes	25	(788,534)	-	(788,534)	(788,534)	-	(788,534)
Non-cash adjustment							
- Auditor's remuneration	6	2,122	-	2,122	2,122	-	2,122
- Corporate overhead recharges	11	(4,315)	-	(4,315)	-	-	-
Movements in reserves							
- Transfers from revaluation reserve		203,699	(203,699)	-	203,885	(203,885)	-
Other movements							
Adjustment in respect of prior periods		19,163	-	19,163	19,156	-	19,156
Prior year OLC and LSB CFER		19,578	-	19,578	227	-	227
Other		86	-	86	(1,205)	-	(1,205)
Balance at 31 March 2024		7,419,289	4,770,790	12,190,079	7,480,670	4,771,273	12,251,943

The notes on pages 197 to 285 form part of these accounts.

Notes to the accounts for the year ended 31 March 2025

1a) Statement of accounting policies

1.1 Basis of preparation

These accounts have been prepared in accordance with the *Government Financial Reporting Manual (FReM) 2024 to 2025* issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector.

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

The preparation of the accounts in conformity with IFRS requires the use of certain critical accounting estimates (see Note 1b).

In addition to the primary statements prepared under IFRS, the FReM requires the department to prepare a Statement of Outturn against Parliamentary Supply and supporting notes showing the outturn against estimates in terms of the net resource requirement and the net cash requirement. These are included within the parliamentary accountability section in this report.

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

1.2 Going concern

The FReM states that going concern for the public sector is interpreted as the anticipated continued provision of the entity's services in the future, as evidenced by inclusion of financial provision for that service in published documents. In common with other government departments, the group's liabilities are expected to be met by future grants of supply and the application of future income, both to be approved annually by Parliament. The department considers there is no reason to believe that future approvals will not be forthcoming. Hence, it is considered appropriate to adopt a going concern basis for the preparation of these financial statements.

1.3 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, inventories, financial assets and liabilities and assets held for sale, where material.

1.4 Basis of consolidation

These accounts consolidate the core department, executive agencies and non-departmental public bodies (NDPBs) which fall within the departmental boundary as defined in the FReM and make up the departmental group. A list of entities included within the departmental boundary is given at Note 29.

Where two columns are included, the first contains amounts for the core department and its agencies and the second contains amounts for the departmental group as a whole. Accounting policies are harmonised across the group and all significant intra-departmental balances and transactions between entities within the departmental boundary are eliminated.

All consolidated entities have accounting reference dates that align with the core department.

1.5 Machinery of government changes and restatement of comparatives

There have been no machinery of government changes in the financial year 2024 to 2025 (none in financial year 2023 to 2024).

1.6 Changes in accounting policy and disclosures

a) Intangible assets are recognised in accordance with **IAS 38 Intangible Assets** as adapted by the FReM, incorporating early adoption of the FReM 2025 to 2026 and IAS 38 adaptation, removing the revaluation model with effect from 1 April 2024. Intangible assets in service were remeasured at the end of each reporting period using the Producer Price Index issued by the Office for National Statistics up until 31 March 2024. From 1 April 2024 all MoJ entities have been granted permission to early adopt the 2025 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.

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

IFRS 17 Insurance Contracts requires a discounted cash flow approach to accounting for insurance contracts. IFRS 17 is to be applied by entities for accounting periods beginning on or after 1 January 2023. MoJ will implement the new standard when it is required to do so: IFRS 17 Insurance Contracts is being applied in the FReM from 1 April 2025, with a transition date of 1 April 2024. To assess the impact of the standard, we are reviewing contracts which meet the definition of insurance contracts.

In December 2023, HM Treasury released an exposure draft on potential changes to make to valuing and accounting for non-investment assets (such as property, plant and equipment and intangible assets). The following change to the valuation and accounting of non-investment assets is to be included in the 2025 to 2026 FReM for mandatory implementation.

- References to assets being held for their 'service potential' and the terms 'specialised assets' and 'non-specialised assets' are being removed from the FReM. Non-investment assets are instead described as assets held for their 'operational capacity'. This change has no impact on the valuation basis of non-investment assets, which remains existing use value.

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

1.7 Property, plant and equipment

Initial recognition and capitalisation threshold

Property, plant and equipment is 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. Such expenditure is capitalised where:

- the asset is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow, or service potential be provided, to us
- it is expected that the asset will be used for more than one financial year
- the cost of the asset can be measured reliably

The core department's capitalisation threshold for individual assets is £10,000. The thresholds across the departmental group range from £500 to £10,000.

Where significant purchases of individual assets which are separately below the capitalisation threshold arise in connection with a single project, they are treated as a grouped asset. The core department's capitalisation threshold for grouped assets is £1 million. The thresholds across the departmental group range from £500 to £1 million. All thresholds include irrecoverable VAT.

Subsequent valuation method

Land and buildings (including dwellings) are recorded at fair value, as interpreted by the FReM, on the basis of professional valuations, which are conducted for each property at least once every five years. These are primarily undertaken by the Valuation Office Agency using the Royal Institution of Chartered Surveyors (RICS) appraisal and valuation manual, known as the Red Book.

In between professional valuations, carrying values are adjusted by the application of indices or through desktop valuations for which different indices are applied depending on the assets. This ensures that carrying values 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 All-In Tender Price Index that reflects price changes in the construction sector and is a good indicator of price pressure in building contracts in the UK.

Criminal courts, prisons and some parts of the probation estate are mostly classified as specialised buildings which cannot be sold on the open market. For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost on a modern equivalent asset basis in accordance with the FReM and RICS guidance, taking into account the functional obsolescence of the property and other assumptions. A modern equivalent asset basis assumes that the asset will be replaced with a modern asset of equivalent capacity and location requirements of the services being provided.

Non-specialised properties are valued based on existing use or market value where there is an open market valuation for such properties.

Assets which are held for their service potential and are in use (operational assets used to deliver either frontline services or back-office functions) are measured at their current value in existing use.

Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are valued at current value in existing use where there are restrictions which would prevent access to the market at the reporting date. If we can access the market, then the surplus asset is valued at fair value in accordance with **IFRS 13 Fair Value Measurement**.

Where there is a clear plan to bring an unused asset back into future use as an operational asset, the asset is not considered as surplus and is maintained at current value in existing use.

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

Fair value hierarchy and inputs

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

The inputs to this technique constitute level 2 inputs in each instance. Level 2 inputs 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.

Revaluation

Gains arising on revaluation are credited to the revaluation reserve and shown in other comprehensive net expenditure, unless they reverse a revaluation decrease on the same asset. Reversals are credited to the Consolidated Statement of Comprehensive Net Expenditure (CSoCNE) to the extent of the previous amount expensed, and any excess is credited to the revaluation reserve.

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

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 CSoCNE, with any remaining revaluation reserves balance released to the General Fund.

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

Depreciation

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

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

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

Estimated useful asset lives are within the following ranges:

Freehold land	Not depreciated
Leasehold land	Remaining lease period
Freehold buildings (including dwellings)	Shorter of remaining life or 60 years
Leasehold buildings (including dwellings)	Shortest of remaining life, remaining lease period or 60 years
Information technology	Shorter of remaining life or 3 to 15 years
Plant and equipment	Shorter of remaining life or 3 to 15 years
Furniture, fixtures and fittings	Shorter of remaining life or 3 to 20 years

Assets under construction

Assets under construction are valued at historical cost within property, plant and equipment and intangible assets, and are not depreciated or amortised until completed. On completion, the asset's 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.

1.8 Intangible assets

Intangible assets comprise internally developed software for internal use (including such assets under construction), software developed by third parties, and purchased software licences. As at 31 March 2025, we did not identify any software as a service, or any other cloud-based, right of use assets.

Software developed internally or by third parties

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by MoJ are capitalised when they meet the criteria specified in the FReM, which has been adapted from **IAS 38 Intangible Assets**. Other expenditure that does not meet these criteria is recognised as an expense as incurred.

The useful lives of internally developed software range from one to 15 years. In accordance with **IAS 38 Intangible Assets**, MoJ reviews the useful economic lives of its intangible assets each financial year.

MoJ utilises an agile development approach. For each module of information technology (IT), amortisation begins when it is ready for its intended use, regardless of whether the IT will be placed into service in planned stages that may extend beyond a reporting period. If the functionality of a module is entirely dependent on the completion of other modules, amortisation begins when both that module and the other modules upon which it is functionally dependent are ready for their intended use.

Purchased software licences

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

The capitalisation thresholds across the departmental group range from £500 to £250,000 (including irrecoverable VAT).

Per paragraph 1.6, 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.

1.9 Impairment

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

An impairment reflects a diminution in the value of an asset as a result of a clear consumption of economic benefits or service potential. At each reporting date, MoJ 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 above).

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 net operating costs in the CSoCNE. If the asset has previously been revalued, any remaining revaluation reserve balance (up to the level of the impairment loss) is released to the General Fund.

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

1.10 Non-current assets held for sale

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

1.11 Leases

IFRS 16 requires a lessee to recognise assets and liabilities for all leases (apart from the exemptions listed below).

Scope and exclusions – the departmental group 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 FReM, IFRS 16 has also been applied to leases with nil or nominal (that is, significantly below market value) consideration and arrangements for sharing accommodation between government departments.

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

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

When making the above assessments, MoJ excludes two types of leases:

- those relating to low value items, which it considers as those where the underlying asset would have a cost of less than £10,000 when new, provided those items are not highly dependent on or integrated with other items

- contracts whose term is less than 12 months

At inception or on reassessment of a contract that contains a lease component, MoJ assesses whether it is reasonably certain to exercise break options or extension options at the lease commencement date. MoJ reassesses this if there are significant events or changes in circumstances that were not anticipated. In the event that a lease contract has expired, but MoJ 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.

Initial recognition – the departmental group as lessee

At the commencement of a lease, the department recognises a right of use asset and a lease liability. Under HM Treasury's IFRS 16 application guidance, 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**. If the VAT element cannot be clearly identified from lease invoices, the lease liability and right of use asset are measured using the gross value of invoices for remaining lease payments.

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, the department's incremental rate of borrowing. This rate is advised annually by HM Treasury: 4.72% for leases that commenced, transitioned or were remeasured in the 2024 calendar year (2023: 3.51%).

Where a lease includes variable lease payments tied to an inflation index, this is included in the measurement by inflating using HM Treasury's Consumer Price Index (CPI) inflation rates as published in the Public Expenditure System papers for the relevant year. This is the approach set out in the FReM IFRS 16 application guidance.

Right of use asset

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

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

However, in accordance with the FReM, where the lease requires nil or nominal consideration (usually referred to as a 'peppercorn' lease), the asset will instead be measured at its existing use value, 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.

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

Subsequent measurement – the departmental group as lessee

After initial recognition, the right of use asset will be measured using the fair value model. The departmental group 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 also 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 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 either by:

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

Expenditure charged to the CSocNE 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. Lease payments are debited against the liability. Rental payments in respect of leases of low value items, or with a term under 12 months, are also expensed.

Estimates and judgements

In assessing the lease MoJ needs to make 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 standalone price of the lease component only – where this is not readily observable, a determination will be made by reference for other observable data, such as the fair value of similar assets or price of contracts for similar non-lease components
- MoJ 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
- MoJ 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
- MoJ also leases various non-property assets such as vehicles and IT equipment – it has determined that, at the present time, all non-property leases which are not individually low value are immaterial and consequently, no non-property leases have been recognised in these accounts

1.12 Service concession arrangements

Service concession arrangements (SCAs), including private finance initiative (PFI) arrangements, are where private sector operators are contractually obliged to provide services to the public in relation to certain infrastructure assets.

MoJ recognises the infrastructure asset at fair value (or the present value of the future minimum infrastructure payments, if lower) as a non-current asset in the Consolidated Statement of Financial Position (CSocFP) 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/rate used to determine those payments.

For budgeting purposes, SCAs are evaluated according to the balance of risks and reward of ownership as defined by European System of Accounts 10. This means that some SCAs recognised in the accounts are treated differently for budgetary purposes against HM Treasury budgeting controls.

1.13 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.

IAS 19 Employee Benefits requires MoJ to recognise the expected cost of the annual leave entitlement of its employees that is accrued at the end of each financial year.

Defined benefit pension schemes

PCSPS and Judicial Pension Scheme

The provisions of the PCSPS cover most past and present employees. Salaried and fee-paid judicial office holders are covered by the Judicial Pension Scheme (JPS). Both the PCSPS and the JPS are unfunded defined benefit schemes although, in accordance with the FReM section 8.2 adaptation of IAS 19, the department accounts for these as defined contribution schemes and recognises contributions it pays as an expense in the year in which they are incurred. The legal or constructive obligation is limited to the amount that it agrees to contribute to the fund.

The department is responsible for the administration of the JPS that provides for the pension entitlements of salaried and fee-paid judicial office holders of eight other participating bodies.

Provisions have been recognised in the department's accounts for the liability to fee-paid judicial office holders in respect of the Judicial Service Award as this cannot be paid by the JPS in accordance with its governing regulations.

The JPS is not consolidated within these accounts and further information can be found in the JPS accounts at https://assets.publishing.service.gov.uk/media/686fa0612557debd867cbf4a/Judicial_Pensions_Scheme_Annual_Report_and_Accounts_2024-25.pdf.

Further information about these provisions is set out in Note 20.

Funded pension schemes

Unlike the schemes described above, funded pension schemes are accounted for through the department's CSofP, applying **IAS 19 Employee Benefits** in full. These accounts contain the Local Government Pension Scheme (LGPS) for HMPPS probation staff and past employees of the probation trusts (including those who transferred to community rehabilitation companies and/or community rehabilitation services), Cafcass and the Legal Services Commission Pension Scheme (LSCPS). The cost of providing benefits is determined using the projected unit credit method, with formal actuarial valuations being carried out at the end of every third reporting period (the most recent valuations being as at 31 March 2022). The results of the valuations as at 31 March 2022, including the roll forward for the financial year 2024 to 2025, were reflected in the 2024 to 2025 accounts.

Past employees of the probation trusts, and LGPS probation staff who transferred to community rehabilitation companies and HMPPS National Probation Service, are covered by the provisions of LGPS via one pension fund administered by the Greater Manchester Pension Fund (GMPF). The Secretary of State for Justice has provided a guarantee to GMPF in respect of the community rehabilitation services' participation in the GMPF for pension liabilities that transferred to the community rehabilitation services.

The liability or asset recognised in the CSofP 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.

Remeasurements (comprising actuarial gains and losses), the effect of the asset ceiling (including irrecoverable surplus adjustments), 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 CSocNE and are spread systematically over the working lives of the employees. The net interest charge in the CSocNE 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.

Under the requirements of **IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction**, the value of any net pension surplus which was determined under IAS 19 is limited in the financial statements to reflect that the full economic benefit of a surplus is not realisable. This restriction is known as the asset ceiling.

In the case of the LSCPS, MoJ is able to recognise a pension asset as it has an unconditional right to a refund from the Legal Services Commission during the life of the plan. MoJ can elect to withdraw money out of the fund, to the extent that the funding level does not drop below 105%. Therefore, in the event of a surplus no asset ceiling is applied.

Further detail on the application of IFRIC 14 is included in Note 25.

Other defined benefit pension schemes

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

Early departure and injury benefit costs

The department is required to pay the additional cost of benefits beyond the normal PCSPS and LGPS benefits in respect of employees who retire early. The total cost is provided in full when the early departure programme has been announced and is binding on the department.

The Civil Service Injury Benefits Scheme requires the department to pay benefits to any individual who is injured in connection with their employment. Benefits are paid only in respect of loss of earning capacity, and a provision is made for expected future costs.

The early departure and injury benefit provisions are discounted using the rate disclosed in Note 1.18.

1.14 Income

Income is generated directly from the operating activities of the departmental group and includes both budgetary and non-budgetary income. Non-budgetary income is outside the ambit of the departmental group and is surrendered to the Consolidated Fund as CFERs (refer to Annex A, SOPS 4).

Income is stated net of VAT and comprises mainly fees and charges for services which are set on a full cost recovery basis.

MoJ recognises revenue from a number of different sources, primarily from:

- HMCTS fees
- LAA civil representation and criminal case recoveries
- OPG fees (largely power of attorney fees)
- HMPPS income (largely prison-related)
- recoveries from other government departments

Fee income

HMCTS fee income

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

The power to charge fees is conferred by section 92 of the Courts Acts 2003, and the power to charge enhanced fees is conferred by section 180 of the Anti-Social Behaviour Crime and Policing Act 2014. This is the legislation against which HMCTS assesses its performance obligations. This legislation also provides for statutory instruments to set out a price list for the fees to be charged. These statutory instruments, determined in the FReM adaption as contracts under IFRS 15, are interpreted as the performance obligations on HMCTS in respect of the individual fees charged. This does not place a performance obligation on the judiciary.

HMCTS has therefore adopted an income policy which recognises that in the administration of the courts system, HMCTS, whose role is to support the judiciary in their administration of justice, bears a responsibility to applicants to ensure their application is progressed on receipt of the correct fee.

In recognition of this obligation, HMCTS defers most of its revenue until the issue of an application is completed, or any other obligations are completed that are required as part of the relevant statutory instrument.

Civil fees make up the majority of HMCTS income and can be disaggregated into broad jurisdictional categories. Within each category, there are three significant common performance recognition points: issue, hearing and enforcement.

OPG fee income

For OPG fees and charges, revenue from contracts with customers comprises fees for services which are set based on an OPG full cost recovery basis. Fee income consists of amounts for services rendered from power of attorney applications, supervision of court appointed deputies, and copies of power of attorney certificates.

Fines and penalties

MoJ also collects fines, criminal court charges and fixed penalties imposed by the judiciary or police and is permitted to retain part of the value of fines and penalties collected. The HMCTS Trust Statement accounts for fines and penalties imposed by the criminal justice system as revenue ultimately payable to the Consolidated Fund, on a gross basis. It also accounts for the cash and balances payable to the Consolidated Fund and third parties in relation to the collection of the fines and penalties amounts.

As there are no specific performance obligations associated with receiving revenue from fines and penalties, the revenue is considered to be a non-exchange transaction and therefore outside the scope of IFRS 15. They are measured at the fair value of amounts received, or receivable, net of judicial cancellations and remissions. Revenue is recognised at the full value of the imposition when a fine or penalty is validly imposed and an obligation to pay arises. Where a penalty is cancelled due to attendance at a training course, as a result of an appeal or for other legal reasons or as a result of settlement by other valid means including imprisonment, revenue is derecognised and the derecognition of revenue is recorded as a reduction against revenue.

The victim surcharge

An additional surcharge is added to fines that are imposed. HMCTS is responsible for collecting the victim surcharge and passing the receipts to MoJ justice reform directorate to fund victims' services. Revenue is recognised on the same basis as fines.

Recoveries from other government departments and income from the NHS and other healthcare providers

Recoveries from other government departments relate to the recharge of expenditure to other government departments. HMPPS receives income from the NHS in relation to healthcare funding and from the Home Office in relation to immigration removal centres. HMCTS receives funding from the Department for Work and Pensions and HM Revenue and Customs in respect of the operations of the First Tier Tribunal (Social Security and Child Support). The performance obligation is met, and the revenue recognised, at the time that the services are rendered or goods delivered.

Retail sales

Retail income is generated within HMPPS from retail sales in prison shops. Revenue is recognised at the point the goods are received by the prisoner.

Levy income of the Office of Legal Complaints (OLC) and Legal Services Board (LSB)

The Legal Services Act 2007 (the Act) makes provision for the costs of OLC and LSB to be recovered through the imposition of a levy on the legal profession's approved regulators. In accounting for levy income, section 175 of the Act requires all levy income collected by OLC and LSB to be surrendered to the Consolidated Fund. In return, OLC and LSB receive grant-in-aid funding from the core department equal to the income surrendered. Accordingly, a notional transfer to the Consolidated Fund has been shown in the Statement of Changes in Taxpayers' Equity and an equal amount is shown as a notional grant-in-aid receipt from MoJ as the sponsoring department.

LSB and OLC, in conjunction with the department and HM Treasury, are seeking to identify a suitable legislative vehicle to make an amendment to section 175 of the 2007 Act to enable them to retain the levy income and not surrender it in return for an equal grant.

Other income

European Social Fund and other European funding

Through HMPPS, the department receives a financial allocation for delivery of resettlement services to offenders. The funding is used to support offenders considered hard to reach, in both custody and community settings, to increase employability and provide opportunities to access mainstream services. Funding is matched to eligible expenditure on an accruals basis. The performance obligation is met and income recognised when expenditure is incurred that meets the funding payment criteria.

1.15 Grants payable and paid

Grant-in-aid financing to the department's NDPBs is reported on a cash basis in the period in which payments are made. Co-funding grants from other government departments are paid to NDPBs via the core department and are included as part of the grant-in-aid funding for the year. All grant-in-aid and supply funding made by the core department to its agencies and NDPBs is fully eliminated within the departmental group.

The department also makes a small number of grants to a variety of public sector, private sector and voluntary bodies. These grants are recognised at the point at which an authorised request is received from the recipient body, in accordance with the terms of the relevant financial memoranda.

1.16 Costs borne by the Consolidated Fund

The salary and social security costs of senior judges are included in these accounts as a cost and are funded from the Consolidated Fund. Senior judges also receive service award payments under an agreement with the department which are paid from the Consolidated Fund.

1.17 Notional costs

Notional costs comprise statutory auditors' remuneration, which represents the National Audit Office's cost for the audit of the department and executive agencies' accounts. Such notional costs are credited directly to the General Fund.

