



HM Courts &
Tribunals Service

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Annual Report and Accounts 2025-26





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For the period 01 April 2025 to 31 March 2026

Report presented to the Parliament pursuant to section 1(4) of the Courts Act 2003 and section 39(3) of the Tribunals, Courts and Enforcement Act 2007

Accounts presented to the House of Commons pursuant to section 7 of the Government Resources and Accounts Act 2000

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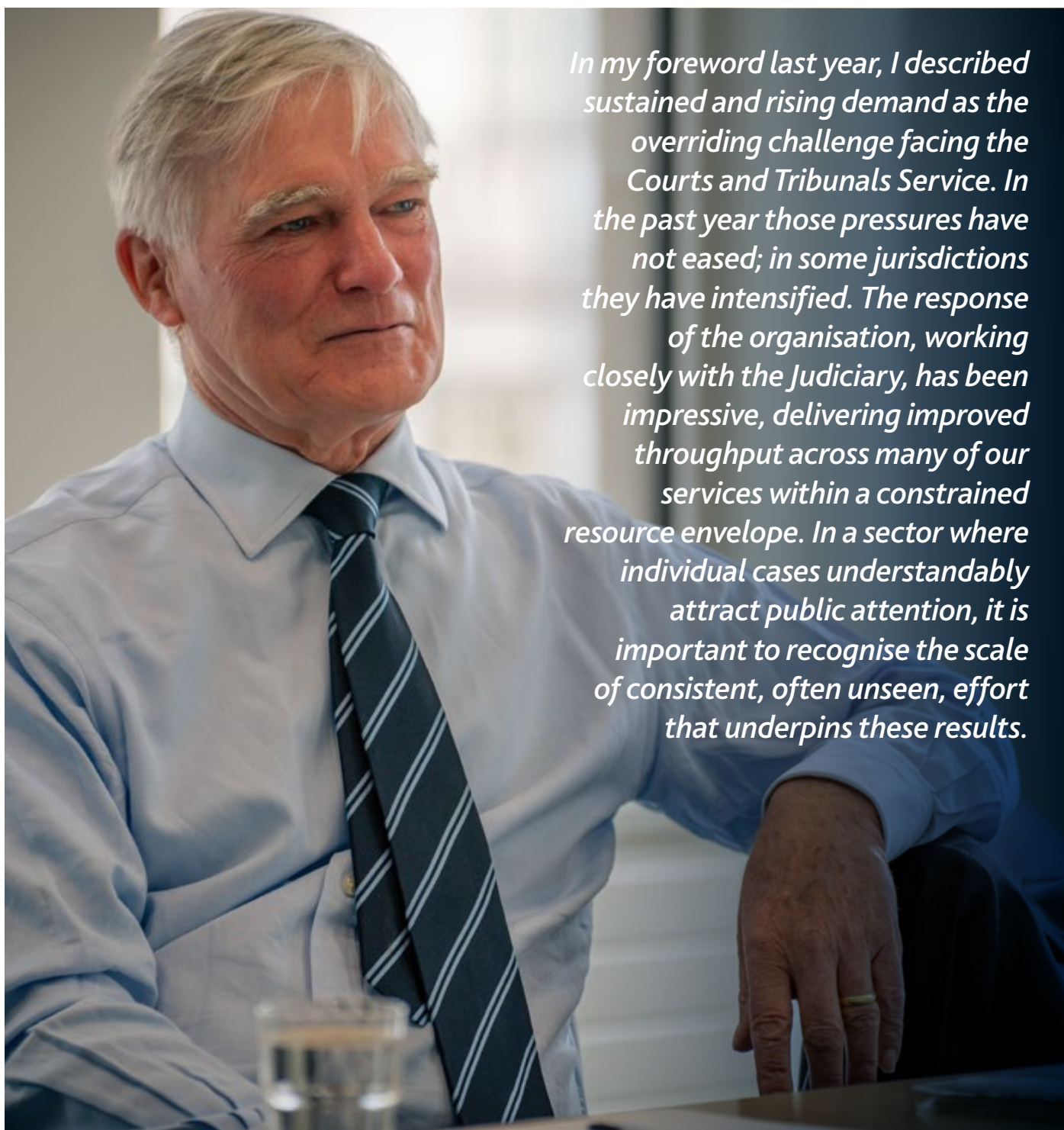
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Foreword



In my foreword last year, I described sustained and rising demand as the overriding challenge facing the Courts and Tribunals Service. In the past year those pressures have not eased; in some jurisdictions they have intensified. The response of the organisation, working closely with the Judiciary, has been impressive, delivering improved throughput across many of our services within a constrained resource envelope. In a sector where individual cases understandably attract public attention, it is important to recognise the scale of consistent, often unseen, effort that underpins these results.



In criminal justice in particular, HMCTS is one element of a complex system of interdependent public bodies. The effectiveness of the system depends as much on how these partners work together as on the performance of any single organisation. In this context, the recently published two part Independent Review of the Criminal Courts represent a significant opportunity. Their recommendations point towards meaningful structural and procedural reform, and we look forward to working with our partners to support their implementation and delivering a more resilient criminal justice system.

At an operating level, backlogs and heavy caseloads place pressure on staff and systems. While any error is highly undesirable, it is the reality of the system's complexity and workload that errors may sometimes occur. Handling as we do over 4 million cases annually, our error rate by any measure is low, and we continue to invest to drive down errors further while maximising output. Continued digitisation supports us in this, but a great deal depends on the skill and dedication of our staff for which I am grateful.

Looking ahead, we are embarking on further digitisation of civil justice. This is an important initiative which has the potential to enhance the civil courts' role in meeting citizens needs and facilitating economic growth through reducing friction in cases of dispute, and its contribution to the balance of payments by sustaining our courts attractiveness to international litigants.

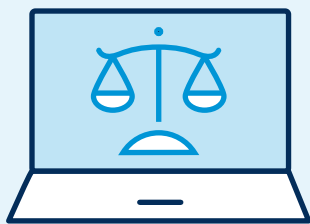
In relation to the Board, we reviewed its Committee structure during the year. We concluded that two of the existing Committees (the Change and Portfolio Committees) should properly report to the senior executive team (EXT), being wholly operational in nature and already chaired by executives. In their place, we created a Business Review Committee, chaired by a non-executive Director (Luisa Fulci), to provide the Board with periodic in-depth reviews of major or recurrent issues requiring sustained attention.

During the year, we also welcomed Emma Churchill to the Board from the Ministry of Justice as the permanent replacement for Jerome Glass.

Finally, it was announced recently that our Chief Executive Nick Goodwin will be moving in the coming year to take up a role in the Ministry of Justice. Nick's achievements over four years in the role have been impressive. In often challenging circumstances, he has overseen the delivery of the Reform digitisation programme, developed a strong and unified management team and delivered improving performance in almost all areas. He is liked and respected by the whole organisation and we will miss him. Thank you Nick.

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

HMCTS at a glance



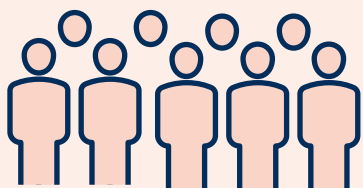
We received over **4.6 million cases** and completed (disposed of) over 2.7 million cases



We sat over **547,000 days¹** across our courts and tribunals, and facilitated over 3.2 million hearings



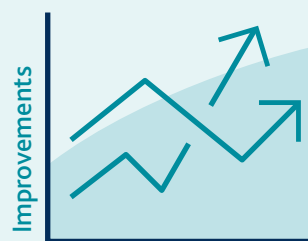
Average contact satisfaction with our National Services contact centres was **75%** (based on survey data published on 12 March 2026)



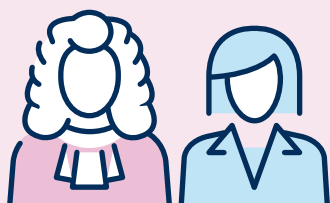
We have around **19,000 members of staff** (approximately 16,300 average full-time equivalent - FTE)



We operate from **350 venues** and invested over £162 million in maintenance and repairs, an increase of 39% from 2024-25 (£117 million)



Our net expenditure was **£2.1 billion**



We support over **23,500 judicial office holders**, including over **15,000 magistrates**

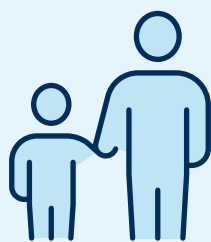


We currently operate over **185 contracts** with suppliers and on average 86 new contracts are procured annually (36% of which are re-procurements)

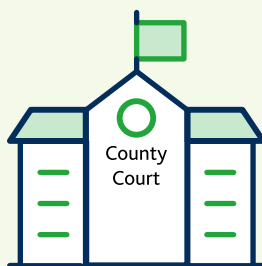


85% of complaints were resolved at first contact

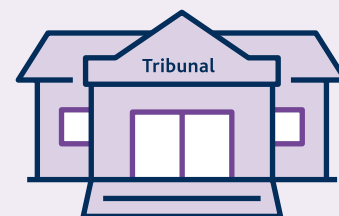
¹ Improvements to the sitting days methodology for some tribunals means that the reported figures for tribunals sitting days and overall sitting days are not directly comparable with previous years.



We sat **over 99,000 days** and over 541,000 cases were completed in the **Family Court**



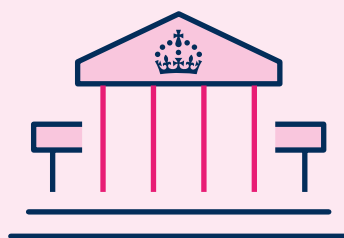
We sat **over 75,000 days** and over 283,000 cases were defended¹ in the **civil courts**



We sat **over 127,000 days²** and over 301,000 cases were completed in the **Tribunals**



We sat **over 116,000 days** and over 1.4 million cases were completed in the **magistrates' courts**



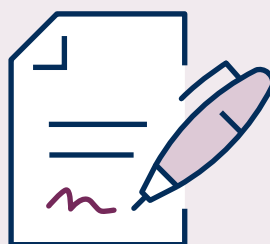
We sat over **110,000 days** and over 116,000 cases were completed in the **Crown Court**



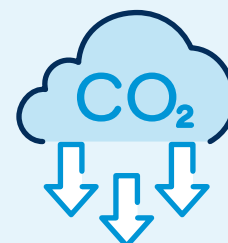
During 2025 we supported **over 6,400** students from over **430 schools** to take part in mock trials



In 2025 we booked over **133,500 interpreters and translators** – 60% for criminal courts – across more than 190 languages



We held over **69,000 small claims mediation** sessions, of which 30% led to a settlement without the need for a court hearing



We reduced our **greenhouse gas emissions** by 39% against our 2017-18 baseline

1 More information can be found on page 12. Sitting days include box work.

2 Improvements to the sitting days methodology for some tribunals means that the reported figures for tribunals sitting days and overall sitting days are not directly comparable with previous year

Section 1: Performance section

Chief Executive review



Nick Goodwin

Chief Executive Officer of
HM Courts and Tribunals Service

This report marks the end of our first full year delivering against the HMCTS Strategic Plan 2025-2030 – a year that has stretched us but ultimately demonstrated the resilience and commitment of everyone across our organisation.

Behind every case that comes through our courts and tribunals is a person: someone seeking justice after becoming a victim of crime; resolving a dispute as an individual or a business; a family navigating a painful separation; a claimant appealing a benefits decision that affects their ability to pay the bills. We have around 19,000 dedicated members of staff – working across 350 venues and through our digital services. These are the people who make access to justice a reality for every person relying on our justice system.

During 2025-26 we received additional resource funding of £177 million and £45 million in capital investment which helped us to manage essential commitments, including higher levels of judicial activity as courts and tribunals operated at, or near, full capacity. Alongside these funding boosts, further investment has enabled us to meet a range of priorities, including strengthening judicial security, modernising our digital systems and building resilience into those systems, as well as investing over £162 million in vital repairs and improvements to our estate. Major capital developments were also realised this year – the new London Tribunals Centre, which opened in February as one of the largest of its kind in Europe, being a prime example.

There are reasons to feel proud of what we've achieved this year. Crown Court sitting days reached 110,647 - their highest level in a decade. In the Family Court, private law disposal times fell by 10% to an average of 36 weeks, with cases over 100 weeks returning to pre-pandemic levels. Our Service Centres answered 46% more calls than the previous year while cutting average answer times by 40%. Contact satisfaction with our National Services contact centres stood at an impressive 75%.

We have continued to modernise since the conclusion of the Reform Programme. The Civil Auto File Share digital case management system was rolled out across civil courts, we opened our Civil and Family Orders Hub in Birmingham, and we consolidated Employment Tribunal and magistrates' court phone enquiries into our Service Centres.

"We'll continue modernising by collaborating with the judiciary to improve productivity and deliver change that improves the user experience. And we'll be equipping our people to thrive and grow in an organisation that values innovation and embraces diversity."



I'm very aware that we've also faced significant challenges over the last year. The Crown Court open caseload exceeded 80,000 for the first time, with demand continuing to outpace capacity despite the record sitting days. In the Social Security and Child Support Tribunal, timeliness increased to 37 weeks from 32 weeks the previous year, driven by receipts exceeding disposals. And we have needed to continue to invest in stronger access controls, training and crisis preparedness to keep our own systems secure from the constant risk of cyber threats.

I'm encouraged that we have the foundations in place for the years ahead. In February 2026 we received our highest-ever multi-year funding settlement, covering 2026-27 to 2028-29, with uncapped Crown Court sitting days providing the certainty we need to plan effectively and dispose of outstanding cases as quickly as possible.

That settlement coincides with a pivotal moment for criminal justice reform. Part 1 of Sir Brian Leveson's Independent Review of the Criminal Courts, published in July 2025, led to the government's December 2025 announcement about judge-only trials for certain lower-level offences, and expanded magistrates' sentencing powers. We have established a programme to stand ready for operational implementation once legislation passes. Part 2 of the review, published in February 2026, focuses on efficiency and timeliness improvements across the criminal courts, and we are working closely with the Ministry of Justice to prepare ahead of the government's formal response.

Our priorities for 2026-27 are clear. We'll be delivering services by making best use of our resources to improve timeliness, customer service, support for judges and

magistrates, and collecting financial penalties. We will continue to support our services by enabling quality, timely delivery and building resilience within them. We'll continue modernising by collaborating with the judiciary to improve productivity and deliver change that improves the user experience. And we'll be equipping our people to thrive and grow in an organisation that values innovation and embraces diversity.

The Courts and Tribunals Bill, introduced to Parliament in February 2026, will provide the legislative framework central to that work. None of it will be possible without the dedication of our staff, the judiciary and our many partners across the justice system. I thank them all.

This is my final annual report as Chief Executive of HMCTS, and I leave genuinely proud of what this organisation has achieved and confident in its future. The foundations are strong, the people are exceptional, and the work – supporting access to justice for everyone who needs it – matters now more than ever.

Nick Goodwin
Chief Executive and Accounting Officer

1.1 Overview

This section provides a snapshot of our organisation, looking at what we do, how we are structured, and the main risks to meeting our objectives. It also highlights our performance over the past year. You can find a more detailed breakdown of our performance from page 22.

1.1.1 Who we are and what we do

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

Our work is directed by the HMCTS Framework¹, which sets out how we work in partnership with the Lord Chancellor, the Lady Chief Justice and the Senior President of Tribunals. It explains our responsibilities, how we are funded, and how we are governed. You can find more detail in our Governance Statement on page 46.

Our role and responsibilities

We deliver a vital public service that supports access to justice for everyone. This includes victims and witnesses of crime, defendants accused of crime, families in crisis and people affected by relationship breakdown. It also includes individuals in debt or dispute, businesses involved in commercial cases and individuals asserting their employment rights or challenging the decisions of government bodies. Our work directly affects the everyday lives of some of the most vulnerable people in society and we aim to run a fair, efficient, and effective courts and tribunals system. The justice system depends on many parties working together. Our role is to promote efficiency and effectiveness by collaborating with others and clarifying what we can each do to improve delivery. In doing so, we recognise the independence of each partner and the critical role they play across the justice system.

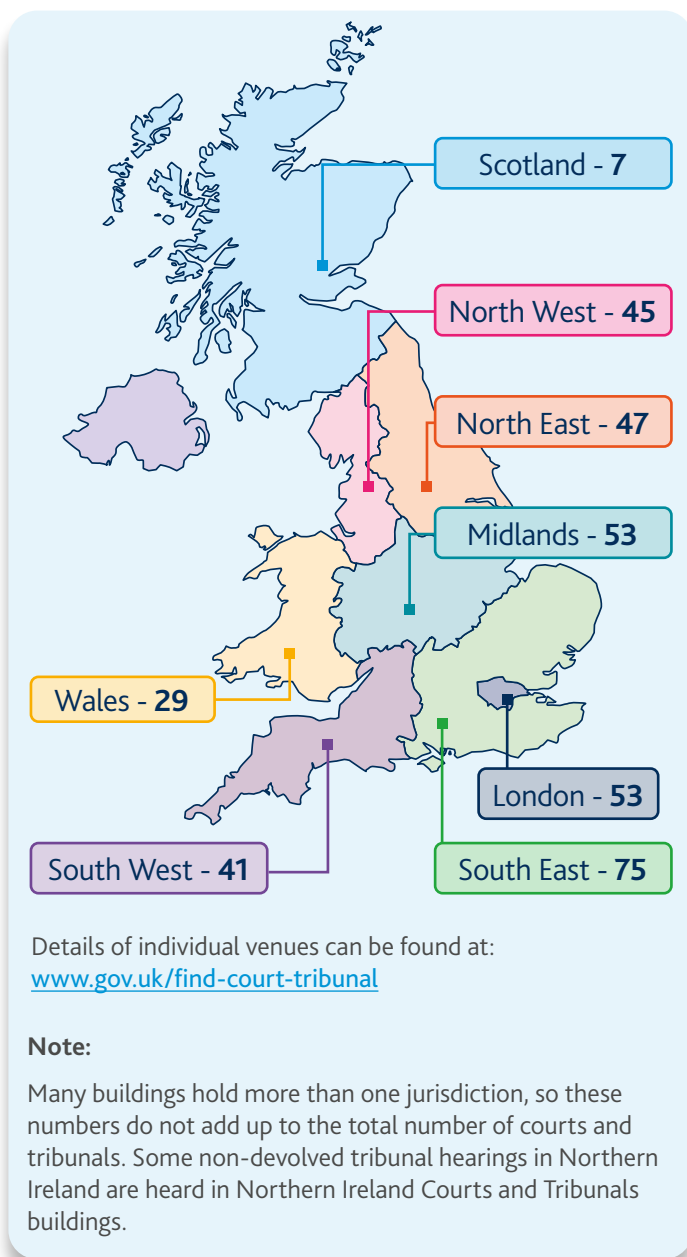
You can find out more about our work at www.gov.uk/hmcts.

How we are structured

We provide our services in a number of ways, such as in person at court and tribunal buildings, and remotely using video or telephone hearings. We provide administrative support through our Service Centres and digitally through GOV.UK.

Our estate

The map shows our sites as at 31 March 2026, including 4 former court buildings used as Nightingale Courts that have become part of our permanent estate, providing additional capacity for criminal, family and civil cases.



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

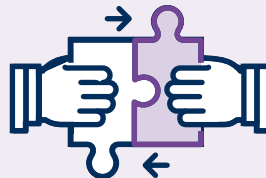
Our organisational structure



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



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



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



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



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



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



We support our **users in person** at our courts and tribunals and provide remote assistance through our national Service Centres.

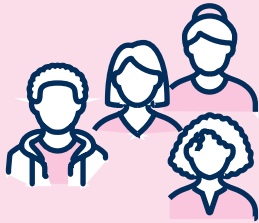
Our Digital Support Service offers help to those who cannot access our online services.



We have around **19,000** members of staff, of which 96% work in operational roles. You can find details on the composition of our workforce from page 66. Details of our governance and management structure are in the Accountability section from page 41.

Our stakeholders

Their role in shaping our decisions



Users of our services

Their needs, feedback and experiences help define service design, accessibility and digital transformation to ensure accessibility, fairness, and efficiency. All of this is essential to delivering inclusive and transparent justice services that uphold public trust and legal rights.



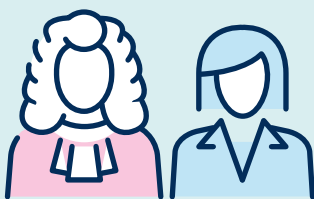
Our people

Staff insights and engagement shape our decisions, reflecting the experiences, ideas, and needs of those delivering services every day. In return, we provide meaningful career opportunities, professional development and a safe, inclusive workplace, fostering a motivated workforce that reflects the society we serve.



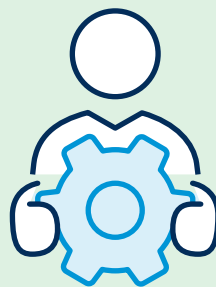
Government and Parliament

The Ministry of Justice, wider government and Parliament set the strategic, legislative and financial framework within which we operate. Through accountability arrangements, funding decisions, scrutiny and policy development, they shape our priorities, performance expectations and the delivery of justice services.



Our justice partners

Through close collaboration and regular dialogue with key partners, including the judiciary, government departments, legal bodies, advice and support sector, advocacy groups, law enforcement and Parliament, we ensure our approach is informed, balanced and reflects the needs and expectations of the people and institutions we serve. This also supports better justice outcomes and greater system-wide efficiency.



Our suppliers

We work closely with our suppliers, using procurement feedback and performance data to inform commercial decisions and encourage innovation in service delivery. By fostering sustainable partnerships, we ensure value for money for the public and efficient services across the justice system.



The wider community

We engage with local communities to take account of public needs and expectations, for example, by hosting educational initiatives like mock trials for students and partnerships with universities, and supporting court open days, while recognising our role as a responsible local employer. Through these efforts, we promote greater understanding of the justice system and strengthen public confidence in our services.

Our strategic objectives and priorities

The HMCTS Board agreed the HMCTS Strategic Plan 2025-2030, setting out our mission, strategic objectives and intended outcomes over the next 5 years.

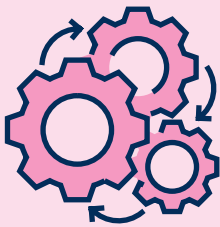
HMCTS Strategic Plan 2025-2030



Our mission

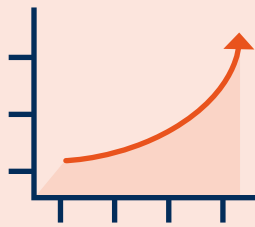
To support people to access justice when they need it, working together with our partners across the justice system, to improve the efficiency and effectiveness of our courts and tribunals services.

Our strategic objectives and outcomes



Consolidation

Exploit the benefits of modernisation to de-risk and to standardise the efficiency and effectiveness of service delivery.



Continuous Improvement

Drive improvement through simplification, digitisation and taking opportunities to innovate.



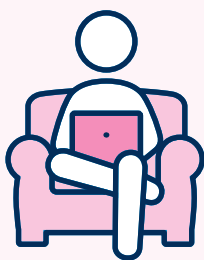
Collaboration

Collaborate with system partners to improve case progression and timeliness, thereby enhancing efficiency and the user experience.



Commitment

Deliver, now and in the future, by enabling individuals, managers and teams to maximise their contribution and increase productivity and performance.



Simpler, easier-to-use and more efficient services with greater consistency and standardisation, so everyone knows what to expect and we deliver the same high-quality service across the country and different jurisdictions.



An embedded culture of continuous improvement, allowing ideas to be identified and scaled up so that best practice within regions, services and functions, is shared and built upon by all.




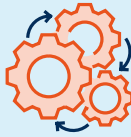

Stronger partnerships with justice system partners at all levels to facilitate improvement whilst delivering a more joined-up approach to supporting users.









A workforce that is equipped and empowered to perform at their best, with the right leadership and management structures in place to support that.

Our business plan set out in more detail the activities we planned to deliver in the first year of our Strategic Plan. Below is a diagram setting out our priorities and objectives for 2025-26; these were underpinned by activities, milestones and performance measures. A summary of our performance is on page 15. Through the delivery of this business plan and related activities, we contributed to the MoJ Justice Delivery Plan 2025-26 priorities of 'swifter justice for victims' and 'a beacon for justice and the rule of law'.

Our priorities for 2025-26 were:

 Perform at our best and drive productivity.	 Improve services for users.	 Stabilise, consolidate and reduce risks.	 Live our values, support our people and develop our leadership.
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We focused on specific actions under the following 12 objectives:

 Run efficient and effective services.	 Exploit technology and innovate to drive improvement.	 Address risks and build resilience.	 Establish clear ways of working at all levels.
 Maintain an estate that is safe, secure and supports operational delivery.	 Collaborate on cross-system improvements.	 Standardise service delivery.	 Build a skilled, sustainable, diverse and flexible workforce.
 Maximise productivity and secure value for money.	 UK Government Input into and respond to government priorities and policies.	 Stabilise and enhance our digital and data infrastructure.	 Foster a positive, innovative culture that drives excellence.

Our values

<p>Purpose</p> <p>Justice matters. We are proud to make a difference for the public we serve.</p>	<p>Humanity</p> <p>We treat others as we would like to be treated. We value everyone, supporting and encouraging them to be the best they can be.</p>	<p>Openness</p> <p>We innovate, share, and learn. We are courageous and curious, relentlessly pursuing ideas to improve the services we deliver.</p>	<p>Together</p> <p>We listen, collaborate, and contribute, acting together for our common purpose.</p>
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Our budget

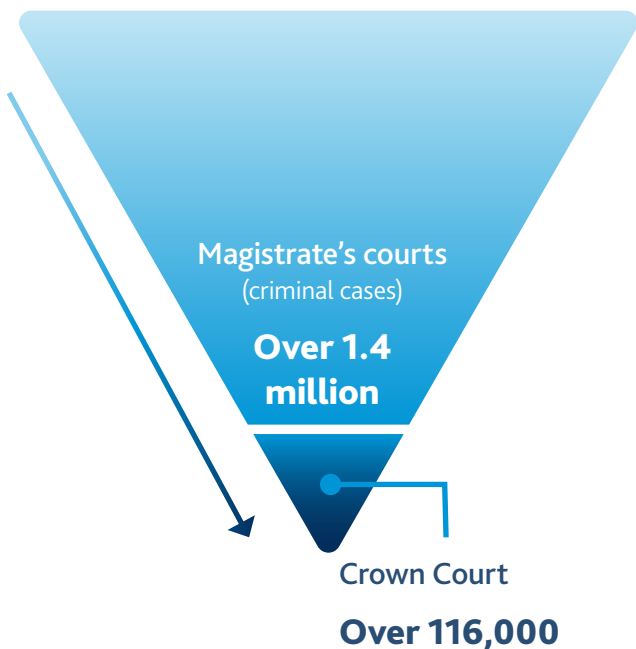
We are funded by Parliament through the MoJ. Each year we receive separate budgets for day-to-day (resource) and long-term (capital) spending as part of the annual funding process. Under the Concordat¹ agreement between ministers and the senior judiciary, the Lord Chancellor agreed our budgets with the Lady Chief Justice and the Senior President of Tribunals. The net resource cost of running our organisation during 2025-26 as presented in these accounts was £2.11 billion (£3.05 billion expenditure offset by £0.94 billion from income). You can find a more detailed breakdown of our expenditure in the financial performance review on page 20.

Delivering our services

We aim to provide straightforward and accessible services that help people resolve legal matters quickly and fairly. During 2025-26, we received over 4.6 million cases. The charts below show how many of these cases were dealt with and closed, which are referred to as 'disposals'. These include cases received in 2025-26 as well as cases received in previous years.

Disposal of cases in the criminal courts

All criminal cases in England and Wales begin in the magistrates' courts and over 92% of these cases are completed there. Cases involving more serious offences are transferred to the Crown Court for trial or sentencing. You can find more detail on the background to the criminal court system in the published guide to criminal court statistics².



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

The chart shows the number cases disposed of in the Family Court and tribunals. It also includes the number of civil defences in county court cases.

Approximately 1.7 million civil cases were not defended. These were either resolved without a hearing by admission of the claim, settlement outside of court, or acceptance of liability (but disputes the amount owed) or resulted in a default judgment where the court made a decision because the defendant did not respond. Most (97%) civil cases are resolved without proceeding to a full trial, the remaining 3% are resolved through a trial.

You can find more detail on the background to the civil³ and family⁴ courts and the tribunals⁵ in the guides published on GOV.UK.

All Tribunals	Civil defences	All Family Courts (including probate and divorce)
Over 301,000 (27%)	Over 283,000 (25%)	Over 541,000 (48%)

1 The concordat agreement between the Lord Chancellor and the judiciary is a framework that outlines their respective roles and responsibilities to ensure smooth cooperation and maintain judicial independence.

2 assets.publishing.service.gov.uk/media/5df2730840f0b60941ffefc6/a-guide-to-criminal-court-statistics.pdf

3 www.gov.uk/government/statistics/civil-justice-statistics-quarterly-april-to-june-2023/guide-to-civil-justice-statistics-quarterly

4 assets.publishing.service.gov.uk/media/5a7dd83740f0b65d88634c1e/guide-to-family-court-statistics.pdf

5 www.gov.uk/government/statistics/tribunals-statistics-quarterly-april-to-june-2024/guide-to-tribunal-statistics-quarterly

Our risks

We manage risk through a clear framework, defined standards and accountabilities, ensuring risks are identified and managed effectively across the organisation. Our risk framework brings together our risk strategy with practical guidance for staff at all levels, so we can anticipate challenges we may face in implementing our plans and prepare for them effectively.

Our risk profile

We categorise and monitor risks across our organisation based on their nature, likelihood, and potential impact, so we can anticipate and prepare for them through:

- collaborating with our partners across the justice system to manage existing demand and constrain the open caseload
- maximising productivity and our digital infrastructure so that we can minimise delays in providing access to justice for all who need it
- contributing to wider government priorities that impact on courts and tribunals services
- scenario planning for future trends, challenges and opportunities and horizon scanning for risks that may impact now and in the future
- ensuring our people are equipped and empowered to deliver a truly exceptional service for all our users, including ensuring digital services are not a barrier to anyone accessing justice

Our corporate risk register sets out the main risks that could affect our ability to deliver our objectives. It includes both our principal (high-level) and secondary (more detailed) risks supporting a more agile and responsive approach to risk management. The risk register was endorsed by our Executive Team and approved by the Audit and Risk Assurance Committee and the HMCTS Board. The risk register was regularly reviewed and updated as required.

We actively managed emerging risks and issues throughout the year. The main issues during 2025-26 included those set out below. Details on increasing compliance and assurance can be found in the Performance analysis section from page 17. and the Accountability report on page 41.

In May 2025, a cyber-attack on the Legal Aid Agency (LAA) disrupted HMCTS access to the Department for Work and Pensions (DWP) **benefits verification system**. We used this system as one way of assessing eligibility for court fee remissions. We invoked business continuity arrangements, including manual checks and alternative evidence, to minimise disruption for court users. As a precaution we also revoked access to relevant connected systems and restored services in a controlled way once it was safe to do so. Access to the DWP system has since been fully restored. Alongside this, we have been working with DWP to secure direct access to its benefits verification system, and subject to successful testing, this is expected to provide a more resilient arrangement, with access anticipated in early 2026-27. We have disclosed an estimated loss of fee income related to the

cyber-attack on page 70 of the Accounts section.

Cyber threats remain a significant risk across government, as shown by incidents such as the cyber-attack on the LAA. We work to keep our systems secure through a combination of technology, processes, people and independent assurance. Key improvements include stronger access controls, cyber champion training for digital delivery teams, and crisis exercises with senior leaders. We also carry out regular testing, including simulated attacks, to assess our defences and address vulnerabilities, with any remaining risk managed in line with government standards.

We identified a technical problem with the **Core Case Data system**, which handles civil, family and tribunal cases. In some instances where multiple court users took actions at the same time, such as uploading documents to the same case file, we found the issue caused some documents and data fields to be hidden from view. This affected a very small number of cases (0.002%). The parties involved were contacted and offered the opportunity to have the decision set aside and the appeal reheard. A technical fix was applied to the system, and we have introduced more robust monitoring and alert systems to make sure this does not happen again.

In November 2025, the Deputy Prime Minister announced new measures to reduce the number of **mistaken releases from prisons** and restore public confidence in the criminal justice system. As some of these errors originated in the court process, an urgent warrant query unit was established. This provides a dedicated escalation route for Prison Offender Management Unit staff who need an urgent response to a warrant query where there is risk an offender could be held unlawfully or released in error. We have also implemented additional measures, for example, we issued instructions to court staff to reinforce mandatory requirements for imprisonment orders to be confirmed with judges or magistrates in the Crown Court and magistrates' courts respectively, before they are finalised.

In September 2025, a technical fault in the **Online Civil Money Claims (OCMC)** service resulted in some County Court judgment orders incorrectly applying the full court fee, even when a Help with Fees remission had been granted. In October 2025 we deployed a software fix which ensured judgment orders were generated correctly thereafter. The affected cases (less than 5% of all OCMC judgments) were reviewed and corrected, with refunds issued where required.

In October 2025, we identified an issue where victim address details were incorrectly included in a small number of **restraining orders** issued via Common Platform (the digital case management system in the criminal courts). All 74 affected restraining orders (out of over 123,000 issued since 2020) cases were reviewed and remedial action taken. The incident arose due to human error, however additional technical controls were implemented to reduce the likelihood of future recurrence.

In August and September 2025, emails relating to 93 private law cases in West London were mistakenly sent to an **incorrect Cafcass email address**; as the mailbox was owned by Cafcass, this did not constitute a personal data

loss, although it did cause delays to some of the hearings in those cases. The affected cases were reviewed and corrected in collaboration with Cafcass and steps were taken to prevent recurrence.

In November 2024, an error in the calculation of **annual judicial rates** led to overpayments being made to some judges. We identified the affected cases, and notified the judges that the calculations were being reviewed. We contacted the judges with the corrected amounts in July 2025, and action has been taken to recover the overpayments, including agreeing repayment arrangements where appropriate. We strengthened checking processes to prevent similar issues in the future.

During November 2025, a defect in the digital case management system for the **First tier Tribunal (Immigration and Asylum Chamber)** temporarily prevented Help With Fees applications from being processed. This meant that some appellants who should have had their fees waived were treated as if they had not paid and as a result, up to 95 appeals may have been wrongly struck out for nonpayment of a fee. Immediate action was taken to reinstate all affected cases and take remedial action. Technical fixes were put in place and the checks we carry out before launching new software updates have been improved.

Our corporate risks

Key

Risk movement (from date risk identified to end of March 2026)



Risk increase



Risk decrease



No risk movement

Relation of risk to main priorities



Perform at our best and drive productivity



Stabilise, consolidate and reduce risks



Improve our services



Live our values, support our people and develop our leadership

Principal risk	Trend this year	Link to business plan priority
<p>Performance: There is a risk to the delivery of both our day-to-day services and our change activity</p>	↔	Pe Im St
<p>Health, safety and security: There is a risk of a significant safety and security incident affecting our staff, the judiciary and/or users</p>	↔	Pe St
<p>Digital and technological: There is a risk we are unable to provide our services</p>	↔	Im St
<p>Data: There is a risk that the quality of our data may not be good enough to support good analysis and decision-making</p>	↔	St
<p>People: There is a risk we do not have the workforce with the right capacity, who are capable and engaged to deliver our operational and strategic objectives</p>	↔	Pe St Va
<p>Finance: There is a risk we fail to make best use of the resources we have within our budget without overspending</p>	↔	Im St

You can find further details on our risks, including the controls we put in place to mitigate them, in the Accountability section from page 41.

1.1.2 Summary of our performance

We have measured our performance against each of our 4 priorities (as detailed from page 22), which were monitored by the HMCTS Board throughout the year. These priorities were underpinned by objectives with each having one or more deliverable activity. Overall we achieved 71% of our deliverables and the remainder were partially achieved. Details of how we performed against our main operational performance indicators are in the Performance analysis section from page 29.

The table below sets out the priorities in our business plan for 2025-26. It shows how they relate to our corporate risk register, alongside examples of performance activity during the year. Further details on how we delivered our business plan priorities are from page 22 and further information on how we managed our risks are from page 51.

Assessment and link to corporate risks Summary performance during 2025-26 Priority

Priority 1: Perform at our best and drive productivity



Partially achieved

67% of deliverables achieved

Principal risks:

Performance; Health, safety and security; and People

Further details can be found on page 22.

We continued to focus on maintaining effective courts and tribunals operations, prioritising the use of our sitting days allocation. Demand for our services has remained high, outstripping capacity in several areas, and open caseloads have increased as a result. We have managed significant pressures, for example, in the Immigration and Asylum Chamber, driven by sustained high volumes of asylum appeals. We maximised available judicial sitting capacity and expanded recruitment and redeployment initiatives to increase throughput.

We continued to strengthen the support we provide to users, improving guidance and introducing new technology in our Service Centres to help reduce delays and improve response times. We did not meet our ambition for our Service Centres to achieve our target average speed of answer across a minority of our services. Performance was impacted by higher than forecast demand in some services, temporary diversion of staff to priority administrative work and staff training. Improvements actions are being implemented and monitored.

We invested over £162 million capital and resource spending on essential repairs and improvements to our estate, completing works while minimising disruption to court operations. This included the extensive refurbishment of Harrow Crown Court, where cases were successfully managed across alternative sites until the building reopened in April 2026.

We sat over 99% of our overall allocated sitting days. Our priority is to maximise the use of all funded sitting days, but this is not always possible due to a number of factors including the physical capacity of the court estate, unplanned maintenance works, late postponements or vacated hearings, the availability of partner agencies, and judicial capacity.

Priority 2: Improve services for our users



Partially achieved

82% of deliverables achieved

Principal risks:

Performance; Digital and technological; and Finance

Further details can be found on page 24.

We worked with the judiciary and our justice partners to improve the experience of people using our services and tailored improvement plans were developed across a number of jurisdictions, including the criminal courts, the Social Security and Child Support Tribunal and the First-tier Immigration and Asylum Chamber.

We introduced a new internal electronic file-sharing system in the civil courts, removing paper processes and improving accurate and timely information to users, reducing delays and supporting faster case progression.

We extended the functionality of OCMC and Damages Claims services so that more cases remain online and benefit from improved timeliness and user experience.

We extended the rollout of the Child Focused Courts (formerly the Pathfinder model) for family private law cases, improving timeliness and ensuring that the interests of the child is the primary focus.

We introduced the 'work allocation' tool in family public law which enables judges and staff to better control the flow of tasks which has in turn led to improved efficiencies and better oversight.

We prepared for major legislative reforms, such as the Renters' Rights Act and Employment Rights Act, and the introduction of a statutory requirement for appeals to be decided within 24 weeks in the Immigration and Asylum Chamber, while delivering day-to-day services in a busy environment.

We achieved the majority of our deliverables and partially achieved the remainder. For example, we paused the rollout of the private family law digital service so we could incorporate feedback from the judiciary and early adopter sites and prioritise additional system improvements ahead of national rollout. Subject to further testing, the service will be rolled out in 2026-27.

Assessment and link to corporate risks

Summary performance during 2025-26 Priority

Priority 3: Stabilise, consolidate and reduce risks



Partially achieved

71% of deliverables achieved

Principal risks:

Performance;
Health, safety and security; Digital and technological; Data; People; and Finance

Further details can be found on page 26.

We strengthened our approach to risk management by improving our corporate risk register to distinguish between internal and external risks, helping us respond more effectively. We also embedded a new Risk Appetite Framework, supporting senior leaders to make informed decisions.

Judicial security remained a key area of focus. Following a nationwide review, we launched a programme of improvements across the courts and tribunals and continued to work with the Lady Chief Justice's Security Taskforce, the wider MoJ and the police to improve judicial security.

We also reduced reliance on legacy technology hardware by successfully closing our outdated datacentres. A combination of moving upgraded applications to cloud-based systems, migrating legacy products with limited short-term value to a bespoke hosting service, and retiring applications no longer required, we have strengthened the resilience of our services.

To improve the consistency and reliability of our operations, we established an operational compliance team to review key procedures and introduced additional controls where necessary. Our focus during the year was ensuring we had the correct controls, data and guidance in place; as a result, the formal audit to test full compliance will now be completed in 2026-27.

Priority 4: Live our values, support our people and develop our leadership



Partially achieved

71% of deliverables achieved

Principal risk:

Performance;
Health, safety and security; Digital and technological; Data; People; and Finance

Further details can be found on page 27.

We increased support for our managers this year by rolling out the role of the manager programme, designed to build confidence, promote consistent leadership behaviours and help managers lead their teams effectively. We also enhanced manager communications with the introduction of a dedicated bulletin and webinars. Alongside this, we updated our operational leadership structure to strengthen our focus on jurisdictional and service performance.

We launched the People Performance Hub, giving managers easier access to a range of tools and information to help manage people effectively.

We improved the way we plan our workforce needs, introducing a more agile and data-driven approach that uses forecasting tools to anticipate future demand. This is helping us better understand the skills and structures needed to meet changing requirements. However, finalising and formally launching the strategic workforce planning framework required further engagement and senior sponsorship, and this will be completed in 2026-27.

We also focused on strengthening recruitment and retention in important operational roles such as court clerks, County Court bailiffs and legal advisers.

During the year we made significant progress across all our deliverables; however, a number of planned activities were only partially delivered and remaining work will continue in 2026-27.

1.2 Performance analysis

This section provides a detailed view of how we performed against our business plan priorities and main performance indicators this reporting year. It also includes our plans for 2026-27.

A spotlight on our operations

At the core of our organisation are operations providing the key frontline service. 96% of staff work in operational roles. Our administrative functions are delivered by staff working in Service Centres and those based in court and tribunal locations across England, Scotland and Wales. Their roles are incredibly varied and range from public facing services such as ushers and call handlers, to more behind the scenes functions including listing and resulting. Together, these roles are critical to delivering a smooth and efficient service.

We continually seek improved ways to serve those who use our services and this year we introduced practical changes to make contact and processes easier and faster by moving Employment Tribunal and magistrates' calls into Service Centres and setting up Civil and Family Orders Hubs to streamline the handling of court orders.

Improving call handling for the Employment Tribunal and magistrates' courts

This year, we improved how people contact the Employment Tribunal and magistrates' courts by moving phone enquiries into our Service Centres. Previously, calls were managed by multiple regional offices, which could lead to an inconsistent service and delays. By bringing all general enquiries into Service Centres, we have ensured a more consistent and reliable service for callers, regardless of where they are in the country. The centralised model has enabled us to answer more calls than ever before, and resolve queries at first contact, providing a consistent and improved experience for our users. The move has also resulted in local court and tribunal staff having greater capacity to process cases and support hearings.

Making a difference:

- Our Service Centres answered over 46% more calls compared to 2024-25
- Calls are now answered in under 11 minutes on average, a 40% decrease compared to 2024-25
- Fewer than 4% of calls needed to be referred back to local courts or partner organisations.

"We've felt the benefit of not allocating two staff to cover the phones throughout the day. Call migration has allowed us to dedicate more time to other areas of work, such as reducing backlogs and helping users with their cases, or to focus on one-to-one training."

A court administrator from the North-West region

Improving our service in providing civil and family court orders

To make court services simpler and faster, we introduced a Civil and Family Orders Hub in Birmingham. We plan to complete the rollout of regional hubs by the end of 2026.

Instead of processing orders across multiple courts, the hubs bring specialist staff together in one place, using digital tools and standardised processes. This reduces turnaround times, lowers the risk of errors and provides a more consistent service. It results in better use of resources and ensures timely case progression, while freeing up local courts to focus their efforts on supporting hearings. For our users, it means shorter waiting times to receive decisions, and clearer communication, aiming to reduce stress at what can be a difficult time.

Making a difference:

- Since the hub was introduced, we have processed over 125,000 orders
- Digital systems allow real-time tracking, so users get updates faster

Our year in context

It has been another busy year of considerable challenges and achievements. Demand for our services continues to grow, while we manage an estate that requires substantial improvement and investment. We have also had to respond quickly to emerging issues.

To meet these pressures, we prioritised carefully and explored innovative approaches to keep cases moving and ensure access to justice. Some examples are below and more detailed information on delivering our business plan priorities is from page 22. Further details on the issues that emerged during the year are on page 13.

Living within our budget

In 2025-26, we received additional funding to support our operations. This included £177 million in resource funding and £45 million in capital investment. This funding enabled us to manage a range of financial pressures, including pay awards for staff and the judiciary, increased national insurance contributions, and higher levels of judicial activity, with many courts and tribunals now operating at full capacity.

Alongside meeting these essential commitments, further investment supported a wide range of operational and strategic priorities. This included strengthening judicial security, improving operational assurance, increasing capacity to manage modernisation and change, and enhancing the resilience of our digital systems. Additional investment in estates projects and ongoing digital refresh activity also helped to underpin our ability to operate effectively.

These enhancements were balanced by targeted savings, primarily resulting from the completion of our Reform Programme. Building on the progress already made to modernise and transform our services, we continue to explore how digital solutions and new technologies, including AI, could support future service delivery. This approach is helping us streamline processes, reduce administrative burdens, and deliver better value for money for the taxpayer. For example, by introducing the Civil Auto File Share (CAFS) system, we are replacing paper files in the civil courts with a digital system for managing and sharing case information, which will reduce time and money spent on printing and posting paper files. You can find details of our financial performance on page 20 and on CAFS at page 24.

In February 2026 we received a budget allocation for 2026-27 to 2028-29. Instead of planning year to year, we now have a clearer view of the resources we will have available over the next 3 years, giving us the stability to plan ahead with more confidence to make longer-term decisions about what we do and how we do it.

Increased demand for our services

Demand for our services has remained high and has outstripped capacity across many of the jurisdictions. This has led to a continued increase in open caseloads across all jurisdictions but especially in the criminal courts and tribunals.

We worked closely with the MoJ and criminal justice partners to consider the recommendations from Sir Brian Leveson's independent review of the criminal courts, which offers recommendations for future reform and improvement. Part 1 of the review was published in July 2025¹ and in December 2025, the government announced plans to streamline criminal court processes by introducing judge-only trials for certain lower-level offences and expanding magistrates' sentencing powers². While the announcement set out the government's response on policy measures, we immediately stood up a programme of work to prepare for operational implementation of any changes once any necessary legislation has been passed. Part 2 of the review was published in February 2026³, focusing on improving efficiency and timeliness across the criminal courts, including the processes of partner agencies. We are working closely with the MoJ to prepare for the Government's response to this second report, which will be published in due course.

In February 2026, the Courts and Tribunals Bill⁴ was introduced to Parliament to set out reforms to criminal courts in England and Wales, and changes affecting tribunal leadership and child welfare legislation to address system pressures and support a more efficient and effective justice system.

We continued to work with the Home Office, the MoJ and the judiciary on the priority to tackle the Immigration and

Asylum Chamber backlog of cases. We introduced a range of measures to improve efficiency and reduce delays. For example, in September 2025 we implemented a national floating list that gives judges greater flexibility to hear more cases each day by matching hearing-ready cases to available time slots. We worked with the Senior President of Tribunals to deploy Upper Tribunal judges to the First-tier Immigration and Asylum Chamber to increase judicial capacity where it is most needed. Alongside this we recruited additional tribunal legal officers to strengthen case preparation and ensure hearings can proceed without necessary adjournments. We also explored the use of technology to introduce AI transcription to speed up the production of accurate hearing records.

In August 2025, the Government announced its plans to reform the way immigration appeal cases are handled⁵ that included the creation of a new immigration appeals body that will operate independently of the Home Office and HMCTS tribunals. We will continue to work with the MoJ and the Home Office to plan for this new body and progressing work to support a new statutory requirement for appeals to be completed within 24 weeks.

Our multi-year funding settlement for 2026-27 to 2028-29 provides for additional sitting days in a number of jurisdictions, including uncapped sitting days in the Crown Court, strengthening our capacity to meet high levels of demand.

Getting it right first time

We established a new Operational Compliance function to strengthen how we manage data and ensure our processes meet required standards. This function focuses on improving data quality and preventing errors and supporting staff with clearer guidance. A compliance framework underpins this work, providing a consistent approach across all courts and tribunals. We introduced Compliance and Data Quality Support Officers in each region to monitor and manage data quality, identifying opportunities for continuous improvement within our systems, processes, and guidance to drive 'getting things right first time' principle. Further details can be found in the Accountability section on page 56.

1 www.gov.uk/government/publications/independent-review-of-the-criminal-courts-part-1

2 www.gov.uk/government/news/swift-and-fair-plan-to-get-justice-for-victims" Please show it on the page as: www.gov.uk/government/news/swift-and-fair-plan-to-get-justice-for-victims

3 www.gov.uk/government/publications/independent-review-of-the-criminal-courts-part-2

4 www.gov.uk/government/publications/courts-and-tribunals-bill

5 <http://www.gov.uk/government/news/tribunal-system-reforms-to-speed-up-asylum-decisions>

Managing our estate

Our estate includes a wide range of buildings, from modern offices to older and listed sites. These bring particular challenges for maintenance, modernisation and meeting our Greening Government Commitments¹. Many buildings require specialist facilities, such as secure docks, custody cells and juror areas. An ageing estate and historic underinvestment has resulted in significant maintenance backlogs.

We prioritised investment for essential repairs and improvements. These upgrades are helping to make our buildings more efficient, resilient and welcoming to everyone who uses them. Additional funding was also invested in a programme of works to further strengthen judicial security.

We also strengthened our capacity through major capital developments, for example, the new London Tribunals building at Newgate Street opened in February 2026 and allowed us to replace and consolidate operations previously carried out in 3 separate buildings. It provides a modern, flexible and sustainable venue for the future, with 30 hearing rooms and 40 judicial chambers supporting up to 60 judges, making it one of the largest tribunal centres in Europe. More details on managing our estate can be found under our business plan Priority 1 on page 22.

Many of our buildings are not fit for the current climate challenges we face. The age and design of much of our estate presents significant challenges in meeting modern climate-related requirements. Retrofitting our buildings to meet current expectations often involves complex structural constraints and elevated costs. These limitations, combined with the substantial financial investment required, make it difficult to fully deliver on our Greening Government Commitments. We take opportunities where possible to incorporate climate resilience and sustainable features in major projects. For example, the new London Tribunals building has air source heat pumps, solar panels on the roof and harvests rainwater for toilet flushing.

To help us understand and improve the climate resilience of our estate, we carried out targeted building surveys focusing on water efficiency, overheating and flood risks, as well as identifying any opportunities to reduce our carbon emissions. The results of the surveys will help inform decisions on future investment for a more sustainable, cost-effective, and climate-resilient estate. More details can be found in our climate change and sustainability report on page 35.

Use of Artificial Intelligence (AI)

We recognise the introduction of AI as a tool with the potential to help streamline administrative tasks and allow us to deliver our services more efficiently and effectively. As part of the Prime Minister's commitment to use AI to drive change, we have been exploring how this technology could improve our processes and systems within our allocated funding.

Our AI Adoption Plan, issued in April 2026, sets out how we



"It has been energising and a significant morale boost to move from the challenging day-to-day circumstances of our old building to the modern 'state of the art' premises at the London Tribunals Centre. London Central Employment Tribunal users will certainly benefit from the new facilities."

Judge Freer, London Central Employment Tribunal

will use AI in our organisation. It is underpinned by HMCTS-specific AI principles that reflect the unique sensitivities of the justice environment. It is aligned to the AI Playbook for Government² and the MoJ's AI Action Plan for Justice³, which looks at AI use across the whole of the MoJ and is the foundation for how we adopt AI in a way that is appropriate, safe, controlled and focused on real value.

We are already seeing promising results from several pilots we ran during 2025-26, and some examples are below. Progress beyond this financial year will depend on pilot findings and available funding.

- piloting the use of AI transcription and summarisation in the Immigration and Asylum Chamber, to help judges process cases more efficiently while maintaining accuracy and oversight. Automated transcription was rolled out at the end of April 2026.
- exploring how AI can support anonymisation of judgments and documents in the Family Court, helping to protect privacy while maintaining transparency.
- testing an AI-powered search and assistant tool on Common Platform (our criminal courts case management system) to help legal advisers and judges in the magistrates' courts find information more effectively.

These are practical, responsible uses of AI, that are targeted at specific challenges we know exist within HMCTS. Further details can be found in the Performance analysis section from page 24.

1 The Greening Government Commitments set out the UK government's framework for reducing the environmental impact of its operations.

2 www.gov.uk/government/publications/ai-playbook-for-the-uk-government

3 www.gov.uk/government/publications/ai-action-plan-for-justice/ai-action-plan-for-justice

1.2.1 Our financial performance

Our financial statements for the year ending 31 March 2026 are presented later in this document from page 77. We are financed by funding provided by the MoJ from money approved by Parliament, and from income generated from fees for services and from other government departments. We operate within the control framework set by HM Government and set out in Managing Public Money¹.

In 2025-26 we had total operating expenditure of £3,051 million (2024-25: £2,744 million) on the day to day running costs of the organisation.

Funding for our capital investment programme was £229 million (2024-25: £152 million excluding reform). The MoJ set, in agreement with us, our total expenditure levels, which exclude income from most fees for court services.

Financial pressures

During the year, we faced increases in our costs from inflation and other pressures. Judicial salaries rose by 4%, and staff salaries by an average of 3.75%. In addition, we spent an additional £28 million compared to 2024-25 on priority and emergency maintenance.

Financial performance

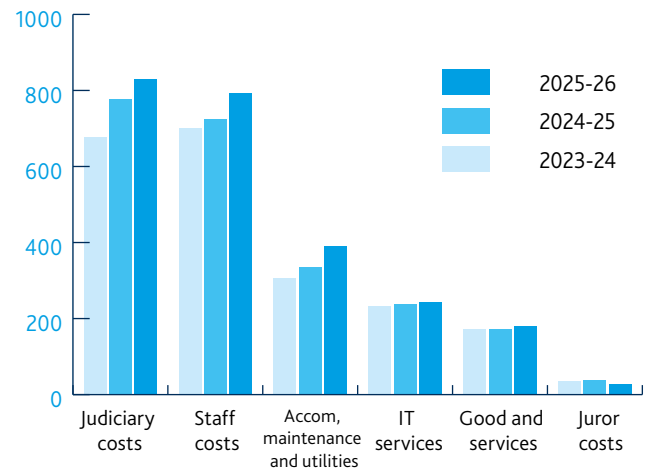
The diagram overleaf presents our resource spend for the financial year. Further details can be found in the annual accounts.

Our operating expenditure increased from £2,744 million to £3,051 million, an increase of 11%. The largest expenditure incurred was on judicial and staff costs which between them accounted for 53% of our total expenditure. We employ over 16,300 (FTE) to facilitate the work of the courts which accounts for £793 million (26%) of our expenditure; this included the implementation of the staff pay award from August 2025. This expenditure aligns with the principle that the largest part of our funding is for our core operations, which is primarily to support our users and the work of the courts and judiciary.

Although we have a number of digitalised services, the courts and tribunals still predominantly operate from buildings, of which we have 350, many of which are specialised in their nature requiring for example secure docks, cells, juror facilities and chambers. As a result of such a large volume of buildings, our accommodation costs account for £391 million, 13% of spending.

The following graph illustrates our main operating expenditure pattern over the last 3 years (actual spend), which highlights our increased expenditure on accommodation costs.

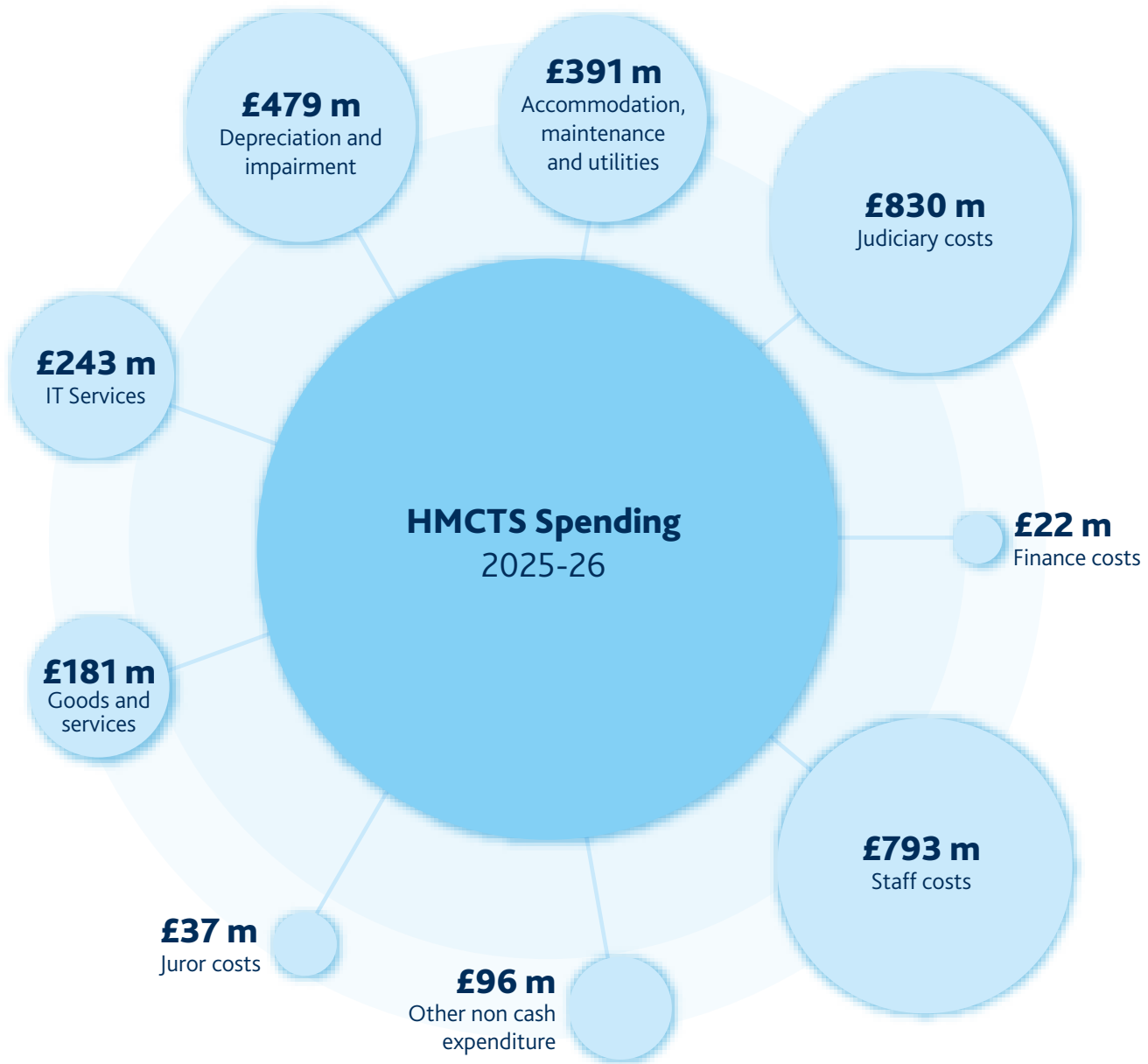
Trends in main operating expenditure



Investment funding

Improving performance and the condition of our courts remains our primary focus. During 2025-26 we completed the refurbishment of the Central London Tribunal Centre with hearings commencing in March 2026 resulting in the opening of over 30 tribunal hearing rooms. Significant investment also continued in the capital maintenance of our estate. This included work on projects such as roofing works, fire alarm replacements, air handling unit and chiller replacements and emergency lighting repairs. During 2025-26, we continued to invest in our estate and equipment with a capital budget of over £229 million.