Costs for corporate overheads are also notionally recharged to business areas. The majority of the notional recharge costs relate to IT services, estates costs, and shared services processing charges that are centrally managed on behalf of the group and are eliminated on consolidation.

1.18 Provisions

Provisions are recognised in accordance with **IAS 37 Provisions, Contingent Liabilities and Contingent Assets**.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. Where the effect of discounting is material, provisions are measured at their present value using the current discount rates set by HM Treasury based on the underlying cash flows: 4.03%, 4.07% and 4.81% for short-term, medium-term and long-term cash flows, respectively.

Early departure and injury benefit provisions are discounted using the HM Treasury post-employment benefits real discount rate of 2.40% (financial year 2023 to 2024: 2.45%).

1.19 Contingent assets and liabilities

A contingent liability is disclosed when the likelihood of a payment is less than probable, but more than remote, or the obligation cannot be measured reliably. Where the time value of money is material, contingent liabilities required to be disclosed under **IAS 37 Provisions, Contingent Liabilities and Contingent Assets** are stated at discounted amounts.

A contingent asset is a potential asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of MoJ. A contingent asset is disclosed where an inflow of economic benefits is probable.

1.20 Value Added Tax

Most of MoJ's activities are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable, except as allowed by HM Treasury's contracting out direction. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase costs of non-current assets, except leases (which are discussed in Note 1.11). Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

1.21 Third-party assets

MoJ holds, as custodian or trustee, certain assets belonging to third parties. In line with FReM requirements, these assets are not recognised in the CSoFP and are disclosed within Note 28 since neither the department nor the government has a direct beneficial interest in them.

1.22 Financial instruments

Recognition

Financial assets and financial liabilities, which arise from contracts for the purchase and sale of non-financial items (such as goods or services) and are entered into in accordance with MoJ's normal purchase, sale or usage requirements, are recognised when, and to the extent to which, performance occurs. All other financial assets and liabilities are recognised when MoJ becomes party to the contractual provisions to receive or make cash payments.

De-recognition

Financial assets are de-recognised when the contractual rights to receive future cash flows have expired or MoJ has transferred substantially all the risks and rewards of ownership to another entity. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and measurement of financial assets

In addition to cash and cash equivalents, MoJ has two categories of financial assets.

Financial assets at fair value through profit and loss

Fair value is equal to the market value at the reporting date, and the movement in the value of the assets is recognised immediately in the CSoCNE, as income or as an expense.

Receivables relating to LAA's statutory charge are measured at fair value in line with the requirements of **IFRS 13 Fair Value Measurement** as they are not solely payments of principal and interest and therefore do not meet the tests set out in IFRS 9. The practical application of IFRS 13 with regard to LAA's assets applies the consideration of the three hierarchies set under the standard for determining fair value. This is explained in further detail in LAA's annual report and accounts 2024 to 2025, including detail regarding key assumptions which support the most significant fair value estimates.

MoJ, through HMPPS, holds share investments of £0.25 million (financial year 2023 to 2024: £0.2 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 CSoCNE, as income or as an expense.

Financial assets at amortised cost

Cash and trade and other receivables are held at amortised cost. For assets at amortised cost, the amortised cost balance was reduced where appropriate by an allowance for amounts which were considered to be impaired or uncollectable.

MoJ recognises a provision for expected credit losses on financial assets measured at amortised cost. Any interest receivable or loss arising on impairment is recognised in the CSocNE.

Trade receivables are generally due for settlement within 30 days and are therefore classed as current. A proportion of MoJ's receivables relate to other government departments and other public bodies. These bodies are funded by Parliament and there is historical evidence to show that this debt is collected. MoJ is therefore not exposed to significant credit risk on these balances.

Receivables that are not due from other public bodies are grouped together for the purpose of working out the expected credit loss. For trade receivables with no significant financing components, **IFRS 9 Financial Instruments** allows an entity to use a simplified method for calculating expected losses using historical default rates over the expected life of the trade receivables and adjusting for forward-looking estimates. Receivables are shown net of expected credit loss using this approach.

Impairment of financial assets

At the end of each reporting period, MoJ assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. If there is objective evidence that an impairment loss on such an asset has been incurred, MoJ recognises this in the CSocNE as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Classification and measurement – financial liabilities

MoJ has financial liabilities, comprising finance lease liabilities, trade payables, other payables and accruals. All financial liabilities are recognised initially at fair value, net of any transaction costs incurred, and then measured at amortised cost using the effective interest rate method. Where the effect is material, the estimated cash flows of financial liabilities are discounted.

1.23 Cash and cash equivalents

Cash and cash equivalents recorded in the CSocFP and Consolidated Statement of Cash Flows include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less at inception, and bank overdrafts.

1b) Critical accounting estimates and judgements

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

Critical accounting estimates and assumptions

The preparation of the financial statements requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. 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 existing use value, as interpreted by the FReM, based on professional valuations which are conducted for each property at least once every five years by the Valuation Office Agency, who are independent of MoJ, in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual. The value of land and buildings fluctuates with changes in construction costs and the current market conditions.

The majority of operational buildings are specialised and are therefore valued at depreciated replacement cost 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. All other buildings are measured at fair value determined from market-based evidence.

All assets other than land and buildings and assets under construction are revalued at each reporting date using the Producer Price Index prepared by the Office for National Statistics.

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

The carrying amounts of these assets are shown in Notes 13, 15 and 16.

Right of use assets

The cost model has been determined as a reasonable proxy for fair value in most cases because the rents payable are aligned to open market rates. In the case of longer leases where there are not regular rent reviews, there is a greater chance of divergence between cost and fair value, hence a professional revaluation is appropriate.

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

Net pension assets and liabilities

The present value of the net pension liability detailed in Note 25 depends on a number of actuarially derived assumptions about inflation, salary and pension trends, discount factors and mortality rates. The estimated net liability or asset is 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 also provided in Note 25.

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. Note 25 also includes further detail on the application of IFRIC 14.

The pension liabilities for the financial year 2024 to 2025 reflect the appropriate assumptions. The discount rate at 31 March 2025 reflects the yield on high-quality corporate bonds. All assumptions are reviewed on an ongoing basis, and at least annually.

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. Where the likelihood of a liability crystallising is deemed probable and can be measured with reasonable certainty, a provision is recognised. Provision balances which contain regular, homogeneous transactions are often derived from complex financial models. Estimates and assumptions applied in these models are continually evaluated and reviewed. Further information is set out in Note 20.

LAA financial assets

LAA recognises an impairment for expected credit losses on financial assets measured at amortised cost under **IFRS 9 Financial Instruments**. This includes receivables from legal aid providers and clients who are not subject to the statutory charge. Subsequent to initial recognition, at fair value, these assets are carried at amortised cost using the effective interest rate method, less any impairment. Any interest receivable or loss arising on impairment is recognised in the CSocNE.

LAA derecognises a financial asset only when the contractual rights to the cash flows for the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

For assets held at amortised cost, IFRS 9 requires LAA to recognise at amortised cost and to then recognise expected credit losses based on historic experience and adjusted for reasonable and supportable forward-looking information such as management's assessment of likely recoveries. This assessment may be of individual assets (individual impairment) or of a portfolio of assets (collective impairment). An assessment of collective impairment is made of financial assets with similar risk characteristics. For these assets, LAA's previous experience of losses in each portfolio is used to estimate the degree of impairment on that asset class.

Where such an estimate is made, impairment provisions are made to reduce the carrying value of financial assets accordingly. LAA applies the 'simplified model' and recognises lifetime expected credit losses.

The measurement of expected credit loss involves complexity and judgement. Further detail on the valuation model used to generate this estimate and the actual impairments against LAA's receivables is included in Note 24 to these financial statements.

Default is determined by reference to one or more missed contractual payments but also includes arrangements in place to pay less than contractual payments, fraud and bankruptcy or other indicators. The key areas in which management make estimations and assumptions are trade and other receivables (Note 17 and Note 24) and provisions for liabilities and charges (Note 20).

Critical judgements in applying accounting policies

LAA financial assets

The estimates and associated assumptions included within the financial statements are based on data held by LAA, historical experience and various other factors. These are believed to provide a reasonable basis on which the carrying values of assets and liabilities that are not readily apparent from other sources can be estimated.

The key areas in which management make estimations and assumptions are trade and other receivables (Note 17 and Note 24) and provisions for liabilities and charges (Note 20).

SCAs

The classification of arrangements as SCAs requires MoJ to determine, based on an evaluation of the terms and conditions of the arrangements, whether it controls the infrastructure. Where MoJ is judged to control the infrastructure, the contract assets are reflected in the CSofP.

2. Operating expenditure by operating segment

Under IFRS 8, operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker – that is, categorised according to business group.

The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee. The segmental analysis presents the financial information based on the structure reported to the Executive Committee.

The segments are:

- centrally held – centrally managed budgets and the departmental unallocated provision
- policy and corporate services – departmental headquarters functions and the department's NDPBs
- HMCTS
- HMPPS
- other delivery agencies – LAA, OPG and CICA

The Executive Committee does not receive a CSofP analysed by operating segment and therefore such an analysis is not presented here.

2. Operating expenditure by operating segment (continued)

	2024-25					
	Centrally held	Policy and corporate services	HMCTS	HMPPS	Other delivery agencies	Gross total (pre-eliminations)
	£000	£000	£000	£000	£000	£000
Income						
Income from external customers	(873)	(131,237)	(69,516)	(257,132)	(72,175)	(530,933)
Internal MoJ income	-	(188,902)	(2)	-	(199)	(189,103)
Interest	-	(595)	(15)	-	-	(610)
EU grants	-	-	-	(44,918)	-	(44,918)
CFERs	(22,864)	-	-	-	-	(22,864)
Fee income	(349,769)	(30,000)	(830,161)	-	(126,022)	(1,335,952)
Total income	(373,506)	(350,734)	(899,694)	(302,050)	(198,396)	(2,124,380)
Expenditure						
Staff costs	8,194	875,402	725,345	3,479,323	150,171	5,238,435
Judiciary costs	97	9,926	777,821	-	-	787,844
Accommodation, maintenance and utilities	-	36,300	336,029	779,557	6,324	1,158,210
Offender-related costs	-	-	-	815,319	-	815,319
Service concession charges	-	-	36,759	757,079	-	793,838
IT services and telecommunications (non-SCAs)	346	248,671	238,276	62,262	1,049	550,604
Contracted probation services (community rehabilitation companies)	-	-	-	99,219	-	99,219
Payments of grant-in-aid to MoJ NDPBs (eliminated on consolidation)	-	353,736	-	-	-	353,736

	2024-25					
	Centrally held	Policy and corporate services	HMCTS	HMPPS	Other delivery agencies	Gross total (pre-eliminations)
	£000	£000	£000	£000	£000	£000
Cost of legal services and disbursements (civil)	-	-	-	-	8,756	8,756
Cost of legal services and disbursements (crime)	-	-	-	-	6,765	6,765
Provisions provided for in year	(36,197)	(693)	(3,185)	24,894	298,995	283,814
Legal aid-funded provisions	-	-	-	-	2,229,386	2,229,386
Rentals under operating leases	17	401	16,102	2,224	306	19,050
Finance charges on leases and SCAs	2	5,183	17,521	9,770	247	32,723
Current grants	(55)	303,446	25	5,431	-	308,847
Corporation tax	-	149	-	-	-	149
Corporate recharges	1	(651,313)	104,237	492,637	54,438	-
Depreciation	81	56,203	248,549	482,527	6,732	794,092
Amortisation	-	17,949	96,147	14,504	9,163	137,763
CSoCNE impairments	-	-	18,402	227,850	2,808	249,060
Individually immaterial items of expenditure	15,624	416,332	152,391	277,304	100,736	962,387
Total expenditure	(11,890)	1,671,692	2,764,419	7,529,900	2,875,876	14,829,997

	Centrally held		Policy and corporate services		HMCTS	HMPPS	Other delivery agencies	Gross total (pre-eliminations)
	£000	£000	£000	£000	£000	£000	£000	£000
Income								
Income from external customers	(1,160)	(117,997)	(62,640)	(242,482)	(59,036)			(483,315)
Internal MoJ income	-	(160,706)	(25)	-	(156)			(160,887)
Interest	-	(586)	(14)	-	-			(600)
EU grants	-	-	-	(40,818)	-			(40,818)
CFERs	(908)	(21,168)	-	-	-			(22,076)
Fee income	(355,296)	(29,999)	(745,028)	-	(114,890)			(1,245,213)
Total income	(357,364)	(330,456)	(807,707)	(283,300)	(174,082)			(1,952,909)
Expenditure								
Staff costs	2,155	829,495	700,908	3,294,506	137,983			4,965,047
Judiciary costs	101	10,484	678,174	-	-			688,759
Accommodation, maintenance and utilities	-	37,170	306,605	689,168	6,278			1,039,221
Offender-related costs	-	-	-	746,433	-			746,433
Service concession charges	-	-	34,312	720,410	-			754,722
IT services and telecommunications (non-SCAs)	696	207,299	232,323	34,148	288			474,754
Contracted probation services (community rehabilitation companies)	-	-	-	96,388	-			96,388
Payments of grant-in-aid to MoJ NDPBs (eliminated on consolidation)	-	308,842	-	-	-			308,842
Cost of legal services and disbursements (civil)	-	-	-	-	7,592			7,592
Cost of legal services and disbursements (crime)	-	-	-	-	5,462			5,462

2023-24

	Centrally held		Policy and corporate services		HMCTS	HMPPS	Other delivery agencies	Gross total (pre-eliminations)
	£000	£000	£000	£000	£000	£000	£000	£000
Provisions provided for in year	302,446		2,554	(10,397)		26,727	248,366	569,696
Legal aid-funded provisions	-		-	-	-	-	2,142,419	2,142,419
Rentals under operating leases	-		93	14,678		1,945	241	16,957
Finance charges on leases and SCAs	-		6,003	22,761		16,787	160	45,711
Current grants	-		303,631	25		4,892	-	308,548
Corporation tax	-		146	-	-	-	-	146
Corporate recharges	-	(644,245)		104,666		492,512	47,067	-
Depreciation	-		54,322	256,204		461,695	6,588	778,809
Amortisation	-		16,780	118,460		13,288	8,204	156,732
CSoCNE impairments	-		71	9,918		100,504	-	110,493
Individually immaterial items of expenditure	(1,005)		385,780	178,949		246,825	90,637	901,186
Total expenditure	304,393	1,518,425	2,647,586	6,946,228	2,701,285	14,117,917		

3. Revenue from contracts with customers

	2024-25		2023-24	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Fines receipts	379,769	379,769	385,295	385,295
Fee income	966,467	966,467	867,299	867,299
Victim surcharge	74,948	74,948	65,527	65,527
Legal aid – civil representation recoveries	14,777	14,777	14,535	14,535
Legal aid – criminal cases recoveries	38,134	38,134	23,791	23,791
Remand income	37,027	37,027	33,284	33,284
Income from NHS and other healthcare providers	75,886	75,886	66,400	66,400
Recoveries from other government departments	106,659	105,555	99,775	98,791
CICA income from the Scottish Government	18,663	18,663	19,345	19,345
External sales of prison industries	18,235	18,235	15,677	15,677
Retail prison shop income	82,623	82,623	81,464	81,464
In-cell TV income	1,855	1,855	1,831	1,831
Training	2,328	2,420	6,436	6,556
Compensation	5,921	5,688	5,678	5,320
Internal customers	2,222	2,222	2,549	2,549
Miscellaneous income	19,102	19,659	17,991	18,174
Revenue within MoJ's ambit	1,844,616	1,843,928	1,706,877	1,705,838
CFER receipts	22,864	22,864	975	22,076
Total	1,867,480	1,866,792	1,707,852	1,727,914

4. Other operating income

	2024-25		2023-24	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Rental income	19,626	19,522	18,767	18,634
European Social Fund and other European funding	44,918	44,918	40,818	40,818
Miscellaneous income	-	637	-	681
Total	64,544	65,077	59,585	60,133

5. Staff and judiciary costs

Staff costs

	2024-25				2023-24
	Permanently employed staff	Other	Ministers	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	3,672,453	240,421	412	3,913,286	3,740,548
Social security costs	400,846	2,205	38	403,089	375,659
Other pension costs	894,076	55	-	894,131	791,876
Sub-total	4,967,375	242,681	450	5,210,506	4,908,083
Early departure costs	32,690	-	-	32,690	45,052
Early departure provisions	(32)	-	-	(32)	-
Add inward secondments	4,880	2,815	-	7,695	25,788
Less recoveries in respect of outward secondments	(12,546)	(10)	-	(12,556)	(13,894)
Total net costs	4,992,367	245,486	450	5,238,303	4,965,029
<i>Of which:</i>					
Core department and agencies	4,750,749	204,067	450	4,955,266	4,701,233
NDPBs	241,618	41,419	-	283,037	263,796
Total	4,992,367	245,486	450	5,238,303	4,965,029

Judiciary costs

	2024-25				2023-24
	Senior judicial salaries	Other judicial salaries	Fee-paid judiciary	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	172,502	134,335	160,717	467,554	432,930
Social security costs	23,143	17,771	16,857	57,771	53,846
Other pension costs	105,623	83,264	73,632	262,519	201,983
Total	301,268	235,370	251,206	787,844	688,759

All judiciary costs are within the core department and agencies.

Staff and judiciary numbers and further details of related costs, including exit packages, are reported in the remuneration and staff report within the accountability section.

6. Purchase of goods and services

	2024-25		2023-24	
	Core department and agencies	Departmental group	Core department and agencies (reclassified)	Departmental group (reclassified)
	£000	£000	£000	£000
Lease/service concession charges:				
PFI service charges	624,266	624,266	598,179	598,179
Other service concession charges	169,572	169,572	156,543	156,543
Rentals under operating leases	18,847	18,895	16,563	16,604
Other services:				
Accommodation, maintenance and utilities	1,151,511	969,029	1,033,984	878,367
Communications, office supplies and services	69,700	71,556	65,524	67,304
Travel, subsistence and hospitality	68,778	73,912	69,368	73,679
Training and other staff-related costs	66,005	70,912	70,144	74,689
IT services and telecommunications (non-SCAs)	541,628	549,392	465,345	474,018
Professional services	108,163	114,755	101,819	105,743
Other contracted out services	172,510	182,624	162,760	173,165
Auditors' remuneration and expenses	-	630	-	584
Other legal aid service costs	-	-	-	7
Non-cash services:				
Auditors' remuneration and expenses	2,332	2,332	2,122	2,122
Total	2,993,312	2,847,875	2,742,351	2,621,004

Non-cash external auditors' remuneration and expenses represents the statutory audit fees of the core department and agencies. Refer to page 111 in the governance statement for details of total statutory audit fees for the group.

7. Depreciation, amortisation and impairment

	2024-25		2023-24	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Depreciation	789,556	794,092	774,242	778,809
Amortisation	134,381	137,763	153,674	156,732
Impairment of:				
Property, plant and equipment	226,330	226,330	105,838	105,838
Intangible assets	8,452	8,452	4,626	4,626
Right of use assets	14,278	14,278	(42)	29
Increase in receivables impairment	6,768	6,756	10,168	10,187
Total	1,179,765	1,187,671	1,048,506	1,056,221

8. Provision expense

	2024-25		2023-24	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Provisions provided in year net of release	283,847	283,814	568,261	569,696
Civil legal help and representation – solicitors' charges, counsel fees and disbursements	989,468	989,468	969,987	969,987
Criminal cases – solicitors' charges, counsel fees and disbursements	1,239,918	1,239,918	1,172,432	1,172,432
Total	2,513,233	2,513,200	2,710,680	2,712,115

Not included in the provisions expense note are employment tribunal refunds, which are charged against income, and dilapidations provisions which have been capitalised and added to right of use assets.