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



Financial priorities for 2026-27

Following the government-wide 2025 Spending Review, HMCTS has been allocated a multi-year funding framework covering the period 2026-27 through to 2028-29. The allocation for 2026-27 has provided us with a real-terms increase in our revenue and capital spend to allow us to maximise opportunities to address both the court case and maintenance backlogs, and to make further progress in digitising our case management processes. Our priorities for 2026-27 will be to continue to utilise our resources to maximise the services that we provide to the public. We are anticipating that we will continue to face challenges with inflationary increases and a large maintenance backlog that will need to be managed within our spending allocation.

1.2.2 Performance against our business plan priorities

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



Priority 1:

Perform at our best and drive productivity

Overall assessment of performance: Partially achieved

Proportion of deliverables achieved:



Link to principal risks: Performance; Health, safety and security; and People

Focus: Run efficient, effective and quality services; seek opportunities to maximise productivity, delivering value for money for the taxpayer, and maintain an estate that is safe, secure and supports operational delivery.

Our priority throughout the year was to run the courts and tribunals as efficiently and effectively as possible and to improve productivity. We focused on keeping cases progressing, utilising our sitting day allocation, and ensuring results were accurate and timely.

We sat over 547,000 sitting days across all jurisdictions, delivering more than 99% of overall allocated sitting days¹. This included an allocation of up to 111,250 days in the Crown Court, the highest annual level to date. During 2025-26, we sat over 99% of this allocation, representing the highest number of Crown Court sitting days recorded and reflecting sustained operational effort by our staff and the judiciary to maximise the use of available days.

While our priority is to maximise the use of all funded sitting days each year through active courtroom management, effective listing practices and robust case management, it is not always possible to deliver the full allocation. Delivery can be affected by factors such as the physical capacity of the court estate, unplanned maintenance works, late postponements or vacated hearings, the availability of partner agencies, and judicial capacity.

As outlined in Our year in context on page 17, demand continued to exceed capacity in most jurisdictions, contributing to rising open caseloads. We have action plans in place to improve services and performance, described further under our business plan Priority 2. Performance against our main operational metrics is from page 29.

We continued to support users by improving guidance and introducing automated updates for cases submitted via our digital services. This reduced the volume of calls to Service Centres, where the majority of contact had previously related to users seeking progress updates or information about “what happens next”. To proactively address this, we now send automated updates for those cases submitted via our digital services and have enhanced signposting and guidance for our



In June 2025, HMCTS was recognised at the UK National Contact Centre Awards, with our National Services team shortlisted for 6 awards against some of the UK's biggest organisations. Nikki from National Services won the Gold Award for Complaints Manager of the Year, while the Probate Services team received a Highly Commended Award, reflecting our commitment to excellent customer service.

“I was really surprised to hear I was nominated, let alone making it as a finalist. When I heard my name being called out it was a shock as I honestly wasn't expecting it, but the cheers from my colleagues and senior managers in attendance on the night really made it more special. It was such a proud moment and a memory that will last for many years to come.” Nikki.

¹ Allocation data excludes the High Court, Royal Courts of Justice and Employment Appeal Tribunal. As a result, total sitting days may exceed those reflected in the allocation percentage.

users, leading to a reduction in overall call volumes.

At the end of 2025, we introduced new technology in our Service Centres to streamline email handling, prioritise tasks, and match queries to appropriately skilled staff, with the aim of improving response times and making more efficient use of our resources.

Our year in context outlined the complexities of managing a diverse estate. This year we invested £236 million in capital and resource expenditure on our buildings, an increase of 50% on 2024-25 (£157 million). This includes £162 million on essential repairs and improvements such as damaged roofs, broken lifts and outdated electrical systems. Works were coordinated to minimise disruption to court operations while limiting additional out of hours costs. For example, Harrow Crown Court was closed in August 2023 after planned upgrade works revealed Reinforced Autoclaved Aerated Concrete (RAAC) in the roof. The court's work was redistributed to multiple venues to maintain access to justice. The project proved to be significantly more complex and extensive than originally anticipated, requiring a full roof replacement and one of the largest scaffolding structures in Europe. While the building was closed, we carried out further improvements, such as installing solar panels, replacing the building's cooling systems, and installed new digital and visual courtroom equipment. Cases resumed in April 2026. In addition, we have invested £6 million across the estate on projects to enhance judicial security, including upgrades to secure docks, reinforcing our commitment to protecting the judiciary, our staff, and the public we serve.

You can find more details on our estate in the Overview section on Our year in context at page 19.



Scaffolding at Harrow Crown Court.

Examples of challenges we faced

We continued to manage sustained operational pressures in the Immigration and Asylum Chamber (IAC), driven by unprecedented demand for asylum decisions and the Home Office's continued efforts to reduce its backlog. We sat the maximum number of days possible with available judicial capacity. We launched targeted judicial recruitment campaigns and supported the redeployment of existing judges from other chambers to hear immigration and asylum appeals, aiming to improve sitting day availability and case progression.

We also introduced measures to strengthen service delivery. For example, we recruited additional administrative legal officers in IAC to assist judges by preparing case summaries, managing documentation, and progressing cases administratively. This releases judicial time for decision making and is a critical role in reducing delays and improving throughput. More details on how we are improving the immigration and asylum tribunal service is provided under our business plan Priority 2 on page 24.

How we did

Below are examples of what we achieved.



Across our reformed services, the average time to answer a call improved by 40% to 10 minutes and 42 seconds as at the end of March 2026.



We were shortlisted for 6 awards at the 2025 UK National Contact Centre Awards and won the Gold Award for Complaints Manager of the Year and our probate services received a highly commended award.



We carried out over 260,000 maintenance and repairs works across our estate.



Priority 2: Improve services for users

Overall assessment of performance: Partially achieved

Proportion of deliverables achieved:

Link to principal risks: Performance; Digital and technological; and Finance

Focus: Make greater use of technology to support access to justice, improved user experience and speed up the progression of cases, collaborate on cross-system improvement initiatives and contribute to, and deliver on, government priorities.

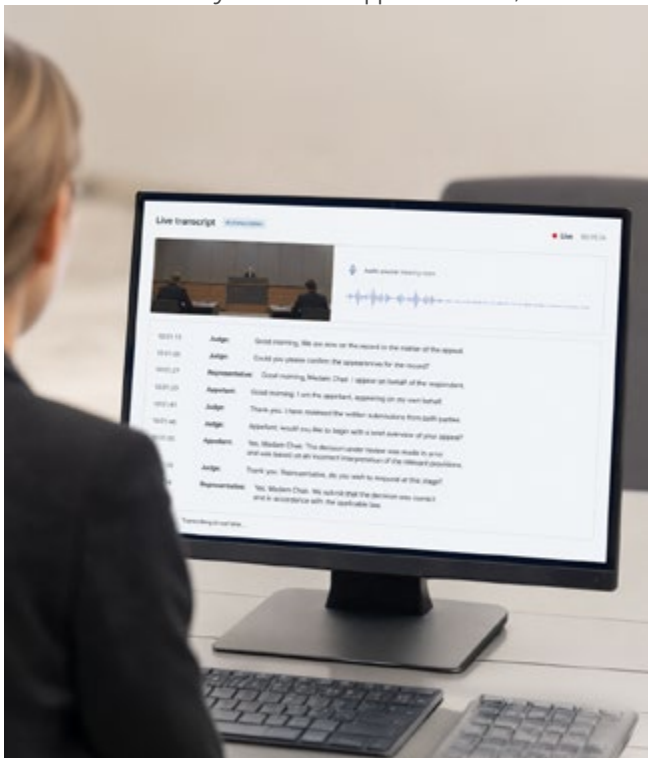
We continued to work with the judiciary, the MoJ and partners across the justice system to improve services, reduce delays, and support vulnerable people.

Examples of progress are summarised below, and further details on our operational performance and trend narrative can be found from page 29.

To improve case progression and reduce disruption for court users, we developed tailored productivity improvement plans for 6 jurisdictions and commenced implementation. We are working jointly with the judiciary to standardise approaches, improve efficiency and enhance the user experience.

Across the tribunals, we explored making greater use of remote hearings, which help make best use of judicial resources and reduce the time to get a hearing date.

In the Social Security and Child Support Tribunal, around



AI-assisted transcription can help generate near-instant hearing records, supporting faster judicial decision-making while judges remain responsible for checking accuracy. Image is an illustrative mock-up and does not show a real hearing, case or HMCTS system.

20% of hearings were adjourned in 2024-25; to help minimise this we introduced measures such as a 'ready to list' checklist to ensure cases are fully prepared before being scheduled. We also implemented a new operating model that reduced the number of regional processing centres, driving a more efficient and consistent service. We will address the impact of these changes during 2026-27. We also collaborated with DWP to enable DWP to improve decision-making and reduce the number of appeals.

In the First-tier Tribunal Immigration and Asylum Chamber, we worked with the judiciary and Home Office to support float lists to help backfill adjourned cases and late notice postponements. We expanded the virtual region to increase capacity to list appeals suitable to be heard remotely and worked with the judiciary to test AI tools that generate near instant transcripts, streamlining the judicial decision-making process. This technology does not replace staff or judiciary and is carefully following responsible AI principles, recognising that judges must verify the accuracy of the written record. We also introduced a new digital service in November 2025 for detained immigration appeals, allowing cases from people held in prisons or immigration removal centres to be managed online instead of using paper. It makes it quicker and easier to share information, schedule hearings and keep everyone updated.

In the civil courts, we rolled out the CAFS system between December 2025 and April 2026, replacing paper-based case handling with a digital process that allows files to be transferred and managed electronically. It also allows Service Centre staff to view real-time updates from the court file, providing accurate, timely information to users. Early feedback indicates it is helping cases progress more quickly and improving the service for users. We have identified where similar approaches could improve other paper-based or manual processes and are looking at an auto-file-share model for the Tax Tribunal and the Special Tribunals.

We continue to enhance and expand the OCMC and Damages Claims services to improve timeliness and self-service for court users. As both services mature, additional digital functionality introduced over the past year is enabling a greater proportion of cases to proceed and be managed end-to-end within the digital service. We also promoted mediation to encourage earlier resolution of disputes, helping to reduce pressure on the courts.

A key initiative in the Family Court this year was the expansion of the Child Focused Courts (formerly known as

the Pathfinder model) to 5 additional Designated Family Judge areas, and it is now operating across 10 court areas in England and Wales, which accounts for around a quarter of relevant private law proceedings. It has significantly improved the average timeliness of applications being dealt with and we intend to expand the model further during 2026-27.

We improved our divorce service through redesigning processes and strengthening workforce planning. This cut average call waiting times, helped clear a large email backlog and reduced call contact. The team's work was recognised with a bronze award at the 2026 Civil Service Operational Delivery Profession Awards, in the high performing team of the year category.

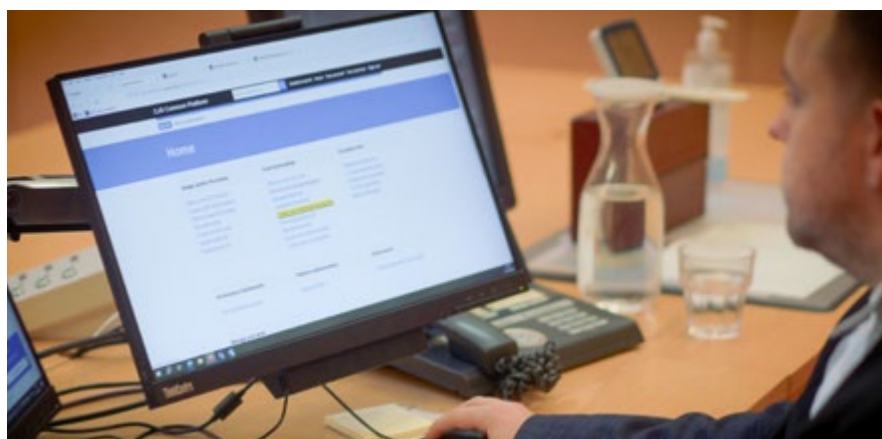
We introduced online forms across National Services to make it easier for people to get help and reach the right team first time. This has reduced repeat contact, improved response times, and made the service more accessible and easier to use.

To support more efficient and effective listing of Crown Court hearings, we launched a Listing Improvement Programme to support the implementation of the National Listing Framework and make greater use of technology in support. This includes piloting a data-driven listing tool to inform judicial decision-making in the Crown Court. The tool is testing the use of artificial intelligence to provide predictive estimates of, initially, trial duration and the likelihood of trials being cracked or ineffective, helping to inform more consistent and effective listing decisions. It is being tested with Listing Officers and the judiciary in pilot courts in Preston and Isleworth.

Within the criminal courts, we have a range of initiatives to improve efficiency and productivity. In the magistrates' courts this included simplifying pre-court processes and reducing repeated tasks. In the Crown Court, we are working with the judiciary to introduce more consistent listing practices supported by better data and digital tools. These improvements will help strengthen the system as we prepare for wider reforms following the independent review of the criminal courts, which is expected to bring significant changes to the structure and efficiency of the criminal justice system.

Examples of challenges we faced

During 2025-26, we faced the challenge of preparing for major legislative changes at the same time as continuing to manage sustained, high demand for our services. This included planning for reforms such as the Renters' Rights Act and the Employment Rights Act. For housing disputes, we introduced new processes in the County Court and Residential Property Tribunal to support the abolition of 'no fault' evictions and enable tenants to continue to challenge rent increases when the first phase of the Renters' Rights Act came into force on 1 May 2026. Preparations included developing a digital possession service, redeploying and recruiting additional staff and judiciary to handle an anticipated rise in cases and increasing the number of sitting days. These preparations were delivered alongside the challenge of maintaining day-to-day services in an exceptionally busy environment, requiring careful prioritisation and resource management.



Digital tools are helping improve case progression, listing and access to up-to-date case information.

How we did

Below are examples of what we achieved.



Cases using the Child Focused Courts model were resolved up to 7 and a half months faster.



In August 2025, we launched a new fully digitised administrative service for the War Pensions and Armed Forces Compensation Chamber, creating a faster, more responsive service.



In June 2025, we introduced a PowerApps-based correspondence tool in the Civil National Business Centre. It has processed over 1.4 million tasks and now automatically triages at least 70% of emails, freeing staff to focus on resolving queries.



Priority 3: Stabilise, consolidate and reduce risks

Overall assessment of performance: Partially achieved

Proportion of deliverables achieved:

Link to principal risks: Performance; Health, safety and security; Digital and technological; Data; People; and Finance

Focus: Build resilience and sustainability into our work to mitigate future risks, drive consistency and standardisation across service delivery, and improve our digital and data infrastructure.

We strengthened our governance and improved operational resilience during the year, supporting our commitment to delivering justice effectively and securely.

Effective risk management helps us identify, assess and respond to potential threats and opportunities. In a complex organisation such as HMCTS, risk cannot be eliminated entirely, and our focus is on managing risk proportionately as well as minimising it. We updated our Risk Appetite Framework, supported by new guidance and workshops for senior leaders, to embed risk informed decision-making. We also enhanced our corporate risk register by, for example, distinguishing between internally and externally driven risks so we can tailor our responses. You can find more details in the risk management section from page 51.

We took significant steps to strengthen judicial security across our courts and tribunals. Following a national review, we launched the Judicial Security Improvement Programme to upgrade physical protections in hearing rooms and will continue this work into 2026-27. Additional security officers were deployed where risk assessments indicated higher threats, and we engaged with the Judicial Office on new training, supported by clear protocols, for judges and magistrates on managing potentially violent situations. These measures, together with our active participation in the new judicial security taskforce commissioned by the Lady Chief Justice, demonstrate our commitment to keeping courtrooms safe for everyone. We also continued working with the police and wider MoJ to enhance security.

Through our Decommissioning and Legacy Risk Mitigation Programme, we continued to address technology, operational and cyber risks associated with ageing systems. Cloud-based applications are being enhanced to provide greater longevity and legacy products in temporary hosting facilities will be safely decommissioned.

We successfully decommissioned our legacy datacentres, reducing reliance on an outdated infrastructure and improving resilience. This was a complex project, and we managed the risks through a phased migration, carefully managed to avoid disruption to live services.

Example of a challenge we faced

Operating within a large and complex justice system means we face the challenge of maintaining reliable and robust processes across high-volume, high-pressure environments, where issues can still arise despite safeguards being in place.

This year we focused on strengthening our oversight of assurance processes, so our operations are more reliable and consistent. We established a dedicated compliance team to take action where improvements were needed. For example, we examined how criminal warrants are managed and introduced stronger controls to improve compliance, and we worked closely with the HM Prison and Probation Service to improve the flow of sentencing information to prisons. We also established an administrative resulting model in magistrates' courts, for some cases to be resulted outside of a busy courtroom.

Examples of risks and issues we managed during 2025-26 are set out in Our risks on page 13 and information on our operational compliance function is in the Accountability section on page 56.

How we did

Below are examples of what we achieved.



We introduced an Operational Compliance Framework to strengthen oversight of day-to-day operations, helping staff get things right first time and improve quality.



We upgraded audio and video technology in 95 courtrooms, helping to create a more resilient and transparent justice system.



We procure on average 86 contracts annually (36% of which are re-procurements).



Priority 4:
Live our values, support our people and develop our leadership

Overall assessment of performance: Partially achieved



Link to principal risks: People

Focus: Establish clear ways of working and leadership expectations, responsibilities and roles at all levels; build a sustainable, diverse workforce and foster a culture that embraces our modernised services, promotes innovation and supports good quality service delivery.

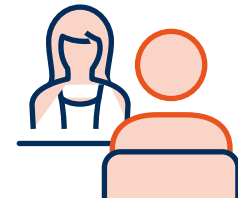
This year we progressed a range of initiatives to improve workforce resilience and enhance our operational capability. We introduced new leadership structures across courts and tribunals to strengthen accountability and decision-making, helping us maintain services in a challenging environment while preparing for future demands.

We continued to invest in developing confident and effective managers who drive productivity through clear expectations, consistent leadership behaviours and a culture of accountability and recognition. In November 2025, we launched the Role of the Manager programme, equipping managers with the tools and confidence to lead effectively and support their teams. Early feedback indicates improved capability, clearer roles and more consistent decision-making, helping teams feel better supported and engaged.

Alongside this, we strengthened workforce planning to ensure we have the right people, with the right skills, in the right roles. We introduced a more robust and agile planning process, using workforce data and forecasting tools to better anticipate future staffing needs and respond to changing operational demands. This helped us plan more strategic recruitment, limit reliance on temporary staff and support career development, helping to build a more resilient and capable organisation.

How we did

Below are examples of what we achieved.



During 2025-26 we improved recruitment efficiency, maintaining an average time to hire of under 55 days despite high application volumes.



Rollled out Role of the Manager training to 5,000 managers.



HMCTS HR were awarded the Chartered Institute of Personnel and Development Partner¹ status; an accreditation awarded to organisations that demonstrate a holistic approach to developing their people practices.



Investing in managers is helping teams work with clearer expectations, stronger support and more consistent decision-making.

¹ The Chartered Institute of Personnel and Development (CIPD) is the professional body for HR and learning and development in the UK

Recruitment and retention in key operational roles, such as court clerks, County Court bailiffs and legal advisers, remained a priority. To support court clerks, we established the Crown Court Hub, providing tailored guidance, mentoring and resources for new and existing staff. This has improved onboarding and professional development, enabling clerks to become fully effective more quickly.

For County Court bailiffs, we regraded roles, increasing pay, and continued to improve how bailiffs operate by addressing health and safety, data sharing, enhanced risk assessment and incident reporting. Measures included the deployment of body-worn cameras and lone-working alarms, alongside engagement with the police to enable a small, vetted team within our National Services to have controlled access to the Police National Computer to inform civil bailiff risk assessments, adding an extra layer of safety for our staff, subject to legal and operational requirements. We also launched a video¹ highlighting the varied nature and importance of the role. These actions have helped contribute to a reduction in bailiff attrition since April 2025.

It is with great sadness that during the year, one of our bailiffs tragically died following an incident. At the time of writing this annual report and accounts, there is an ongoing criminal investigation. Our thoughts and condolences remain with the bailiff's family, friends and work colleagues.

We continued work to improve the retention of legal advisers by introducing clearer career pathways through a new Legal Organisational Design framework, including, for the first time, the creation of a Head of Legal Operations in National Services as the national lead for civil, family and tribunals. This increased opportunities for progression and improved the balance of team sizes and responsibilities. Implementation began in 2025-26 alongside the annual pay award and the development of a longer-term pay and reward strategy, as part of our ongoing work to reduce attrition among experienced advisers and strengthen capacity in the magistrates' courts.

To support effective people management, we strengthened HR insight by improving the quality and accessibility of workforce information. In April 2025, we launched the People Performance Hub, providing a single source of HR performance and workforce data for managers and HR teams. This reduced reliance on multiple systems and improved access to the information needed to manage people effectively.

Example of challenges we faced

In recent years we have faced the challenge of delivering services in a rapidly changing environment, with the shift from paper-based processes to modern digital systems and more virtual hearings requiring significant adaptation. Moving to digital ways of working has changed how we operate, communicate and support our users both online and face-to-face, all whilst we continue to transform and improve our services. To help us effectively manage these demands, this year we introduced a refreshed operational leadership structure to reinforce our focus on jurisdictional and service



Supporting County Court bailiffs with improved safety measures, better risk assessment and clearer career recognition.

performance across National Services, regional operations and local courts and tribunals. We then shaped teams and roles across the organisation to ensure we have the right skills and structures for the future. Our aim is to retain and develop our people by creating multi-skilled, flexible roles that help them thrive in a modern justice system and deliver the best possible experience for all our users.

In addition, attracting and retaining skilled staff has been a long-standing challenge, particularly in specialist roles such as bailiffs. To help address this, we implemented a 2025 pay offer designed to make HMCTS more competitive and improve staff engagement. Alongside this, targeted initiatives have supported recruitment and retention of hard-to-fill roles, as detailed above. Early indicators suggest these actions are having a positive impact.



¹ www.youtube.com/watch?v=erj-yMuj4M

Our main operational performance metrics

We continued to use our resources as effectively as possible to manage the workload across all jurisdictions. We track how well we are doing using a variety of measures and data collected throughout the year. This helps us identify patterns and focus on making improvements.

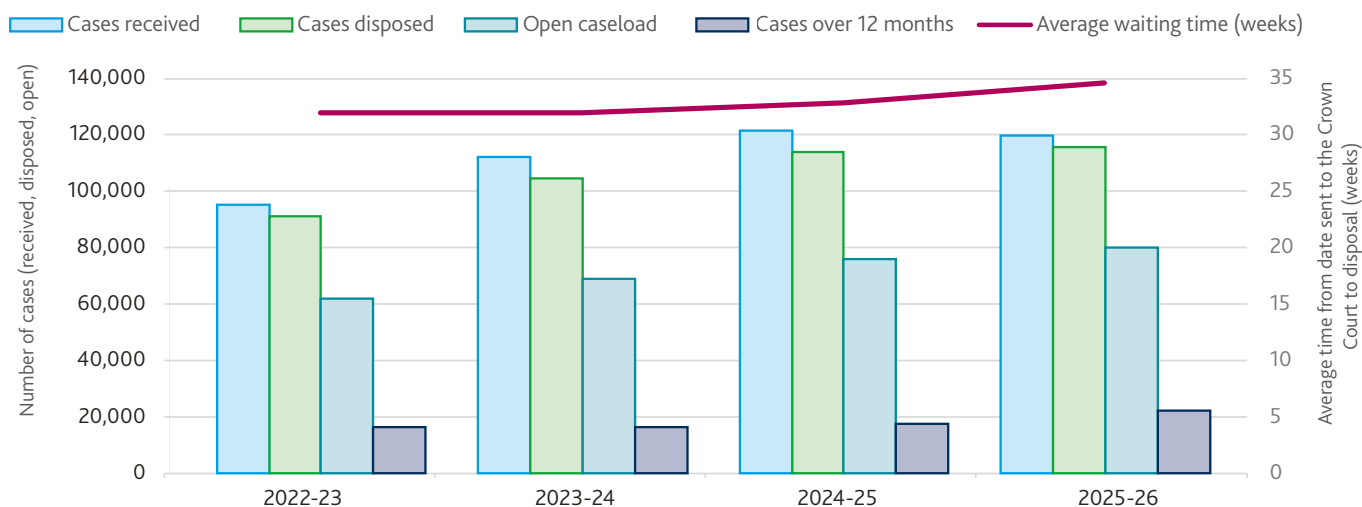
Our main operational performance metrics this year were:

- disposal of cases in the Crown Court, magistrates' courts, Family Court (public and private law), Employment Tribunal, First-tier Immigration and Asylum Chamber, and Social Security and Child Support Tribunal
- open caseload in the Crown Court and the number of cases over 12 months old
- cases older than 100 weeks in the Family Court (public and private law)

The following charts show our performance against these metrics. We publish a range of monthly management information at www.gov.uk/government/collections/hmcts-management-information. Management information figures in the graphs below reflect the data held on the relevant case management systems and may therefore differ from the MoJ Official Statistics due to differences in definitions and extraction timings. They are subject to the data quality issues associated with large administrative systems, including the late reporting of cases and regular updating of case details. The data presented here is as recorded on the date of extraction. The case management systems are continually updated and so the information presented may differ from previously published information and will be subject to future revision. These revisions are generally small and do not usually change the overall picture of performance. We voluntarily apply the Code of Practice for Statistics¹ to the publication of our management information.

Performance metrics

Crown Court workload and timeliness

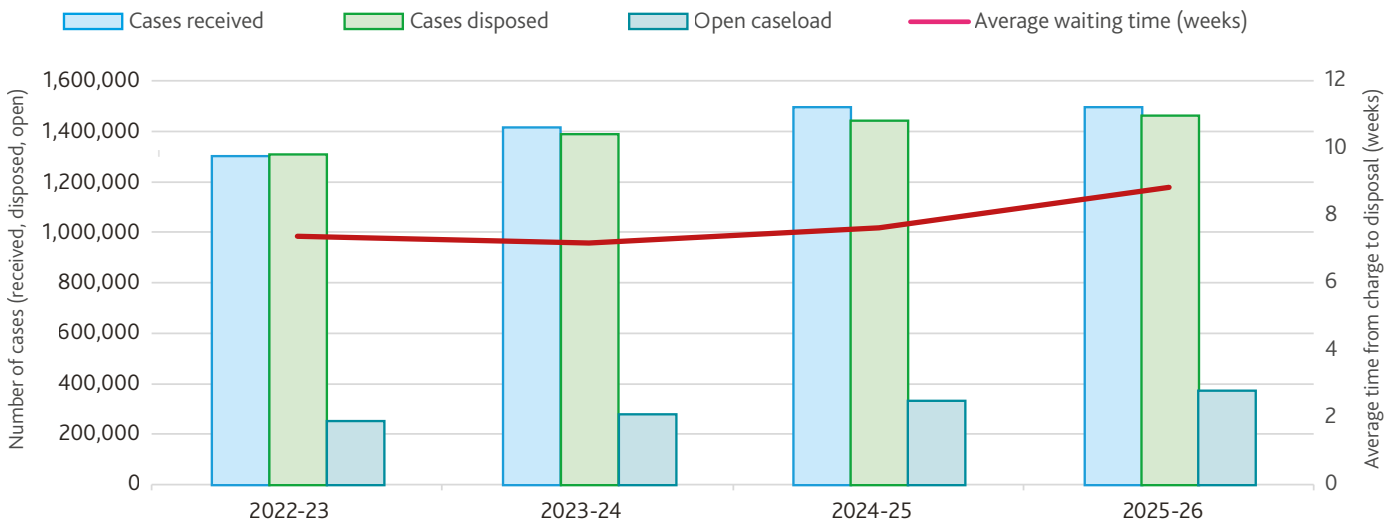


Sitting days in 2025-26 were the highest for a decade, following the agreement in October 2025 to sit an additional 1,250 days; there were higher levels of sittings during the final quarter. Disposals have increased (and our disposal rate remained high), demonstrating improving productivity and performance. Demand into the Crown Court has been higher than expected at the start of this year with demand outstripping disposals. The demand has outstripped disposals every quarter since April 2023.