9. Net (gain)/loss on disposal of assets

	2024-25		2023-24	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Net (gain)/loss on disposal of:				
Property, plant and equipment	8,681	8,939	9,009	9,054
Intangible assets	2	51	2,969	2,972
Right of use assets	-	1	126	126
Assets held for sale	(7,599)	(7,599)	(10,054)	(10,054)
Total	1,084	1,392	2,050	2,098

10. Revaluation of non-current and financial assets charged to CSoCNE

	2024-25		2023-24	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
(Increase)/decrease in the valuation of:				
Property, plant and equipment	(7,934)	(7,934)	13,826	13,826
Intangible assets	-	-	(1)	(1)
Assets held for sale	-	-	25	25
Investments	(12)	(12)	143	143
Total	(7,946)	(7,946)	13,993	13,993

11. Other operating expenditure

	2024-25		2023-24	
	Core department and agencies	Departmental group	Core department and agencies (reclassified)	Departmental group (reclassified)
	£000	£000	£000	£000
Grants:				
Current	215,917	308,847	216,153	308,548
Capital	-	-	568	568
Criminal justice costs:				
Offender-related costs	815,319	815,319	746,433	746,433
Youth offender costs	57,713	57,713	54,095	54,095
Contracted probation services	99,219	99,219	96,388	96,388
Judicial and juror costs	66,093	66,093	66,163	66,163
Cost of legal services and disbursements (civil)	8,756	8,756	7,592	7,592
Cost of legal services and disbursements (crime)	6,765	6,765	5,462	5,462
Cost from central funds	20,542	20,542	17,517	17,517
Compensation payments	25,140	25,140	39,042	39,042
Other administrative expenditure	13,550	14,175	18,544	19,118
Other programme costs	107,070	217,768	89,008	179,731
Grant-in-aid to NDPBs	353,736	-	329,943	-
Non-cash operating expense:				
Corporate notional overhead charge	(2,978)	-	(4,315)	-
Other pension costs	784	784	614	614
Other non-cash	8,309	7,831	5,594	5,596
Total	1,795,935	1,648,952	1,688,801	1,546,867

12. Finance expense

	2024-25		2023-24	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Finance charges on leases and SCAs	32,627	32,782	45,592	45,711
Local authority loan interest	657	657	561	561
Non-cash finance expense:				
Net interest on pension schemes	21,885	21,606	(13,706)	(13,338)
Total	55,169	55,045	32,447	32,934

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

13. Property, plant and equipment

Departmental group 2024-25

	Land £000	Buildings £000	Dwellings £000	Information technology £000	Plant and equipment £000	Furniture, fixtures and fittings £000	Payments on account and assets under construction £000	Total £000
Cost or valuation								
At 1 April 2024	1,749,766	10,964,694	45,702	590,437	601,949	47,758	1,979,415	15,979,721
Additions	700	4,320	-	88,851	21,583	74	1,309,606	1,425,134
Disposals	(1,409)	(656)	(885)	(65,789)	(21,942)	(824)	(45)	(91,550)
Reclassifications	435	1,117,308	(12,770)	33,190	10,668	841	(1,167,038)	(17,366)
Revaluations	34,561	(470,724)	748	320	31	-	-	(435,064)
Transfers	-	4,047	-	(505)	(96)	-	(3,513)	(67)
Impairments	(2,059)	(194,549)	(22)	(1,335)	(3,010)	-	(27,821)	(228,796)
At 31 March 2025	1,781,994	11,424,440	32,773	645,169	609,183	47,849	2,090,604	16,632,012
Depreciation								
At 1 April 2024	-	(1,984)	(6)	(372,118)	(424,268)	(35,931)	-	(834,307)
Charged in year	(623)	(515,086)	(887)	(88,465)	(45,953)	(2,236)	-	(653,250)
Disposals	-	74	-	65,417	21,493	823	-	87,807
Reclassifications	-	32	2	2	157	-	-	193
Revaluations	623	514,094	880	(50)	(6)	-	-	515,541
Transfers	-	66	-	-	-	-	-	66
Impairments	-	-	-	209	2,257	-	-	2,466
At 31 March 2025	-	(2,804)	(11)	(395,005)	(446,320)	(37,344)	-	(881,484)
Carrying amount at 31 March 2025	1,781,994	11,421,636	32,762	250,164	162,863	10,505	2,090,604	15,750,528
Carrying amount at 1 April 2024	1,749,766	10,962,710	45,696	218,319	177,681	11,827	1,979,415	15,145,414

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Asset financing								
Owned	1,617,424	9,497,090	32,762	250,164	116,592	10,505	2,090,604	13,615,141
Finance leased	-	-	-	-	46,271	-	-	46,271
On-balance sheet PFI and other SCAs	164,570	1,924,546	-	-	-	-	-	2,089,116
Carrying amount at 31 March 2025	1,781,994	11,421,636	32,762	250,164	162,863	10,505	2,090,604	15,750,528
Of the total								
Core department and agencies	1,778,044	11,395,187	32,762	248,000	162,858	9,119	2,088,480	15,714,450
NDPBs	3,950	26,449	-	2,164	5	1,386	2,124	36,078
Carrying amount at 31 March 2025	1,781,994	11,421,636	32,762	250,164	162,863	10,505	2,090,604	15,750,528

Seven prisons are run by private sector operators under manage and maintain contracts. Assets covered by these contracts are reported as 'on-balance sheet PFI and other SCAs' in accordance with **IFRIC 12 Service Concession Arrangements**. Further details relating to these SCAs are disclosed in Note 21.

Per Note 1b, the split of property value at 31 March 2025 by valuation basis is shown in the table below.

Property values at 31 March 2025	£000
Property values at depreciated replacement cost	12,128,231
Property values at existing use value	778,700
Leasehold improvements (not professionally valued)	235,074
Land attached to buildings within assets under construction	60,982
Surplus assets (not professionally valued)	5,943
Other assets (not professionally valued)	27,462
Total	13,236,392
Costs included within property, plant and equipment note	
Land excluding dwellings	1,781,994
Buildings excluding dwellings	11,421,636
Dwellings	32,762
Total	13,236,392

Assets under construction will not be valued until ready to be made live and are therefore excluded from the analysis by valuation type.

Departmental group 2023-24

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Payments on account on assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2023	1,800,061	10,593,560	45,632	711,062	577,597	45,119	1,771,703	15,544,734
Additions	1,942	20,025	-	47,209	15,483	1,705	1,194,012	1,280,376
Disposals	-	(670)	-	(219,713)	(16,007)	(1,229)	(1,664)	(239,283)
Reclassifications	337	924,421	209	44,475	10,912	999	(983,357)	(2,004)
Revaluations	(53,106)	(467,146)	(101)	7,404	13,922	1,206	-	(497,821)
Transfers	-	(207)	-	-	42	(42)	-	(207)
Impairments	532	(105,289)	(38)	-	-	-	(1,279)	(106,074)
At 31 March 2024	1,749,766	10,964,694	45,702	590,437	601,949	47,758	1,979,415	15,979,721
Depreciation								
At 1 April 2023	-	(3,406)	(2)	(510,993)	(384,866)	(33,907)	-	(933,174)
Charged in year	(640)	(502,800)	(863)	(75,981)	(44,331)	(1,942)	-	(626,557)
Disposals	-	263	2	219,672	15,073	754	-	235,764
Reclassifications	-	407	-	-	(2)	2	-	407
Revaluations	629	503,327	857	(4,816)	(10,142)	(838)	-	489,017
Impairments	11	225	-	-	-	-	-	236
At 31 March 2024	-	(1,984)	(6)	(372,118)	(424,268)	(35,931)	-	(834,307)
Carrying amount at 31 March 2024	1,749,766	10,962,710	45,696	218,319	177,681	11,827	1,979,415	15,145,414
Carrying amount at 1 April 2023	1,800,061	10,590,154	45,630	200,069	192,731	11,212	1,771,703	14,611,560
Asset financing								
Owned	1,585,216	9,036,063	45,696	218,319	131,410	11,827	1,979,415	13,007,946

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Payments on account on assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Finance leased	-	-	-	-	46,271	-	-	46,271
On-balance sheet PFI and other SCAs	164,550	1,926,647	-	-	-	-	-	2,091,197
Carrying amount at 31 March 2024	1,749,766	10,962,710	45,696	218,319	177,681	11,827	1,979,415	15,145,414
Of the total								
Core department and agencies	1,749,766	10,960,498	45,696	216,593	177,675	10,446	1,978,582	15,139,256
NDPBs	-	2,212	-	1,726	6	1,381	833	6,158
Carrying amount at 31 March 2024	1,749,766	10,962,710	45,696	218,319	177,681	11,827	1,979,415	15,145,414
Property values at 31 March 2024			£000	Costs included within property, plant and equipment note				£000
Property values at depreciated replacement cost			11,648,567	Land excluding dwellings				1,749,766
Property values at existing use value			813,759	Buildings excluding dwellings				10,962,710
Properties at market value			127,192	Dwellings				45,696
Leasehold improvements (not professionally valued)			73,228	Total				12,758,172
Land attached to buildings within assets under construction			59,800					
Surplus assets (not professionally valued)			5,323					
Other assets (not professionally valued)			30,303					
Total			12,758,172					

Assets under construction will not be valued until ready to be made live and are therefore excluded from the analysis by valuation type.

14. Right of use leased assets

Departmental group 2024 to 2025

	Land and buildings	Dwellings	Information technology	Plant and equipment	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2024	1,709,324	3,943	4,749	-	1,718,016
Additions	772	-	4	6,158	6,934
Disposals	(25,192)	-	-	-	(25,192)
Reclassifications	(946)	(3,943)	2,335	3,943	1,389
Remeasurements	49	-	-	-	49
Revaluations	(12,895)	-	-	-	(12,895)
Impairments	(14,278)	-	-	-	(14,278)
At 31 March 2025	1,656,834	-	7,088	10,101	1,674,023
Depreciation					
At 1 April 2024	(390,476)	(246)	(402)	-	(391,124)
Charged in year	(137,757)	(-)	(1,187)	(1,898)	(140,842)
Disposals	25,191	-	-	-	25,191
Reclassifications	(115)	246	(1,514)	(246)	(1,629)
Remeasurements	-	-	-	-	-
Revaluations	7,155	-	-	-	7,155
At 31 March 2025	(496,002)	-	(3,103)	(2,144)	(501,249)
Carrying amount at 31 March 2025	1,160,832	-	3,985	7,957	1,172,774
Carrying amount at 1 April 2024	1,318,848	3,697	4,347	-	1,326,892
Of the total					
Core department and agencies	1,147,300	-	3,164	7,957	1,158,421
NDPBs	13,532	-	821	-	14,353
Carrying amount at 31 March 2025	1,160,832	-	3,985	7,957	1,172,774

The group's lease contracts comprise leases of operational land and buildings. A maturity analysis of lease liabilities is given within Note 19.

Departmental group 2023-24

	Land and buildings	Dwellings	Information technology	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 April 2023	1,660,235	-	-	1,660,235
Additions	63,229	3,943	4,749	71,921
Disposals	(7,784)	-	-	(7,784)
Reclassifications	(340)	-	-	(340)
Remeasurements	(15)	-	-	(15)
Revaluations	(3,860)	-	-	(3,860)
Transfers	(2,112)	-	-	(2,112)
Impairments	(29)	-	-	(29)
At 31 March 2024	1,709,324	3,943	4,749	1,718,016
Depreciation				
At 1 April 2023	(255,144)	-	-	(255,144)
Charged in year	(151,430)	(246)	(402)	(152,078)
Disposals	7,692	-	-	7,692
Reclassifications	245	-	-	245
Remeasurements	15	-	-	15
Revaluations	5,829	-	-	5,829
Transfers	2,317	-	-	2,317
At 31 March 2024	(390,476)	(246)	(402)	(391,124)
Carrying amount at 31 March 2024	1,318,848	3,697	4,347	1,326,892
Carrying amount at 1 April 2023	1,405,091	-	-	1,405,091
Of the total				
Core department and agencies	1,306,107	3,697	4,347	1,314,151
NDPBs	12,741	-	-	12,741
Carrying amount at 31 March 2024	1,318,848	3,697	4,347	1,326,892

Amounts recognised in the CSoCNE

	2024-25		2023-24	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Depreciation	136,959	139,126	122,240	125,511
Interest expense	18,188	18,316	17,485	17,621
Low value and short-term leases	1,046	2,496	1,187	3,064
Non-recoverable VAT	24	24	33,308	33,308
Total	156,217	159,962	174,220	179,504

Amounts recognised in the Statement of Cash Flows

	2024-25		2023-24	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Right of use assets	-	(12)	1,295	1,996
Interest expense	18,190	18,318	17,485	17,602
Repayment of principal on leases	154,001	155,378	112,911	114,397
Total	172,191	173,684	131,691	133,995

15. Intangible assets

Departmental group 2024-25

	Software licences	Information technology	Internally generated software	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2024	61,468	333,867	1,031,740	149,483	1,576,558
Additions	136	8,737	5,675	82,903	97,451
Disposals	(10,605)	(14,972)	(189,638)	-	(215,215)
Reclassifications	316	34,254	102,074	(133,946)	2,698
Revaluations	-	290	122	132	544
Transfers	728	1,960	(9,745)	7,786	729
Impairments	-	-	(19,771)	(5,537)	(25,308)
At 31 March 2025	52,043	364,136	920,457	100,821	1,437,457
Amortisation					
At 1 April 2024	(51,670)	(262,959)	(573,654)	-	(888,283)
Charged in year	(3,536)	(21,568)	(112,659)	-	(137,763)
Disposals	10,605	14,921	189,638	-	215,164
Reclassifications	65	1,447	-	-	1,512
Revaluations	-	(15)	(136)	-	(151)
Transfers	(728)	-	-	-	(728)
Impairments	-	-	16,771	-	16,771
At 31 March 2025	(45,264)	(268,174)	(480,040)	-	(793,478)
Carrying amount at 31 March 2025	6,779	95,962	440,417	100,821	643,979
Carrying amount at 1 April 2024	9,798	70,908	458,086	149,483	688,275
Asset financing					
Owned	6,779	95,962	440,417	100,821	643,979
Carrying amount at 31 March 2025	6,779	95,962	440,417	100,821	643,979
Of the total					
Core department and agencies	6,339	94,728	437,807	100,821	639,695
NDPBs	440	1,234	2,610	-	4,284
Carrying amount at 31 March 2025	6,779	95,962	440,417	100,821	643,979

Departmental group 2023-24

	Software licences £000	Information technology £000	Internally generated software £000	Payments on account and assets under construction £000	Total £000
Cost or valuation					
At 1 April 2023	60,302	459,518	942,121	156,475	1,618,416
Additions	(3)	9,705	96	111,248	121,046
Disposals	(1,315)	(164,492)	(12,987)	(28)	(178,822)
Reclassifications	1,796	25,574	87,481	(113,584)	1,267
Revaluations	688	3,562	15,029	-	19,279
Transfers	-	-	-	(2)	(2)
Impairments	-	-	-	(4,626)	(4,626)
At 31 March 2024	61,468	333,867	1,031,740	149,483	1,576,558
Amortisation					
At 1 April 2023	(46,555)	(405,186)	(444,688)	-	(896,429)
Charged in year	(5,851)	(18,355)	(132,700)	-	(156,906)
Disposals	1,312	161,560	12,978	-	175,850
Reclassifications	-	1,976	(1,976)	-	-
Revaluations	(576)	(2,954)	(7,268)	-	(10,798)
At 31 March 2024	(51,670)	(262,959)	(573,654)	-	(888,283)
Carrying amount at 31 March 2024	9,798	70,908	458,086	149,483	688,275
Carrying amount at 1 April 2023	13,747	54,332	497,433	156,475	721,987
Asset financing					
Owned	9,798	70,908	458,086	149,483	688,275
Carrying amount at 31 March 2024	9,798	70,908	458,086	149,483	688,275
Of the total					
Core department and agencies	9,538	69,015	455,271	149,615	683,439
NDPBs	260	1,893	2,815	(132)	4,836
Carrying amount at 31 March 2024	9,798	70,908	458,086	149,483	688,275

At 31 March 2025 and 31 March 2024 there were no individually material intangible assets.

16. Assets held for sale

	31 March 2025		31 March 2024	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Balance at 1 April	2,715	2,715	9,115	9,115
Reclassifications	13,203	13,203	425	425
Disposals	(5,441)	(5,441)	(6,636)	(6,636)
Revaluations	(579)	(579)	(189)	(189)
Balance at 31 March	9,898	9,898	2,715	2,715

HMPPS has committed to a plan to sell surplus properties, which are to be sold for commercial use and domestic dwellings. These HMPPS sites have a combined carrying value of £9.9 million (financial year 2023 to 2024: £2.5 million).

17. Trade and other receivables

	31 March 2025		31 March 2024	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Amounts falling due within one year				
Trade receivables	49,712	49,820	46,031	46,150
Other receivables	136,081	136,727	158,651	159,613
Contributions due from funded clients	330	330	994	994
Statutory charge and interest	8,233	8,233	11,286	11,286
Amounts due from service providers	21,590	21,590	25,739	25,739
VAT receivables	72,378	72,425	77,543	78,413
Deposits and advances	386	405	101	295
Prepayments and accrued income	138,273	141,596	135,786	139,124
Intra-departmental receivables	1,064	-	434	-
Current total	428,047	431,126	456,565	461,614
Amounts falling due after more than one year				
Other receivables	34,172	34,172	32,469	32,469
Prepayments and accrued income	190	190	514	515
Contributions due from funded clients	1,219	1,219	3,337	3,337
Statutory charge and interest	83,501	83,501	85,647	85,647
Non-current total	119,082	119,082	121,967	121,968
Total	547,129	550,208	578,532	583,582

The above includes a receivables impairment provision of £254.7 million (financial year 2023 to 2024: £247.3 million) for LAA. For further detail regarding the LAA impairment provision, refer to Note 24.

Other receivables includes £83.9 million (financial year 2023 to 2024: £96.3 million) from HMCTS in respect of fines and penalties imposed by the criminal justice system, as disclosed in the HMCTS Trust Statement.

18. Cash and cash equivalents

	31 March 2025		31 March 2024	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Balance at 1 April	336,463	378,584	302,793	359,382
Net change in cash and cash equivalents	(32,757)	(27,059)	33,670	19,202
Balance at 31 March	303,706	351,525	336,463	378,584
<i>Of which:</i>				
Government Banking Service	285,072	317,600	299,453	328,103
Commercial banks and cash in hand	18,634	33,925	37,010	50,481
Total	303,706	351,525	336,463	378,584

18.1 Reconciliation of liabilities arising from financing activities

IAS 7 requires an entity to provide disclosures that enabled users of the financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. The table below provides a breakdown of movements in liabilities arising from financing activities.

Departmental group

	Cash flows				Non-cash changes			Closing liabilities at 31 March 2025
	Cash flows (out)/in	Opening liabilities at 1 April 2024	Interest charged	Capital repayment	Interest paid	Lease additions	SoCNE adjustments	
	£000	£000	£000	£000	£000	£000	£000	£000
Capital element of finance leases and on-balance sheet PFI contracts	(191,072)		-	191,072	-	-	-	-
Repayment of local authority loans	(792)		-	792	-	-	-	-
Interest paid – right of use	(33,380)		(33,380)	-	33,380	-	-	-
Repayment of right of use lease liabilities – capital	-		-	-	-	-	-	-
Total cashflows associated with financing activities	(225,244)							
Long-term borrowings		18,877	657	(792)	(657)	-	-	18,085
Lease liabilities		1,426,754	18,341	(156,494)	(18,341)	19,706	(555)	1,290,163
PFI and SCA liabilities		235,220	14,382	(34,578)	(14,382)	-	-	200,641
Total liabilities from financing activities		1,680,851	33,380	(191,864)	(33,380)	19,706	(555)	1,508,889

Departmental group

	Opening liabilities at 1 April 2023	Cash flows (out)/in	Interest charged	Capital repayment	Interest paid	IFRS16 and other adjustments	Closing liabilities at 31 March 2024
	£000	£000	£000	£000	£000	£000	£000
Capital element of finance leases and on-balance sheet PFI contracts	-	(187,167)	-	187,167	-	-	-
Repayment of local authority loans	-	(345)	-	345	-	-	-
Interest paid	-	(46,272)	(46,272)	-	46,272	-	-
Long- term borrowings	19,222		701	(345)	(701)	-	18,877
Lease liabilities	1,498,014		20,479	(149,868)	(20,479)	78,608	1,426,754
PFI and SCA liabilities	279,172		25,092	(37,299)	(25,092)	(6,653)	235,220
Total liabilities from financing activities	1,796,408		46,272	(187,512)	(46,272)	71,955	1,680,851

19. Trade payables and other financial liabilities

19.1 Payables

	31 March 2025		31 March 2024	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Amounts falling due within one year				
Trade payables	128,495	140,812	131,555	139,113
Taxation and social security	97,464	102,310	86,899	91,363
Capital payables	181,889	181,996	156,066	156,080
Other payables	130,592	134,492	108,074	109,237
Accruals	669,275	684,227	706,166	722,502
Deferred income	107,313	109,359	93,636	95,426
Amounts due to solicitors, counsel and advice agencies	121,661	121,661	72,970	72,970
Contribution refunds to funded clients	2,995	2,995	2,065	2,065
Amounts issued from the Consolidated Fund for supply but not spent at year end	280,696	280,696	315,295	315,295
CFERs due to be paid to the Consolidated Fund:				
- received	23,010	23,010	21,168	21,168
- receivable	-	-	-	-
Intra-departmental payables	26,326	(70)	44,767	-
Current total	1,769,716	1,781,488	1,738,661	1,725,219
Amounts falling due after more than one year				
Local authority loan balances	18,085	18,085	18,877	18,877
Deferred income	-	-	-	404
Other payables	13,648	13,648	12,070	12,502
Non-current total	31,733	31,733	30,947	31,783
Total	1,801,449	1,813,221	1,769,608	1,757,002

19.2 Other financial liabilities

	31 March 2025		31 March 2024	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Amounts falling due within one year				
Lease incentive creditors	87	87	87	87
Lease liabilities	132,243	134,954	135,435	137,895
Imputed finance lease element of on-balance sheet PFI contracts	33,320	33,320	36,969	36,969
Current total	165,650	168,361	172,491	174,951
Amounts falling due after more than one year				
Lease liabilities	1,142,455	1,155,209	1,278,078	1,288,859
Imputed finance lease element of on-balance sheet PFI contracts	167,321	167,321	198,251	198,251
Non-current total	1,309,776	1,322,530	1,476,329	1,487,110
Total	1,475,426	1,490,891	1,648,820	1,662,061

20. Provisions for liabilities and charges

	2024-25		2023-24	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Balance at 1 April	2,026,257	2,033,161	1,580,660	1,585,713
Provided in the year	2,589,054	2,592,111	2,769,908	2,774,196
Provisions not required written back	(82,391)	(85,193)	(55,567)	(57,442)
Provisions utilised in the year	(2,405,339)	(2,406,557)	(2,273,805)	(2,274,367)
Borrowing costs (unwinding of discount)	11,280	11,280	5,061	5,061
Balance at 31 March	2,138,861	2,144,802	2,026,257	2,033,161
Analysis of expected timing of discounted cash flows				
Not later than one year	1,335,513	1,339,437	1,204,194	1,209,135
Later than one year but not later than five years	600,442	602,192	616,267	617,952
Later than five years	202,906	203,173	205,796	206,074
Balance at 31 March	2,138,861	2,144,802	2,026,257	2,033,161

Provisions by type

	2024-25										
	Judicial Service Award	Injury Benefits Scheme	Early departure costs	Costs from central funds	Legal claims	Repayment schemes (HMCTS)	CICA pre-tariff scheme	CICA tariff scheme dilapidations	LAA outstanding balances on funded cases	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2024	121,019	104,885	54,715	20,914	426,741	5,533	736	250,397	935,870	20,254	2,033,161
Provided in the year	9,064	10,624	1,440	47,116	33,760	25	963	251,277	3,959	2,229,386	2,592,111
Not required and written back	-	(2,705)	(3,421)	-	(64,292)	(5,363)	-	(390)	(7,717)	-	(85,193)
Utilised in the year	(14,444)	(6,872)	(4,420)	(42,785)	(30,394)	(96)	(561)	(143,563)	(1,055)	(2,157,856)	(2,406,557)
Reclassifications between provisions categories	-	-	-	-	(543)	-	-	-	-	-	543
Borrowing costs (unwinding of discount)	2,200	-	2,508	-	(240)	-	-	6,817	-	(5)	11,280
Balance at 31 March 2025	117,839	105,932	50,822	25,245	365,032	99	1,138	364,538	87,284	19,473	2,144,802
Analysis of expected timing of discounted cash flows											
Not later than one year	22,700	6,579	4,592	25,245	21,056	48	1,138	219,673	24,511	1,007,400	1,339,437
Later than one year but not later than five years	56,900	23,734	15,453	-	339,542	51	-	144,865	17,934	-	602,192
Later than five years	38,239	75,619	30,777	-	4,434	-	-	-	44,839	-	203,173
Balance at 31 March 2025	117,839	105,932	50,822	25,245	365,032	99	1,138	364,538	87,284	19,473	2,144,802

Judicial Service Award and fee-paid judicial claims

The Judicial Service Award (JSA) was created to equalise the tax position of judicial pensions affected by the provisions of the Finance Act 2004. Following the introduction of the Fee-Paid Judicial Pensions Scheme on 1 April 2017, the provision held for JSAs covers the liability to both salaried and fee-paid judges. The provision is calculated by the Government Actuary's Department, taking into account the number of reckonable years served by the existing judiciary and the projected final salaries or fee earnings of existing members. JSA benefits ceased to accrue on 31 March 2022, as a result of the introduction of the reformed 2022 JPS. JSAs accrued before that date remain the liability of MoJ and where members continue in active service remain linked to salaries or fee-rates at retirement.