The open caseload is now over 80,000. We have seen a small increase in the volume and proportion of our oldest cases with 29% of open cases in the Crown Court more than 12 months old. Average time to disposal increased to over 34 weeks, from just under 33 weeks last year.

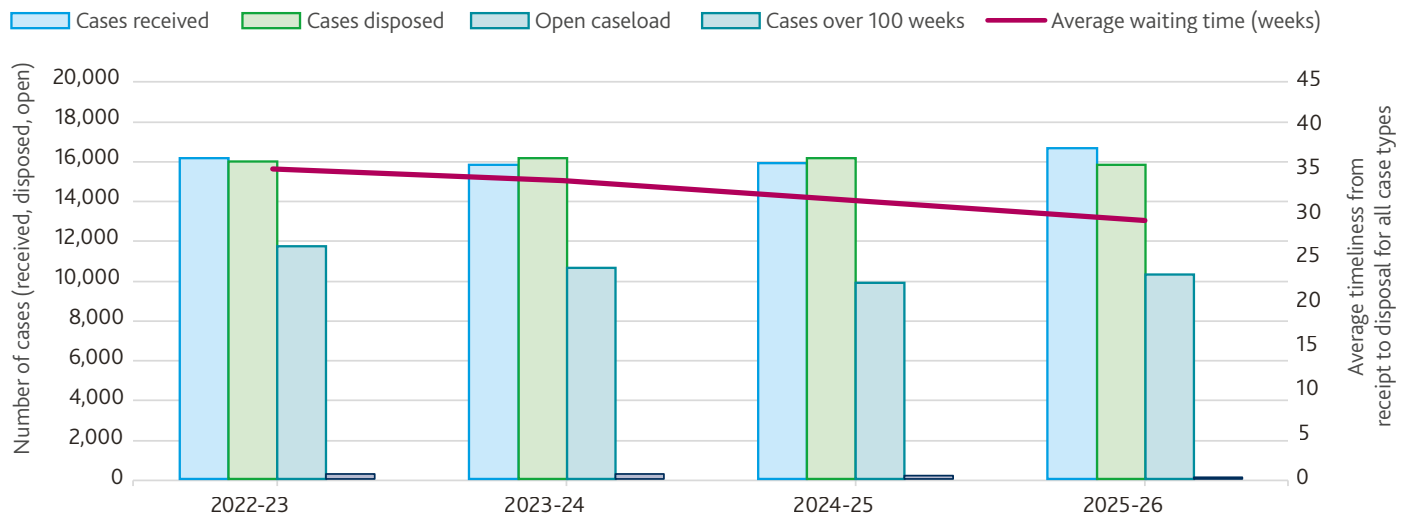
¹ code.statisticsauthority.gov.uk/

Magistrates' courts workload and timeliness (criminal caes)¹



Receipts and disposals are at a similar level to 2024-25, with receipts continuing to outstrip disposals. As a result, the open criminal case load has increased to over 370,000. Single Justice Procedure cases account for half of the overall open caseload; these cases are typically dealt with without the need for a courtroom hearing. We have sat 2% more days than expected this year. With further magistrate and legal advisor recruitment and deployment under way, we expect capacity to continue to grow. Average time from charge to disposal has increased to almost 12 weeks, up from just over 10 weeks in 2024-25.

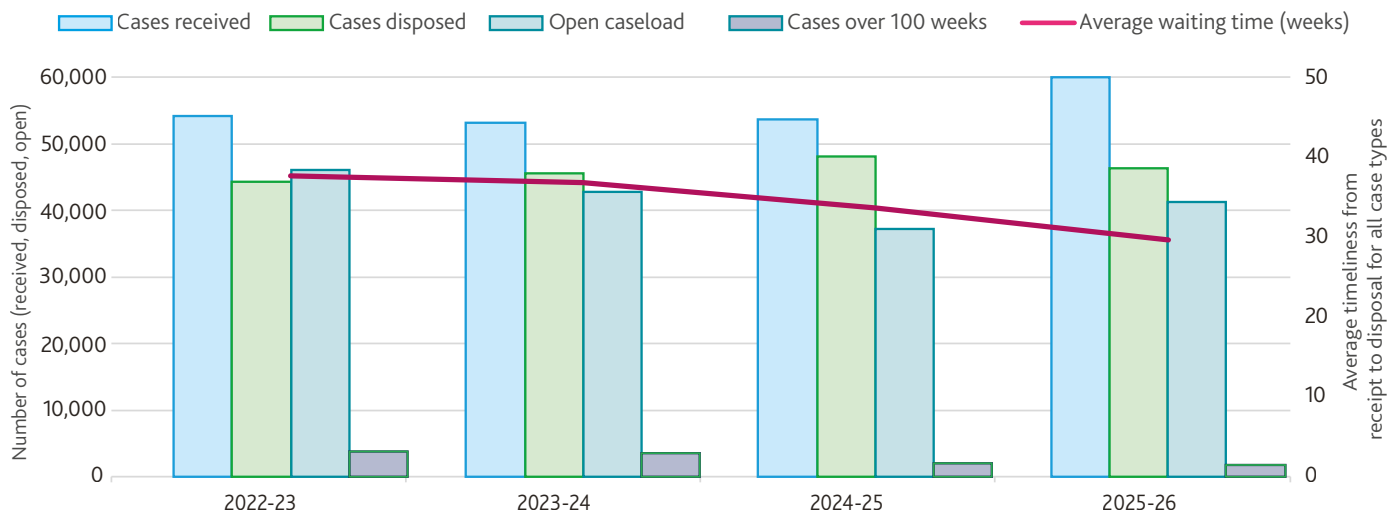
Family public law workload and timeliness



Receipts have outstripped disposals this year leading to a slight increase in the open caseload since the end of the previous financial year, but it remains well below its peak in the second half of 2020. In line with the priorities set by the Family Justice Board, the Family Court has been focusing on finalising older cases. The number of cases that are over 100 weeks old is around 100; this is over 65% lower than its peak at the end of 2022. Even with the focus on older cases the average waiting times have improved; they have reduced by 2 weeks to 33 weeks compared to an average of 35 weeks last financial year and are at the lowest since the pandemic began. We sat more days than last year but overall sitting days in 2025-26 remained below planned levels.

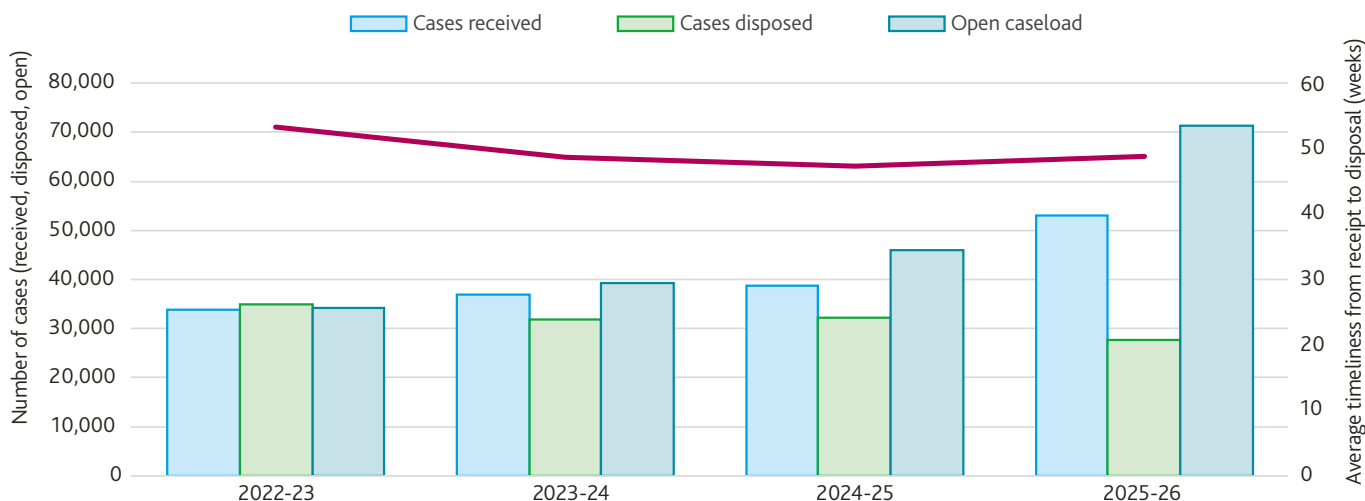
¹ Data quality work has identified an issue affecting magistrates' courts open caseload figures. Following correction, the reported criminal-only open caseload has reduced by around 20,000 cases, while receipts and underlying trends remain unchanged. Data quality work in the magistrates' courts is ongoing as part of the One Magistrates project.

Family private law workload and timeliness



Receipts have been higher than expected this year and have outpaced disposals, resulting in an 11% increase in the open caseload since 2024-25. However, overall volumes remain substantially below the August 2021 peak. In addition, the number of cases open for 100 weeks has returned to pre-pandemic levels. There has been an 11% decrease in the time taken for private law cases to be disposed of, from over 40 weeks at this time last year to 35 weeks. Overall this year, we exceeded our planned sitting levels in family private law by 11%.

Employment Tribunal workload¹

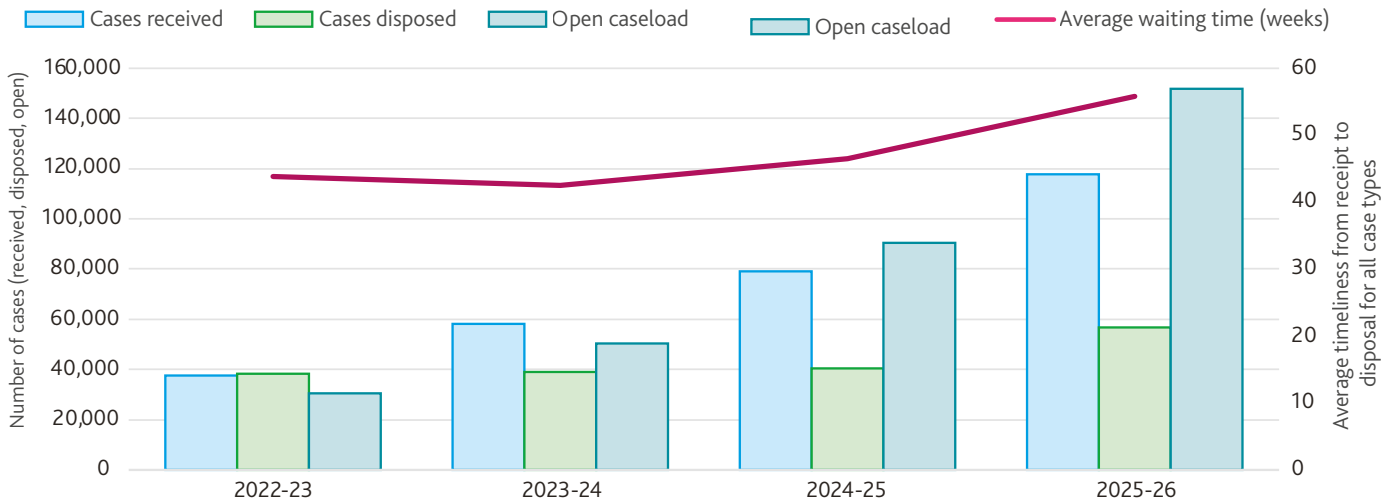


Receipts are over a third higher than 2024-25 with disposals being 14% less, reflecting increased case complexity; this has led the caseload to continue to rise. We sat 2% fewer days than expected. This has not yet affected timeliness, with it being at similar levels for the past 3 years.

Work is also ongoing to transition telephony and other tasks to the Service Centres to allow staff in regional offices more time to process outstanding work. A recruitment campaign for additional judges started in March 2026 with deployment expected in mid-late 2027.

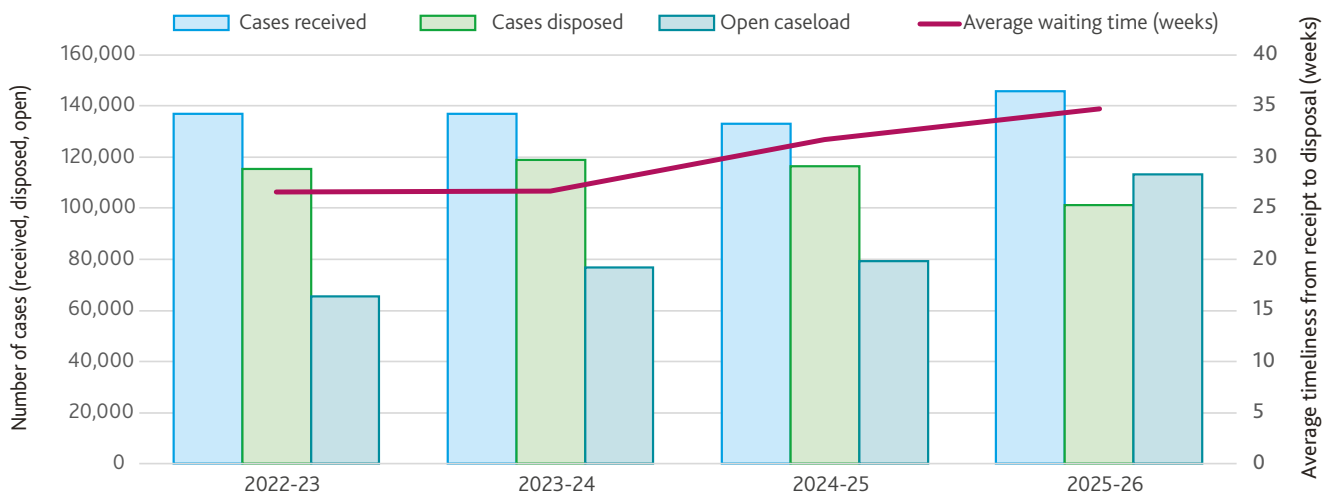
¹ Recent improvements to fully amalgamate Employment Tribunal data from legacy and reformed systems have enabled us to remove some previous overcounting of receipts, disposals and caseload. As a result, the figures cannot be directly compared to the expected levels which were based on the unimproved data. Further work with our data quality programme may result in further smaller changes in the data.

First-tier Immigration and Asylum Chamber workload and timeliness



Since Autumn 2023, and in particular since October 2024, we have received a significant increase in Immigration and Asylum Tribunal receipts, which is largely driven by the increased rate of Home Office decisions related to asylum claims. Disposals have increased by 40% from 2024-25; increased numbers of withdrawal disposals generated by the Home Office continue to be a key driver. However, we have still seen a large increase in the open caseload, and in the average waiting time for immigration and asylum appeals which was 56 weeks this year, up from 46 weeks last year. Actions continue to be taken to increase the volume of disposals within the First-Tier Immigration and Asylum Chamber. This includes increasing judicial capacity through recruitment and cross deployment, technological improvements to support listing, hearing and determining of appeals, increasing the size of the virtual region and continued investment in legal officer case management resource.

Social Security and Child Support Tribunal workload and timeliness¹²



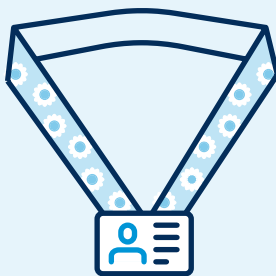
Receipts were 10% higher this year than in 2024-25, with around 80% of receipts made up from Personal Independence Payment and Universal Credit appeals. Despite sitting the expected number of sitting days, there has been an increase in the open caseloads, as receipts have exceeded disposals over the last year. Timeliness has increased to 35 weeks in 2025-26 from 32 weeks last year.

1 SSCS Cardiff Tribunals Centre was an Early Adopter site for the new scheduling and listing system (List Assist) from April 2023. Due to the lack of data integration between the reform case management system (CCD) and List Assist, our data is currently under-reporting Cardiff disposals. We estimate the impact was around 6,000 disposals over the 9 months from April to December 2024. Work is underway to implement the fix.
 2 In January 2026, a data quality issue was identified affecting the open caseload for SSCS, with caseload being potentially over-reported by around 5,000 cases. This is currently being investigated.

Examples of promoting equality in delivering our services



We are committed to meeting our **Public Sector Equality Duty** by considering the impact of our policies, services, spending and employment practices on users and staff. We have simplified our Equality Impact Assessment process, supported by refreshed guidance and examples, to help staff identify and address negative impacts and promote equality.



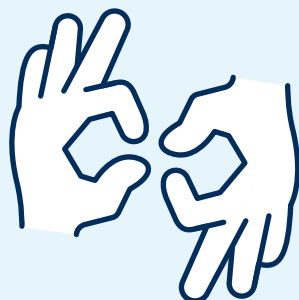
We are members of the **Hidden Disabilities Sunflower Network and support Sunflower Extra**¹. People who wear the hidden disabilities sunflower, or use the Sunflower Extra new smartcard, are discreetly indicating they may need support or help. Sunflower lanyards are available to collect in all our buildings for users, staff, and judicial office holders.



We now use **pre-recorded evidence** for victims and witnesses, where authorised by a judge, includes approved noncourt locations, Section 28² recordings for those unable to travel, and the ability to record evidence from abroad, giving individuals more flexible and supportive options.



We are partnered with **We Are Group** to provide a free national digital support service. This helps users access our online services if they do not have access to the internet or a computer, or if they are less confident using online services. You can find further details published on GOV.UK³.



We supported 18 (2024-25: 19) deaf jurors who required a **British Sign Language interpreter** to carry out their jury service.



We engage with **advice and support sector organisations and networks** to get insight into users' experience and feedback on HMCTS services, so we can understand and improve the user experience.



In May 2025 we introduced a change to one of the most traditional courtroom phrases, "all rise", updating it to "**all rise, if able**". This followed feedback from staff and court users in the Royal Courts of Justice, to make it more inclusive for people who cannot stand or may find standing difficult.

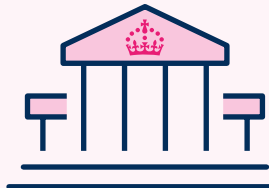
1 hdsunflower.com/uk/insights/post/introducing-sunflower-extra

2 Section 28 of the Youth Justice and Criminal Evidence Act 1999 allows vulnerable witnesses to give their evidence in advance through a recorded interview and have their cross-examination pre-recorded before the trial, subject to judicial approval.

3 www.wearegroup.com/hmcts-partner

1.3 Our priorities for the year ahead

Our 2026-27 Business Plan is our annual delivery plan. It addresses current priorities and translates our long-term organisational strategic goals into clear milestones and metrics to ensure we are making progress towards achieving the strategic mission, objectives and outcomes detailed within the HMCTS Strategic Plan.



We deliver courts and tribunals services

Priority 1.1: make best use of resources we have to improve timeliness and manage caseloads.

Outcomes: swifter access to justice.

Priority 1.2: improve levels of customer service.

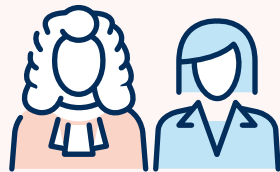
Outcomes: better quality customer service.

Priority 1.3: support judges and magistrates in courts and tribunals, and in the production of orders and court results.

Outcomes: quicker, more accurate administration.

Priority 1.4: collect more financial penalties.

Outcomes: increased enforcement income.



We support courts and tribunals services

Priority 2.1: make the best use of resources we have to enable quality, timely service delivery.

Outcomes: better access to justice services and support.

Priority 2.2: drive down the frequency, likelihood, and impact of risks, building confidence in what we do.

Outcomes: increased resilience and mitigated and enhanced confidence in courts and tribunals services.



We modernise and improve courts and tribunals services

Priority 3.1: collaborate with the judiciary to improve system productivity.

Outcomes: maximised judicial and cross-system efficiencies and improved processing times.

Priority 3.2: deliver change to modernise courts and tribunals.

Outcomes: improved user experience, especially timeliness and confidence.



We support our people to deliver courts and tribunals services

Priority 4.1: support our teams and managers to reach their full potential.

Outcomes: skilled and capable colleagues with access to tools and stronger leadership, and active management at all levels.

Priority 4.2: foster an environment that is open to, and values change and innovation.

Outcomes: embedded ways of working to continuously improve and innovate at a local level. Building a workforce of the future through greater levels of diversity, inclusion, and wellbeing.

1.4 Climate change and sustainability

We are committed to reducing our environmental impact and building resilience to climate-related risks. Our sustainability report has been prepared in accordance with the HMT’s Sustainability Reporting Guidance 2025-26¹ and the Task Force for Climate Related Financial Disclosures (TCFD) – aligned Disclosure Application Guidance².

The Climate Change Act 2008 sets a legally binding requirement for net zero carbon emissions by 2050. This commitment underpins the Greening Government Commitments (GGC) framework, aimed at improving the environmental impact of the government’s estate and operations, which applies across all departments. HMCTS contributes to the MoJ’s GGC targets set by the Department for Environment, Food and Rural Affairs (Defra). At the time of writing the Annual Report and Accounts, the new cross-government sustainability targets were not published. As such, consistent with other government departments, the MoJ has rolled over the 2021-2025 targets and are reporting against these. The new targets for 2026-2030 will be reported against from 2026-27.

Performance

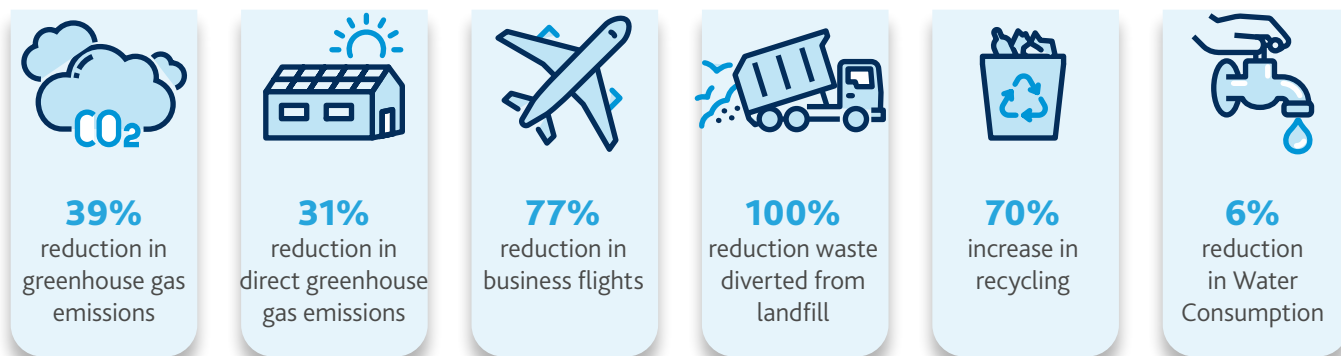
We track our progress against the GGC targets, and this report uses the latest annual data from January to December 2025. Due to the timing of publication of this report, data for the full financial year to March 2026 will be restated and published in our 2026-27 Annual Report and Accounts.

Our ability to reduce carbon emissions is constrained by uncertainties around whether renewable heat solutions can be installed across our diverse estate, and by the lack of ringfenced capital funding for sustainability initiatives. Delivering meaningful progress against future sustainability targets will demand significant investment.

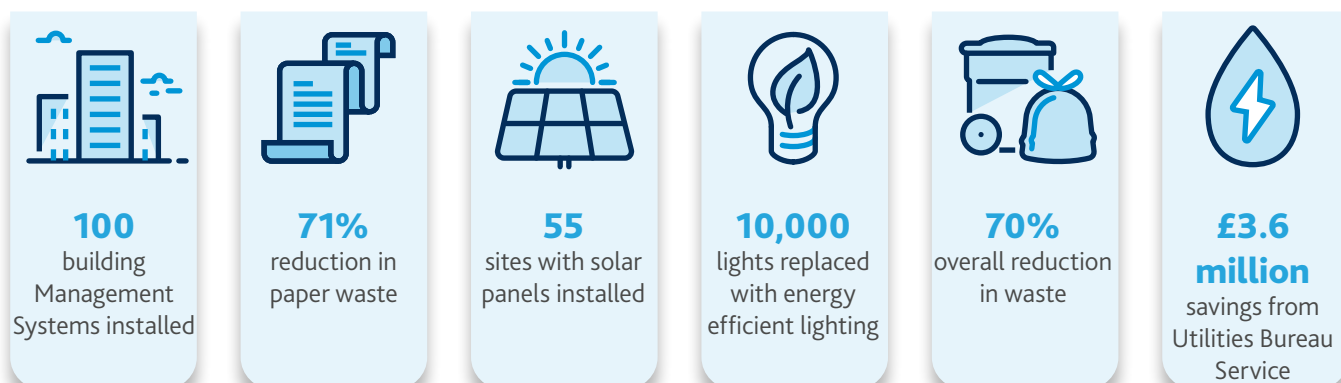
Tackling climate change

Our performance against the MoJ GGC targets and HMT climate-related disclosures is below. Performance is at the end of December 2025, compared to our 2017-18 baseline.

Reduced environmental impact



Improved efficiency and reduced operating costs



1 www.gov.uk/government/publications/sustainability-reporting-guidance-2025-26

2 www.gov.uk/government/publications/tcf-aligned-disclosure-application-guidance

Empowered people and strengthened capability



21

electrical vehicle
charging points
installed



17,300

visits to the HMCTS
Sustainability
Knowledge Hub



15

new utilities data
dashboards



10

building champion
training sessions
delivered



5

learning and
development modules
created

Increased resilience to climate impacts



8

buildings connected to low carbon
district heat networks



37

flood risk assessments undertaken

Improved governance, compliance, risk and reporting



250

smart water
meters installed



274

automated gas
meters installed



288

half hourly
electricity meters



10

nature based
solutions studies



20

water surveys



30

decarbonisation
studies

Our report on climate-related disclosures complies with the HMT’s phased disclosure requirements as set out below.

TCFD Pillar	Required disclosure	Compliance status
1. Governance Disclose the organisation’s governance around climate-related risks and opportunities	a) Describe the Board oversight of climate-related risks and opportunities	Compliant
	b) Describe management’s role in assessing and managing climate-related risks and opportunities	Compliant

Our Property Director is the senior responsible officer for sustainability, and progress on environmental and climate-related risks and opportunities are reported to the Property Committee and the HMCTS Board. We have a dedicated sustainability team that works with the MoJ Climate Change and Sustainability Unit to help us meet the UK government environmental ambitions and targets.

To ensure that climate-related risks are fully captured and managed within our corporate risk register we introduced a new property-related secondary risk this year to strengthen our principal performance risk.

Board oversight of climate-related issues and opportunities

Our Property Committee, Facilities Management Board and the HMCTS Board have oversight of our sustainability and work related to climate risk. The Property Committee and the Facilities Management Board receive a bi-annual and quarterly updates respectively, of our progress against GGC targets, our wider climate-related work and risks that may impact our ability to improve the climate resilience of our estate. The HMCTS Board receive an annual update on our progress, achievements and risks.

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

We have regional and operational sustainability steering groups who have oversight of sustainability action plans for their respective areas, and a role in assessing and managing climate-related risks. The group consists of senior corporate and operational representatives across our organisation. The group is chaired by our Head of Sustainability with reporting and escalation responsibilities to our Property Director. We also have a dedicated Climate Change Action Group, who provide oversight of our annual Resilience Plan and co-ordinate climate-related activity with the MoJ.

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

TCFD Pillar	Required disclosure	Compliance status
2. Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s business, strategy and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term	Compliant
	b) Describe the impact of climate-related risks and opportunities on the organisations’ businesses, strategy and financial planning	Compliant
	c) Describe the resilience of the organisation’s strategy under different climate-related scenarios, including sensitivities to changes in global warming	Compliant

Impacts on business strategy and financial planning

HMCTS supports the MoJ Climate Change and Sustainability Strategy through its role on the Senior Sustainability Board and by considering climate risks in strategic and business planning. We use horizon scanning to assess how climate change may affect our estate, operations and service delivery, including risks such as disruption to buildings, pressures on staff and users, and impacts on technology. Insights from this work help shape our Strategic Plan and Business Plan, ensuring long-term planning reflects the changing environment in which we operate. We also contribute to wider MoJ work on climate-related scenario analysis and planning assumptions and consider climate obligations in routine financial and estates planning.

We have developed a draft Climate Resilience and Sustainability Strategy, to translate the MoJ Climate Change and Sustainability Strategy into a focused set of outcomes, objectives and actions that reflect the operational realities of the courts and tribunals system.

The tables below summarise our key risks and opportunities by time horizon. Our short, medium and long-term time horizons for climate-related risks are:

- short-term 2020 to 2040
- medium-term 2041 to 2060
- long-term 2061 to 2100

Table 1: Climate related risks

Risk type	Description	Timeframe	Mitigation
Physical Risks			
Acute	Increase in frequency and severity of extreme weather events; direct impact on ability of courts to operate and/or increased operational costs. Key risk: Flooding and Overheating.	Short to long	MoJ climate change risk assessment; HMCTS flood risk assessment; nature-based solution feasibility studies; HMCTS Climate Change Resilience Plan.
Chronic	Sustained long-term changes in climatic conditions. Key risk: Long-term higher temperatures and changes in precipitation pattern.	Short to long	
Transition Risks			
Geopolitical	Non-compliance with UK/international policy, legislation and commitments; exposure to litigation; fossil fuel phase out leaves stranded assets.	Medium to long	Horizon Scanning; HMCTS Climate Resilience and Sustainability; Net Zero Carbon Strategy and Climate Adaptation Strategy and plans.
Financial	Lack of dedicated climate transition investment and short-term financial cycles contains ability to make long-term investment decisions, rising price and volatility and costs of energy and water.	Short to long	External funding identification; integrated capital planning; HMCTS keyholder engagement; HMCTS flood cost model.
Governance	Lack of effective strategy and integrated planning; ineffective governance for accountability.	Medium to long	Strengthening governance; regional and directorate HMCTS Sustainability Action Plan.
Technology	Inability to substitute existing assets with lower emission alternatives; financial, operational and security constraints on the deployment of new technologies.	Short to long	Sustainable construction policy; integration of the MoJ sustainability efficiency evaluation assessment methodology into the projects pipeline; pilot projects for new technologies.
Social	Reputational damage due to perceived lack of engagement with climate change; negative court user experience.	Short to Long	Transparent public reporting; sustainable procurement policy; investment in co-beneficial areas e.g. nature-based solutions, heating and cooling.

Table 2: Climate-related opportunities

Type	Description	Potential Benefit
Operational resilience	Investment in climate resilience measures.	Increased availability of HMCTS estate; avoided costs in case of event driven climate incident.
Resource efficiency	Investment in energy and water efficient assets, products, services and equipment.	Reduced operating costs; increased value of estate; reduced maintenance costs.
Energy supply	Low emissions energy sources.	Increased energy supply resilience to price increase and acute price shocks; reduced ongoing energy costs.
Reputational	Improved external perception of our organisation.	Improved reputation with court users, staff and other stakeholders; increased collaboration opportunities; wellbeing co-benefits.

Resilience of our organisational strategy

HMCTS contributes to the 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. Development of the second MoJ climate change risk assessment is currently underway, looking to build on the risk, and capture the full breadth of climate risks HMCTS and the MoJ face. Scenario analysis has been undertaken across 3 reference periods aligned to our climate risk time horizons: short-term (2020 to 2040), medium-term (2041 to 2060), and long-term (2061 to 2100). As this work develops, we expect to enhance the granularity of our scenario analysis and associated disclosures in future reporting periods.

Consistent with the MoJ, the HMCTS 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.

TCFD Pillar	Required disclosure	Compliance status
3. Risk management Disclose how the organisation identified, assesses and manages climate-related risks	a) Describe the organisation’s processes for identifying and assessing climate-related risks	Compliant
	b) Describe the organisation’s processes for managing climate-related risks	Compliant
	c) Describe processes for identifying, assessing and managing climate-related risks and integrating them into the organisation’s overall risk management	Compliant

At an organisational level, we use the MoJ climate change risk assessment (CCRA) to identify and assess climate related risks, including the evaluation of their relative significance, prioritisation and materiality. We are in the process of developing the second CCRA. The management of climate risk mitigation is coordinated at a local and regional level with support from the central HMCTS sustainability team and Climate Change Action Group. We continue to embed sustainability and climate-related risks in all regional and directorate risk registers, and coordinate action to mitigate these through the annual sustainability action plans. The risks identified through this process are reported through our established risk and governance processes as outlined on page 51.

Climate change related risks are also encompassed within a new Property risk which was introduced during the year and incorporated within our corporate risk register as a subset of the Principal risk on Performance. The corporate risk register is regularly reviewed by our Executive Team, the HMCTS Board and the Audit Risk and Assurance Committee. Further detailed assessment of climate-related risks are carried out using the MoJ CCRA, flood risk assessments, flood cost modelling and local and regional risk assessments.

TCFD Pillar	Required disclosure	Compliance status
4. Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a) Disclose the metrics used to assess climate-related risks and opportunities in line with strategy and risk management process	Compliant
	b) Disclose Scope 1, Scope 2 and, if material, Scope 3 emissions, and the related risks	Compliant
	c) Describe the targets used to manage climate-related risks and opportunities and performance against targets	Compliant

We use several metrics to measure our environmental impacts and understand our vulnerability to climate change. Most of our current metrics are well-established, such as energy consumption and carbon emissions, and a summary of our performance against the GGC climate-related targets is set overleaf. It shows our performance using current data for January to December 2025. The full reporting year’s data will be restated in our annual report 2026-27 and will be our new baseline figures. More detailed information on our GGCs and wider climate change related activity is at Annex B.

We use physical risk metrics to assess the climate-related risk of flooding and overheating to HMCTS. Specifically, using the MoJ CCRA, we use the percentage of the HMCTS estate at high and/or very high risk of flooding and overheating. Performance against our metrics are in the table overleaf.

We have continued to maintain the environmental performance of our estate, but without dedicated capital funding, meeting our sustainability targets remain challenging.

During 2026, HMCTS alongside the wider MoJ will contribute to the development of the government National Adaptation Plan 4 including setting organisational objectives for the management of climate risks. In 2026-27 we will also be developing the MoJ’s climate CCRA2 to update our climate related metrics and start to develop targets.

Performance against climate-related metrics

The CCRA was first produced in 2022 without a baseline and this is the first year we are reporting against it.

Climate-related metrics	2024-25	2025-26
% of assets at high risk of flooding present day (this includes coastal flooding and flooding from increased precipitation)	13%	13%
% of assets at high/very high risk of overheating from increased maximum summer temperatures under RCP2.61 (This equates to a 1.6 degree warming, which is the 'low' warming scenario used in our CCRA)	76%	76%
% of assets at high/very high risk of overheating from increased maximum summer temperatures under RCP18.5 (This equates to a c.4°C warming, which is the 'high' warming scenario used in our CCRA)	92%	92%

Summary GGC performance (against our 2017-18 baseline)

Our performance below is against MoJ 2021-25 targets, rolled over for 2025-26.

Key: ■ Achieved target ■ Close to target ■ Not achieved target

Target	Jan to Dec 2025	Commentary
Reduce total carbon emissions by 41%	-39%	CO2 emissions have increased slightly, albeit remaining close to target. Our continued focus is on decarbonisation of the estate, continued digital transformation and improved energy efficiency.
Reduce direct carbon emissions by 23%	-31%	Direct emissions are down 31% from the baseline, exceeding the 23% target and down 6% on the previous quarter, driven by reduced reliance on fossil fuel systems and improved energy management.
Reduce water consumption by 8%	-6%	HMCTS is slightly short of the 8% target. We are increasing automatic water meters, smart meters and targeted behavioural change.
Reduce waste by 15%	-68%	Waste volumes have fallen by 68% from the baseline, significantly outperforming the 15% reduction target. This reflects improving operational efficiencies, better data coverage and better waste infrastructure.
Recycle 70% of waste	70%	HMCTS has achieved the 70% recycling rate for the first time, supported by the rollout of simpler recycling reforms and improved waste segregation.
Reduce domestic flight emissions by 30%	-94%	Flight travel emissions have remained constant from the previous quarter, and exceeding the GGC target by over 60%, driven by remote working and a culture shift toward more sustainable travel. We will be undertaking a flights deep dive to understand how we could reduce this further.
Reduce the amount of waste going to landfill to less than 5% of overall waste	0%	HMCTS do not send any waste to landfill. A proportion of our waste is currently incinerated; however, we are working to reduce this.
Reduce paper usage by at least 50%	-71%	HMCTS has exceeded the 50% target for the reduction of paper usage, supported by the move to more online services and a culture shift away from printing where it is unnecessary.

Nick Goodwin

Chief Executive and Accounting Officer

02 July 2026

¹ RCP (Representative Concentration Pathway) is a climate modelling scenario that shows how greenhouse gas concentrations in the atmosphere may change in the future, leading to different levels of global warming

Section 2: Accountability report

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

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

2.1 Corporate governance report

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

2.1.1 Director's report

Introduction

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

As Accounting Officer, and working with my directors, I have responsibility for maintaining effective governance and a sound system of internal control that supports the achievement of our policies, aims and objectives, while safeguarding the public funds and assets for which I am personally accountable. Overall, I am satisfied that we have had effective governance, risk management and internal controls in place during 2025-26. I take personal responsibility for the annual report and accounts, and the judgements required for determining that it is fair, balanced, and understandable.

HMCTS Board composition

The role of the HMCTS Board, its members (including their biographies), and summaries of Board meetings can be found at www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/our-governance. Below are photos of our Board members as at 31 March 2026, and their membership of the committees to the HMCTS Board.



Sir Richard Broadbent
Independent Chair



Nick Goodwin
Chief Executive



Nicky Wilden
Non-executive



Luisa Fulci
Non-executive



Nick Fishwick
Non-executive



Mr Justice Ian Dove
Deputy Senior President of Tribunals



Lord Justice Nicholas Green
Senior Presiding Judge



Her Honour Judge Alison Raeside
Designated Family Judge



Dr Catherine Blair
Chief Financial Officer



Daniel Flury
Operations Director



Annabel Burns¹
Strategy, Analysis and Planning Director



Emma Churchill
Moj representative¹



HMCTS Board Chair



Audit and Risk Assurance Committee Chair



Business Review Committee Chair



Audit and Risk Assurance Committee member



Business Review Committee member

¹ Jerome Glass left the MoJ on 15 June 2025 and his successor, Emma Churchill took up post on 1 December 2025. In the interim period, Gemma Hewison attended the HMCTS Board as the MoJ representative.

Our senior leadership team

The table below shows our senior leadership team as at 31 March 2026. You can find details of our Executive Team at www.gov.uk/government/organisations/hm-courts-and-tribunals-service.

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

Chief Executive Nick Goodwin	B E	Human Resources Director Allison Gerrard	E
Chief Financial Officer Dr Catherine Blair	B E	National Services Director Helen Measures	E
Chief Commercial Officer Tim Snow		Operations Director Daniel Flury	B E
Chief Digital and Information Officer John Laverick	E	Portfolio Director David Magee	
Chief Product Officer Tim Britten		Property Director Rupert Morgan	
Communications Director Georgia Jerram		Strategy and Analysis Director Ed Wagstaff (interim)	
Courts and Tribunals Director Mark Stewart		Strategy, Development and Change Director Annabel Burns	B E

Notes:

- Tim Snow joined SLT on 1 September 2025
- Tim Britten's role changed from Crime Programme Director to Chief Product Officer from 17 June 2025
- David Magee joined SLT on 1 April 2025
- Ed Wagstaff took up the interim role from 28 November 2025
- Annabel Burns took on role to encompass the Development Directorate from 28 November 2025

Significant interests held by HMCTS Board members

We maintain a register for members of our HMCTS Board, our Executive Team and all their sub-committees. All members are asked to review and update their register of interests at least annually and the interests of HMCTS Board members is published on GOV.UK¹. You can find more information on how we manage conflicts of interest and applications under the business appointment rules, within the assurance on our system of internal controls on page 57.

1 www.gov.uk/government/publications/hm-courts-and-tribunals-service-register-of-board-members-interests/hm-courts-and-tribunal-service-register-of-board-members-interests

Personal data related incidents

The data reported below was extracted on 1 April 2026. The data system is continually updated and subject to revision. The revisions are minor and do not usually change the overall picture of performance.

We received over 4.6 million cases during 2025-26, and this included a vast range of sensitive personal information from people using our services. We remain committed to safeguarding this information and ensuring it is managed securely and responsibly. We self-refer any significant data incidents to the Information Commissioner's Office (ICO). We work closely with the Commission and other agencies to learn lessons and continually improve our systems and processes. All our staff are required to complete annual mandatory training, delivered through an elearning package that was refreshed during the year.

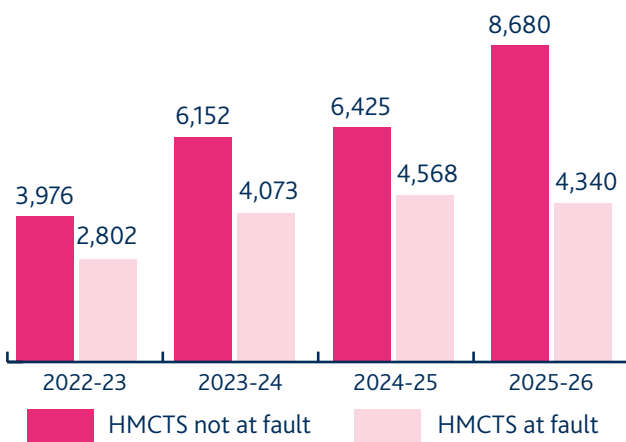
13,932 data incidents were reported during 2025-26 (2024-25: 11,395), which is a year-on-year increase of 22%. Of these, 502 were classified as 'near misses' where a personal data breach would have occurred, but they were identified through control checks and rectified. In comparison to the volume of work we processed across the organisation, the reported incidents equated to a 0.3% incident rate (2024-25: 0.3%). At the end of March 2026, 410 (3%) of the incidents were still open and undergoing investigation. A proportion of these open items may be subsequently classed as 'not at fault' incidents or 'not data incidents' and thus not counted.

Of the closed incidents, 8,680 (67%) were confirmed as 'not at fault' incidents but as external events, for example, disclosures involving incorrect information continued to be the most common type of information risk reported to us. Many of these cases arose because incorrect or out of date address details were provided by the individual or organisation responsible for submitting documents. In line with the Civil Procedure Rules, responsibility for providing accurate address information sits with the party initiating service. Following engagement with the ICO and a review of what constitutes a personal data breach, unless the data reaches an unintended recipient and causes harm, these cases do not meet the threshold of a reportable breach. We will therefore reclassify these incidents as nonbreaches for data protection purposes. We will continue to record them internally so that we can provide direct feedback to professional users and reduce repeat errors, but from 2026-27 they will no longer be reported as personal data incidents.

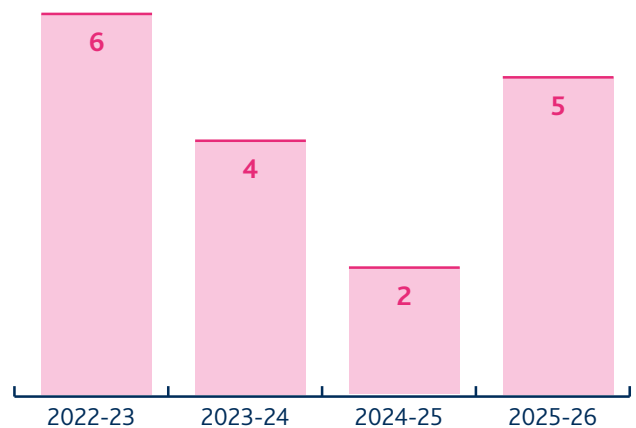
Of those cases closed where we were at fault (4,340, 33%), the majority of instances were due to internal staff errors. A significant proportion of these cases related to avoidable process issues, including incomplete or incorrect data entry, delays in updating case records. Throughout 2025-26 we strengthened our internal guidance, introduced targeted refresher training, and implemented additional validation steps in OPTIC (our feedback and incident reporting system) to reduce the likelihood of similar errors recurring.

We are required to report personal data related incidents where they have been reported to the ICO. The following 5 incidents were reported by us through the MoJ Data Protection Officer, between 1 April 2025 and 31 March 2026. This is a 150% increase compared to 2 reports in 2024-25. The ICO took no regulatory action against us, and the remaining incidents were considered to be low impact.

Breakdown of closed data incidents



Number of personal data incidents reported to the ICO



Data incidents reported to the Information Commissioner’s Office (ICO)

Nature of incident	Number of people potentially affected	Date MoJ reported to the ICO
Inappropriate access of a case file by a member of HMCTS staff	1	10 April 2025
Disclosure of confidential address of an appellant to the respondent in a Social Security and Child Support Tribunal case	3	17 April 2025
Disclosure of confidential address of appellants to respondents in restraining orders	25	10 October 2025
Disclosure of adoption related personal data	3	16 March 2026
A confidential address of the respondent in private law (child arrangements) proceedings was disclosed to the applicant	4	26 March 2026

2.1.2 Statement of Accounting Officer’s responsibilities

Under section 7(2) of the Government Resources and Accounts Act 2000, HM Treasury (HMT) has directed us to prepare for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction issued by HMT on 18 December 2025. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Agency, and of its net expenditure, financial position, and cash flows. In preparing the accounts, I, as Accounting Officer have complied with the requirements of the Government Financial Reporting Manual (FReM). In particular, I have:

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

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

2.1.3 Governance Statement

This Governance Statement summarises the main features of the governance, risk management and internal control frameworks we operated in 2025-26. It also sets out our most significant challenges and the steps taken to continuously improve.

Our governance framework and management structure

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

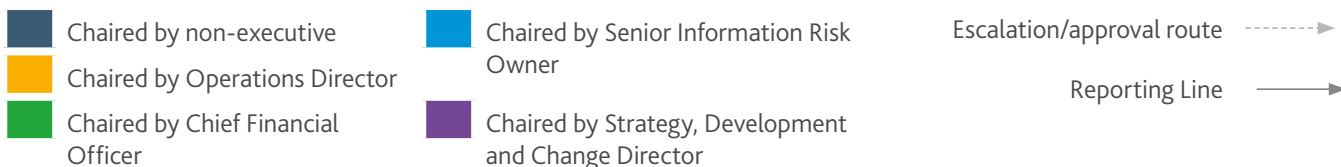
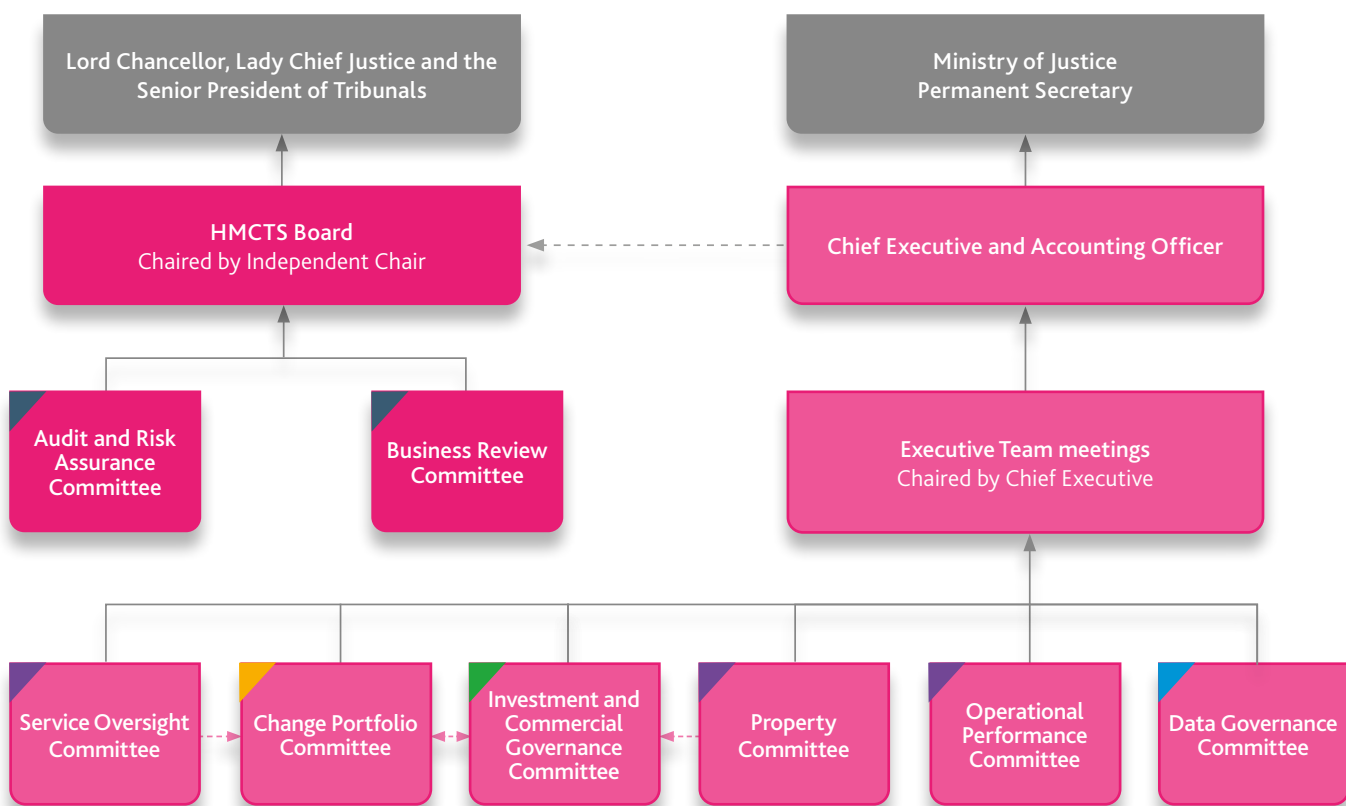
Corporate governance is the responsibility of the HMCTS Board, as set out in our Delegations of Authority Policy. This policy is aligned to our Framework Document and HMT guidance for Accounting Officers on Managing Public Money. Our governance structure is reviewed periodically by the HMCTS Board and the following substantive changes were made this reporting year:

- establishing the Business Review Committee as a formal committee to the HMCTS Board, with the first meeting planned for early 2026-27
- reconstituting the Property Board as the Property Committee reporting to the Executive Team
- confirming the Change Portfolio Committee as a sub-committee of the Executive Team
- creating the Service Oversight Committee to strengthen strategic oversight of services, reporting to the Executive Team

Further details can be found on page 50.

As at 31 March 2026, our senior governance arrangements are shown below. The HMT Code of Practice for corporate governance in central government departments applies to the MoJ directly, and we apply its core principles as good practice. We meet all key requirements except for having a formal nominations committee. Instead, each year the non-executive members of the HMCTS Board review the performance, talent, development, and succession planning of our senior leadership.

Our governance structure



HMCTS Board and its committees

See the Director’s report on page 41 for membership of the HMCTS Board and its committees.

The Board and its committees operate under approved terms of reference, which are reviewed annually to ensure they remain appropriate and effective.

HMCTS Board

Roles and responsibilities	Responsible for over-seeing the leadership and direction of the organisation in delivering its objectives as set by the Lord Chancellor, Lady Chief Justice, and the Senior President of Tribunals.	
Chair	Sir Richard Broadbent, Independent Chair	
Number of meetings	9	
Issues covered	<p>During 2025-26, the Board:</p> <ul style="list-style-type: none"> • undertook a series of discussions on Spending Review priorities, including the implications of funding allocations for business planning, delivery capacity and financial sustainability • discussed the development of a strategic agenda to clarify organisational priorities, the role of HMCTS within the justice system and the alignment between strategy, the business plan and delivery activity • focused on improving productivity, including consideration of management information, unit costs, demand and timeliness, alongside longer-term structural changes and options to reduce court backlogs • considered governance, assurance and risk, including its own effectiveness, ways of working, risk tolerance and the operation of Board committees, to ensure that governance arrangements remained fit for purpose and supported effective decision-making • reviewed delivery risks and dependencies affecting performance, including service demand pressures, prioritisation of activity and capacity constraints, to support informed decision-making and effective oversight 	
Effectiveness review	<p>The Board considered the outcomes of the 2025-26 Board effectiveness review in April 2026. Overall feedback was positive, with members agreeing that the Board continued to operate as an effective forum for alignment and influence on issues with significant impact.</p> <p>The review identified several key themes: striking a balance between strategic planning and daily operations; fostering diversity within the Board; and making sure that there is adequate representation of user perspectives.</p>	
Membership composition	4 Non-executive directors 5 Executives 3 Judiciary	6 Female 6 Male

Audit and Risk Assurance Committee

Roles and responsibilities	An advisory Committee supporting the HMCTS Board and the Chief Executive as Accounting Officer in their responsibilities for risk management, internal controls and governance.	
Chair	Nicky Wilden, Non-executive Director	
Number of meetings	5	

Audit and Risk Assurance Committee

Issues covered	During 2025-26, the Committee:	
	<ul style="list-style-type: none"> • reviewed the organisation's approach and risk appetite towards operational failure and compliance activities • monitored data security (information assurance) reports and evaluated activity in relation to digital system access, as well as HMCTS' cyber and information security risks • scrutinised business continuity, including service continuity, resilience, and disaster recovery • engaged with internal and external auditors on their findings and evaluated management responses, including those from internal audits, and discussed reactions to the Government Internal Audit Agency annual opinion and culture of compliance report • reviewed HMCTS functional leaders' assessments of adherence to cross-government functional standards • discussed people-related risks, data quality initiatives, and complaints handling • scrutinised the Annual Report and Accounts and provided independent oversight and challenge on its content 	
Effectiveness review	ARAC carried out its annual effectiveness review, externally facilitated, in May 2026. The review reflected strong overall committee effectiveness, but also pointed out areas where improvements could be made, such as optimising meeting time and enhancing supporting materials. The review also highlighted opportunities for targeted member development, alongside the potential need for further consideration of the risk register and assurance mapping. An action plan reflecting these findings is being developed and taken forward.	
Membership composition	3 Non-executive directors 2 Judiciary	2 Male 3 Female

Business Review Committee

Roles and responsibilities	The Committee provides insight, analysis and recommendations to the HMCTS Board in relation to broader, longer-term business issues.	
Chair	Luisa Fulci, Non-executive Director	
Number of meetings	The first meeting is scheduled to take place in early 2026-27.	
Membership composition	1 Non-executive director 2 Executives 1 Judiciary	1 Male 3 Female

Quality of information

Internal specialist teams provided analysis and insights to support the HMCTS Board and its committees in making informed decisions. Board/Executive Team members sponsored agenda items and ensured that the supporting papers were clear, relevant and of high quality, enabling focused discussions on key issues. Where necessary, risks and resource implications were clearly set out to encourage meaningful engagement and constructive challenge.

The quality of the papers presented to the HMCTS Board helped shape the organisation's strategic direction. The Board and its committees drew on reports and assurance from a range of sources to carry out their responsibilities effectively.

We have a Data Quality Programme to assess the quality of data across our jurisdictions and investigate and resolve any issues identified. This work reports to the Data Governance Committee, which in turn provides updates to our Executive Team.

Attendance of Board members

The table below sets out the attendance of HMCTS Board members at the Board and its committees during 2025-26. It also includes attendance of judicial and non-executive members of the committees who are not HMCTS Board members. Attendance for the Business Review Committee is not included, as its first meeting will take place in early 2026-27.

Member	HMCTS Board	Audit and Risk Assurance Committee
<i>Attendance at meetings expressed as number of meetings attended out of number eligible to attend</i>		
Non-executive members		
Independent Chair		
Sir Richard Broadbent	9/9	
Senior independent Non-executive		
Nick Fishwick	9/9	5/5
Chair of the Audit and Risk Assurance Committee		
Nicky Wilden	9/9	5/5
Luisa Fulci	9/9	
Sophie Ingram (<i>until 31 August 2025</i>)		2/2
Michael Sunderland (<i>from 1 September 2025</i>)		3/3
Judicial members		
Deputy Senior President of Tribunals		
Lord Justice Ian Dove	8/9	
Senior Presiding Judge		
Lord Justice Nicholas Green	9/9	
Judge Alison Raeside	8/9	5/5
Judge Siobhan McGrath (<i>until 1 December 2025</i>)		4/4
Judge Amanda Brown (<i>from 16 January 2026</i>)		1/1
Executive members		
Chief Executive		
Nick Goodwin	8/9	5/5 ¹
Operations Director		
Daniel Flury	9/9	5/5 ¹
Chief Financial Officer		
Dr Catherine Blair	9/9	5/5 ¹
Strategy, Development and Change Director		
Annabel Burns	8/9	
MoJ representative²		
Jerome Glass (<i>until 15 June 2025</i>)	1/1	
Gemma Hewison (<i>from 16 June to 30 November 2025</i>)	2/4	
Emma Churchill (<i>from 1 December 2025</i>)	4/4	

Notes:

¹ Attendance was as a regular attendee rather than a member of the Committee

² Jerome Glass left the MoJ on 15 June 2025 and his successor, Emma Churchill took up post on 1 December 2025. In the interim period, Gemma Hewison attended the HMCTS Board as the MoJ representative.

HMCTS Executive Team (ExT) and its sub-committees

Details of substantive changes made to the governance structure this reporting year are on page 46. The purpose of ExT and their committees as at the end of March 2026 are below.