The JSA provision takes into account liabilities arising from recent litigation. In November 2018 the Court of Justice of the European Union extended the period of service to be taken into account in calculating pensions for eligible fee-paid judges. In December 2019 the UK Supreme Court ruled that the time limit to make a pension claim ran from three months from the date of retirement rather than from the end of fee-paid service, thereby extending the number of potential eligible claimants.

In June 2019, the Supreme Court refused the government permission to appeal the McCloud and Sergeant cases, which decided that the transitional protection provisions in the Judicial Pension Scheme (JPS) 2015 Regulations were unlawful on grounds of age discrimination.

The JSA provision of £117.8 million can be analysed as follows:

	£m
Salaried judicial office holders	46.0
Fee-paid judicial office holders	20.6
Transitional protection	40.0
Length of service protection	11.2
Total	117.8

Sensitivity analysis

A sensitivity analysis for the JSA provision was undertaken by the Government Actuary's Department to identify the impact of changes in the assumptions used to calculate the liability as at 31 March 2023. Each change is shown separately to illustrate the impact that an adjustment would have on the accounts. The following assumptions are used in the calculation of this provision.

1. Discount rate: The liability is accounted for under **IAS 37 Provisions, Contingent Liabilities and Contingent Assets** and uses the general provisions discount rate as published by HM Treasury. The discount rate is used to calculate the present value of expected future cash flows. The sensitivity analysis shows the impact of a +0.5% change in the discount rate for the short term, medium term and long term. A +0.5% change in the rate would result in a reduction in the liability of 2.0% or £1.7 million.
2. (Long-term) salary increase: A long-term salary increase of CPI +2.0% per year is used to calculate the provision. This is in keeping with the JPS resource accounts. The sensitivity analysis shows the impact of a +0.5% change in the earnings assumptions which would result in an increase in the liability of 2.5% or £2.2 million.

3. Post-employment rates: This sensitivity shows the impact of calculating the provision using the post-employment benefits discount rate of 4.15% rather than the general provisions rates. This would increase the liability by 1.5% or £1.3 million.
4. Retirement age: This is the unweighted average age at which members are assumed to retire on grounds other than ill health in each of the JPS. A one-year increase in the retirement age assumption would have a negligible impact on the liability.
5. Inflation: A service award is paid when a member retires and is dependent on the earnings assumptions but not inflation.

Change in assumption	Approximate effect on total liability	
	%	£m
1. Discount rate: +0.5% per year	-1.5	- £1.0
2. (Long-term) salary increase: +0.5% per year	+ 2.0	+ £1.3
3. Post-employment benefits discount rate	+0.5	+£0.3
4. Retirement age: all members retire one year later	-0.5	-£0.3
5. Inflation: +0.5% per year	Nil	Nil

MoJ was required to compensate eligible retired fee-paid judges for the additional pension benefits due, including interest where applicable, until the JPS was amended by legislation to allow full benefits to be paid from the scheme. The scheme was amended on 1 April 2023 and the remaining payments will be made by JPS. MoJ has retained a provision of £1.9 million for compensation of an interest like nature which is not payable by JPS. This is included within the total for 'Other provisions'.

Injury Benefits Scheme

HMPPS meets the costs of the Civil Service Injury Benefits Scheme for payments granted under the scheme after 1 April 1998. The scheme pays benefits to any PCSPS member who suffers disease or injury, which is wholly or partially attributable to the nature of their 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 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 one to five years (for cash flow values). These assumptions take the time value of money into account.

Early departure costs

The department meets the additional costs of benefits beyond normal PCSPS benefits for employees who retire early. This involves paying amounts determined by the pension administrator annually to PCSPS over the period between early departure and normal retirement date. The department provides for this in full when the early retirement programme becomes binding on the department by establishing a provision for the estimated payments discounted at the HM Treasury nominal rate of 5.15% (financial year 2023 to 2024: 5.10%).

Costs from Central Funds

Under the terms of the Prosecution of Offences Act 1985, acquitted defendants who have applied for legal aid and been found ineligible may, in limited circumstances, obtain an order from the Crown Court to recover their costs. LAA estimates the value of unbilled costs to arrive at the amount disclosed in the accounts as a provision. The amount is an estimate of the expenditure required to settle any obligation at the reporting period end date.

Legal claims

Provision has been made for 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. The figures represent the best estimate of the amount payable. Included in legal claims is a provision of £300 million for judicial claims. The value of the provision represents the best estimate of the amount payable. However, as they are ongoing claims there remains uncertainty about the timing and amount of any potential outflows. 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 26.

CICA pre-tariff schemes

The pre-tariff scheme provision reflects CICA's liabilities in respect of all outstanding cases incurred prior to 1996 which remain to be settled in future years. In accordance with CICA's accounting policies, the provision is reviewed annually and reflects the likely settlement values at the year end based on the circumstances of each application at that time. CICA's estimate of the likely settlement requires judgment and the final payment may differ from this estimate.

Pre-tariff scheme award values are assessed by the First-Tier Tribunal. This assessment includes the application of a discount rate (the Lord Chancellor's discount rate, which is currently 0.5%). The award values assessed by the First-Tier Tribunal are not then further discounted by CICA, due to uncertainties surrounding both the final liability and the settlement date. Additionally, due to these uncertainties, all pre-tariff liabilities are classed as falling due within one year and have not been discounted by HM Treasury's discount rate.

CICA does not hold any assets in respect of these liabilities. Compensation will be paid from parliamentary funding in the year of settlement.

CICA tariff schemes

The provision for tariff schemes is reflective of CICA's liabilities under the 1996, 2001, 2008 and 2012 Schemes. CICA recognises liabilities that are based on an evaluation of total applications that are currently known and received by CICA but have not yet been processed through to award. These are referred to as claims reported but not completed. The overall liability for the tariff scheme is £402.5 million with £364.5 million included in this provisions note and £38.0 million included as a tariff scheme accrual within Note 19 (31 March 2024: £250.4 million and £35.4 million). Where an event has occurred on or before the reporting date, but an application has not yet been made, CICA recognises this as an unquantifiable contingent liability. This is because no legal obligation as a result of a past event exists. It is only where an application for compensation has been received that an obligation is recognised in relation to the scheme.

The provision model for tariff schemes estimates a provision for three different categories of case.

- Not decided: These are cases which are still under assessment by CICA and therefore a potential monetary value has not yet been determined. In order to estimate a provision for these cases, the model builds historical profiles of average award values, aggregated by tariff band and case age, which are then applied to the population of outstanding cases. A further adjustment is made to account for the fact that a subset of the live case population will be 'nil-assessed' and will not attract a monetary award. The proportion of such cases is determined based on an assessment of the historical proportion of nil-assessed cases within each tariff band.

- Decided: These are live cases that have been sufficiently assessed to determine their potential monetary value, but where a decision letter has not been issued to the applicant. Until a decision letter is issued, the monetary value may be subject to revision arising from changes in the circumstances of the applicant, checks by CICA resulting in the identification of error or a change in value determined by the timing at which an offer is made to the applicant. Additionally, until the decision letter is issued there is uncertainty over the timing of discharge of the liability. Where a decision letter has been sent to the applicant, the award is classified as 'on offer' and accrued for, rather than included in the tariff provision.
- On offer not accrued: Once an offer is made, the award value is accrued and therefore no provision is required. However, in a small proportion of such cases the applicant does not accept the compensation offered and an adjustment is made to account for this. The proportion is removed from the total 'on offer' accrual and added back into the value of the provision. The percentage is determined based on an assessment of the historical level of the proportion of cases where this occurs.

Since applications are determined under the scheme in force at the date of application, the tariff provision model calculates the provision for pre-2012 schemes (1996, 2001 and 2008) and the current 2012 scheme separately.

The number of remaining live cases for the pre-2012 schemes is low and decreasing. The following assumptions are new or amended at 31 March 2025 as a result of revisions to the provision model:

1. Tariff price profiling: in the financial year 2023 to 2024, two price profiles (0 to 12 months and over 12 months) were applied to cases based on historic resolved data for cases which resolved within those timescales, but weighted to predict a trend towards later resolution. As the historic provision cases dataset has grown in the financial year 2024 to 2025, it has been possible to identify and isolate provision cases within the resolved data, using only those cases for price profiling.
2. Banding: resolved bandings are predicted based on historic data showing how cases move across different bands over time, including how unbanded cases eventually resolve. Banding analysis continued during the financial year 2024 to 2025 and was expanded to include every position of a case during its lifetime, enabling more detailed insight into tariff migration over time.
3. Senior decision maker (SDM) caseload: SDM cases are the more complex cases in the caseload and, therefore, typically of higher value. A dataset of SDM cases has been created during the financial year 2024 to 2025 and has been incorporated into the provision model in order to assign a more accurate value to these types of cases. Where there is sufficient information available on an SDM case, this information will be used to estimate a case value instead of modelling it the same way as a general provision case.

The changes in the provision model have resulted in an increase of £63.2 million in the tariff provision.

The following key assumptions are unchanged since 31 March 2024:

4. Average value: average value profiles for both tariff bands and case age are derived from historical case data.
5. Percentage nil value: the proportion of cases which will be assessed at nil value is derived from historical case data.
6. Decided to offer: the calculation assumes that decided cases will be paid out at 100% of their decided value.
7. Timing: the expected timing in which the liability is discharged is calculated on the basis of operational capacity.

8. Discounting: the liabilities are discounted, based on the expected timing of discharge, at HM Treasury's nominal discount rate. The real rate is not used, as tariff schemes' compensation payments are not subject to inflationary pressures. The discount is unwound over the life of the provision, with the unwinding disclosed as a finance charge in the CSocNE.
9. Tariff age profiling: profiles for cases under 12 months old are created using an overall average of the last four provisions (i.e. live case) population profiles.

HM Treasury discount rates used are as follows:

	31 March 2025	31 March 2024
Years	%	%
1 to 5	4.03	4.26
6 to 10	4.07	4.03
Over 11	4.81	4.72

CICA does not hold any assets in respect of tariff schemes liabilities. Compensation will be paid from parliamentary funding in the year of settlement.

Tariff schemes sensitivity analysis

A sensitivity analysis for the tariff provision has been undertaken to identify the impact of any changes to key assumptions. The analysis demonstrates that there is significant uncertainty in the valuation of the provision. Each assumption within the provision model has been identified, a reasonable change identified and the impact on the overall financial liability calculated. These changes include flexing historical data trends to show the potential impact on the provision. For each assumption which is being analysed for sensitivity, only that assumption is changed. If two or more assumptions are changed at one time, the actual sensitivity of a change in assumption may be obscured because of the potential interrelation of the assumptions.

The following tables show the impact of adjusting the key assumptions. The ranges of the sensitivity tests shown are based on the variability of past data. They do not represent the maxima or minima of past observed values nor the full range of possible outcomes, but they do capture future values that could plausibly occur. The 'low profile' sensitivity assumes a weighting in the case mix towards younger, less complex cases, while the 'high profile' sensitivity assumes a weighting towards older, more complex cases. The least sensitive assumptions have been excluded below. However, a more detailed sensitivity analysis can be found in CICA's annual report and accounts 2024 to 2025. Each change is shown separately but in practice combinations are possible as different assumptions can be correlated.

		Pre-2012 change	2012 change	Total change
Assumption		£000	£000	£000
Age parameter		-	1,393	1,393
Average value	Low profile	-	(5,998)	(5,998)
Average value	High profile	-	6,533	6,533
Percentage nil value	+5%	-	(33,910)	(33,910)
Percentage nil value	-5%	-	33,910	33,910
Tariff profiles	Low profile	-	(45,154)	(45,154)
Tariff profiles	High profile	-	38,951	38,951
Senior decision maker (SDM)	No SDM	-	(27,049)	(27,049)
Senior decision maker	Low	-	(18,747)	(18,747)
Senior decision maker	High	-	18,747	18,747
Timing	Low – 25% realised in first three years	(119)	(10,373)	(10,492)
Timing	High – 100% realised in first three years	57	4,997	5,054
Timing	Even over five years	(185)	(16,152)	(16,337)

Leasehold dilapidations

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

LAA outstanding balances on funded cases

LAA funds legal aid across four main schemes: civil representation, legal help, crime higher and crime lower. Provisions for work in progress on funded cases, by scheme category, are as follows:

Balance at 31 March 2025	£000
Civil representation	274,608
Legal help	54,918
Crime lower	27,809
Crime higher	650,065
Total	1,007,400

At any point in time there will be unbilled costs for each of these schemes, pertaining to live cases. The value of unbilled work and costs is estimated each year using complex models and based on the latest data available. The resulting work in progress provisions are estimates of the expenditure required to settle any obligation in existence at the end of the reporting period. As per **IAS 37 Provisions, Contingent Liabilities and Contingent Assets**, work in progress liabilities are recognised as provisions, rather than as payables, due to the measurement uncertainty.

As all liabilities for funded cases are expected to be settled within the next 12 months, no discounting of provisions for the time value of money is applied.

In recognition of the uncertainty inherent in estimates, a sensitivity analysis is performed for each major class of funded work in progress provision. Reasonable changes are made to the key assumptions in the models and the impact on the final work in progress balance calculated. Assumptions have been changed to either represent those that would have been used by the model based on historical data trends or flexed by a percentage that is considered appropriate by management to show the impact on the provision. For each assumption that is being analysed for sensitivity, only that assumption is changed: if two or more assumptions are changed at one time, the actual sensitivity of a change in assumption is obscured because of the potential interaction between the assumptions.

Overarching assumptions

Underlying the estimates of liabilities for unbilled work across all of the legal aid funding schemes and central funds is the modelling assumption that costs accrue at a constant rate throughout the lifetime of cases. This is a simplifying modelling assumption. In reality, it is accepted that costs are generally concentrated towards the beginning and the end of legal matters. However, LAA has demonstrated that, over a sufficiently large population of cases, this concentration of costs averages out to be equivalent to the assumption used within the modelling, and that costs accrue at a constant rate.

Further information on the assumptions for the civil representation and crime higher provisions, which are material to the MoJ financial statements, is provided below. Equivalent information for the legal help and crime lower provisions is available in LAA's annual report and accounts, along with details of the valuation methodology used to calculate the provision for each scheme.

Civil representation: sensitivity analysis

The civil representation work in progress provision is calculated on a case-by-case basis using past patterns of activity, with multiple potential duration and cost outcomes. The calculations are segmented between the different expenditure streams and between different milestones in a case's lifecycle. The model estimates activity to the next financial event in each expenditure stream, reflecting the business realities of billing timing.

The reasonable alternative assumptions below have been arrived at by observing the maximum historical high and low points within the actual source data of the respective models, adjusted for projected future trends.

The impact of the following reasonable alternatives to these inputs has been quantified.

Assumptions tested	Increase in net financial liability		(Decrease) in net financial liability	
	Assumption	£m	Assumption	£m
Duration profile ¹	Max duration + 1 year	18.5	Max duration - 1 year	(18.5)
Final billing duration ²	+15 days	0.9	-15 days	(0.9)
Average final bill value	+15%	31.7	-15%	(25.6)
Profile variance ³	-15%	17.0	+15%	(17.9)

1 Duration profile: in order to estimate the provision, profiles outlining the timing and magnitude of costs on civil representation cases are calculated. There is a degree of uncertainty in the calculation of these profiles, particularly due to the inherent time lag. LAA therefore makes the assumption that the level of variance could be equal to the variance if this year's profile was extended by one year. LAA has assumed this degree of variance can be seen in either direction.

2 Final billing duration: it can take some time for legal aid providers to compile and submit their bills to LAA once work has completed on a case. The estimate of the provision assumes that the average delay will be equivalent to that seen in the preceding quarter, but this does vary to a small degree over time. LAA therefore makes the assumption that this delay could vary by up to 15 days in either direction.

3 Profile variance: in estimating the provision, LAA has made an adjustment to calculated billing profiles to account for recent changes in value and billing duration. These adjustments are based on emerging trends and therefore are subject to some uncertainty, which this variance represents.

The above inputs are case data-driven, with an overlay of management judgement, for example choosing the number of years of historical case data to use in creating historical profiles. It should be noted the inherent sensitivity of the civil representation work in progress provision is such that relatively small percentage movements in the above inputs could lead to the estimate crystallising at a materially different amount. All assumptions are reviewed periodically to ensure they remain appropriate.

Using these reasonable alternative assumptions, the fair value of the financial liabilities at 31 March 2025 could be higher by up to +18.3% (£68.1 million) or lower by up to -16.9% (-£62.9 million).

Crime higher: sensitivity analysis

Below are the reasonable alternative scenarios modelled. These relate to the flexing of certain assumptions, such as the number of cases expected to close or the amount of time a case takes to go through the system.

Assumptions tested	Increase in net financial liability		(Decrease) in net financial liability	
	Assumption	£m	Assumption	£m
Price profiles ¹	+10.0%	57.1	-10.0%	(57.1)
Completion rates ²	+2.5%	54.2	-2.5%	(49.0)
Case durations ³	-10.0%	45.6	+10.0%	(47.1)
Transfers ⁴	-20.0%	10.6	+20.0%	(10.6)

1 Price profiles: there is a degree of uncertainty in assuming that future prices will follow historical patterns, as prices vary to a small degree over time. The sensitivity analysis considers that prices could vary by as much as 10% in either direction.

2 Completion rates: a number of representation orders never attract a bill and so do not close. The model uses historical data to determine the likely proportion that these cases represent of the live case population. There is inherent uncertainty in assuming that the proportion will be similar to that seen historically, which this sensitivity represents. The proportion is flexed by 2.5% in either direction, representing the variance that is seen in the proportion over time.

3 Case durations: the estimate of the provision assumes that average case durations will be consistent with those seen in recent prior periods, but durations do vary to a small degree over time. LAA therefore makes the assumption that durations could vary by up to 10% in either direction.

4 Transfers: an adjustment has been applied to the provision model at the end of the year to account for the fact that a proportion of subsequent payments relate to transferred cases, rather than redeterminations. This sensitivity assumes that the proportion of subsequent claims that fall into this category could vary by as much as 20% from historical levels.

Using these reasonable alternative assumptions, the fair value of the financial liabilities at 31 March 2025 could be higher by up to +26.4% (£167.5 million) or lower by up to -25.8% (-£163.8 million).

Other provisions

Employment Tribunals and Employment Appeal Tribunal Fee Repayment Scheme: this scheme arose from a Supreme Court judgment on 26 July 2017 quashing the Employment Tribunals and the Employment Appeal Tribunal Fees Order 2013/1893. HMCTS identified £32.2 million in fees paid and to date has refunded £18.5 million including interest. As HMCTS is not able to reliably estimate the probability that the remaining fees will be claimed and refunded, no provision was recognised. Due to the length of time that the scheme has been open, passing the statutory obligation limit and the annual refunds now being claimed are minimal (financial year 2024 to 2025: £9,000), HMCTS is no longer recognising a contingent liability (financial year 2023 to 2024: £13.7 million) as it cannot estimate the amount that will be reclaimed in the future.

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

The Council Tax Liability Order provision is now recognised as contingent liability as each recipient has been contacted and the refunds have significantly reduced. Although the scheme is not yet at the end of its statutory obligation period, HMCTS is now unable to reliably estimate the liability. In the financial year 2024 to 2025, HMCTS refunded £0.04 million (financial year 2023 to 2024: HMCTS refunded £0.3 million).

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

The refund provisions for personal injury and other claims (Court of Protection, insolvency, Royal Courts of Justice and other fees) at 31 March 2025 were estimated at £0.1 million (financial year 2023 to 2024: £2.1 million), and HMCTS continues to accept the liability for all claims until the end of the qualifying period in October 2026. The value of the provision has been reduced in order to reflect the expected use of the provision. Due to the significant reduction in the refunds being made, HMCTS has removed the contingent liability balance on the basis that it is unlikely that it will refund anything above the provision (financial year 2023 to 2024 contingent liability: £13.6 million).

Other provisions include a provision for an onerous lease of undeveloped land of £8.0 million (financial year 2023 to 2024: £8.2 million). The increase/decrease of £0.2 million relates to a change in the discount rate used to calculate the onerous lease provision.

21. Commitments under PFI and SCAs

21.1 Arrangements not recognised on the Consolidated Statement of Financial Position

As at 31 March 2025 there are no off-balance sheet PFI commitments.

21.2 Arrangements recognised on the Consolidated Statement of Financial Position

Project name	Entity	Contract start date	Duration (years)	Description
PFI contracts				
Hereford and Worcester Magistrates' Courts	HMCTS	August 2000	25	Provision of serviced accommodation for magistrates' courts at Bromsgrove, Kidderminster, Worcester and Redditch. The contract term can be extended by mutual agreement for another 10 years. At the end of the contract term the buildings shall revert to HMCTS at no cost.
Manchester Magistrates' Court	HMCTS	March 2001	28	Provision of serviced accommodation at Manchester Magistrates Court at Spinningfields in Manchester. The contract term can be extended by mutual agreement by up to 10 years. At the end of the contract term the building shall revert to HMCTS at no cost.

Project name	Entity	Contract start date	Duration (years)	Description
Derbyshire Magistrates' Courts	HMCTS	August 2001	27	Provision of serviced accommodation for magistrates' courts at New Mills, Chesterfield and Derby. The contract term can be extended (subject to agreement of mutually acceptable terms) by up to five years. At the end of the contract term the buildings shall revert to HMCTS at no cost.
Humberside Magistrates' Courts	HMCTS	November 2001	25	Provision of serviced magistrates' courthouses in Hull, Beverley and Bridlington. On expiry, HMCTS has the option of taking the assets back for a nominal amount of £3 million.
East Anglia	HMCTS	October 2002	25	Provision of Crown Court centres in Ipswich (five criminal courtrooms) and Cambridge (three criminal courtrooms). At the end of the contract term the buildings in Ipswich and Cambridge will revert to HMCTS at no cost.
Exeter	HMCTS	November 2002	32	Provision of a courthouse comprising four criminal courts, one civil court and four District Judge hearing rooms. At the end of the contract term the building will revert to HMCTS at no cost.
Sheffield	HMCTS	November 2002	27	Provision of a family hearing centre in Sheffield. At the end of the contract term HMCTS has the option of acquiring the under lease at the lower of its open market value or £2 million.
Avon and Somerset Magistrates' Court	HMCTS	August 2004	27	Provision of serviced accommodation at Bristol Magistrates' Court, North Somerset Magistrates' Court and Avon and Somerset Probation HQ and Training Centre, both at Worle. The contract term can be extended by mutual agreement by up to five years. At the end of the contract term the buildings shall revert to HMCTS at no cost.
HMP Forest Bank	HMPPS	January 2000	26	Design, build, finance and operate an 800-place category B prison, HMP Forest Bank, on site of former Agecroft power station. Initial PFI contract extended by 12 months.

Project name	Entity	Contract start date	Duration (years)	Description
HMP Rye Hill	HMPPS	January 2001	25	Design, build, finance and operate a 600-place category B prison, HMP Rye Hill at Onley, near Rugby. A new houseblock has been built, increasing capacity by an additional 400 places by May 2025.
HMP Dovegate	HMPPS	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	HMPPS	June 2004	25	Design, build, finance and operate a 500-place category B prison at Ashford in Middlesex.
HMP Peterborough	HMPPS	March 2005	25	Design, build, finance and operate an 840-place category B prison at Peterborough in Cambridgeshire.
HMP Thameside	HMPPS	March 2012	25	Design, build, finance and operate a 900-place category B prison at Woolwich in London.
Oakhill Secure Training Centre	HMPPS	May 2004	25	Design, construct and manage a secure training centre, located in Oakhill, Milton Keynes.
Prisoner Escort Custody Service	HMPPS	August 2020	10	The supply and running of the prison vans and escorts.
Other service concession arrangements				
HMP Doncaster	HMPPS	October 2011	15	Manage and maintain a 1,145-place category B prison at Doncaster in South Yorkshire.
HMP Oakwood	HMPPS	April 2012	15	Manage and maintain a 2,100-place category C prison at Featherstone in the West Midlands.
HMP Northumberland	HMPPS	December 2013	15	Manage and maintain a 1,348-place category C prison at Morpeth in Northumberland.
HMP Five Wells	HMPPS	January 2022	10	Manage and maintain a 1,680-place category C prison at Wellingborough in Northampton.

Project name	Entity	Contract start date	Duration (years)	Description
HMP and YOI Parc	HMPPS	December 2022	10	Manage and maintain a 1,652-place category B prison and 60-place young offender institution at Bridgend in South Wales.
HMP Fosse Way	HMPPS	May 2023	10	Manage and maintain a 1,715-place category C prison at HMP Fosse Way in Leicester.
HMP Altcourse	HMPPS	June 2023	10	Manage and maintain a 1,164-place category B prison at HMP Altcourse, Liverpool.
HMP Ashfield	HMPPS	November 2024	10	Manage and maintain a 400-place category B prison at Pucklechurch in South Gloucestershire

The total amount charged in the CSocNE in respect of the service element of on-balance sheet (CSocP) PFI or other service concession transactions was £808.7 million (financial year 2023 to 2024: £754.7 million).

Eight prisons are run by private sector operators under manage and maintain contracts. Assets covered by these contracts are classified as 'On-balance sheet (CSocP) PFI and other SCA contracts' in accordance with IFRIC 12 Service Concession Arrangements.

Details of the imputed finance lease charges under SCAs recognised on the CSocP are given in the table below for each of the following periods:

	31 March 2025		31 March 2024	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Rentals due not later than one year	43,184	43,184	48,536	48,536
Rentals due later than one year but not later than five years	121,806	121,806	152,262	152,262
Rentals due later than five years	94,774	94,774	102,542	102,542
	259,764	259,764	303,340	303,340
Less: interest element	(59,123)	(59,123)	(68,120)	(68,120)
Present value of obligations	200,641	200,641	235,220	235,220

The present value of liabilities under SCAs recognised on the CSocP are given in the table below for each of the following periods:

	31 March 2025		31 March 2024	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Rentals due not later than one year	33,320	33,320	36,969	36,969
Rentals due later than one year but not later than five years	104,024	104,024	115,596	115,596
Rentals due later than five years	63,297	63,297	82,655	82,655
Present value of obligations	200,641	200,641	235,220	235,220

Details of the minimum service charge under SCAs recognised on the CSoFP are given in the table below for each of the following periods:

	31 March 2025		31 March 2024	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Service charge due within one year	834,443	834,443	763,084	763,084
Service charge due later than one year but not later than five years	2,169,403	2,169,403	2,218,154	2,218,154
Service charge due later than five years	394,644	394,644	651,289	651,289
Total	3,398,490	3,398,490	3,632,527	3,632,527

Future commitments are estimates based on assumptions, using the best information available. The SCA for HMP Millsike commenced in April 2025 and so while it is not included in the table at 21.2, the future service charges are included in the table above.

22. 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	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Property, plant and equipment	1,734,197	1,734,197	341,320	342,710
Intangible assets	10,898	10,898	5,779	5,779
Total	1,745,095	1,745,095	347,099	348,489

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.

23. Other financial commitments

MoJ has entered into non-cancellable contracts (which are not leases or PFI contracts) for the provision of services including the management of prisons and other contracted out services.

The payments to which MoJ is committed are as follows:

	31 March 2025		31 March 2024	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Not later than one year	79,636	82,424	82,322	84,908
Later than one year but not later than five years	32,156	32,450	62,027	64,616
Total	111,792	114,874	144,349	149,524

24. Financial instruments

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

As the cash requirements of MoJ are met through the parliamentary Supply Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. MoJ's exposure to financial risk is mainly in respect of credit risk in relation to LAA's receivables.

LAA receivables

LAA is exposed to minimal market, liquidity or interest rate risk: exposure to financial risk is mainly in respect of credit risk in relation to receivables.

Under the Legal Aid Act 1974, the Legal Aid Act 1988, the Access to Justice Act 1999 and the LASPO Act 2012, where funded clients have recovered or preserved property rather than obtaining damages, recoverable costs may be secured by a charge against the property. Under the Community Legal Service (Financial) Regulations 2000 as amended by the Community Legal Service (Financial) (Amendment) Regulations 2005 and the Civil Legal Aid (Statutory Charge) Regulations 2013, some of these debts are interest bearing debts that have interest due on the outstanding balance at 8% per year.

The income for statutory charge, statutory charge interest, contributions due from funded clients and recovery of defence costs are initially recognised under **IFRS 15 Revenue from Contracts with Customers**.

LAA receivables risk identification and management

LAA has an inherent risk within trade and other receivables, as these are not predisposed to straightforward cash collections. LAA recognises this risk and mitigates it in the case of statutory charge debts, where enforcement of the debt may be deferred, by securing land charges and using active credit management policies to recover unsecured debts. In some cases, the debt collection activities are outsourced to commercial debt collectors.

The size of the risk is reflected in the receivables impairment provision and cumulative fair value losses that total £254.7 million (31 March 2024: £247.3 million).

The majority of LAA's trade and other receivables are the result of a statutory charge: £90.5 million (31 March 2024: £95.3 million) out of a total receivables balance after impairment of £156.5 million (31 March 2024: £172.6 million).

A high proportion of these are secured on property and settlement is deferred until the property is sold. Secured statutory charge debt is measured under IFRS 13 and reductions in carrying value are classed as fair value adjustments rather than impairments.

LAA provides for impairment of receivables based on historical cash collection experience and management assessment of likely recoveries, for each category of debt. This analysis is also used to inform the expected cash flows for trade and other receivables which are measured at fair value. This assumes that future performance will be reflective of past performance and there will be no significant change in the payment profile or recovery rates within each identified group of receivables. To address the risk that this assumption is incorrect, LAA undertakes a rollback review to compare previous estimated repayment profiles with the actual experience in subsequent years, to assess the accuracy of the profile and resulting impairment, adjusting assumptions where required. There have been no material adjustments to the assumptions as a result of this review at 31 March 2025.

There is no adjustment in the impairment of LAA's receivables at 31 March 2025 to reflect the potential future impact of current economic circumstances. Based on the experience from previous recessions we do not consider any economic downturn would have a material impact on the fair value of receivables, and in particular secured debt, recognised in these accounts. The impact of a recession has historically resulted in a delay in the cash receipts on secured debt, due to the impact on the property market and delays to property sales which result in the repayment of the debt.

LAA receivables sensitivity analysis

LAA's impairment model uses historical recovery profiles by debt category to estimate the provision required against debt balances. The impairment model is underpinned by specific assumptions including: the life of debt, the expected remittance profiles, and the discount rate is 2.15% nominal and -0.85% and 0.05% in excess of RPI real until February 2030 and post-February 2030 respectively (31 March 2024: 2.05% nominal and -1.05% and -0.05% in excess of RPI real until February 2030 and post-February 2030 respectively).

The impact of the following reasonable possible alternatives to these assumptions has been considered:

- cash received evenly throughout the year rather than at the end of the year
- predicted cash receipts used to calculate the impairment provision cashflows +/- 10%
- discount rate +/- 1% (this rate is set by HM Treasury)

		Increase/(decrease) in net financial assets	
		31 March 2025	31 March 2024
	Assumption	£m	£m
Income received	Evenly through the year	0.9	1.2
Expected cash inflows based on historic repayment profiles	+10%	8.7	9.1
Expected cash inflows based on historic repayment profiles	-10%	(9.4)	(9.3)
Discount rate	+1%	(10.5)	(10.0)
Discount rate	-1%	12.1	11.9
Highest change		21.7	22.2
Lowest change		(19.9)	(19.3)

These assumptions are reviewed annually and changed if management believes alternative assumptions are a better reflection of the underlying trends.

Other credit risks

Credit risk related to fines and penalties collection and banking activities is explained in the HMCTS Trust Statement.

The department is exposed to minimal credit risk in respect of other financial assets. The maximum exposure to credit risk is equal to the carrying amount of outstanding receivable balances. The department manages its credit risk by undertaking background and credit checks prior to establishing a debtor relationship.

The IFRS 9 approach to impairment provisioning is a forward-looking 'expected loss' approach. Expected losses on the department's financial assets are not considered to be material.

Fair values

In accordance with IFRS 9 each financial asset is classified at initial recognition, or at the point of first adoption of IFRS 9, into one of three categories:

- financial assets at fair value through other comprehensive income (FVOCI)
- financial assets at fair value through profit and loss (FVTPL)
- financial assets at amortised cost

For assets at amortised cost, the amortised cost balance was reduced where appropriate by an allowance for amounts which were considered to be impaired or uncollectible.

Financial liabilities are classified into one of two categories:

- financial liabilities at FVTPL
- financial liabilities at amortised cost

Categories of financial assets and financial liabilities: carrying value compared to fair value

The following tables summarise the carrying amounts and fair values of financial assets and liabilities.

	31 March 2025			
	Assets at FVOCI	Assets at FVTPL	Assets at amortised cost	Total
Financial assets:	£'000	£'000	£'000	£'000
Cash at bank and in hand	-	-	351,525	351,525
Trade and other receivables	-	90,481	329,352	419,833
Other financial assets	-	251	-	251
Total financial assets	-	90,732	680,877	771,609
	Liabilities at FVTPL	Liabilities at amortised cost	Total	
Financial liabilities:	£000	£000	£000	
Trade and other payables	-	1,203,871	1,203,871	
Other financial liabilities	-	1,490,891	1,490,891	
Total financial liabilities	-	2,694,762	2,694,762	

31 March 2024

	Assets at FVOCI	Assets at FVTPL	Assets at amortised cost	Total
Financial assets:	£'000	£'000	£'000	£'000
Cash at bank and in hand	-	-	378,584	378,584
Trade and other receivables	-	95,285	338,839	434,124
Other financial assets	-	239	-	239
Total financial assets	-	95,524	717,423	812,947

	Liabilities at FVTPL	Liabilities at amortised cost	Total carrying value at 31 March 2024
Financial liabilities:	£000	£000	£000
Trade and other payables	-	1,155,139	1,155,139
Other financial liabilities	-	1,662,061	1,662,061
Total financial liabilities	-	2,817,200	2,817,200

MoJ considers that the carrying amounts for cash and cash equivalents, trade payables and other liabilities approximate to their fair value due to the short-term maturities of these instruments.

Fair value hierarchy

MoJ uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

All of the financial assets and liabilities measured at fair value fall within level 3.

25. Pension costs

Reconciliation of net pension (liability)/asset 2024 to 2025:

		31 March 2025				31 March 2024			
	Note	Present value of obligation	Fair value of plan assets	Impact of asset ceiling adjustment	Net (liability)/asset	Present value of obligation	Fair value of plan assets	Impact of asset ceiling adjustment	Net (liability)/asset
		£000	£000	£000	£000	£000	£000	£000	£000
Funded schemes									
HMPPS (probation)	25.1	(4,188,973)	5,898,595	(2,181,867)	(472,245)	(4,787,131)	5,618,264	(1,360,638)	(529,505)
Cafcass	25.3	(613,929)	772,427	(175,874)	(17,376)	(705,972)	754,047	(46,030)	2,045
Legal Services Commission	25.4	(219,512)	265,209	-	45,697	(249,980)	296,878	-	46,898
Oasis Restore Trust	25.5	(1,143)	1,484	(341)	-	-	-	-	-
Balance of funded schemes at 31 March		(5,023,557)	6,937,715	(2,358,082)	(443,924)	(5,743,083)	6,669,189	(1,406,668)	(480,562)
By-analogy schemes									
HMCTS					(1,013)				(1,046)
CCRC					(4,303)				(4,749)
Total for by-analogy schemes at 31 March					(5,316)				(5,795)

		31 March 2025				31 March 2024			
	Note	Present value of obligation	Fair value of plan assets	Impact of asset ceiling adjustment	Net (liability)/asset	Present value of obligation	Fair value of plan assets	Impact of asset ceiling adjustment	Net (liability)/asset
		£000	£000	£000	£000	£000	£000	£000	£000
Pension assets:									
Core department and agencies					45,697				46,898
NDPBs					-				2,045
Total pension assets					45,697				48,943
Pension liabilities:									
Core department and agencies					(473,258)				(530,551)
NDPBs					(21,679)				(4,749)
Total pension liabilities					(494,937)				(535,300)

25.1 Probation pension scheme: movements in the LGPS defined benefit obligation

	31 March 2025				31 March 2024			
	Present value of obligation	Fair value of plan assets	Impact of asset ceiling adjustment	Net (liability)/asset	Present value of obligation	Fair value of plan assets	Impact of asset ceiling adjustment	Net (liability)/asset
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April	(4,787,131)	5,618,264	(1,360,638)	(529,505)	(4,741,699)	5,198,010	(257,329)	198,982
Current service cost	(123,523)	-	-	(123,523)	(132,946)	-	-	(132,946)
Past service cost	(4,147)	-	-	(4,147)	(2,039)	-	-	(2,039)
Net interest (cost)/income	(231,604)	273,527	(65,991)	(24,068)	(224,797)	247,632	(12,223)	10,612
Total recognised in the CSocNE	(359,274)	273,527	(65,991)	(151,738)	(359,782)	247,632	(12,223)	(124,373)
Scheme participant contributions	(45,994)	45,994	-	-	(43,173)	43,173	-	-
Employer contributions	-	196,201	-	196,201	-	184,420	-	184,420
Benefits paid after net transfers	190,746	(190,746)	-	-	196,638	(196,638)	-	-
Total cash flows	144,752	51,449	-	196,201	153,465	30,955	-	184,420
Actuarial gains/(losses)								
Changes in demographic assumptions	8,395	-	-	8,395	31,557	-	-	31,557
Changes in financial assumptions	758,309	-	-	758,309	281,261	-	-	281,261
Experience gains/(losses)	45,976	-	-	45,976	(151,933)	-	-	(151,933)
Return on assets excluding amounts included in net interest	-	(44,645)	-	(44,645)	-	141,667	-	141,667
Gain/(loss) due to effects of asset ceiling under IFRIC 14	-	-	(755,238)	(755,238)	-	-	(1,091,086)	(1,091,086)
Remeasurements through other comprehensive net expenditure	812,680	(44,645)	(755,238)	12,797	160,885	141,667	(1,091,086)	(788,534)
Balance at 31 March	(4,188,973)	5,898,595	(2,181,867)	(472,245)	(4,787,131)	5,618,264	(1,360,638)	(529,505)

The assumptions used by the actuaries were:

	2024-25	2023-24
	%	%
Inflation assumption	n/a	n/a
Rate of increase in salaries	3.55	3.55
Pension increase rate	2.75	2.75
Discount rate	5.80	4.85

The major categories of scheme assets were:

	31 March 2025			31 March 2024 restated ¹²⁷		
	Quoted	Unquoted	Total	Value as a percentage of total scheme assets	Quoted	Unquoted
	£000	£000	£000	%	£000	£000
Equities	2,236,454	-	2,236,454	38	2,175,921	-
Corporate bonds	691,947	-	691,947	12	518,861	-
Property	-	307,784	307,784	5	-	247,549
Cash and cash equivalents	179,715	-	179,715	3	123,865	-
Investment funds and unit trusts	850,980	1,260,351	2,111,331	36	937,505	1,231,975
Other	-	371,364	371,364	6	-	382,588
Total	3,959,096	1,939,499	5,898,595	100	3,756,152	1,862,112
					5,618,264	100

¹²⁷ Values of scheme assets have been restated to match the final IAS 19 report.

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 community rehabilitation service providers, to the former community rehabilitation companies and to HMPPS National Probation Service, are covered by the provisions of the LGPS via one pension fund, GMPF, administered by Tameside Metropolitan Borough Council. The assets and liabilities from the former probation trusts' 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. An LGPS pension scheme position is recognised 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 one-eightieth of pensionable salary for each year of service. In addition, a lump sum equivalent to three-eightieths of final pay for every year of total membership is payable on retirement. Benefits accrued at the rate of one-sixtieth 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 basis. Benefits accrue at the rate of one-forty-ninth 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 career average revalued earnings basis, with protections in place for those members in the scheme before the changes took effect.

Following the 2022 triennial valuation, the employer contribution rates for financial year 2023 to 2024 through to 2025 to 2026 is 26.5%. For the financial year 2024 to 2025, HMPPS paid employers' contributions of £192.9 million to GMPF, relating to current probation staff, at 26.5% (financial year 2023 to 2024: £181.1 million at 26.5%).