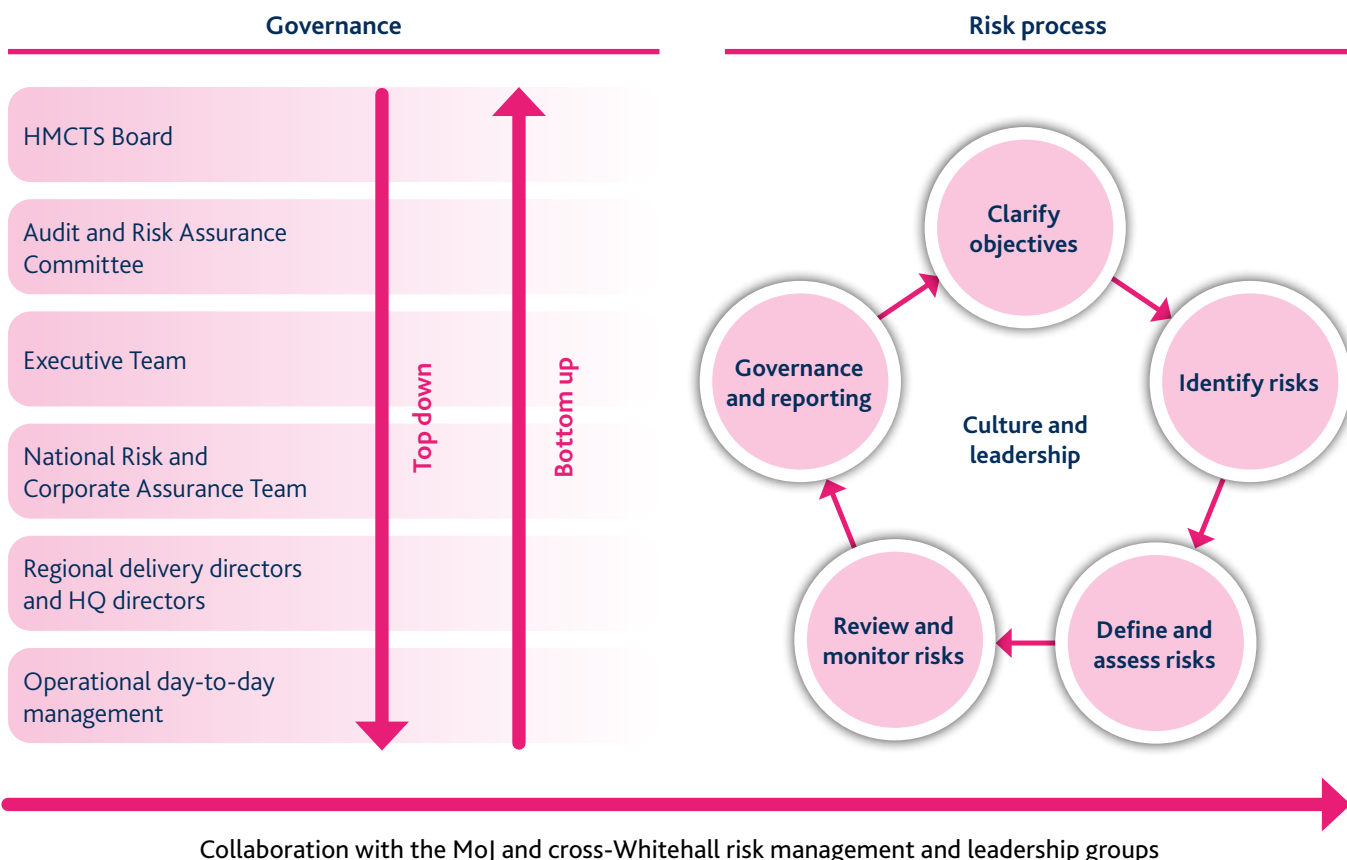
<p>Committee: Executive Team</p> <p>Chair: Chief Executive</p>	<p>Purpose: The HMCTS Executive Team (ExT) supports the Chief Executive in their duties as HMCTS Accounting Officer. ExT sets the strategic direction, provides an early steer, and makes decisions on strategic matters where these cannot be discharged by individual executives or other governance fora, or where collective executive input would add material value.</p>
<p>Committee: Data Governance Committee</p> <p>Chair: Senior Information Risk Owner</p>	<p>Purpose: To sponsor and govern the strategic, sustainable, and responsible use and capture of justice data across its lifecycle in HMCTS. In addition, the Committee provides strategic oversight of data governance, data management, and the analytical and functional data capabilities required to support organisational objectives.</p>
<p>Committee: Change Portfolio Committee</p> <p>Chair: Operations Director</p>	<p>Purpose: To provide oversight of the change portfolio, ensuring the organisation maintains a strategically aligned and affordable portfolio that meets future needs; that projects are established for successful delivery; and that risks, dependencies, and resource allocations are effectively managed.</p>
<p>Committee: Investment and Commercial Governance Committee</p> <p>Chair: Chief Financial Officer</p>	<p>Purpose: To ensure effective and robust oversight of all investment decisions, and assurance on commercial governance and contract management. The Committee assures the processes put in place to ensure all contracts, services and investment decisions are sufficiently funded, sustainable and deliver value for money.</p>
<p>Committee: Operational Performance Committee</p> <p>Chair: Strategy, Development and Change Director</p>	<p>Purpose: To use performance management information and operational insight to oversee overall HMCTS performance and identify improvement areas.</p>
<p>Committee: Property Committee</p> <p>Chair: Strategy, Development and Change Director</p>	<p>Purpose: To set the strategy for HMCTS estate matters, and to approve property transactions and monitor the management of the estate.</p>
<p>Committee: Service Oversight Committee</p> <p>Chair: Strategy, Development and Change Director</p>	<p>Purpose: To oversee the leadership and direction of HMCTS services via Service Boards, to support the delivery of the organisation's strategic objectives.</p>

Risk management

Our approach to risk management continues to be guided by the government’s Orange Book¹, and we remain satisfied that we comply with its 5 core principles. During 2025-26, the HMCTS Board agreed a new risk appetite statement to guide the level of risk we are prepared to accept. It helps us look at things from a strategic point of view so we can set priorities, use our resources wisely, and make decisions that take risks into account. Risks are aligned to our business plan priorities, and those that exceed our tolerance thresholds are actively monitored and challenged, with escalation routes and appetite levels clearly defined. This ensures that our governance structures remain robust and responsive to emerging threats.

Risk framework

Supports the achievement of HMCTS Strategy and Business Plan priorities



Our corporate risk register

We used our corporate risk register to identify and manage the most significant risks facing the organisation. As part of our improvements to the risk register in 2025-26, we added additional information to our secondary risks, including: whether they are internally or externally driven; their control category; and their proximity. This structured approach helps us understand the origin of each risk, whether it stems from within HMCTS or from external factors, so we can tailor our response accordingly. Categorising risks by control type clarifies whether our mitigation efforts are focused on identifying issues (detective), resolving them (corrective), providing guidance or instructions on compliance (directive), or preventing them altogether (preventative). Including risk proximity allows us to prioritise risks that are more immediate or likely to materialise soon, ensuring timely action. Together, these enhancements supported more informed decision-making and a more agile, targeted approach to risk management.

Our Executive Team endorsed the corporate risk register, and it was approved by both the Audit and Risk Assurance Committee (ARAC) and the HMCTS Board. It was regularly reviewed by the Executive Team and each month the HMCTS Board received a summary report showing any changes in risk levels and headline updates. ARAC were given quarterly reports highlighting any significant changes in our risk profile together with the full risk register to review and challenge.

Through our membership of the MoJ Risk Advisory Group, we supported the MoJ’s reporting of key risks to the MoJ Executive. This group scrutinises risk management and helps ensure that actions taken to manage these risks are effective and aligned with delivering our objectives.

¹ www.gov.uk/government/publications/orange-book

Risk appetite

Risk appetite is the level of risk that our organisation is prepared to accept or tolerate in delivering our objectives. A new risk appetite statement, agreed by the HMCTS Board, was developed to help guide decision-making and identify where more risk could be taken.

Our secondary risks are aligned to a risk appetite and regularly reviewed to ensure we are prioritising and managing risks appropriately. We regularly review performance against our risk appetite, to make sure we are not taking too much or too little risk.

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

Risk assessment

We use a 5x5 scoring methodology to assess the impact and likelihood of risks materialising to ensure we have a consistent approach to evaluating our risks at a regional, directorate and corporate level. It also enables us to focus our attention and resources on the most significant risks to our organisation.

Principal risks

The trends in our principal risks as at 31 March 2026 are presented overleaf alongside a summary of how they were managed throughout the 2025-26 reporting period.

Risk management as at 31 March 2026

Key

Risk movement (from date risk identified to end March 2026)



Risk increase



Risk decrease



No risk movement

Relation of risk to main priorities



Perform at our best



Improve our services



Stabilise, consolidate and reduce risks



Live our values, support our people and develop our leadership

Principal risk - Performance



No risk movement



Risk description

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

Potential impact

If this risk materialised, HMCTS could be unable to deliver effective day-to-day court and tribunal services or planned change activity. This could lead to delays and cancellations of hearings, reduced access to justice for users and increased backlog. There is also a risk of reputational damage, increased pressure on staff and the judiciary, and failure to meet ministerial, statutory or stakeholder expectations.

Risk mitigations

Key mitigations include ensuring processes are completed right first time, supported by a dedicated Business Continuity and Incident Response team and effective workforce controls to deploy staff appropriately. Proactive horizon scanning and streamlined standard operating procedures strengthen operational resilience, while a capital maintenance programme and clear estates strategy help safeguard infrastructure and maintain service continuity.

Principal risk - Health, safety and security



No risk movement



Risk description

There is a risk of a significant safety and security incident affecting our staff, the judiciary and/or users.

Potential impact

A significant health, safety or security incident could result in serious harm to staff, the judiciary or court and tribunal users. This could lead to disruption to services, legal or regulatory action, financial costs, and damage to HMCTS's reputation. There is also a risk that confidence in the safety of courts and tribunals is undermined, affecting staff wellbeing, judicial deployment and public trust in the justice system.

Risk mitigations

We continued to invest in judicial security, address fire safety remedial works and delivery of the Bailiff Safety Improvement Programme. These actions are supported by a structured buildings and equipment maintenance programme to ensure facilities remain safe, compliant and functional. Enhanced governance arrangements strengthen oversight, accountability and risk management, while ongoing improvements to policies and guidance help ensure staff have clear, up-to-date direction to support consistent and safe operational practice.

Principal risk - Digital and technological



No risk movement



Risk description

There is a risk we are unable to provide our services.


Potential impact

Failure of digital systems or a major cyber incident could disrupt the delivery of court and tribunal services, including hearings, case progression and access to information. This could result in delays to justice, loss or compromise of sensitive data, financial and remediation costs, and reputational damage. Prolonged or repeated outages could also reduce confidence among users, staff and justice partners in HMCTS's ability to operate effectively.

Risk mitigations

We have strengthened our access controls, and made improvements to our vulnerability management, Multi-Factor Authentication, role-based access controls, tightened joiners, movers and leavers processes, and enhanced monitoring of these. Legacy technology risks continue to be addressed through programmes such as Digital Audio-Visual Evolution (DAVE) and Decommissioning and Legacy Risk Mitigation (DLRM), alongside remediation plans and improved recovery capabilities. Together, these actions aim to improve resilience, reduce vulnerabilities, streamline processes and ensure more consistent, secure and reliable delivery across services.


Principal risk - Data

 No risk movement



Risk description	Potential impact	Risk mitigations
There is a risk that the quality of our data may not be good enough to support good analysis and decision-making.	Poor quality or unreliable data could undermine decision-making, performance management and resource allocation across HMCTS. This could lead to ineffective prioritisation, reduced ability to identify and address operational issues, and weaker accountability. Inaccurate or incomplete data may also affect external reporting, transparency and confidence among ministers, oversight bodies and the public.	We continue to further embed data quality reviews across services, addressing missing data, improving alignment, and enhancing engagement with operational teams. Governance processes and reporting mechanisms have been strengthened, with clearer prioritisation, accountability, and resource planning. Work is underway to build sustainable, automated jurisdiction-level data quality reporting to support better decision-making and long-term improvement.


Principal risk - People

 No risk movement



Risk description	Potential impact	Risk mitigations
There is a risk we do not have the workforce with the right capacity, who are capable and engaged to deliver our operational and strategic objectives.	If HMCTS does not have a workforce with the right capacity, capability and engagement, this could adversely affect service delivery, productivity and staff wellbeing. There is a risk of increased turnover, skills gaps and reduced resilience, which could impact performance and the ability to implement change. Ongoing workforce pressures may also affect morale, increase absence, and hinder HMCTS's ability to attract and retain talent in key roles.	Workforce planning is strengthening through better HR data, improved recruitment processes and clearer visibility of attendance trends, supported by the rollout of the Role of the Manager and enhanced learning resources. Pay and reward work includes influencing cross-government decisions, targeted interventions and preparation for the 2026 pay round. Collaboration with the MoJ continues on shared services, Synergy programme (cross-government programme modernising back-office services such as HR and finance) and service assurance to ensure HMCTS needs are met.

Principal risk - Finance

 No risk movement



Risk description	Potential impact	Risk mitigations
There is a risk we fail to make best use of the resources we have within our budget without overspending.	Failure to make best use of available resources could reduce HMCTS's ability to deliver services efficiently and sustainably within its budget. This could lead to missed opportunities to improve performance, increased financial pressures in future years, and reduced value for money. In the longer term, ineffective financial management could constrain investment, limit operational flexibility and attract increased scrutiny from oversight bodies.	Regular financial reporting and scrutiny with budget holders is helping ensure plans remain affordable and deliver value, supported by engagement with the judiciary on productivity and unit costs. Finance teams are managing underspends and overspends through tighter forecasting, value for money options and revised budget allocations for 2026-27, while continuing to refine unit cost metrics and broaden productivity reporting. Work is underway to assess spending run-rates, avoid overprogramming, and maintain close oversight of major budgets to support efficient and sustainable financial management.

Assurance on our systems of internal controls

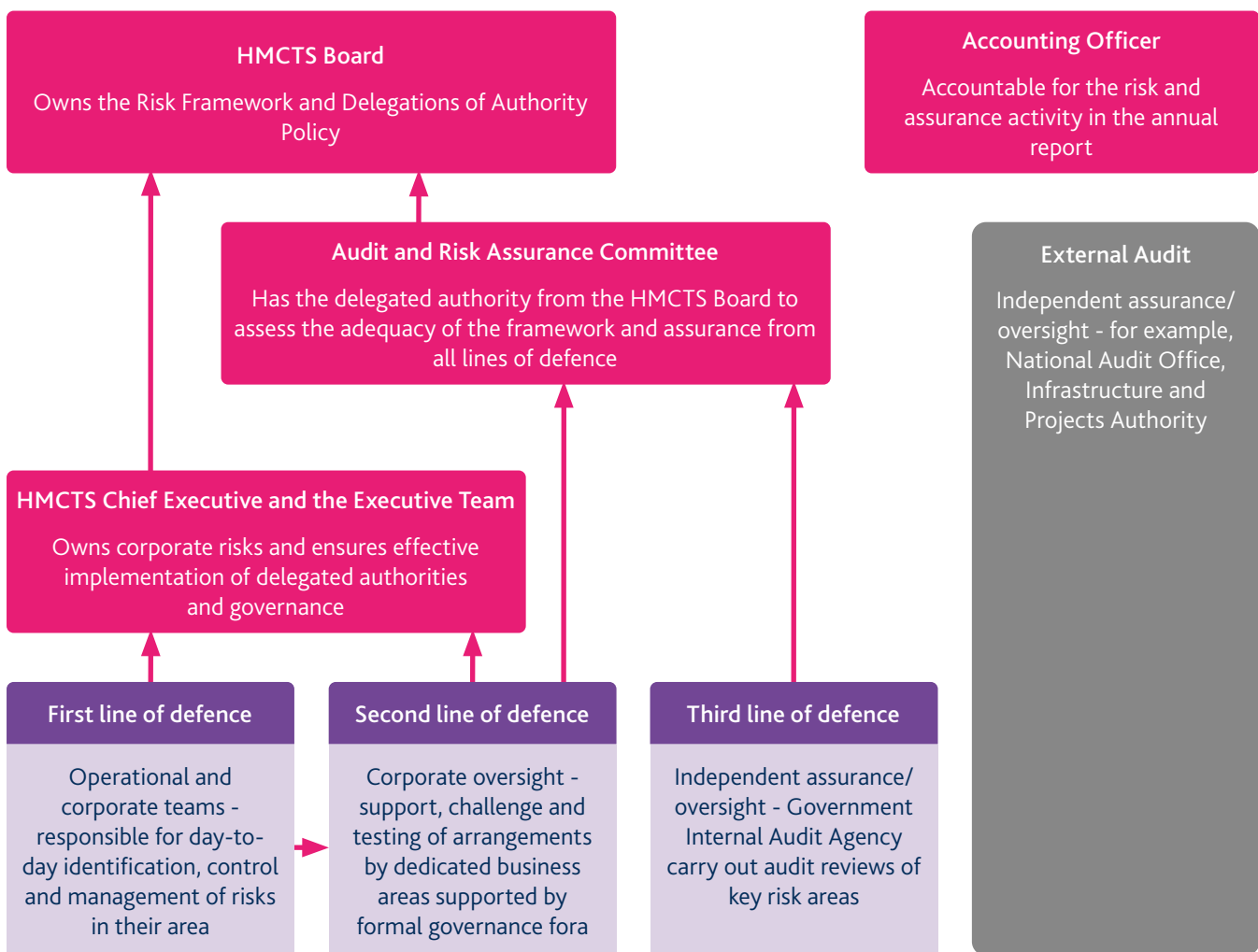
The Chief Executive, as Accounting Officer, together with the senior management team, hold collective responsibility for overseeing the effectiveness of our internal control systems. To support this, the Chief Financial Officer issues annual letters to each director, outlining their delegated responsibilities and authority to allocate resources and approve expenditure. Each director provides assurance on governance, risk management, and internal controls within their respective areas by signing a quarterly combined risk register and governance statement. By signing, each director confirms that the assurance statements have been reviewed and that any identified risks, issues, or exceptions are being managed effectively. This information enables us to maintain a clear and accurate view of governance, risk, and control across the organisation.

ARAC plays a key role in reviewing the comprehensiveness of assurances provided on governance arrangements, risk management practices, the control environment, and the integrity of financial reporting. You can find further details on ARAC on page 47.

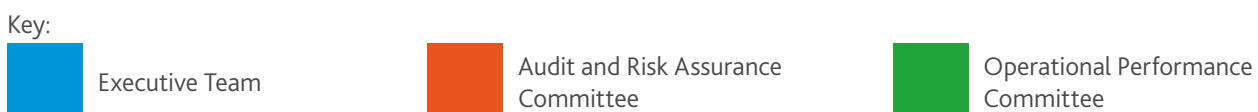
Our assurance framework and examples of sources of assurance are described below.

Our assurance framework

We use the “Three lines of defence” model to identify and map our main sources of assurance, as shown in the diagram below.



Our governance structure is on page 46. The key below shows how our sources of assurances feed into the governance structure.



Operational compliance

We established a new national operational compliance function this reporting year, as an additional first line of defence, to improve and strengthen the consistency and quality of how court and tribunal services are delivered across the organisation. Each region has compliance and data quality support officers to monitor and manage data quality and identify opportunities for continuous improvement within our systems, processes and guidance, promoting the 'right first time' principle. Activity of this function is overseen by the Operational Compliance Steering Group which reports through delivery director forums into the Operational Performance Committee and ExT and ARAC where appropriate. More information on operational compliance is in the Performance analysis section on page 26.

Our operational and corporate assurance team provides a second line of defence function. The team evaluates first and second-line assurance activities to make sure they are appropriate, proportionate and effective for our operational environment. The team carries out visits to gain assurance that we are complying with policies at a local and regional level. They also undertake wider national reviews; during 2025-26, this included reviews of the court intermediaries booking process and a review of completion of mandatory training by court staff. We work across the business to drive forward improvements from our reviews; for example, in partnership with the police, strict controls were introduced that allow a small vetted team in HMCTS to access the Police National Computer to support more informed risk assessments for civil bailiff activity, strengthening the safety measures in place for our staff, in line with legal and operational requirements.

Financial assurance

We maintain financial assurance processes that provide confidence our controls are effective in safeguarding public funds. Finance and banking controls are overseen through regular operational key control checks, which help identify any weaknesses so that improvements can be made. Digital payments are also subject to additional scrutiny to ensure they reconcile accurately.

Business continuity

We have robust business continuity and crisis management frameworks to ensure operational resilience across our courts and tribunals. The national business continuity and resilience team works with individual sites to keep business continuity plans current, effective and regularly tested. We work closely with the MoJ Departmental Operations Centre to assess the impact of external risks and national threats on our organisation, and we continue to build our contingency plans around that work.

We ran routine exercises and responded to live incidents, testing our resilience against events including severe weather, cyber disruption and civil disorder. Where disruption occurred, we put contingency arrangements in place and operated Gold and Silver command structures to ensure urgent business continued and risks were actively managed.

An annual update on business continuity is provided to ARAC.

Data security

The Chief Digital and Information Officer is our senior information risk owner (SIRO). He is a member of the MoJ Information and Security Risk Board, that provides advice and guidance to SIROs across the MoJ. A regular summary report on data security is provided to ARAC. Our Serious Incidents Panel reviews high impact incidents and operational failure trends, ensuing appropriate remedial action is taken and that lessons are learned to prevent recurrence. It reports to the Service Excellence Committee which in turn reports to the Operational Performance Committee.

Cyber security

Our Technology Strategy 2025-2030 sets out priorities for our systems and services, including keeping them stable and secure. Cyber threats are included in our corporate risk register, with updates provided to the Executive Team and ARAC. We also carry out cyber-attack exercises based on real-world scenarios to test our resilience.

Whistleblowing arrangements

We actively encourage our people to speak out and raise concerns about any allegations of wrongdoing. The MoJ Whistleblowing Policy was refreshed in April 2024 to improve clarity and better-defined roles and responsibilities. It applies to our staff, both past and present, including consultants, contractors and agency workers. The policy, procedures and supporting toolkits are available on the intranet to provide advice and guidance on the process for raising concerns so our people feel safe to speak up. It provides reassurance that concerns will be investigated promptly and professionally.

The Whistleblowing Policy was promoted throughout the year, for example, through Speak Up Week and International Fraud Awareness Week. Whistleblowing is also referred to in a number of HMCTS learning products, as well as the mandatory online counter fraud, corruption and bribery training module.

There are a number of nominated officers across the MoJ, all of a senior management grade, who our staff can contact. They offer impartial support and advice outside of the line management chain to those who suspect wrongdoing and want to raise a concern. Their role is to ensure individual voices are heard and to help make sure concerns are appropriately addressed. The MoJ keeps a central database of reported cases and outcomes including those from HMCTS. The MoJ reports annually to the Cabinet Office on the number of closed whistleblowing cases. During 2025-26, 6 of the closed whistleblowing cases were reported by HMCTS (2024:25: 5 closed).

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

Health and safety

We take the safety and security of everyone in our buildings seriously. We follow recognised standards and guidance from national bodies, including the National Protective Security Authority, the Health and Safety Executive, the Crown Premises Fire Safety Inspectorate, and public health agencies across the UK. We work closely with criminal justice partners, including the police, Crown Prosecution Service, and the Prisons and Probation Service to ensure risk assessments and risk management systems are effectively delivered.

Occupational health and safety is central to the delivery of our corporate priorities, and we are focused on meeting our statutory health and safety obligations. Our National Safety and Security Committee, which includes a focus on fire safety, physical and personal security, meets monthly and includes Trade Union representation. We provide bi-annual reports on security and safety risk management for scrutiny by our ARAC.

This year we strengthened the governance of security, health and safety by increasing the capacity of our second line audit function to provide greater assurance on the effectiveness of our security and safety controls.

Counter fraud, bribery and corruption

We continue to take a zero-tolerance approach to fraud, bribery and corruption. Our policies clearly set out what is expected from staff to prevent, identify and report concerns, including interactions with official bodies or external partners. All staff must complete mandatory counter fraud, bribery and corruption training every 2 years to keep their knowledge up to date.

Our Counter Fraud, Bribery and Corruption Strategy 2024-26 explains how we focus our resources to prevent, detect and respond to fraud, bribery and corruption within HMCTS. We will refresh the strategy in 2026-27. In June 2025 we reviewed and updated our fraud policy and response plan, detailing how we tackle fraud and criminality committed by staff or external parties against HMCTS.

During the year, we completed our fraud, bribery and corruption assessment and shared its findings, together with our annual fraud report, with our Executive Team and ARAC. In 2026, the Public Sector Fraud Authority will assess us against the annual Cabinet Office fraud functional standards.

We received 163 (2024-25: 204) referrals specifically related to allegations of fraud, bribery and corruption. Of these 31 (2024-25: 26) were internal incidents and 132 (2024-25: 178) were external. 79 (2024-25: 57) referrals were reported to the police or Action Fraud for consideration of criminal charges.

Functional standards

All government departments and agencies are required to embed certain functional standards. These benchmark corporate delivery in certain main thematic areas including project delivery, HR and finance. The functions support collaboration across organisational boundaries, and efficient and effective delivery of public services. Of the 13 standards,

10 are applicable to us and we monitor compliance against them on an annual basis. In July 2025, the Operational Performance Committee conducted an annual validation of our functional standards and a report was provided to ARAC.

Managing conflicts of interest

We comply with the MoJ's Declaration and Management of Outside Interests policy, which is based on Cabinet Office guidance. The policy sets out the expectations and process for declaring an interest and is accessible to staff on the intranet. It is the responsibility of individuals to declare all interests (actual, potential, or perceived) that could be relevant to their role. There is an annual declaration of interest exercise and the MoJ holds a register of senior civil servant secondary paid employment, which includes details of all senior civil servants who have declared outside employment¹. Declarations of interest for the delegated grades are held locally. All officials must obtain written permission before undertaking any outside work (paid or unpaid) in line with the MoJ conduct policy.

Business appointment rules

All officials are subject to rules on accepting outside appointments after leaving the Civil Service. These are designed to ensure that any actual or perceived conflicts of interest, including reputational risks, arising from post Civil Service employment are identified and appropriately managed. The business appointment rules continue to apply after a staff member leaves the organisation; for Senior Civil Servants (SCS) they apply for 2 years from the last day of service while it is 1 year for those below SCS and equivalents. Full details on business appointment rules, including when they apply and the application process, can be accessed by staff on the intranet. The process for managing these applications is carried out by the MoJ People Policy team.

Complaints to the Parliamentary and Health Service Ombudsman

The complaints we receive are dealt with in 3 stages:

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

During the year, around 94% (2024-25: 96%) of the complaints we received were resolved at stages 1 and 2. Individuals who remain dissatisfied after the appeal stage may refer their complaint to the Parliamentary and Health Service Ombudsman (PHSO). The PHSO is an independent body established by Parliament to consider complaints from individuals who believe they have received a poor service from government departments and other public organisations. They have the legal authority to investigate and make the final decision on these matters and recommend how mistakes can be put right. This may include providing explanations, apologies and setting out how lessons learned will be applied. They may also request organisations to set out action plans that demonstrate how their recommendations will be carried out.

¹ www.gov.uk/government/publications/ministry-of-justice-register-of-senior-civil-servant-secondary-paid-employment-2024-to-2025

The PHSO investigated 4 complaints against us during 2025-26, which represented less than 0.01% of all complaints we received. They made 4 recommendations which we complied with. Details of complaints investigated by PHSO are published at www.ombudsman.org.uk/.

This year we strengthened how we use complaints information to improve our services. We created a new dashboard that brings together data on complaints, official correspondence and ex-gratia payments in one place. The dashboard went live in February 2026 and gives staff at local, regional and national level a clearer view of trends. It helps them understand where improvements are needed so action can be taken.

Complaints data is regularly presented to our Operational Performance Committee to improve the visibility of complaints performance. There was additional scrutiny by the HMCTS Board and the Audit and Risk Assurance Committee during 2025-26.

Complaints investigated by the PHSO

	2023-24	2024-25	2025-26
Investigations completed by PHSO	4 (100%)	5 (100%)	4 (100%)
Upheld complaints	1 (25%)	1 (20%)	2 (50%)
Partly upheld complaints	1 (25%)	2 (40%)	0 (0%)
Complaints not upheld	2 (50%)	2 (40%)	2 (50%)

Significant control challenges

Throughout 2025-26 we had appropriate governance in place to mitigate control challenges and issues. We managed emerging issues during the year, as set out in Our risks from page 13. None of these constituted significant control failures.

Internal audit and annual audit opinion

The Government Internal Audit Agency (GIAA) continued to deliver our internal audit service and remains a key source of independent assurance. Its audit programme is aligned to our principal risks, with established processes ensuring that any significant issues affecting the management of those risks are promptly brought to the attention of the Chief Executive.

For 2025-26, the Group Head of Internal Audit issued an annual overall opinion of 'limited'. The opinion recognises that HMCTS is seeking to continually improve its governance, oversight and internal control and assurance mechanisms, and the complexity of HMCTS's operating environment. In 2025-26 the audit programme was focused on areas that management had identified as higher-risk areas and known control challenges. This, therefore, meant that the audits have highlighted relatively more areas of weakness than in earlier years, including in areas of operational processes. This

has provided management with additional insight and action plans for the coming year. An area of particular focus will be on the design and consistent operation of our control and assurance processes across the organisation, as well as clarity as to where our control framework may need to be adapted to better reflect operational realities or constraints.