The pension position as at 31 March 2025, as detailed in the table, 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, including its annual report and financial statements, and responsibilities of the GMPF management panel can be found on the GMPF website at 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 above. The assumptions underlying the calculation of the net liability 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 for the financial year 2024 to 2025 is shown in the disclosure above. This reflects the appropriate assumptions, and all assumptions remain subject to annual 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 community rehabilitation service employees under the Secretary of State for Justice Pension Guarantee). 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, any 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 on 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 discount rate compared to last year has resulted in a significant 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 the Retail Price Index will change from 2030 to be in line with CPI including owner occupiers' housing costs. This has been allowed for when deriving the inflation assumption. While 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.¹²⁸

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 the financial year 2024 to 2025, the continuous mortality investigation 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

¹²⁸ An experience gain (or loss) is the difference between what was expected (based on actuarial assumptions) and what actually happened regarding a pension plan's obligations and assets.

- overseeing administrative activities
- guidance to officers in exercising delegated powers
- reviewing governance arrangements

Each local authority within Greater Manchester is represented on the management panel, along with the department. There have been no concerns raised by MoJ to date on GMPF's investment or funding strategy or asset performance.

McCloud judgment (impact on LGPS)

The December 2018 McCloud judgment found that transitional arrangements put in place during the reform of firefighters' and judges' pension schemes were 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 Department for Levelling Up, Housing and Communities 2022 valuation letter.

A further government response was made on 6 April 2023 in relation to McCloud: 'Amendments to the LGPS statutory underpin: government response' can be found on GOV.UK. The actuary has advised that no further adjustment to the cost in the pension obligation is required for the financial year 2024 to 2025. Further information on the McCloud judgment can be found at www.civilservicepensionscheme.org.uk/your-pension/2015-remedy/.

Sensitivity analysis – change in assumptions relative to 31 March 2025 actuarial assumptions for probation pension liabilities (based on the change in liabilities)

	Actuarial value of liabilities on 31 March 2025	Actuarial value of liabilities on 31 March 2024
	£000	£000
Base case	4,188,973	4,787,131
0.1% decrease in real discount rate	4,262,958	4,875,580
One-year increase in member life expectancy	4,379,973	4,978,616
0.1% increase in the salary increase rate	4,192,117	4,797,136
0.1% increase in the pension increase rate (CPI)	4,261,870	4,867,126

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 the financial year 2024 to 2025, a one-year increase in member life expectancy would increase the liability by 4% or £168 million.

25.2 Accounting for a net pension surplus and asset ceiling restriction

The net probation pension scheme position at 31 March 2025 was a net surplus of £1,710 million, before any adjustment for the asset ceiling restriction (financial year 2023 to 2024: £831 million surplus). The Cafcass pension scheme also had a net surplus of £104 million (financial year 2023 to 2024: £41.2 million surplus) (see Note 25.3).

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 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 employer 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 employer's control (an act of Parliament). Therefore, the employer does not have an unconditional right to a refund of the surplus.

Adjustments to the funded pension schemes

The appropriate method is therefore to consider the economic benefit available as a contribution reduction. HMPPS has concluded that primary contributions to the scheme (financial year 2024 to 2025: 18.1%, financial year 2023 to 2024: 18.1%) and those related to ill health retirements (financial year 2024 to 2025: 4.3%, financial year 2023 to 2024: 4.3%) establish a minimum funding requirement for future contributions under IFRIC 14.

HMPPS is required to make contributions of 4.1% in relation to past service. 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. This year, the actuary has changed their approach and has advised that a reducing time horizon to becoming fully funded is a more appropriate assumption to use, rather than using an assumption of a standard 20-year rolling period time horizon which was used last year. The actuary set the funding time horizon at 20 years at the last triennial valuation. In a change in accounting estimate since last year, HMPPS has reduced that period by the two years which have elapsed since that valuation. As a result, HMPPS has judged that the appropriate period over which to consider the secondary contributions is now 18 years. The actuarial assessment has indicated that this is how long it will take for the scheme to be fully funded and for these secondary contributions to therefore end.

HMPPS considers 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 judgments, based on the present value of expected reductions in future contributions to the plan, the IAS 19 funded probation pension surplus of £1,726 million was reduced to a liability of £447 million (financial year 2023 to 2024: liability of £529.5 million). The closing position, including unfunded liabilities, is therefore £472 million. The Cafcass pension surplus has been reduced by £121 million to a liability of £17 million (financial year 2023 to 2024: a surplus of £2 million).

Further details of judgements made by HMPPS in determining the effect of the asset ceiling are available in HMPPS' annual report and accounts 2024 to 2025.

25.3 Cafcass pension scheme: movements in the LGPS defined benefit obligation

	31 March 2025				31 March 2024			
	Present value of obligation	Fair value of plan assets	Impact of asset ceiling adjustment	Net (liability)/asset	Present value of obligation	Fair value of plan assets	Impact of asset ceiling adjustment	Net (liability)/asset
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April	(705,972)	754,047	(46,030)	2,045	(701,512)	689,429	(12,083)	
Current service cost	(16,252)	-	-	(16,252)	(17,482)	-	-	(17,482)
Past service cost	(90)	-	-	(90)	(9)	-	-	(9)
Net interest (cost)/income	(33,236)	35,628	-	2,392	(32,614)	32,457	-	(157)
Total recognised in the CSocNE	(49,578)	35,628	-	(13,950)	(50,105)	32,457	-	(17,648)
Scheme participant contributions	(6,384)	6,384	-	-	(6,291)	6,291	-	-
Employer contributions	-	17,464	-	17,464	-	17,672	-	17,672
Benefits paid after net transfers	30,445	(30,445)	-	-	21,969	(21,969)	-	-
Total cash flows	24,061	(6,597)	-	17,464	15,678	1,994	-	17,672
Actuarial gains/(losses)								
Changes in demographic assumptions	4,840	-	-	4,840	11,319	-	-	11,319
Changes in financial assumptions	113,862	-	-	113,862	23,023	-	-	23,023
Experience gains/(losses)	(1,142)	-	-	(1,142)	(4,375)	-	-	(4,375)
Return on assets excluding amounts included in net interest	-	(10,651)	-	(10,651)	-	30,167	-	30,167
Gain/(loss) due to effects of asset ceiling under IFRIC 14	-	-	(129,844)	(129,844)	-	-	(46,030)	(46,030)
Remeasurements through other comprehensive net expenditure	117,560	(10,651)	(129,844)	(22,935)	29,967	30,167	(46,030)	14,104
Balance at 31 March	(613,929)	772,427	(175,874)	(17,376)	(705,972)	754,047	(46,030)	2,045

The assumptions used by the actuaries were:

	2024-25	2023-24
	%	%
Inflation assumption	n/a	n/a
Rate of increase in salaries	3.75	3.85
Pension increase rate	2.50	2.60
Discount rate	5.80	4.80
Pension accounts revaluation rate	2.50	2.60

The major categories of scheme assets were:

	2024-25				2023-24			
	Quoted	Unquoted	Total	Value as a percentage of total scheme assets	Quoted	Unquoted	Total	Value as a percentage of total scheme assets
	£000	£000	£000	%	£000	£000	£000	%
Equities	497,443	115,092	612,535	79.3	481,836	116,877	598,713	79.4
Gilts	69,518	-	69,518	9.0	64,094	-	64,094	8.5
Corporate bonds	30,897	-	30,897	4.0	31,670	-	31,670	4.2
Property	6,179	15,449	21,628	2.8	7,540	13,573	21,113	2.8
Cash and cash equivalents	-	20,083	20,083	2.6	-	13,573	13,573	1.8
Other	773	16,993	17,766	2.3	755	24,129	24,884	3.3
Total	604,810	167,617	772,427	100.0	585,895	168,152	754,047	100.0

Employees of Cafcass are members of the LGPS through the West Yorkshire Pension Fund. The scheme provides funded defined benefits based on pensionable salary. The assets of the scheme are held separately from those of Cafcass and are invested in managed funds. Employer contribution rates are determined by a qualified actuary and on the basis of triennial valuations.

The scheme assets are measured at fair value. Scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is considered recoverable) or deficit is recognised in full on the face of the CSofP. The movement in the scheme surplus/deficit is split between operating charges (within staff costs) and reserves in the case of actuarial gains and losses.

Funding and governance arrangements of the LGPS

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the fund's funding strategy statement. The employer contribution rate for the financial year 2024 to 2025 was 18.6%.

The last actuarial valuation was at 31 March 2022 and the contributions to be paid until 31 March 2026 resulting from that valuation are set out in the fund's rates and adjustment certificate (employer contributions over this period will be: 19.4% for 2023 to 2024, 18.6% for 2024 to 2025, and 18.1% for 2025 to 2026).

The fund administering authority, City of Bradford Metropolitan District Council, is responsible for the governance of the fund.

Assets

The assets allocated to the employer in the fund are notional and are assumed to be invested in line with the investments of the fund for the purposes of calculating the return over the accounting period. The fund holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from the fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the fund as a whole (based on data supplied by the fund administering authority) is shown in the disclosures.

The fund administering authority may invest a small proportion of the fund's investments in the assets of some of the employers participating in the fund if it forms part of their balanced investment strategy.

Risks associated with the fund in relation to accounting

Asset volatility

The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield, it will create a deficit in the accounts. The fund holds a significant proportion of growth assets which, while expected to outperform corporate bonds in the long term, creates volatility and risk in the short term in relation to the accounting figures.

Changes in bond yield

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result (to the extent the fund invests in corporate bonds).

Inflation risk

The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are not perfectly correlated with inflation meaning that an increase in inflation will increase the deficit.

Life expectancy

The majority of the fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

Exiting employers

Employers who leave the fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment, the liability may in certain circumstances fall on other employers in the fund. Further, the assets at exit in respect of 'orphan liabilities' may, in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. 'Orphan liabilities' are currently a small proportion of the overall liabilities in the fund. The funding strategy statement (<https://www.wypf.org.uk/media/l4qjltre/fss-approved-28-april-effective-from-1-feb-2024.pdf>) sets out the risk management strategies for the risks that impact on the funding strategy of the pension fund. One of these strategies, for example, is that the fund administering authority has diversified investments held to mitigate the risk of asset volatility.

25.4 Legal Services Commission pension scheme (LSCPS) – closed

	31 March 2025			31 March 2024		
	Present value of obligation	Fair value of plan assets	Net (liability)/ asset	Present value of obligation	Fair value of plan assets	Net (liability)/ asset
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2024	(249,980)	296,878	46,898	(250,843)	317,264	66,421
Current service cost	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
Settlements	(784)	-	(784)	(614)	-	(614)
Net interest	(11,718)	13,950	2,232	(11,656)	14,796	3,140
Total recognised in the CSocNE	(12,502)	13,950	1,448	(12,270)	14,796	2,526
Scheme participant contributions	-	-	-	-	-	-
Employer contributions	-	-	-	-	-	-
Benefits paid after net transfers	12,475	(12,475)	-	11,488	(11,488)	-
Total cash flows	12,475	(12,475)	-	11,488	(11,488)	-
Actuarial gains/(losses)						
Changes in demographic assumptions	354	-	354	3,964	-	3,964
Changes in financial assumptions	29,950	-	29,950	(876)	-	(876)
Experience gains/(losses)	191	-	191	(1,443)	-	(1,443)
Return on assets excluding amounts included in net interest	-	(33,144)	(33,144)	-	(23,694)	(23,694)
Gain/(loss) due to effects of asset ceiling under IFRIC 14	-	-	-	-	-	-
Remeasurements through other comprehensive net expenditure	30,495	(33,144)	(2,649)	1,645	(23,694)	(22,049)
Balance at 31 March 2025	(219,512)	265,209	45,697	(249,980)	296,878	46,898

The assumptions used by the actuaries were:

	2024-25	2023-24
	%	%
Inflation assumption	2.75	2.85
Rate of increase in salaries	n/a	n/a
Pension increase rate	2.85	2.90
Discount rate	5.75	4.80
Pension accounts revaluation rate	n/a	n/a

The major categories of scheme assets for the financial year 2024 to 2025 were:

	2024-25				2023-24			
	Quoted	Unquoted	Total	Value as a percentage of total scheme assets	Quoted	Unquoted	Total	Value as a percentage of total scheme assets
	£000	£000	£000	%	£000	£000	£000	%
Equities	33,655	-	33,655	12.7	48,892	-	48,892	16.5
Gilts	154,440	-	154,440	58.2	174,047	-	174,047	58.6
Corporate bonds	63,154	-	63,154	23.8	64,559	-	64,559	21.7
Cash and cash equivalents	11,278	-	11,278	4.3	6,234	-	6,234	2.1
Other	-	2,682	2,682	1.0	-	3,146	3,146	1.1
Total	262,527	2,682	265,209	100.0	293,732	3,146	296,878	100.0

On 1 April 2013, under the Legal Aid, Sentencing and Punishment of Offenders Act, the Legal Services Commission was abolished and replaced by an executive agency of the department, LAA.

Nature of benefits, regulatory framework, and other entity's responsibilities for governance of the LSCPS

The LSCPS is a registered defined benefit final salary scheme. The average duration of the LSCPS liabilities as at 31 March 2025 was 13 years. It has a Crown Guarantee, with the department as the sponsoring employer, but in effect retains most of the UK regulatory framework for pensions including scheme-specific funding. The LSCPS is operated under trust and as such, the trustees of the scheme are responsible for operating the scheme and they have a statutory responsibility to act in accordance with the scheme's trust deed and rules, in the interests of the beneficiaries of the LSCPS, and UK legislation (including trust law). Any contributions that are paid to the LSCPS are defined by a funding arrangement between the trustees and the department.

Risks to which the LSCPS exposes the department

The nature of the LSCPS exposes the department to the risk of paying unanticipated contributions to the scheme in times of adverse experience. The most financially significant risks are likely to be:

- members living for longer than expected
- higher than expected actual inflation
- lower than expected investment returns
- the risk that movements in the value of the scheme's liabilities are not met by corresponding movements in the value of the scheme's assets
- the LSCPS hedges 90% of its interest rate and inflation exposure as assessed on a gilts basis using index-linked and fixed-interest gilts
- the LSCPS also holds a historical buy-in policy (approximately 1% of scheme accounts) which fully matches benefits covered by the policy

The trustees of the LSCPS maintain a risk register which they use to determine appropriate responses to mitigate the risks identified. These include maintaining a high level of hedging for interest rate and inflation changes and a prudent approach when setting future longevity assumptions.

Expected contributions over the next accounting period and future funding arrangements

The department does not expect to contribute to the LSCPS for the year to 31 March 2026. The schedule of contributions dated 2 November 2022 confirms that no deficit or additional contributions are payable by the department to the scheme. Future contributions depend on the scheme's funding position at each formal valuation and are set out in the scheme's funding framework.

The funding arrangements and asset ceiling are set out in section 18 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012. Where the value of the scheme assets is more than 105% of the value of the scheme's technical provisions on the effective date of an actuarial valuation, this constitutes a refundable surplus. The department can request payment of amounts not exceeding the refundable surplus.

The scheme would be required to make payment unless advised by the actuary that, because of events subsequent to the date of the actuarial valuation, payment would reduce the value of the assets of the scheme to less than 105% of the value of the scheme's technical provisions.

Sensitivity analysis – change in assumptions relative to 31 March 2025 actuarial assumptions for LSC pension liabilities (based on total liabilities)

	Actuarial value of liabilities on 31 March 2025	Actuarial value of liabilities on 31 March 2024
	£000	£000
Base case	219,512	249,980
0.5% decrease in discount rate	233,686	268,089
One-year increase in life expectancy	228,292	257,979
0.5% per year increase in inflation	230,825	265,847

25.5 Oasis Restore Trust pension scheme

Oasis Restore Trust's secure school became operational in 2024 to 2025. Pension scheme assets and liabilities are recognised in MoJ group accounts for the first time.

	2024-25			
	Present value of obligation	Fair value of plan assets	Impact of asset ceiling adjustment	Net (liability)/asset
	£000	£000		£000
Balance recognised at 1 April 2024	(115)	131	(16)	-
Current service cost	(682)	-	-	(682)
Past service cost	-	-	-	-
Settlements	-	-	-	-
Net interest	(20)	35	-1	14
Total recognised in the CSoCNE	(702)	35	(1)	(668)
Scheme participant contributions	(292)	292	-	-
Employer contributions	-	571	-	571
Benefits paid after net transfers	(308)	308	-	-
Total cash flows	(600)	1,171	-	571
Actuarial gains/(losses)				
Changes in demographic assumptions	3	-	-	3
Changes in financial assumptions	440	-	-	440
Experience gains/(losses)	(169)	-	-	(169)
Other actuarial gains/(losses)	-	158	-	158
Return on assets excluding amounts included in net interest	-	(11)	-	(11)
Gain/(loss) due to effects of asset ceiling under IFRIC 14	-	-	(324)	(324)
Remeasurements through other comprehensive net expenditure	274	147	(324)	97
Balance at 31 March 2025	(1,143)	1,484	(341)	-

The assumptions used by the actuaries were:

	2024-25
	%
Inflation assumption	3.05
Rate of increase in salaries	3.85
Pension increase rate	2.85
Discount rate	5.95

The major categories of scheme assets for the financial year 2024 to 2025 were:

	2024-25	
	Value as a percentage of total scheme assets	
	Total	
	£000	%
Equities	844	56.9
Gilts	88	5.9
Corporate bonds	221	14.9
Property	122	8.2
Cash and cash equivalents	59	4.0
Other	150	10.1
Total	1,484	100.0

Non-teaching employees of Oasis Restore Trust are members of the defined benefit LGPS, administered in accordance with the Local Government Pension Scheme Regulations 2013, through the Kent Pension Fund. The fund administering authority, Kent County Council, is responsible for the governance of the fund. The LGPS provides benefits based on career average revalued earnings. The last actuarial valuation was at 31 March 2022.

The primary employer contribution rate for the financial year 2024 to 2025 was 13.2%.

Sensitivity analysis – change in assumptions relative to 31 March 2025 actuarial assumptions for Oasis Restore Trust pension liabilities (based on total liabilities)

	Actuarial value of liabilities on 31 March 2025
	£000
Base case	1,143
0.5% decrease in discount rate	1,331
0.5% increase in long term salary increase	1,148
+0.5% adjustment to pension increases	1,331
0.5% per year increase in inflation	n/a
One-year increase in life expectancy	1,169

26. Contingent assets and liabilities

Contingent liabilities disclosed under IAS 37

MoJ has contingent liabilities as defined within **IAS 37 Provisions, Contingent Liabilities and Contingent Assets**.

Quantified contingent liabilities

	31 March 2025	31 March 2024
	£m	£m
Headquarters employment tribunals including judicial claims The department is currently defending several employment tribunal claims at various stages	2	0.1
Headquarters other legal claims The department is engaged with a number of legal claims including judicial reviews challenging refusal to pay compensation for miscarriages of justice, and refusal to provide legal aid funding	5	0.2
Headquarters Data Protection Act There are claims against the department for alleged failure to comply with the Data Protection Act	-	0.7
Headquarters Judicial Review	0.1	0.1
HMPPS litigation claims Claims against HMPPS by staff, prisoners and third parties, where the likelihood of a liability arising is deemed possible but not likely, or not reliably measurable	69.1	49.1
HMCTS fee refunds – employment tribunal fees HMCTS operates a refund scheme following the quashing of the Employment Tribunals and Employment Appeal Tribunal Fees Order 2013/1893 in July 2017	-	13.7

	31 March 2025	31 March 2024
	£m	£m
HMCTS fee refunds – low value personal injury claim fees HMCTS operates a refund scheme to refund personal injury claim fees that were incorrectly charged as a flat rate rather than on a sliding scale	-	11.7
HMCTS fee refunds – other fees HMCTS operates a refund scheme for fees charged for certain proceedings in the Court of Protection, the magistrates' courts, insolvency proceedings and fees charged for High Court Judges sittings as arbitrators	3.4	9.3
HMCTS legal cases HMCTS is involved in various legal cases dealing with ex gratia, compensation and other claims	0.3	0.4
Total	79.9	85.3

Unquantified contingent liabilities

Incidents 'incurred but not yet received': CICA holds an unquantifiable contingent liability in respect of a possible future obligation to individuals who have been victims of violent crime as at the end of the reporting period. This liability depends on uncertain future events occurring and an application being submitted which meets the criteria set out in the relevant scheme. Although CICA recognises that this contingent liability exists in respect of incidents incurred but not yet received, the amount of the obligation cannot be measured with sufficient reliability. This is because it is not possible to establish with any reliable certainty the total number of eligible victims who sustained eligible criminal injuries, the likelihood of an application being made and then qualifying for compensation, according to the multiple criteria contained in the scheme, and thereafter predicting with any reasonable certainty the potential value of any award which may be made, and the timescale in which this may occur.

Offers not accepted within time limits: Under the Criminal Injuries Compensation Scheme 2012, a claimant's legal entitlement to an award crystallises on the date on which CICA receives written notice of acceptance by the claimant. There are cases where the deadline for acceptance has passed but CICA has not yet withdrawn the offer. CICA may exercise its discretion under the scheme in favour of the claimant and not withdraw the offer even though the deadline has passed. The total value of cases 'on-offer' and past the deadline is £1 million. Any possible liability would therefore be below that value.

Travel and subsistence: A review of travel and subsistence policies across MoJ and its executive agencies has identified that some expenses, where staff are required to travel to other work places in the course of their duties, have been treated incorrectly for tax and national insurance. MoJ is carrying out a more detailed review of its policies, including the review of expense claims to determine any tax due. At present, we are unable to provide a reliable estimate of the potential liability until the review is completed.

Contingent assets

At 31 March 2025, LAA has one contingent asset in relation to costs orders from legal proceedings. While recovery continues to be pursued, due to the uncertainty over the recoverable value it is not considered practicable to quantify this asset (31 March 2024: two with an unquantified value).

27. Related party transactions

Associated departments and other central government bodies

MoJ is the parent of LAA, HMCTS, HMPPS, CICA and OPG agencies and the sponsor of NDPBs as listed in Note 29. All of these bodies are regarded as related parties with which the department has had various material transactions during the year. In accordance with the requirements of the FreM, these transactions have not been reported.

The Office of the Accountant General (OAG) oversees the administration of the Court Funds Office. OAG invests money on behalf of its clients in the Court Funds Investment Account. OAG is not an arm's length body. It is an operating segment of MoJ and sits within the Chief Operating Officer's Group.

In addition, the department had a number of transactions with other government departments and central government bodies, as well as with local authorities. The most significant of these transactions has been with HM Revenue and Customs, Home Office, PCSPS and HM Treasury.

Management personnel

The brother of Nick Goodwin, the Chief Executive Officer of HMCTS, is a partner at Ward Hadaway, a law firm offering legal representation for cases that fall within the provision of LAA. In the financial year 2024 to 2025, LAA made payments totalling £1.5 million (financial year 2023 to 2024: £1.4 million) to Ward Hadaway.

Other

Registry Trust Limited is a private company limited by guarantee with no share capital. It maintains the Register of County Court judgments on behalf of the Lord Chancellor and the Secretary of State for Justice. Revenue recognised from the Registry Trust Limited in the year amounted to £0.6 million (financial year 2023 to 2024: £0.6 million) with a total debtor balance due to us as at 31 March 2025 of £0.2 million (financial year 2023 to 2024: £0.2 million).

Other interests and related parties of ministers which do not concern the department are disclosed at: www.gov.uk/government/publications/list-of-ministers-interests.

During the financial year 2024 to 2025, no other board members or related parties have undertaken any transactions with MoJ. Compensation paid to management, including taxable benefits, is disclosed in the remuneration and staff report.

28. Third-party assets

MoJ holds, as custodian or trustee, certain assets belonging to third parties. These assets are not recognised in the CSofP and neither MoJ nor the government has a direct beneficial interest in them.

Funds in court

MoJ manages funds held in court on behalf of clients who may be involved in a civil legal action, patients who are under the Court of Protection because they are not able to manage their property and affairs, and children under the age of 18. Client assets held at year end comprised cash, an equity index tracker fund and securities.

Cash holdings represent funds invested by UK Debt Management Office on behalf of the Accountant General in the Court Funds Investment Account and foreign exchange balances held on behalf of clients.

	31 March 2025	Restated 31 March 2024
	£000	£000
Cash at bank and on deposit	4,286,089	3,585,947
Securities	79,436	79,394
Total	4,365,525	3,665,341

Other third-party assets

	Official Solicitor and Public Trustee	Criminal injuries awards (CICA)	Pending legal aid amounts (LAA)	Bail monies (HMCTS)	Prisoner monies (HMPPS)	Total
	£000	£000	£000	£000	£000	£000
Cash	5,661	85,385	28,438	48,570	13,706	181,760
Investments	57,959	-	-	-	-	57,959
Non-cash assets	9,555	-	-	-	-	9,555
At 31 March 2025	73,175	85,385	28,438	48,570	13,706	249,274
At 31 March 2024	74,407	83,589	24,472	47,645	13,612	243,725

The rationale for each principal holding of third-party assets is as follows:

- The Official Solicitor (OS) administers trusts and estates as administrator/trustee of last resort. The OS acts as a last resort litigation friend, and in some cases solicitor, for adults who lack mental capacity and children (other than those who are the subject of child welfare proceedings) in court proceedings because they lack decision making capacity in relation to the proceedings. The Public Trustee (PT) acts as executor or trustee where they have been appointed under a will or a new settlement with the aim of providing an effective executor and trustee service of last resort. The figures above represent the most up-to-date information available about assets managed by the OS and PT on behalf of clients.
- CICA holds third-party compensation awards to minors. The purpose of this action is to ensure that the victim will be the sole beneficiary of the award (including accrued interest) when they reach their majority (18 years of age). Where appropriate, interim payments are made. Requests for these are assessed on a case-by-case basis.
- LAA holds funds in respect of damages awarded to legally aided civil law clients and contributions payable by legally aided defendants in Crown Court trials. The outcome of the case and final costs assessment determines whether these funds are retained by LAA or returned to the clients.
- HMCTS holds cash consisting of bail monies and monies held on behalf of court users while cases progress.
- HMPPS holds cash on behalf of offenders.

29. The departmental boundary

Entities within the departmental boundary

Entities within the departmental boundary comprise supply financed agencies and those entities listed in the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2024, known as the Designation Order.¹²⁹

The core department

These are entities that are accounted for within the core accounting boundary. These entities are managed independently of the department.

- Advisory Committees on Justices of the Peace in England and Wales
- Chief Coroner's Office
- Civil Justice Council
- Civil Procedure Rule Committee
- Criminal Procedure Rule Committee
- Family Justice Council
- Family Procedure Rule Committee
- Independent Advisory Panel on Deaths in Custody
- Independent Monitoring Boards of prisons, immigration removal centres and short-term holding facilities
- Judicial Appointments and Conduct Ombudsman
- Judicial College
- Judicial Conduct Investigations Office
- Judicial Office
- Law Commission
- Office of the Assessor of Compensation for Miscarriages of Justice
- Office of the Commissioner for Victims and Witnesses
- Office of HM Inspectorate of Prisons
- Office of HM Inspectorate of Probation
- Office of the Judge Advocate General
- Office of the Official Solicitor
- Office of the Prisons and Probation Ombudsman for England and Wales
- Prison Service Pay Review Body
- Public Trustee
- Recognition Panel
- Sentencing Council for England and Wales
- Tribunal Procedure Committee

Supply financed agencies

- Criminal Injuries Compensation Authority
- HM Courts and Tribunals Service
- HM Prison and Probation Service
- Legal Aid Agency
- Office of the Public Guardian

¹²⁹ The 2017 to 2018 Designation Order established the Press Recognition Panel as part of MoJ's departmental boundary. This is an administrative action on behalf of government with no change to the Lord Chancellor's responsibilities as stated under the Charter. The Department for Culture, Media and Sport remains the policy lead in relation to the Press Recognition Panel.

Other entities captured in the departmental group including executive NDPBs

- Children and Family Court Advisory and Support Service
- Criminal Cases Review Commission
- Gov Facility Services Limited
- Independent Monitoring Authority for the Citizens' Rights Agreements
- Judicial Appointments Commission
- Legal Services Board
- Oasis Restore Trust
- Office for Legal Complaints
- Parole Board for England and Wales
- Youth Justice Board for England and Wales
- Press Recognition Panel

The annual reports and accounts for the individual entities can be found at:

www.gov.uk/official-documents

30. Events after the reporting period

In accordance with the requirements of **IAS 10 Events After the Reporting Period**, events are considered up to the date on which the accounts are authorised for issue. The date the accounts are authorised for issue is interpreted as the same date the accounts are certified by the Comptroller and Auditor General.

LAA's online digital services have been subject to a cyber attack – as a result, those services were taken down and are gradually being restored, with contingency arrangements in place as at the date these financial statements are authorised for issue.

Cyber attack

On 23 April 2025, LAA became aware of a cyber attack on its online digital services, through which legal aid providers log their work and make claims for payment. On discovery of the attack, external experts were appointed to carry out an investigation into the incident. Evidence of data exfiltration activities was identified, but no evidence of data modification activities was found. LAA has carried out extensive work to assure itself that the data underlying its financial statements is unaffected by the incident.

Response and contingency arrangements

On 16 May 2025, LAA learned that the cyber attack was more extensive than originally thought and that the attackers had accessed a large amount of information relating to legal aid applicants. Customer-facing and internal processing systems were therefore taken down and, while some systems have since been restored or part-restored, contingency measures remain in place.

Contingency measures include the payment (on provider opt-in) of temporary average payments for civil representation work that would otherwise be due for payment, and enhanced delegations to providers to enable applications for civil and criminal legal aid to be processed without significant delay. Where appropriate, parliamentary or HM Treasury approval has been obtained prior to the implementation of these measures.

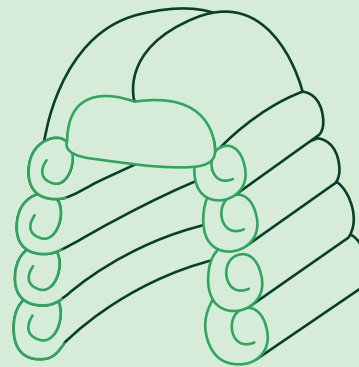
LAA has reviewed the impact of these measures on its assets and liabilities at 31 March 2025 and its results for the financial year 2024 to 2025. As a result of this review, three intangible assets have been disposed of as at 31 March 2025: these assets will not be brought back online, and are being replaced with new, more secure applications. The disposed-of assets were fully amortised at 31 March 2025, and therefore there is no financial loss to report in the financial year 2024 to 2025. No other impact on the 2024 to 2025 financial statements has been identified.

LAA has worked to ensure that those most in need of legal support can continue to access the help that they need, and to provide financial support to legal aid providers. The contingency measures in place will impact on the LAA results reported for the financial year 2025 to 2026. However, LAA is at present unable to estimate the financial effect. LAA has received pre-action letters in relation to possible claims for damages as a result of the cyber attack.

In HMCTS, following a formal approval process in May 2025 a decision was made to cease the continuation and development of a specific video hearing project due to unresolved technical issues. This has resulted in a constructive loss of £3.63 million.

In HMPPS, 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, Dame Antonia Romeo left her position as Permanent Secretary of MoJ to join the Home Office. On the same day, Amy Rees left her position as Chief Executive of HMPPS to become Interim Permanent Secretary of MoJ. On 1 July, Amy Rees left her position as Interim Permanent Secretary of MoJ and Dr Jo Farrar took up her position as Permanent Secretary of MoJ.



Annexes

Annex A: Other notes to the Statement of Parliamentary Supply

This section is subject to audit.

SOPS 3. Reconciliation of net resource outturn to net cash requirement

		2024-25		
				Net total outturn compared with estimate: saving/ (excess)
	Note	Outturn £000	Estimate £000	£000
Net resource outturn	SOPS 1.1	12,339,790	13,022,566	682,776
Capital outturn	SOPS 1.2	1,539,449	1,712,062	172,613
Non-budget expenditure		-	100,000	100,000
Accruals to cash adjustments:				
Adjustments to remove non-cash items:				
Depreciation and amortisation		(923,937)	(1,586,959)	(663,022)
New provisions and adjustments to previous provisions		(2,517,943)	(1,550,848)	967,095
Prior period adjustment		-	(100,000)	(100,000)
Other non-cash items		(257,968)	-	257,968
Adjustments for NDPBs:				
Remove voted resource and capital		(360,903)	(388,945)	(28,042)
Add cash grant-in-aid		353,736	354,698	962
Adjustments to reflect movements in working balances:				
Increase/(decrease) in receivables		(31,403)	-	31,403
Increase/(decrease) in inventories		7,183	-	(7,183)
(Increase)/decrease in payables		(31,841)	350,000	381,841
(Increase)/decrease in financial liabilities		173,394	-	(173,394)
Use of provisions		2,405,540	1,297,020	(1,108,520)
Removal of non-voted items:				
Consolidated Fund standing services		(198,362)	(190,022)	8,340
OLC and LSB non-voted levy income		22,864	23,471	607
Net cash requirement		12,519,599	13,043,043	523,444

As noted in the introduction to the SOPS, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. This reconciliation therefore bridges the resource and capital outturn to the net cash requirement. The net cash requirement calculation only applies to the core department and executive agencies.

SOPS 4. Income payable to the Consolidated Fund

SOPS 4.1 Analysis of income payable to the Consolidated Fund

In addition to income retained by the department, the following income relates to the department and is payable to the Consolidated Fund.

	Outturn 2024-25		Outturn 2023-24	
	Income	Receipts	Income	Receipts
	£000	£000	£000	£000
Income outside the ambit of the estimate	-	-	975	975
Levy income of OLC and LSB within the ambit of the estimate	22,864	22,864	21,101	21,101
Total income payable to the Consolidated Fund	22,864	22,864	22,076	22,076

The department also collects fines and penalties imposed by the judiciary and police. However, these are excluded from the income reported here and are reported separately in the HMCTS Trust Statement which can be found at: www.gov.uk/government/publications/hm-courts-tribunals-service-trust-statement-2024-to-2025.

SOPS 4.2 Consolidated Fund income

Consolidated Fund income shown in Note 4.1 above does not include any amounts collected by the department where it was acting as agent for the Consolidated Fund rather than as principal. The amounts collected as agent for the Consolidated Fund (which are otherwise excluded from the group financial statements) are set out in the table below.

	Outturn 2024-25
Item	£000
Funds in court unclaimed balances	39,628
Other receipts	881
Amount payable to the Consolidated Fund	40,509
Balance held at the start of the year	67
Payments into the Consolidated Fund	(40,430)
Balance held on trust at the end of the year	146

Following a change in legislation, OAG implemented a time limit on unclaimed balances of funds in court which have remained dormant for 30 years or more. Funds exceeding the time limit are now transferred to the Consolidated Fund when they hit the 30-year dormancy threshold and the liability to the beneficiary ceases at this point.

Because OAG has no direct means of surrendering to the Consolidated Fund, these amounts were transferred via MoJ. In the financial year 2024 to 2025, £39.6 million of unclaimed balances were surrendered to the Consolidated Fund. This represented the cumulative balance for all accounts over 30 years. It is forecast that future annual transfers will be lower.

Further details can be found in Funds in Court in England and Wales annual report and accounts 2024 to 2025: <https://assets.publishing.service.gov.uk/media/6877ceacf5eb08157f363853/funds-court-annual-report-2024-2025.pdf>.

Annex B: Public expenditure core financial tables

The core tables represent expenditure for resource and capital, set for each year in the Spending Review process (amended to incorporate transfers of functions to other government departments as they have arisen). These tables are not reported on the same basis as the financial statements disclosures, with differing categories and headings.

The core tables are produced automatically from the HM Treasury Online System for Central Accounting and Reporting (OSCAR) which is used by all central government departments to record their spending and plans. At 31 March 2025, OSCAR reflects the position agreed at Budget 2024. This will not match the outturn in previous years' financial statements and some spending may also appear on different lines, which may frequently result in restatement of the previous years' core table figures.

Section headings are based on the financial year 2024 to 2025 Supplementary Estimate headings.

Table 1 Total departmental spending (£000)

Resource DEL	2019-20 Restated outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Outturn	2024-25 Outturn	2025-26 Plans
Policy, corporate services and associated offices	(36,628)	566,838	704,139	810,027	932,609	1,020,248	1,414,824
HM Prison and Probation Service	4,170,755	4,599,619	4,241,015	4,642,263	5,305,652	5,676,010	6,137,079
HM Courts and Tribunals Service	1,834,627	1,865,942	2,039,906	2,117,191	2,294,226	2,396,747	2,555,397
Legal Aid Agency	1,746,141	1,550,239	1,787,143	1,912,249	2,154,655	2,279,185	2,190,371
Criminal Injuries Compensation Authority	206,512	165,837	170,237	167,391	161,126	163,344	171,842
Office of the Public Guardian	(14,069)	1,512	(2,552)	(8,338)	(18,745)	(20,352)	(5,812)
Children and Family Court Advisory and Support Service (net)	129,950	130,013	139,784	143,070	154,088	156,994	162,997

	2019-20 Restated outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Outturn	2024-25 Outturn	2025-26 Plans
Criminal Cases Review Commission (net)	5,765	6,392	6,972	7,361	8,501	9,362	10,107
Judicial Appointments Commission (net)	6,988	7,274	7,730	8,777	9,326	9,659	11,693
Legal Services Board (net)	3,774	3,906	4,099	4,255	4,550	5,220	5,873
Office for Legal Complaints (net)	12,351	13,151	13,757	15,056	16,484	17,447	20,001
Parole Board (net)	18,427	20,360	21,507	23,139	28,239	31,782	33,342
Youth Justice Board (net)	83,407	86,312	93,804	100,884	105,243	103,925	106,695
Gov Facility Services Limited	(24)	(692)	(360)	(162)	485	508	6,023
Independent Monitoring Authority for the Citizens' Rights Agreements (net)	-	1,964	4,011	4,826	5,622	5,077	15,591
Oasis Restore Trust (net)	-	-	-	-	3,434	12,275	-
Higher judiciary judicial salaries	159,886	163,898	163,084	171,601	185,724	198,362	195,402
Office for Legal Complaints/Legal Services Board levy CFER	(25,728)	(17,067)	(17,804)	(19,390)	(21,101)	(22,864)	(25,874)
Total resource DEL	8,302,134	9,165,498	9,376,472	10,100,200	11,330,118	12,042,929	13,005,551
<i>Of which:</i>							
Staff costs	4,011,613	4,398,670	4,785,069	5,231,542	5,683,799	6,055,463	6,579,400
Purchase of goods and services	5,053,486	4,855,394	5,051,442	5,197,272	5,718,539	2,224,873	6,877,680
Income from sales of goods and services	(441,310)	(69,287)	(72,237)	(79,242)	(90,677)	(91,775)	(1,321,821)

	2019-20 Restated outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Outturn	2024-25 Outturn	2025-26 Plans
Other income	-	(563,625)	(637,542)	(670,354)	(726,604)	(818,665)	(497,720)
Current grants to local government (net)	142,359	182,388	198,162	234,042	249,158	254,024	247,244
Current grants to persons and non-profit bodies (net)	29,799	43,135	49,970	57,106	59,082	54,823	56,506
Rentals	116,404	754,638	665,780	724,915	771,679	812,888	23,943
Depreciation ¹	470,052	598,957	717,143	803,968	943,151	1,162,511	1,039,170
Other resource	(1,080,269)	(1,034,772)	(1,381,315)	(1,399,049)	(1,278,009)	2,388,787	1,149
Resource AME							
Policy, corporate services and associated offices	(1,773,220)	(34,865)	119,815	33,780	345,854	117,403	307,985
HM Prison and Probation Service	1,862,813	63,648	104,637	13,654	(31,522)	(21,909)	45,000
HM Courts and Tribunals Service	38,232	23,678	69,436	(97,907)	7,349	2,789	130,400
Legal Aid Agency	(7,479)	89,133	39,570	122,684	102,673	87,403	46,800
Criminal Injuries Compensation Authority	(12,648)	(4,544)	(10,613)	4,506	81,150	114,236	59,200
Office of the Public Guardian	220	4,418	(29)	(838)	(733)	(548)	1
Children and Family Court Advisory and Support Service (net)	14,014	16,271	26,925	25,375	(409)	(1,678)	26,000
Criminal Cases Review Commission (net)	182	117	(73)	304	1,006	(762)	300
Judicial Appointments Commission (net)	-	-	10	(4)	(6)	(10)	1

	2019-20 Restated outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Outturn	2024-25 Outturn	2025-26 Plans
Legal Services Board (net)	-	74	(74)	-	-	-	1
Office for Legal Complaints (net)	12	24	-	72	67	197	1
Parole Board (net)	104	(141)	31	167	383	248	(299)
Youth Justice Board (net)	62	100	(54)	(45)	(63)	-	1
Gov Facility Services Limited	93	730	360	162	(485)	(508)	1
Independent Monitoring Authority for the Citizens' Rights Agreements (net)	-	-	-	-	-	-	1
Oasis Restore Trust (net)	-	-	-	-	-	-	1
Total resource AME	122,385	158,643	349,941	101,910	505,264	296,861	615,394
<i>Of which:</i>							
Staff costs	-	-	-	-	-	-	-
Net public service pensions ²	168	-	-	-	-	(213,665)	400,000
Depreciation	87,712	62,744	95,663	(12,231)	102,883	217,824	1,608,594
Take up of provisions	1,928,438	1,740,200	2,045,971	2,010,847	2,717,181	2,524,448	(1,393,200)
Release of provision	(1,941,284)	(1,724,849)	(1,985,172)	(2,048,096)	(2,275,338)	(2,406,394)	-
Change in pension scheme liabilities	-	219,073	370,991	342,292	139,706	166,353	-
Other resource	47,351	(138,525)	(177,512)	(190,902)	(179,168)	8,295	-
Total resource budget	8,424,519	9,324,141	9,726,413	10,202,110	11,835,382	12,339,790	13,620,945

	2019-20 Restated outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Outturn	2024-25 Outturn	2025-26 Plans
<i>Of which:</i>							
Depreciation	557,764	661,702	812,806	791,737	1,046,034	1,380,335	1,439,170
Capital DEL							
Policy, corporate services and associated offices	164,963	272,558	426,544	350,777	252,708	363,724	125,593
HM Prison and Probation Service	190,793	502,217	496,903	784,489	949,945	999,118	1,669,900
HM Courts and Tribunals Service	133,073	287,920	483,338	210,191	228,269	166,742	235,617
Legal Aid Agency	2	491	3,416	3,443	(290)	(32)	1,200
Criminal Injuries Compensation Authority	898	1	104	57	5,290	62	100
Office of the Public Guardian	100	(47)	8,295	926	1,138	(89)	100
Children and Family Court Advisory and Support Service (net)	-	449	658	8,664	2,041	3,147	4,500
Criminal Cases Review Commission (net)	220	659	455	35	165	416	217
Judicial Appointments Commission (net)	750	513	117	-	-	-	-
Legal Services Board (net)	368	21	10	12	148	31	924
Office for Legal Complaints (net)	60	245	145	299	244	2,405	461
Parole Board (net)	98	421	235	246	42	500	500
Youth Justice Board (net)	600	729	598	637	109	1,104	600

	2019-20 Restated outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Outturn	2024-25 Outturn	2025-26 Plans
Gov Facility Services Limited	-	401	-	-	1,071	1,850	-
Independent Monitoring Authority for the Citizens' Rights Agreements (net)	-	-	40	61	(61)	216	-
Oasis Restore Trust (net)	-	-	-	-	17,593	1,185	-
Total capital DEL	491,925	1,066,578	1,420,858	1,359,837	1,458,412	1,540,379	2,039,712
<i>Of which:</i>							
Purchase of goods and services	4,782	-	-	-	-	-	-
Capital support for local government (net)	-	1,754	(1)	10,537	568	-	-
Purchase of assets	548,387	1,123,681	1,480,427	1,372,075	1,468,462	1,530,536	2,002,146
Income from sales of assets	(59,077)	(5,425)	(7,231)	(30,075)	(14,459)	(10,310)	(10,000)
Other capital	(2,167)	(53,432)	(52,337)	7,300	3,841	19,927	47,566
Transfers	-	-	-	-	-	226	-
Capital AME							
Policy, corporate services and associated offices	-	-	3,555	4,896	4,675	(854)	14,884
HM Prison and Probation Service	-	-	1,340	-	-	-	1
HM Courts and Tribunals Service	-	-	3,919	(270)	(601)	(364)	1
Legal Aid Agency	-	-	90	251	96	-	105
Criminal Injuries Compensation Authority	-	-	-	395	1,310	(213)	1

	2019-20 Restated outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Outturn	2024-25 Outturn	2025-26 Plans
Office of the Public Guardian	-	-	1,222	336	1,013	188	1
Children and Family Court Advisory and Support Service (net)	-	-	393	-	784	50	1
Criminal Cases Review Commission	-	-	27	-	-	-	1
Legal Services Board (net)	-	-	-	-	-	-	1
Office for Legal Complaints (net)	-	-	-	-	194	238	-
Youth Justice Board (net)	-	-	-	-	-	-	1
Gov Facility Services Limited	-	-	-	-	-	-	1
Independent Monitoring Authority for the Citizens' Rights Agreements (net)	-	-	-	-	-	-	1
Oasis Restore Trust (net)	-	-	-	-	-	25	1
Total capital AME	-	-	10,546	5,608	7,471	(930)	15,000
Total capital	491,925	1,066,578	1,431,404	1,365,445	1,465,883	1,539,449	2,054,712
Total departmental spending³	8,358,680	9,729,017	10,345,011	10,775,818	12,255,231	12,498,904	14,236,487
<i>Of which:</i>							
Total DEL	8,324,007	9,633,118	10,080,187	10,656,069	11,845,379	12,420,797	14,006,093
Total AME	34,673	95,899	264,824	119,749	409,852	78,107	230,394

1 Throughout this table, depreciation includes amortisation and impairments.

2 Pension schemes report under IAS 19 Employee Benefits accounting requirements. These figures therefore include cash payments made and contributions received, as well as certain non-cash items.