National Audit Office and Parliamentary reports

There were no value for money reports on the work of HMCTS during 2025-26.

The NAO published its report on An analysis of the asylum system¹ in December 2025 looking at how relevant parts of the Home Office, the MoJ and local authorities, worked together to manage demand effectively.

HMCTS related inquiries by Parliamentary Committees are below.

Committee	Inquiry
The Public Accounts Committee (House of Commons)	Improving family services for children² Report published – 12 September 2025 Response published – 19 January 2026
The Justice Committee (House of Commons)	The work of the County Court³ Report published - 21 July 2025 Response published 17 October 2025

Conclusion

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

Nick Goodwin

Chief Executive and Accounting Officer

02 July 2026

1 www.nao.org.uk/reports/an-analysis-of-the-asylum-system/?nab=1

2 committees.parliament.uk/work/9102/improving-family-court-services-for-children/publications/

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

2.2 Remuneration and staff report

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

2.2.1 Remuneration report

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

Board members' remuneration report

Our remuneration report has been prepared in accordance with the requirements of the FReM as issued by HMT. The Prime Minister sets the remuneration policy of senior civil servants following independent advice from the Senior Salaries Review Body. The salaries of HMCTS Board members were set following discussions between the MoJ Permanent Secretary and director generals, in accordance with the rules of the Civil Service Management Code. We do not have a remuneration committee. The main functions of this committee are dealt with through the MoJ Workforce Committee. The following sections provides details of the remuneration and pension interests of the HMCTS Board members who served during 2025-26.

Table 1 – Remuneration payments to HMCTS Board members during the period 1 April 2025 to 31 March 2026

	2025-26					2024-25				
	Total amount of salary and fees	All taxable benefits (to nearest £100)	Bonuses paid	Pension related benefits (to nearest £1000)	Total	Total amount of salary and fees	All taxable benefits (to nearest £100)	Bonuses paid	Pension related benefits (to nearest £1000)	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Sir Richard Broadbent Independent Chair	30-35 ¹	Nil	Nil	Nil	30-35	45-50 ¹	Nil	Nil	Nil	45-50
Nick Goodwin Chief Executive	155-160	Nil	5-10	82	240-245	145-150	Nil	0-5	85	230-235
Daniel Flury Operations Director	110-115	Nil	10-15	63	185-190	100-105	Nil	5-10	88	195-200
Dr Catherine Blair Chief Financial Officer	125-130	Nil	5-10	49	180-185	85-90 (110-115 FYE)	Nil	5-10 ²	34	125-130
Annabel Burns Strategy, Development and Change Director	120-125	Nil	5-10	42	170-175	55-60 (115-120 FYE)	Nil	Nil	10	65-70
Nicky Wilden Non-executive Director	20-25 ³	Nil	Nil	Nil	20-25	20-25 ³	Nil	Nil	Nil	20-25
Nick Fishwick Non-executive Director	15-20	Nil	Nil	Nil	15-20	15-20	Nil	Nil	Nil	15-20

1 Sir Richard Broadbent's salary for 2024-25 reflected an increase in the time commitment required for his role against the 2023-24 baseline. His salary for 2025-26 also reflects an increase on the 2023-24 baseline, although of a smaller magnitude. Both figures are disclosed on an accruals basis and reflect the salary earned in the year of reporting.

2 Dr Catherine Blair's bonus in 2024-25 relates to her previous employment.

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

	2025-26					2024-25				
	Total amount of salary and fees	All taxable benefits (to nearest £100)	Bonuses paid	Pension related benefits (to nearest £1000)	Total	Total amount of salary and fees	All taxable benefits (to nearest £100)	Bonuses paid	Pension related benefits (to nearest £1000)	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Luisa Fulci Non-executive Director	15-20	Nil	Nil	Nil	15-20	15-20	Nil	Nil	Nil	15-20
Jerome Glass MoJ representative (until 15 June 2025)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gemma Hewison MoJ representative (from 16 June 2025 to 30 November 2025)	Nil	Nil	Nil	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Emma Churchill MoJ representative (from 1 December 2025)	Nil	Nil	Nil	Nil	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

Jerome Glass left the MoJ on 15 June 2025 and was succeeded by Gemma Hewison as the MoJ representative, and subsequently by Emma Churchill. As MoJ employees, they received no remuneration for their role as the MoJ representative on the HMCTS Board. Their remuneration as an MoJ employee is included in the MoJ annual report and accounts.

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

- Lord Justice Ian Dove, Deputy Senior President of Tribunals from 1 February 2025.
- Lord Justice Nicholas Green, Senior Presiding Judge
- Judge Alison Raeside, judicial representative

Salary

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

Bonuses

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

Benefits in kind

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

No executive or non-executive board members received any taxable benefits in 2024-25 or 2025-26.

Pension benefits

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. The pension benefits disclosed are for the period the individual was on the Board only, and no full year equivalent figure is provided.

Fair pay disclosure

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

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

	2025-26		2024-25	
	Total salary	Bonus Payments	Total salary	Bonus Payments
Staff average	8.3%	8.6%	0.7%	-3.6%
Highest-paid director	6.2%	150.0%	5.0%	-81.8%

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

	Lower quartile	Median	Upper quartile
2025-26	6.4:1	5.5:1	4.7:1
2024-25	6.1:1	5.7:1	4.5:1

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

	Lower quartile		Median		Upper Quartile	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Salary	25,582	24,202	29,477	28,485	35,335	34,113
Total pay and benefits	25,582	24,202	29,303	25,784	34,372	32,838

The mid-point of the banded remuneration of our highest-paid director in the financial year 2025-26 was £162,500 (2024-25: £147,500). This was 5.5 times (2024-25: 5.7) the median remuneration of the workforce, which was £29,303 (2024-25: £28,485).

In 2025-26, a one-year pay award was agreed, from 1 August 2025 until 31 July 2026.

In 2025-26, 14 employees (2024-25: 5) received remuneration in excess of our highest-paid director. 1 permanent staff member received remuneration in excess of the highest-paid director (2025-26: 1).

Remuneration ranged from £20,000-£25,000 to £345,000-£350,000 (2024-25: £20,000-£25,000 to £245,000-£250,000).

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

The ratio between the highest-paid directors' remuneration and the staff lower quartile, median and upper quartile showed mixed movement in-year. The median ratio reduced due to an increase in staff pay/FTE relative to the highest-paid director's salary, while the lower and upper quartile ratios increased slightly. This also reflects an increase in bonus payments for the highest-paid director.

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

Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

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

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

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

Name	Contract start date	Unexpired term	Notice period
Sir Richard Broadbent	1 May 2023	13 months	3 months
Nick Goodwin	14 March 2022	To retirement/ departure	3 months
Daniel Flury	25 March 2024	To retirement/ departure	3 months
Dr Catherine Blair	24 June 2024	To retirement/ departure	3 months
Annabel Burns	10 October 2024	To retirement/ departure	3 months
Nicky Wilden	1 November 2020 (renewed on 02 October 2023)	7 months	1 month
Nick Fishwick	2 January 2024 (renewed on 11 June 2026)	3 years and 9 months	1 month
Luisa Fulci	1 April 2024 (renewed 1 June 2026)	3 years and 12 months	1 month
Jerome Glass	9 January 2024	0 months	3 months
Gemma Hewison	16 June 2025	0 months	3 months
Emma Churchill	1 December 2025	To retirement/ departure	3 months

Notes:

- Jerome Glass left the MoJ on 15 June 2025 and his successor, Emma Churchill took up post on 1 December 2025. In the interim period, Gemma Hewison attended the HMCTS Board as the MoJ representative.
- Judicial members do not operate under contracts.

Pension benefits

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

Name	Accrued pension at pension age as at 31 March 2026 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31 March 2026 £000	CETV at 31 March 2025 £000	Real increase in CETV £000
Sir Richard Broadbent Independent Chair	N/A	N/A	N/A	N/A	N/A
Nick Goodwin Chief Executive	55-60 plus a lump sum of 120-125	2.5-5 plus a lump sum of 2.5-5	1,119	998	59
Daniel Flury Operations Director	50-55	2.5-5	932	835	46
Dr Catherine Blair Chief Financial Officer	30-35	2.5-5	427	381	25
Annabel Burns Strategy, Development and Change Director	45-50 plus a lump sum of 110-115	2.5-5 plus a lump sum of 0	1,053	967	28
Nicky Wilden Non-executive Director	N/A	N/A	N/A	N/A	N/A
Nick Fishwick Non-executive Director	N/A	N/A	N/A	N/A	N/A
Luisa Fulci Non-executive Director	N/A	N/A	N/A	N/A	N/A
Jerome Glass Moj representative	N/A	N/A	N/A	N/A	N/A
Gemma Hewison Moj representative	N/A	N/A	N/A	N/A	N/A
Emma Churchill Moj representative	N/A	N/A	N/A	N/A	N/A

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

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

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

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

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age.

Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or alpha, as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

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

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The Public Service Pensions Remedy¹ is made up of 2 parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023.

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

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

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

Cash equivalent transfer values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

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

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

¹ www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension

2.2.2 Staff report

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

Staff engagement

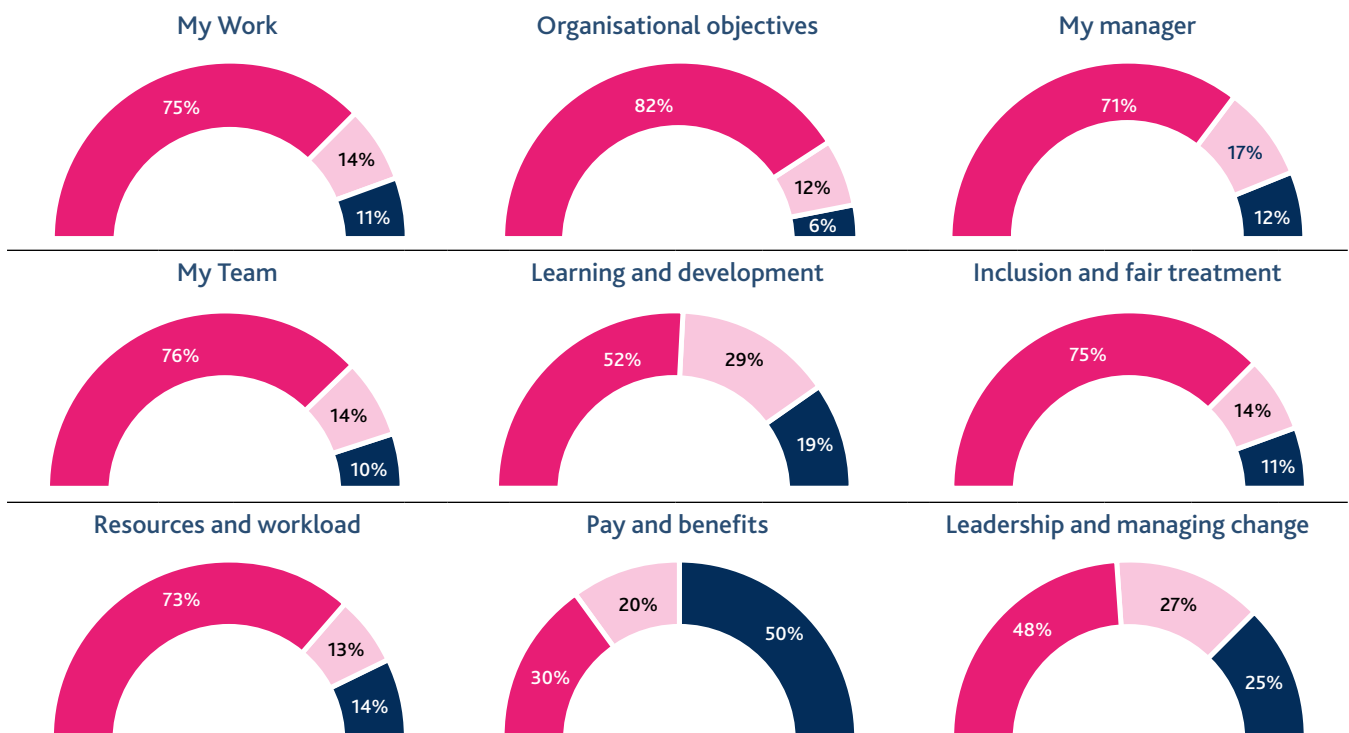
The annual Civil Service People Survey was held from 23 September to 21 October 2025. It is an opportunity for our people to have their say on a variety of topics which affect them and directly influence how we improve our workplace culture. It provides valuable insight on how they feel about working for our organisation.

Our response rate was 49% (2024: 48%) and our Employee Engagement Index (EEI) was 60% (2024: 57%). The EEI is the average positive responses to 5 key questions around people’s personal attachment to HMCTS, striving in the work they do, and speaking positively about working here. The results by the 9-core themes are below. Due to the rounding of figures, there may be a difference of 1 percentage point when comparing year on year. You can find the mean scores by organisation for each question in the published Annual Civil Service People Survey Benchmark Results at www.gov.uk/government/collections/civil-service-people-surveys.

Civil Service People Survey results 2025

The Civil Service People Survey was reviewed and updated for 2025. Changes to the design and questionnaire of the survey in 2025 means that the results are not directly comparable with those from the previous year.

Key: Favourable Neutral Unfavourable



On the back of our 2024 survey results, our priority theme for action was leadership and managing change, together with secondary areas around pay and benefits, wellbeing, and learning and development. Based on the 2025 results, our priority areas for 2026 are leadership and management capability, pay and benefits, my team and wellbeing.

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

Equality, diversity and inclusion

We are committed to building a diverse and inclusive organisation that fosters a sense of community and belonging amongst all employees and reflects the communities we serve.

We are accredited as a Disability Confident Leader. This demonstrates we are an organisation where our staff with a disability or long-term illness have equal opportunity and access to support, including workplace adjustments to make sure they reach their full potential. Our Disability Strategy 2024-27 sets out how we will improve the working lives of all colleagues with a disability or long-term health condition.

Our people initiatives are aligned to the MoJ People Strategy and its common purpose to attract, nurture and retain the people we need and make our organisation a great place to work. This includes attracting talent from the broadest range of geographical, social and career backgrounds where people can achieve their full potential.

The Civil Service Workplace Adjustment Team provide additional support and advice about disability and how to get help, including workplace passports. Our Personal Impact Development scheme also enables us to put tailored interventions in place so that everyone has an opportunity to discuss their unique development, needs and career aspirations.

We have a People Potential Forum, chaired by our Operations Director, that champions and develops under-represented groups, and setting the standard for an inclusive workplace.

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

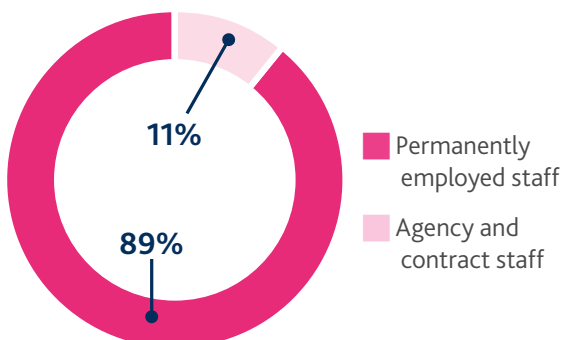
Staff costs, numbers and composition

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

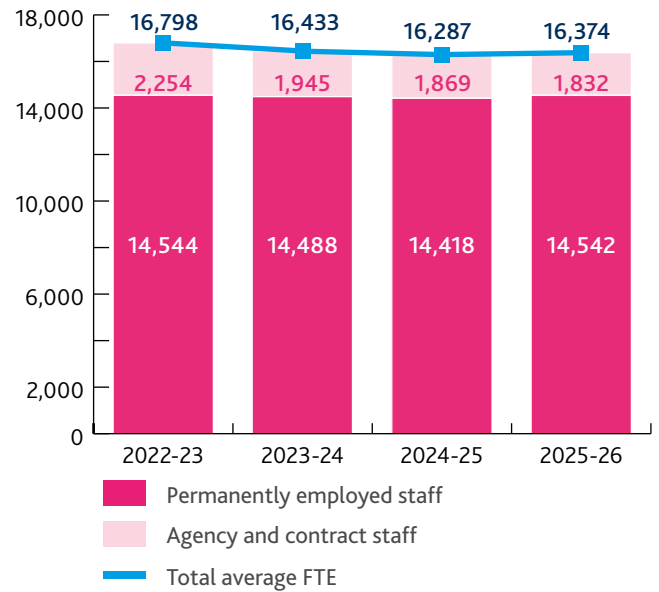
Our employees in numbers

The average number of full-time equivalent (FTE) employees paid during the year was 16,374 compared to 16,287 in 2024-25.

During 2025-26, 96% of our workforce worked in operational roles and the remaining 4% were non-operational HQ based.



Average full-time equivalent (FTE) staff



Our employee costs

	2025-26	2024-25
Wages and salaries	497,576	471,142
Social security costs	65,157	46,333
Employer pension contributions	135,270	127,343
Agency staff costs	95,851	79,997
Voluntary early departures	6	717
	793,860	725,532
Add: inwards secondments	(12)	230
	793,848	725,762
Less: recoveries in respect of outward secondments	(531)	(417)
Total staff costs	793,317	725,345

Workforce composition (not subject to audit)

The following statistics provide a snapshot of our workforce. They help us understand how well we reflect the communities we serve and where we need to focus our attention, as we continue to build a fair and inclusive work workplace where diversity is represented across all levels.

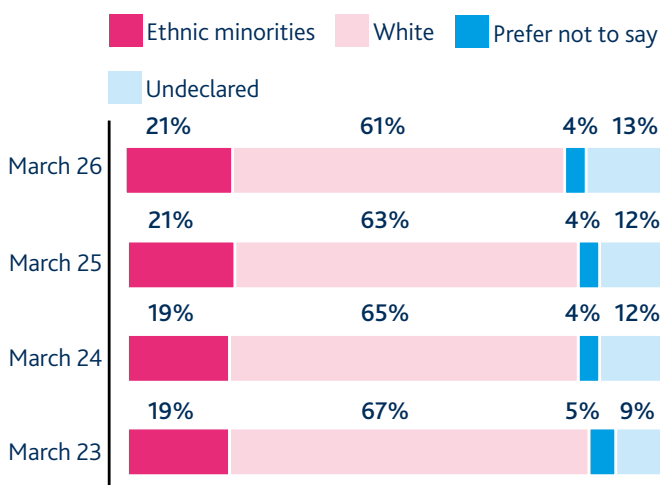
The tables and charts overleaf show the breakdown of our employees as at 31 March 2026. Details on the roles, grades, salaries and regional location of our staff are published bi-annually as part of the MoJ Organogram of Staff Roles and Salaries at <http://www.data.gov.uk/dataset/a90a9f70-e28c-4a95-a7a7-f79d12fbe219/organogram-of-staff-roles-salaries>.

Section 2: Accountability report

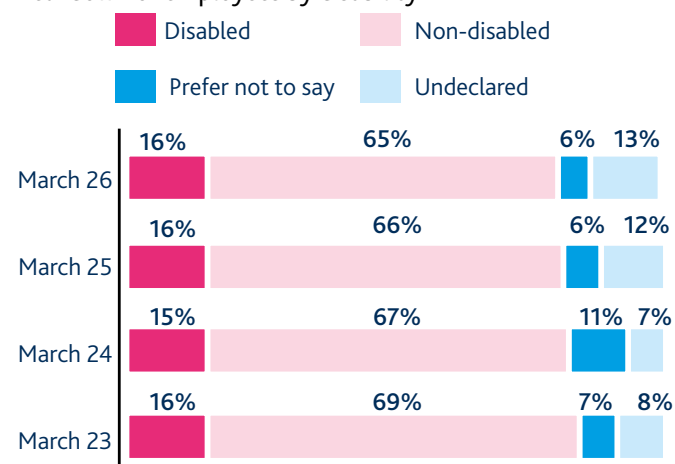
Breakdown of employees by gender

2022-23		2023-24		2024-25		2025-26	
Executive and Non-executive Board members							
Male	Female	Male	Female	Male	Female	Male	Female
57%	43%	78%	22%	56%	44%	50%	50%
Senior managers (senior civil servants (SCS))							
Male	Female	Male	Female	Male	Female	Male	Female
42%	58%	48%	52%	47%	53%	49%	51%
Other employees (non SCS)							
Male	Female	Male	Female	Male	Female	Male	Female
30%	70%	30%	70%	30%	70%	31%	69%

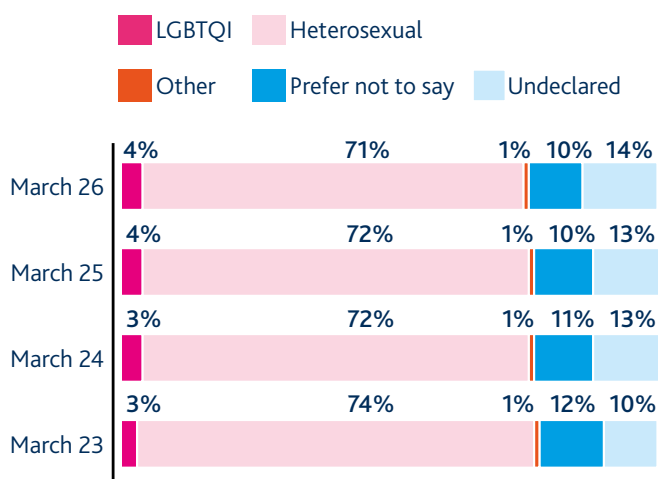
Breakdown of employees by ethnicity



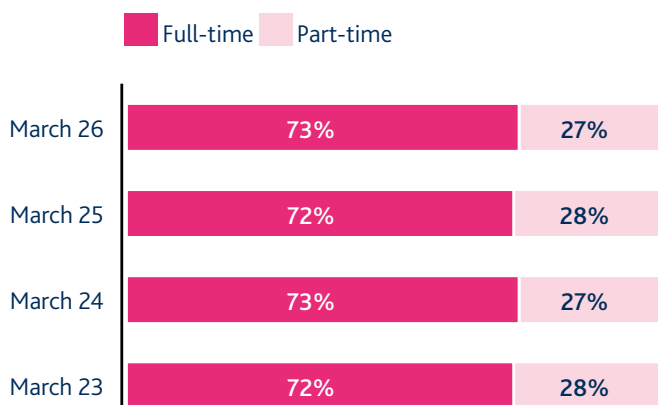
Breakdown of employees by disability



Breakdown of employees by sexual orientation



Breakdown of employees by full-time and part-time



Breakdown of employees by religion

	March 2023	March 2024	March 2025	March 2026
Buddhist	0%	0%	0%	0%
Christian	38%	37%	36%	35%
Hindu	2%	2%	2%	2%
Jewish	0%	0%	0%	0%
Muslim	6%	6%	6%	7%
Sikh	2%	2%	2%	1%
Other religion or belief	2%	2%	2%	2%
No religion or belief	25%	25%	26%	26%
Prefer not to say	13%	12%	12%	12%
Not known/undeclared	11%	13%	14%	14%

Note: Numbers have been rounded to nearest percentage point

Number of Senior Civil Service employees

Our executive directors are all senior civil servants (SCS). As at 31 March 2026, there were 62 SCS in HMCTS (2025: 70).

	2025-26	2024-25
£70,000 to £79,999	-	6
£80,000 to £89,999	26	31
£90,000 to £99,999	13	13
£100,000 to £109,999	9	13
£110,000 to £119,999	8	3
£120,000 to £129,999	3	1
£130,000 to £139,999	-	1
£140,000 to £149,999	1	1
£150,000 to £159,999	1	-
£160,000 to £169,999	1	1
Total	62	70

Off-payroll engagements

During 2025-26 we reviewed off-payroll engagements where we are required to consider intermediaries (IR35) legislation using HMRC's guidance and online status indicator. We advised our contracting body of the outcome of the status determinations so that, where appropriate, tax deductions are made at the source from payments made in respect of the engagement with us. Further details about our off-payroll engagements are shown in the off-payroll tables in Annex C.

Pension scheme

PCSPS and alpha are unfunded multi-employer defined benefit schemes. We are unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS at 31 March 2020. Details can be found at www.civilservicepensionscheme.org.uk.

For 2025-26, employer contributions of £135.3 million were payable to PCSPS (2024-25: £127.3 million) at 28.97% of pensionable earnings for all bands. The Scheme Actuary reviews employer contributions usually every 4 years following a full scheme valuation. The contributions rates are set to meet the cost of the benefits accruing during 2025-26 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

16 persons (2024-25: 19) retired early on ill health grounds. The total additional accrued pension liabilities in the year amounted to £61,827 (2024-25: £62,104).

Consultancy costs

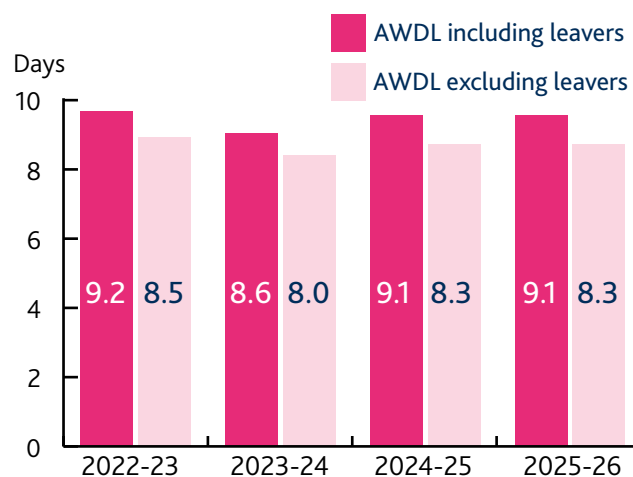
Consultancy spend is incurred when we need short-term

staffing, or specialists to implement projects. Figures for 31 March 2026 include spend on decommissioning and legacy risk mitigation, payment acceptance services and the property directorate. Expenditure on consultancy in 2025-26 was £0.2 million (2024-25: £0.03 million).

Sick absence

The number of average working days lost (AWDL) due to sickness has remained the same when compared to the previous year. The chart below shows AWDL for the rolling 12 months to the end of March 2026 including and excluding leavers. 46% of our workforce had no sick absence during 2025-26 (2024-25: 44%).

Sick absence as a 4-year trend



Staff turnover

In 2025-26, our staff turnover was 8.5% (2024-25: 9.2%) and departmental turnover was 10.1% (2024-25: 11.1%). Transfers of staff within the Civil Service are included in 'departmental turnover' and excluded from 'staff turnover'.

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

Reporting of Civil Service and other compensation schemes – exit packages

Subject to audit

Exit package cost	2025-26			2024-25		
	Number of compulsory redundancies	Number of other departures	Total number exit packages	Number of compulsory redundancies	Number of other departures	Total number exit packages
< £10,000	-	16	16	-	17	17
£10,000 - £25,000	1	8	9	-	6	6
£25,001 - £50,000	-	4	4	-	11	11
£50,001 - £100,000	-	3	3	-	18	18
£100,001 - £150,000	-	-	-	-	-	-
£150,001 - £200,000	-	1	1	-	-	-
Total number of exit packages by type	1	32	33	-	52	52
Total cost of exit packages by type (£000)	16	736	752	-	1,975	1,975

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme; a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year the exit package is confirmed. Where we have agreed early retirements, the additional costs are met by us and not by the PCSPS. Ill health retirement costs are met by the pension scheme and are not included in the table above.

Included in the table above, in 2025-26 there was a mutually agreed ex-gratia exit payment.

2.3 Parliamentary accountability and audit report

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

Losses	2025-26		2024-25	
	Number of cases	£000	Number of cases	£000
Cash losses	339	553	312	242
Administrative write-offs	1,130	1,882	40	248
Fruitless payments	6	2,561	6	104
Constructive losses	10	5,236	3	4,396
Total losses	1,485	10,232	361	4,990

In 2025-26 there were 5 losses over £300,000, as follows:

- Following the cyber attack on the LAA systems, HMCTS temporarily lost use of a system used to check the accuracy of a Help with Fees claim: during the downtime HMCTS employed a contingency process which potentially resulted in a small number of applications being incorrectly approved. The estimated loss of fee income to HMCTS is £0.363 million.
- HMCTS has taken a decision to deprioritise planned improvement and remediation works at one court site, resulting in a constructive loss of £0.626 million.
- During 2025-26 HMCTS have assessed that further recovery action on a number of debts is not appropriate. The total amount written off as part of this exercise is £1.243 million.
- In 2024-25, HMCTS disclosed the discontinuation of a video hearings project due to unresolved technical issues. In 2025-26, HMCTS is recognising a fruitless payment of £2.557 million in respect of exiting the contract for this project early.
- Following a decision by the government not to implement the Nationality and Borders Act 2022 in full, HMCTS has impaired £4.402 million of digital capital expenditure in relation to work undertaken to prepare for its implementation.