3 Total departmental spending is the sum of resource and capital outturn less depreciation. Similarly, total DEL is the sum of the resource DEL and capital DEL less depreciation in DEL, and total AME is the sum of resource AME and capital AME less depreciation in AME.

Table 2 Administration costs (£000)

Section headings are based on the financial year 2024 to 2025 Supplementary Estimate headings.

	2019-20 Restated outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Outturn	2024-25 Outturn	2025-26 Plans
Policy, corporate services and associated offices	299,414	350,763	369,735	404,389	438,275	475,440	527,346
HM Prison and Probation Service	52,931	19,516	24,091	24,999	21,762	16,050	22,467
HM Courts and Tribunals Service	19,487	19,636	20,288	21,912	21,961	23,634	25,096
Legal Aid Agency	20,574	19,456	16,468	13,894	15,098	16,999	18,172
Criminal Injuries Compensation Authority	2,401	2,063	770	(685)	(446)	(326)	1,805
Office of the Public Guardian	63	63	67	74	81	84	-
Children and Family Court Advisory and Support Service (net)	(59)	5,295	5,192	5,412	5,820	7,700	6,033
Criminal Cases Review Commission (net)	918	751	715	778	946	974	862
Judicial Appointments Commission (net)	375	399	434	717	652	677	900
Legal Services Board (net)	-	-	1	-	-	-	-
Parole Board (net)	1,085	998	982	3,157	2,994	2,418	2,790
Youth Justice Board (net)	2,854	3,255	3,094	3,610	2,985	3,168	3,303
Gov Facility Services Limited	-	-	-	-	-	-	3,019
Independent Monitoring Authority for the Citizens' Rights Agreements (net)	-	1,362	2,542	2,963	3,544	2,734	-
Oasis Restore Trust (net)	-	-	-	-	3,434	-	-
Higher judiciary judicial salaries	-	76	89	109	99	92	-

	2019-20 Restated outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Outturn	2024-25 Outturn	2025-26 Plans
Total administration	400,043	423,633	444,468	481,329	517,205	549,644	611,793
<i>Of which:</i>							
Staff costs	267,705	284,053	312,538	349,749	373,009	403,170	395,982
Purchase of goods and services	118,346	133,292	137,186	149,547	146,408	136,420	186,040
Income from sales of goods and services	-	-	-	-	-	-	(25,103)
Other income	(13,807)	(47,642)	(46,187)	(47,287)	(38,027)	(36,723)	(5,140)
Current grants to local government (net)	-	-	-	-	-	-	-
Current grants to persons and non-profit bodies (net)	88	-	-	-	-	-	-
Rentals	(1,673)	24,741	5,755	6,980	198	540	1,694
Depreciation ¹	31,470	27,189	33,629	32,506	36,363	36,735	57,243
Other resource	(2,086)	2,000	1,547	(10,166)	(746)	9,502	1,077

¹ Depreciation includes amortisation and impairments.

Annex C: Information on arm's length bodies

The department is required to report total operating income, total operating expenditure and net expenditure for the year, and staff numbers and costs for each component arm's length body. The table below includes the final consolidated figures in the department's accounts including adjustments and intragroup eliminations. As a result of adjustments on consolidation, the annexed figures may not agree directly to the published arm's length body accounts.

	Total operating			Total		Net expenditure		Permanent		Other staff
	income	operating	operating	operating	(including	for the year	Number of	Staff	Number of	Staff
	£000	expenditure	expenditure	expenditure	financing)	£000	employees	costs	employees	costs
	£000	£000	£000	£000	£000	£000		£000		£000
Children and Family Court Advisory and Support Service	(2,039)	157,355	155,316	2,024	123,625	174	7,501			
Criminal Cases Review Commission	(6)	8,606	8,600	116	6,521	-	537			
Judicial Appointments Commission	(27)	10,553	10,526	101	6,003	23	1,725			
Legal Services Board	-	5,220	5,220	38	3,273	-	569			
Office for Legal Complaints	(782)	18,426	17,644	282	13,539	9	558			
Parole Board	-	32,976	32,976	231	10,380	4	16,526			
Youth Justice Board	(90)	104,898	104,808	93	6,200	-	199			
Gov Facility Services Limited	(188,902)	188,902	-	1,312	61,067	368	13,041			
Independent Monitoring Authority for the Citizens' Rights Agreements	-	5,349	5,349	57	3,785	1	77			
Oasis Restore Trust	(80)	12,355	12,275	112	7,357	-	686			

All tabled information was correct and accurate as at the approval date of the accompanying annual report and accounts.

Staff numbers are presented by the average number of full-time equivalent staff. The costs of board members, panel members and commissioners of arm's length bodies are included in other staff costs above but there is no corresponding full-time equivalent figure assigned against these individuals because it would not be appropriate to do so.

Annex D: Off-payroll engagements

Highly paid off-payroll worker engagements as at 31 March 2025, earning £245 per day or greater.

	HQ	HMPPS	HMCTS	LAA	OPG	CICA	Cafcass	OLC	Parole Board			JAC	LSB	YJB	Oasis Restore Trust			GFSL	IMA	Total
Number of existing engagements as of 31 March 2025	472 ¹	8	37	1	1	-	59	-	-	-	-	-	-	-	2	15	-	595		
<i>Of which:</i>																				
Number that have existed for less than one year at time of reporting	244 ¹	3	16	-	1	-	41	-	-	-	-	-	-	-	1	6	-	312		
Number that have existed for between one and two years at time of reporting	139	-	7	-	-	-	8	-	-	-	-	-	-	-	1	3	-	158		
Number that have existed for between two and three years at time of reporting	59	1	5	-	-	-	3	-	-	-	-	-	-	-	-	2	-	70		
Number that have existed for between three and four years at time of reporting	25	1	4	1	-	-	3	-	-	-	-	-	-	-	-	1	-	35		
Number that have existed for four or more years at time of reporting	5	3	5	-	-	-	4	-	-	-	-	-	-	-	-	3	-	20		

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2025, earning £245 per day or greater

	HQ	HMPPS	HMCTS	LAA	OPG	CICA	Cafcass	OLC	Parole			Oasis				Total	
									Board	CCRC	JAC	LSB	YJB	Trust	GFSL	IMA	
Number of temporary off-payroll workers engaged during the year ended 31 March 2025	838 ¹	10	61	1	2	-	59	-	-	-	1	-	-	2	18	3	995
<i>Of which:</i>																	
Not subject to off-payroll legislation	820 ¹	6	53	1	2	-	-	-	-	-	-	-	-	2	-	3	887
Subject to off-payroll legislation and determined as in-scope of IR35	16	-	-	-	-	-	54	-	-	-	-	-	-	-	18	-	88
Subject to off-payroll legislation and determined as out-of-scope of IR35	2	4	8	-	-	-	5	-	-	-	1	-	-	-	-	-	20
Number of engagements reassessed for compliance or assurance purposes during the year	603	9	31	5	3	-	-	-	-	-	5	-	-	2	-	-	658
Of which: Number of engagements that saw a change to IR35 status following review	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

¹ Includes one engagement relating to the Offices of the Official Solicitor and Public Trustee.

For any off-payroll engagements of board members and/or senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2025

	Parole											Oasis Restore				Total	
	HQ	HMPPS	HMCTS	LAA	OPG	CICA	Cafcass	OLC	Board	CCRC	JAC	LSB	YJB	Trust	GFSL	IMA	Total
Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility during the financial year	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	2
Total number of individuals on payroll and off payroll that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year – includes both on-payroll and off-payroll engagements	15	12	12	6	14	4	15	1	12	10	19	15	22	16	12	10	195

Details of the exceptional circumstances that led to the above off-payroll engagements and the duration of the engagement are as follows.

OASIS: A Chief Finance Officer was appointed in April 2024 and is supporting the project mobilisation team through the secure schools full business case and mobilisation phase. A permanent successor will be appointed once this phase is complete.

Annex E: Report by the Secretary of State on the use of powers under section 70 of the Charities Act 2006 for the year 2024 to 2025

Section 70 of the Charities Act 2006 ('the Act') sets out the powers for ministers to give financial assistance to charitable, benevolent or philanthropic institutions and requires that payments made under this power are reported.

During the financial year 2024 to 2025, the department awarded grants totalling **£6,370,445** under the provisions of the Act. This spending does not represent the total amount of grant funding provided to the voluntary and community sector, as many other grants have been paid to this sector under the powers conferred by alternative legislation.

The activities undertaken by various organisations which the department has funded are in line with the department's aims and objectives. The table below sets out the financial assistance provided by the Secretary of State under these powers for the financial year 2024 to 2025.

Name of organisation (recipient)	Grant name (title)	Amount £
Citizens Advice Wirral	Citizens Advice Wirral co-located advice hub project	45,205
The RCJ and Islington Citizens Advice Bureaux	Miscarriages of justice	100,000
The Citizenship Foundation	Magistrates' court mock trial competition	25,000
Circles UK	Circles UK: Provision and development of circles of accountability	111,240
Reunite International Child Abduction Centre	Reunite International	122,000
National Association of Child Contact Centres	Supported child contact centres	450,000
National Association of Child Contact Centres	National Association of Child Contact Centres	192,000
Law for Life: The Foundation for Public Legal Education	Online support and advice grant	200,000
The Butler Trust	The Butler Trust	125,000
Access to Justice Foundation	Improving outcomes through legal support	5,000,000
Total		6,370,445

Annex F: Trade union facility time

The department is required, by the Trade Union (Facility Time Publication Requirements) Regulations 2017 which came into force on 1 April 2017, to disclose the number of hours spent on facility time by employees who are a relevant union official during the reporting period and are paid by the department.

Facility time is recognised as the time an employee has spent on paid trade union activities where the employee has received wages from the department.

Table 1 Relevant union officials

The total number of employees who were relevant union officials during the financial year 2024 to 2025.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
647	638.00

Table 2 Percentage of time spent on facility time

The number of employees who were relevant union officials employed during 2024 to 2025 and who spent 0%, 1% to 50%, 51% to 99%, or 100% of their working hours on facility time.

Percentage of time	Number of employees
0%	14
1-50%	633
51-99%	0
100%	0

Table 3 Percentage of pay bill spent on facility time

The percentage of the total pay bill spent on paying employees who were relevant union officials for facility time during the financial year 2024 to 2025.

Total cost of facility time (£000)	£3,287
Total pay bill (£000)	£4,927,424
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.067%

Table 4 Paid trade union activities

As a percentage of total paid facility time hours, the number of hours spent by employees who were relevant union officials during the financial year 2024 to 2025 on paid trade union activities.

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0%
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Annex G: Reconciliation between contingent liabilities reported in the Supply Estimate and those reported in the annual report and accounts

Table 1 Quantifiable contingent liabilities

Description	Entity	Supply Estimate ¹	Annual report and accounts	Variance
		£000	£000	£000
Employment tribunals	HQ	-	2,000	(2,000)
Legal claims	HQ	10,100	5,000	5,100
Data protection claims	HQ	715	-	715
Employment tribunal refunds in respect of the quashing of the Employment Appeal Tribunal Fees Order 2013/1893	HMCTS	13,722	-	13,722
Refund scheme for incorrect fees charged for low value personal injury claims	HMCTS	13,137	-	13,137
Other refund schemes to refund court fees which were charged in error or incorrectly set	HMCTS	9,296	3,400	5,896
Employment tribunal claims	HMCTS	66	-	66
Legal cases dealing with ex gratia, compensation and other claims	HMCTS	224	300	(76)
Personal injury claims by staff, prisoners and third parties	HMPPS	55,000	69,100	(14,100)
Offers of compensation not accepted within time limits	CICA	600	1,000	(400)

- 1 Supplementary Estimate February 2025. Explanations for material variances include details of new employment tribunal claims which emerged after the Supplementary Estimates were published.

Table 2 Unquantifiable contingent liabilities

Description	Entity	Supply Estimate ¹	Annual report and accounts
Incidents incurred but not yet received: in respect of individuals who have been victims of violent crime but have not yet applied to CICA	CICA	Yes	Yes
Single justice procedure railway offences: convictions quashed where ticketing offences were incorrectly prosecuted using the single justice procedure	MoJ	No	Yes
Travel and subsistence: expenses have been treated incorrectly for tax and national insurance	MoJ and agencies	No	Yes

1 Supplementary Estimate February 2025.

Table 3 Remote (non-IAS 37) contingent liabilities

Description	Entity	Supply Estimate ¹	Annual report and accounts	£000
Quantified	HMPPS	No	Yes	-
Heathrow Airport Holdings Limited and other third parties indemnity				
Unquantified				
Privately managed prisons: HMPPS would be liable as underwriter of last resort to meet certain losses incurred by the privately managed prisons	HMPPS	No	Yes	
CICA: Compensation cases at appeal stage, under the jurisdiction of the First-Tier Tribunal – criminal injuries compensation which may proceed to judicial review	CICA	No	Yes	

Only contingent liabilities that meet the definition within IAS 37 Provisions, Contingent Liabilities and Contingent Assets are included in the Supply Estimates.

1 Supplementary Estimate February 2025.

Glossary

Accounting Officer		A person appointed by HM Treasury or designated by a department to be accountable for the operations of an organisation and the preparation of its accounts. The appointee is, by convention, usually the head of a department or other organisation, or the Chief Executive of a non-departmental public body.
Administration budget		An HM Treasury budgetary control that forms part of the resource departmental expenditure limit (DEL). It is normally spent on the running costs of the department and its agencies, including back office staff and accommodation.
Annually managed expenditure	AME	An HM Treasury budgetary control. AME is spending included in total managed expenditure, which does not fall within DEL. Expenditure in AME is generally less predictable and controllable than expenditure in DEL. AME is split between resource and capital expenditure.
Capital expenditure		Spending on assets and investment.
Cash losses		Physical losses of cash and its equivalents which we have recorded receipt of (such as cheques, vouchers, credit cards and electronic transfers).
Cash equivalent transfer value	CETV	The overall value, as calculated by an actuary, of an individual's pension entitlement. This is the anticipated cost of providing the pension throughout retirement.
Claims abandoned		Losses that may arise if claims are waived or abandoned because, though properly made, it is decided not to present or pursue them.
Consolidated Fund		The government's current account, operated by HM Treasury
Consolidated Fund extra receipt	CFER	Income, or related cash, received by a department that it is not authorised to retain and which is surrendered/paid over to the Consolidated Fund.
Constructive loss		A loss caused by a procurement action. For example, stores correctly ordered, delivered or provided, then paid for as correct, but later, perhaps because of a change of policy, they prove not to be needed or to be less useful than when the order was placed.
Departmental expenditure limit	DEL	An HM Treasury budgetary control. Annually voted expenditure which covers the day-to-day, planned and controllable departmental expenditure. DEL is split between resource (RDEL) and capital expenditure (CDEL).

Estimate (or Supply Estimate)		Supply Estimates are the means by which Parliament gives approval to (and grants resources for) departmental spending plans. The amount approved by Parliament is often termed 'the Vote'. The resources granted in the Vote are specifically for the set of departmental operations covered under the ambits. The Vote also includes the net cash requirement.
Executive agency		A public body which, while being a separate entity to its parent or sponsoring government department, is subject to significant control from the department and its ministers. Executive agencies usually have a narrow remit covering one policy area of the parent department.
Ex-gratia payments		Payments made when there is no legal obligation to do so. Ex-gratia payments go beyond statutory cover, legal liability or administrative rules.
Extra-contractual claims		Also known as common law claims, these are claims for damages for breach of contract.
Fees and charges		A department's income generated from services where it is permitted to charge recipients for the service.
Fruitless payment		A payment that cannot be avoided because the recipient is entitled to it even though the department will receive nothing of use in return.
Government Financial Reporting Manual	FReM	The HM Treasury technical guide to accounts preparation for government bodies: www.gov.uk/government/collections/government-financial-reporting-manual-frem
Grant-in-aid		Grant provided to a body by government for a specific purpose. Most NDPBs are grant-in-aid-funded.
Inland Revenue off-payroll tax	IR35	The IR35 rules make sure that workers, who would have been an employee if they were providing their services directly to the client, pay broadly the same income tax and national insurance contributions as employees.
International Financial Reporting Standards	IFRS	The set of financial reporting standards adopted by the government, as adapted by the FReM. IFRS comprise International Accounting Standards (IAS) and IFRS.
Managing Public Money		The HM Treasury guide for civil and other public servants containing the principles for dealing with public resources: www.gov.uk/government/publications/managing-public-money
Materiality		The threshold above which amounts in the financial statements affect the decisions of users of the accounts. The threshold is subject to judgement and may depend on value, nature (for example, senior staff salaries are low in value, but of significant interest to readers of the accounts), or context.

National Audit Office		Office of the Comptroller and Auditor General, which audits accounts of government bodies and carries out value for money inspections within the bodies it audits: www.nao.org.uk
Net cash requirement		The limit voted by Parliament reflecting the maximum amount of cash that can be released from the Consolidated Fund to a department in support of expenditure in its estimate.
Non-departmental public body	NDPB	A body which is not an integral part of a department, and which operates at arm's length from ministers (in contrast to an executive agency).
Other comprehensive income/expenditure		A section of the Statement of Comprehensive Net Expenditure which contains gains and losses which are not yet recognised in profit and loss (such as revaluations of non-current assets).
Private finance initiative	PFI	A means of funding public infrastructure or services by collaboration between the public and private sectors. Typically, a private sector contractor will build and operate an asset, which the public sector entity will use to deliver services for which it pays an annual charge.
Programme budget/expenditure		A department's direct frontline delivery costs, including support costs directly associated with frontline service delivery.
Regularity		The principle that all consumption of resources should be made in accordance with the legislation authorising them, any applicable delegated authority and Managing Public Money.
Resource expenditure		The department's resource budget, as voted by Parliament. Resource expenditure reflects the consumption of resources in that year.
Service concession arrangement	SCA	An arrangement whereby a public sector body contracts with a private operator to develop (or upgrade), operate and maintain the grantor's infrastructure assets (such as prisons). The grantor controls or regulates what services the operator must provide.
Spending Review		A cross-government review of departmental aims and objectives and analysis of spending programmes which results in the allocation of multi-year budgetary limits.
Store losses		Losses of accountable stores through damage, obsolescence, fraud, theft, arson or any other causes.
Supply		The funds paid to the department by HM Treasury. The amount paid in the year is shown in the Statement of Changes in Taxpayers' Equity.



102

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