Special payments	2025-26		2024-25	
	Number of cases	£000	Number of cases	£000
Compensation payment	55	417	52	294
Ex-gratia	1,755	1,483	2,381	2,471
Extra-contractual payments	150	8	139	7
Total special payments	1,960	1,908	2,572	2,772

In 2025-26 there were no special payments over £300,000.

Charitable donations

We made charitable donations totalling £10,000 in 2025-26 (2024-25: £25,000). These donations were made to an organisation that provides young people with an opportunity to take part in mock trials, to build their confidence, understanding and interest in law.

Regularity (subject to audit)

For the year ended 31 March 2026, no HMCTS staff authorised a course of action that infringed the requirements of regularity as set out in Managing Public Money. HMT approval was granted for all novel, contentious or repercussive transactions relating to 2025-26.

Fee income

HMCTS's operating income is principally comprised of fees, the majority of which are paid to us for an application to commence the administration of a process. We collect and report upon fee charges that have been set by MoJ policy and which appear in statutory fee instrument orders. The power to charge fees is conferred by section 92 of The Courts Act 2003, and section 180 of The Anti-Social Behaviour Crime and Policing Act 2014 (for enhanced fees). Current fee orders can be found at Annex A.

The income generated must be reinvested back into the courts and tribunals service. 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. Fees are only charged with the civil and tribunals jurisdictions.

Section 2: Accountability report

For those jurisdictions that are partially funded by fee income, we report on fee income and operating expenditure as follows:

Fees and charges	Fees chargeable	Fees remitted	Fees collected	Expenditure	Surplus/ (deficit)
	£000	£000	£000	£000	£000
Civil business					
Family	257,265	(21,549)	235,716	(547,935)	(312,219)
Civil	698,737	(77,383)	621,354	(721,002)	(99,648)
Total civil	956,002	(98,932)	857,070	(1,268,937)	(411,867)
Tribunal business					
Immigration and asylum	11,971	(2,110)	9,861	(190,314)	(180,453)
Other fee generating tribunals	1,583	(65)	1,518	(45,302)	(43,784)
Other non-fee generating tribunals	-	-	-	(542,980)	(542,980)
Total tribunals	13,554	(2,175)	11,379	(778,596)	(767,217)
Fee refunds	-	-	(82)	-	(82)
Total 2025-26¹	969,556	(101,107)	868,367	(2,047,533)	(1,179,166)
Total 2024-25	915,954	(91,126)	830,161	(1,203,957)	(373,796)

Nick Goodwin

Chief Executive and Accounting Officer

02 July 2026

¹ Expenditure for Civil business includes costs for both fee and non-fee generating work. For consistency in 2025-26 we have included an additional line for the expenditure of non-fee charging tribunals. This information was not included in 2024-25.



Section 3: External scrutiny

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

Opinion on financial statements

I certify that I have audited the financial statements of the HM Courts and Tribunals Service for the year ended 31 March 2026 under the Government Resources and Accounts Act 2000.

The financial statements comprise the HM Courts and Tribunal Service's:

- Statement of Financial Position as at 31 March 2026;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

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

In my opinion, the financial statements:

- give a true and fair view of the state of the HM Courts and Tribunal Service's affairs as at 31 March 2026 and its operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

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

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the HM Courts and Tribunals Service'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 HM Courts and Tribunals Service'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 HM Courts and Tribunals Service is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

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

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

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

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

Matters on which I report by exception

In the light of the knowledge and understanding of the HM Courts and Tribunals Service and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

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

Responsibilities of the Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the HM Courts and Tribunals Service 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 HM Courts and Tribunals Service'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 HM Courts and Tribunals Service will not continue to be provided in the future

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the HM Courts and Tribunals Service's accounting policies,
- inquired of management, the Government Internal Audit Agency, and those charged with governance, including obtaining and reviewing supporting documentation relating to the HM Courts and Tribunals Service'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 HM Courts and Tribunals Service's controls relating compliance with the Government Resources and Accounts Act 2000, Managing Public Money and relevant pieces of legislation stipulating court and tribunal fees, and;
- inquired of management, the Government Internal Audit Agency, and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud,

- discussed with the engagement team and the relevant external specialists, including the risk over property valuations, where specialist expertise was engaged on the audit regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the HM Courts and Tribunals Service for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions, bias in management estimates and significant and unusual transactions. 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 HM Courts and Tribunals Service's framework of authority and other legal and regulatory frameworks in which the HM Courts and Tribunals Service 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 HM Courts and Tribunals Service. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, and relevant pieces of legislation stipulating court and tribunal fees.

Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, and the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;
- 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 and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Other auditor's responsibilities

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

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

07 July 2026

Section 4: Our expenditure

4.1 Accounts

Statement of comprehensive net expenditure for the year ended 31 March 2026

	Notes	2025-26 £000	2024-25 £000
Operating income	8	(941,348)	(899,694)
Total operating income		(941,348)	(899,694)
Staff costs	3.1	793,317	725,345
Judiciary costs	3.2	829,901	777,821
Purchase of goods and services	4	851,986	783,252
Depreciation and impairment charges	5	478,835	355,676
Other non-cash expenditure	6	97,220	101,595
Total operating expenditure		3,051,259	2,743,689
Net operating expenditure		2,109,911	1,843,995
Finance costs	7	21,724	20,730
Net expenditure for the year		2,131,635	1,864,725

Other comprehensive expenditure

	2025-26 £000	2024-25 £000
Net costs	2,131,635	1,864,725
Net gain on revaluation of property and equipment	(104,075)	(27,175)
Net gain on revaluation of intangible assets	(9)	-
Actuarial loss on pension scheme liabilities	-	90
Total comprehensive expenditure	2,027,551	1,837,640

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

The Notes on pages 81 to 107 form part of these accounts.

Statement of financial position as at 31 March 2026

	Notes	2025-26 £000	2024-25 £000
Non-current assets			
Property and equipment	9	3,890,880	3,921,164
Right-of-use assets	12	878,183	936,873
Intangible assets	11	348,934	405,292
Total non-current assets		5,117,997	5,263,329
Current assets			
Assets held for sale	10	3,426	-
Trade and other receivables	14	106,186	146,493
Cash and cash equivalents	15	64,598	45,762
Total current assets		174,210	192,255
Total assets		5,292,207	5,455,584
Current liabilities			
Trade and other payables	16	(273,177)	(278,510)
Financial liabilities	16.1	(11,137)	(12,496)
Lease liabilities	12	(68,189)	(74,317)
Provisions for liabilities and charges	18	(10,763)	(10,995)
Total current liabilities		(363,266)	(376,318)
Total assets less current liabilities		4,928,941	5,079,266
Non-current liabilities			
Trade and other payables	16	(15,177)	(17,847)
Financial liabilities	16.1	(31,697)	(39,566)
Lease liabilities	12	(888,962)	(955,628)
Provisions for liabilities and charges	18	(63,098)	(70,848)
Total non-current liabilities		(998,934)	(1,083,889)
Total assets less total liabilities		3,930,007	3,995,377
Taxpayers' equity			
General fund		2,583,010	2,694,328
Revaluation reserve		1,346,997	1,301,049
Total taxpayers' equity		3,930,007	3,995,377

The Notes on pages 81 to 107 form part of these accounts.

Nick Goodwin

Chief Executive and Accounting Officer

02 July 2026

Section 4: Our expenditure

Statement of cash flows for the year ended 31 March 2026

	Notes	2025-26 £000	2024-25 £000
Cash flows from operating activities			
Net operating expenditure for the year		(2,109,911)	(1,843,995)
Adjustments for notional and non-cash costs	17	781,684	645,235
(Increase)/decrease in trade and other receivables		(138,895)	(160,204)
Increase in trade and other payables		127,026	96,340
Utilisation of provisions		(5,070)	(5,941)
Net cash outflow from operating activities		(1,345,166)	(1,268,565)
Cash flows from investing activities			
Purchases of property and equipment		(192,209)	(150,936)
Proceeds from disposal of property and equipment and assets held for sale		590	9
Purchases of intangible assets		(36,941)	(37,125)
Net cash outflow from investing activities		(228,560)	(188,052)
Cash flows from financing activities			
Funding from MoJ		1,695,000	1,555,000
Capital element of Private Finance Initiative (PFI) contracts		(9,141)	(11,043)
Capital element of lease liability		(71,238)	(81,382)
Repayments of local authority loans		(2,670)	(749)
Interest paid	7	(19,389)	(18,178)
Net cash inflow from financing activities		1,592,562	1,443,648
Net increase/(decrease) in cash and cash equivalents in the period	15	18,836	(12,969)
Cash and cash equivalents as at the beginning of the period	15	45,762	58,731
Cash and cash equivalents as at the end of the period	15	64,598	45,762

Prior year comparatives have been reclassified to remove the inclusion and subsequent removal of finance costs within the operating costs section of the statement, and to improve transparency of finance lease movements.

The Notes on pages 81 to 107 form part of these accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2026

	Notes	General fund £000	Revaluation reserve £000	Total £000
Balance as at 1 April 2024		2,690,400	1,324,174	4,014,574
Funding from MoJ		1,555,000	-	1,555,000
Intercompany settlement with MoJ		(34,518)	-	(34,518)
Net operating expenditure		(1,864,725)	-	(1,864,725)
Notional expenditure				
Consolidated Fund judicial salaries		193,290	-	193,290
External auditor's remuneration		434	-	434
Intra-departmental recharges		104,237	-	104,237
Revaluation of property and equipment		-	27,175	27,175
Revaluation of intangible assets		-	-	-
Reclassification from revaluation reserve		50,300	(50,300)	-
Actuarial loss on pension scheme liabilities		(90)	-	(90)
Balance as at 31 March 2025		2,694,328	1,301,049	3,995,377
Funding from MoJ		1,695,000	-	1,695,000
Intercompany settlement with MoJ		(43,714)	-	(43,714)
Net operating expenditure		(2,131,635)	-	(2,131,635)
Notional expenditure				
Consolidated Fund judicial salaries		205,548	-	205,548
External auditor's remuneration	17	430	-	430
Intra-departmental recharges	17	104,917	-	104,917
Revaluation of property and equipment		-	104,075	104,075
Revaluation of intangible assets		-	9	9
Reclassification from revaluation reserve		58,136	(58,136)	-
Actuarial (loss) on pension scheme liabilities		-	-	-
Balance as at 31 March 2026		2,583,010	1,346,997	3,930,007

The Notes on pages 81 to 107 form part of these accounts.

4.2 Notes to the accounts for year ending 31 March 2026

1. Statement of accounting policies

These accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) 2025-26, issued by HMT. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as interpreted for the public sector.

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

1.1 Basis of preparation

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

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

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

1.2 Changes in accounting policies and disclosures

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

IFRS 17 Insurance Contracts is applied from 1 April 2025, with a transition date of 1 April 2024. IFRS 17 sets out the principles for recognition, measurement, presentation and disclosure of insurance contracts within its scope. Per the FReM, for the purposes of applying IFRS 17, legislation and regulations, in isolation, are not equivalent to insurance contracts. HMCTS has assessed the impact of IFRS 17 on its financial statements for 2025-26: there is no material impact.

The FReM 2025-26 includes additional updated guidance on valuations of property, plant and equipment. Physical inspections of land and buildings by an expert valuer continue to be conducted on a rolling quinquennial cycle. However, the requirement for professional desktop valuations in the intervening years has been removed and per FReM 2025-26 the residual estate is now indexed in-house. Details of the indexation applied can be found in section 1.7 Property and Equipment.

There have been no other new or amended standards adopted in the financial year beginning 1 April 2025.

b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2025 and not early adopted

IFRS 18 Presentation and Disclosure in Financial Statements is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. HMCTS will apply IFRS 18 in accordance with the FReM. The implementation date is not yet known for FReM bodies.

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

1.3 Operating income

HMCTS's operating income is principally comprised of fees. The majority of fees paid to us are for an application to commence the administration of a process. To a lesser extent, fees are received for a court process, or for a particular stage of administration of the court process. The payment of a fee does not convey the right to a decision or a particular outcome from the court: nor does it set out the timescale or process which will be followed by the court or tribunal, which is at the discretion of the judge. It is a fundamental principle of an independent judiciary that judges do not hold performance obligations to individuals or organisations in relation to court and tribunal activities. The power to charge fees is conferred by Section 92 of The Courts Act 2003, and Section 180 of The Anti-Social Behaviour Crime and Policing Act 2014 for enhanced fees.

This legislation also provides for statutory instruments to set out a price list for the fees to be charged, listed in Annex A.

We assess our performance obligations against the legislation and related statutory instruments. In doing so, we recognise that HMCTS, whose role is to support the judiciary in the administration of justice, bears a responsibility to applicants to ensure their application is progressed on receipt of the correct fee. We therefore defer most of our revenue until issue of an application is completed, or any other obligations are completed that are required under the statutory instrument. The three significant

performance recognition points are issue, hearing and enforcement. These performance obligations are set out in the Statutory Instruments as described in Annex A.

1.4 HMCTS Trust Statement

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

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

1.5 Notional expenditure

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

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

1.6 Operating segments

Under IFRS 8 Operating Segments, operating segments are analysed along the lines of information presented to the chief operating decision maker who for the purpose of these accounts is determined to be the HMCTS Board. The standard allows aggregation of segments that have similar economic characteristics and types and class of customer. From 1 April 2025, HMCTS has one reportable operating segment, and therefore does not prepare a detailed segmental analysis. Prior to 1 April 2025, HMCTS had two operating segments, these being Business as Usual (BAU) and Reform.

1.7 Property and equipment

Recognition

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

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

All thresholds include irrecoverable VAT.

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

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

Subsequent expenditure

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

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

Valuation method

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

Assets are measured subsequently at valuation.

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

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

Current values in existing use are determined as follows:

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

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

Professional valuations are primarily undertaken by the Valuation Office Agency (VOA) using the RICS appraisal and valuation manual, known as the Red Book. For the application of indices, different indices are applied, depending on the assets. For buildings, the index applied is the Building Cost Information Service Construction data tender price index that reflects price changes in the construction sector and is a good indicator of price pressure in building contracts in the UK. For Existing Use Value (EUV) buildings a new Commercial Property Capital Price Index (CoPCaPI) has been created by VOA for application by public sector bodies and this has been adopted by HMCTS for the EUV properties.

Due to lack of a suitable index available without undue cost or effort, the dispensation in 10.1.3 of FReM 2025-26 to revalue the given assets using a quinquennial revaluation supplemented by a desktop revaluation in year 3 has been applied to land assets and no indexation has been applied to those not included in the physical inspections for 2025-26.

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

Fair value hierarchy and inputs

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

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

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

Estimation uncertainty

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

Depreciated Replacement Cost (DRC)

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

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

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

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

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

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

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

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

Assumptions tested	Change	New valuation £m	Variance £m	Variance %
Actual total DRC buildings value 2026		2,874		
Alternate scenarios:				
Capex changes ¹	50%	2,913	39	1.34
Changes in TPI ²	-2 points	2,860	(14)	(0.50)
Changes in TPI ²	2 points	2,889	14	0.50
Physical depreciation ³	-10%	2,891	17	0.59
Changes in functional obsolescence ⁴	2%	2,873	(2)	(0.06)
Changes in functional obsolescence ⁴	-2%	2,876	2	0.06
Change in professional fees ⁵	-1%	2,863	(11)	(0.38)

Land

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

1 Using a reasonable alternative assumption, it has been assumed that an increase of 50% of CAPEX has been included in the valuations; note that the calculated amounts for change related to CAPEX is calculated at a high level, comparing desktop and actual figures.

2 The movement in the BCIS All In Tender Price Index, which tracks contractors' construction pricing levels, is applied to the DRC valuations each year to reflect increased build costs. This estimate considers a change to TPI, where the actual TPI forecast figure is confirmed.

3 This assumption considers the application of physical depreciation, which is directly related to the remaining lives.

4 This assumption considers the impact of functional obsolescence. This is difficult to quantify as it is not readily possible to calculate an average addition, but for this test 5% is assumed as an average and this is varied by 2% either way and applied to the physical and CAPEX valuations.

5 This assumption considers the impact of professional fee additions. This considers a 1% reduction in fee additions to the physical and CAPEX valuations.

Section 4: Our expenditure

density and location, and therefore require adjustment for these factors. These factors increase the level of valuer judgement involved.

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

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

In terms of land evidence, the table below shows a sensitivity analysis on a land valuation (Aldershot Magistrates' Court), extrapolated across the population.

Assumptions tested	Assumption	Aldershot	Extrapolated total
		£000	£000
£/hectare	5%	85	31,757
£/hectare	-5%	(85)	(31,757)

A reasonable alternative assumption is to adjust the price per hectare (£/ha). The current value of the asset could be up to +5% higher (£85,000) or by -5% lower (-£85,000), which extrapolates to +/- £31,757,000 to enter across the total population. Given the level of valuer judgement involved in land valuations, which are subjective, combined with limited numbers of comparable transactions, we are unable to quantify the potential level of uncertainty.

Existing Use Value (EUUV) – Buildings

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

Revaluation

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

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

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

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

Depreciation

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

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

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

Estimated useful asset lives are within the following ranges:

Freehold land	Not depreciated
Leasehold land	Remaining lease period
Freehold buildings (including dwellings)	Shorter of remaining life or 60 years
Leasehold buildings (including dwellings)	Shortest of remaining life, remaining lease period or 60 years
Leasehold improvements	Shorter of the remaining lease period or remaining life
Information technology	Shorter of remaining lease period or 7 years

Equipment	Shorter of remaining lease period or 3 to 5 years
Furniture and fittings	Shorter of remaining lease period or 10 to 30 years

Assets under construction

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

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

Disposals

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

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

1.8 Intangible assets

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

Intangible assets are recognised in accordance with IAS 38 Intangible Assets as adapted by the FReM.

We have 2 principal types of intangible assets.

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

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

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

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

Subsequent to initial cost, intangible assets are measured at fair value. As no market exists for our intangible assets, fair value is assessed as cost less any accumulated amortisation and impairment losses.

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

1.9 Impairment

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

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

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

At each reporting date we review impairment losses recognised in previous years. Any reversal of an impairment loss is then

recognised in the SoCNE to the extent that the original charge, adjusted for subsequent depreciation, was previously recognised with any remaining amount recognised in the revaluation reserve.

1.10 Assets held for sale

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

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

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

1.11 Leases

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

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

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

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

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

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

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

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

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

HMCTS as lessee

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

Right-of-use asset

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

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

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

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

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

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

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

Lease liability

The lease liability is measured at the value of the remaining lease payments discounted over the lease term either by the interest rate implicit in the lease, or where this is not readily determinable, our incremental rate of borrowing. This rate is advised annually by HMT (4.81% for those in the calendar year 2025, and 5.32% for leases recognised in 2026).

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

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

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

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

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

HMCTS as a lessor

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

1.12 Service concession arrangements

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

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

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

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

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

1.13 Third party assets

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

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

1.14 Value added tax (VAT)

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

1.15 Provisions and contingent liabilities

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

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

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

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

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

1.16 General Fund

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

1.17 Employee benefits

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

1.18 Pensions

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

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

1.19 Critical accounting estimate and judgements

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

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

Valuation of property and equipment

Land and buildings (including dwellings) comprise mainly court facilities. Land and buildings are shown at current value in existing use, based on professional valuations at 31 March each year, performed on a rolling 5 year cycle by the VOA, who are independent of the Department, in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual. The value of land and buildings fluctuates with changes in construction costs and the current market conditions.

Most operational buildings are specialised and are therefore valued at DRC to a modern equivalent basis. This modern equivalent is assumed to be in the same location with the same internal area as the existing property. The split of property on 31 March 2026 by value is detailed in Note 9. All other buildings are measured at fair value determined from market-based evidence. The residual estate not receiving a quinquennial physical valuation by the VOA in a given year are indexed in-house using the BCIS TPI index for DRC properties and the new VOA CoPCaPI index for EUV buildings.

All assets other than land and buildings and assets under construction are revalued at each reporting stage using the PPI prepared by the ONS. This revaluation was not carried out for 2024-25, due to the ONS flagging issues with their current and historic indices. Following the resolution of these issues, revaluation has recommenced at 31 March 2026. The effect of pausing revaluation was immaterial.

Provisions

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

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

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

Estimates and judgements when accounting for leases

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

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

Recognition and impairment of intangible assets

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

Prior to 1 April 2024, intangible assets were revalued each year at the reporting date using relevant indices. Post 1 April 2024, following the FReM's withdrawal of the option to use the revaluation model for intangible assets, they are carried at cost less any accumulated amortisation and impairment losses. The carrying values at the transition date of 1 April 2024 are considered historical cost.

Deferred fee income

Civil, family and hearing fees are received in advance and are deferred until the performance obligation is met to recognise the income. The year-end deferred income balance is calculated using performance data from the HMCTS performance database. In order to calculate the deferred fee income, assumptions have been made around the average length of time that it takes to issue cases and orders. For example, in public law, it takes on average 15 working days to issue a case.

2. Statement of operating costs by operating segments

From 1 April 2025, HMCTS has one reportable operating segment, and therefore does not prepare a detailed segmental analysis. Prior to 1 April 2025, HMCTS had two operating segments, these being Business as Usual (BAU) and Reform.

3. Staff and judiciary costs and numbers

3.1 Staff costs

	2025-26	2024-25
	£000	£000
Wages and salaries	497,576	471,142
Social security costs	65,157	46,333
Employer's pension contributions	135,270	127,343
Agency staff costs	95,851	79,997
Voluntary early departures	6	717
	793,860	725,532
Add: inward secondments	(12)	230
	793,848	725,762
Less: recoveries in respect of outward secondments	(531)	(417)
Total staff costs	793,317	725,345

During 2025-26, £1.85 million of staff costs (2024-25: £1.77 million) have been capitalised.

Further information on staff costs and numbers can be found in the Staff report section of the annual report on pages 65 to 69.

3.2 Judiciary costs

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

	2025-26				2024-25			
	Senior judiciary £000	Other judiciary £000	Fee paid £000	Total £000	Senior judiciary £000	Other judiciary £000	Fee paid £000	Total £000
Wages and salaries	180,053	137,178	165,337	482,568	172,467	134,335	151,674	458,476
Social security costs	26,987	20,524	22,024	69,535	23,138	17,769	16,037	56,944
Employer's pensions contribution	111,653	85,388	80,757	277,798	105,623	83,146	73,632	262,401
Total payroll costs of the judiciary	318,693	243,090	268,118	829,901	301,228	235,250	241,343	777,821

3.3 Average number of judiciary

The amounts above include salary costs for an average 1,010 members (2024-25: 1,010) senior judiciary, 955 (2024-25: 968) judicial officers ('Other judiciary') and fees for 1,140 full-time equivalent fee-paid judiciary (2024-25: 1,109). The salary costs of the senior judiciary were met from the Consolidated Fund (see Note 17).

3.4 Judicial Pension Scheme (JPS)

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

Under statute, certain judicial office holders' basic pension benefits (but not the annual pension increase) can only be paid out of the Consolidated Fund. For all other JPS members, the pension benefits are paid from JPS Estimates voted by Parliament. Employer pension contributions to the JPS for all JPS members have been made at a rate of 62.55%. The amount of these contributions is included in the table in Note 3.2.

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

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

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

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

4. Purchase of goods and services

	2025-26	2024-25
	£000	£000
Lease and other service concession charges:		
Rental costs	14,500	16,102
PFI service charges	34,399	36,759
Accommodation, maintenance and utilities	391,341	336,029
IT services	242,969	238,276
Juror costs	36,786	36,909
Communications, office supplies and services	42,228	34,774
Contracted service costs	43,110	46,532
Consultancy costs	176	29
Non-pay staff costs	11,301	10,572
Non-pay judicial costs	11,629	11,616
Magistrates' costs	7,523	7,149
Bank charges	4,662	4,412
Other costs	11,337	4,068
Other grants	25	25
Total purchase of goods and services	851,986	783,252

5. Depreciation and impairment charges

	2025-26	2024-25
	£000	£000
Depreciation of property and equipment	178,262	166,900
Depreciation of right-of-use assets	77,057	81,649
Amortisation of intangible assets	88,748	96,147
Impairment charge on non-current assets:		
Impairment of property and equipment	129,884	4,823
Impairment of intangible assets	4,560	5,644
Impairment of assets held for sale	222	-
Increase in receivables impairment	102	513
Total depreciation and impairment charges	478,835	355,676

6. Other non-cash expenditure

	2025-26	2024-25
	£000	£000
Intra-departmental recharges	104,917	104,237
(Decrease) in provisions	(5,332)	(3,185)
Net (gain)/loss on disposal of non-current assets	(2,795)	109
External auditor's remuneration	430	434
Total other non-cash expenditure	97,220	101,595

Intra-departmental recharge

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

External auditor's remuneration

The costs of the audit performed by the NAO on behalf of the Comptroller and Auditor General are recognised as a non-cash charge. During the year we did not purchase any non-audit services. The cost comprises £295,000 (2024-25: £310,000) for the audit of the HMCTS Annual Report and Accounts and £135,000 (2024-25: £124,000) for the audit of the HMCTS Trust Statement.

7. Finance costs

	2025-26	2024-25
	£000	£000
Interest on by-analogy pension scheme liability	-	49
Unwinding of discount on provisions	2,335	2,503
Total non-cash finance costs	2,335	2,552
Local authority loan interest	1,202	657
Finance charges on PFI and leased assets	6,318	6,150
Interest on lease liabilities	11,869	11,371
Total cash finance costs	19,389	18,178
Total finance costs	21,724	20,730

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

8. Operating income

	2025-26	2024-25
	£000	£000
Gross fee income	868,475	824,828
Movement in fee refund provision	13	5,434
Refunds and interest reversed/ (paid) under refund schemes	(121)	(101)
Total fee income	868,367	830,161
Recoveries from other government bodies	65,043	63,772
Miscellaneous income	7,938	5,761
Total operating income	941,348	899,694

Information on fee income can be found in the Parliamentary accountability report on page 71.

8.1 Fee refund schemes

Since 2017, HMCTS has operated a number of fee refund schemes, following both court rulings and internal reviews of fee levels. The last significant refund scheme was launched in October 2020. In previous years, HMCTS has recognised provisions and disclosed contingent liabilities in respect of these schemes. The current and future expected level of refunds is immaterial, and no provisions or contingent liabilities are now appropriate.

8.2 Consolidated Fund income

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

9. Property and equipment

	Land excluding dwellings	Buildings excluding dwellings	Dwellings	Information technology	Equipment	Furniture, fixtures and fittings	Assets under con- struction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2025	665,103	2,962,660	19,132	105,628	82,052	16,968	220,366	4,071,909
Additions	12,146	18,220	-	-	-	-	164,870	195,236
Disposals	-	(6,451)	-	(7,334)	(12,668)	(236)	(626)	(27,315)
Impairment	(39,783)	(101,820)	-	-	-	-	-	(141,603)
Revaluation	13,413	(64,332)	(382)	8,534	10,445	1,857	-	(30,465)
Reclassification	(2,261)	241,280	2,131	17,970	973	-	(264,324)	(4,231)
Transfers	-	-	-	-	-	-	-	-
At 31 March 2026	648,618	3,049,557	20,881	124,798	80,802	18,589	120,286	4,063,531
Depreciation								
At 1 April 2025	-	-	1	(60,019)	(74,826)	(15,901)	-	(150,745)
Charged in year	(707)	(152,341)	(426)	(21,057)	(3,530)	(201)	-	(178,262)
Disposals	-	6,515	-	7,329	12,614	236	-	26,694
Impairment	-	-	-	-	-	-	-	-
Revaluations	707	145,826	425	(5,692)	(9,869)	(1,735)	-	129,662
Reclassification	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
At 31 March 2026	-	-	-	(79,439)	(75,611)	(17,601)	-	(172,651)
Carrying amount at 31 March 2026	648,618	3,049,557	20,881	45,359	5,191	988	120,286	3,890,880
Carrying amount at 31 March 2025	665,103	2,962,660	19,133	45,609	7,226	1,067	220,366	3,921,164
Asset financing:								
Owned	630,020	2,868,103	20,881	45,359	5,191	988	120,286	3,690,828
On-balance sheet PFI contracts	18,598	181,454	-	-	-	-	-	200,052
Carrying amount at 31 March 2026	648,618	3,049,557	20,881	45,359	5,191	988	120,286	3,890,880

9. Property and equipment (continued)

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

Section 4: Our expenditure

Per Note 9, the split of property value at 31 March 2026 by valuation basis is demonstrated in the table below.

HMCTS property values at 31 March 2026		£000
Property values at depreciated replacement cost		2,791,809
Property values at existing use value		751,620
Leasehold improvements (not professionally valued)		134,748
Land attached to building assets reported in AUC		7,702
Surplus assets (not professionally valued)		12,772
Other assets not professionally valued		20,405
Total		3,719,056

Cost included within Note 9 balances:		£000
Land excluding dwellings		648,616
Buildings excluding dwellings		3,049,558
Dwellings		20,882
Total		3,719,056

10. Assets for sale

	Notes	2025-26 £000	2024-25 £000
As at 1 April		-	225
Assets reclassified to held for sale from property and equipment	9	4,231	(225)
(Decrease) in fair value of assets held for sale	5	(222)	-
Disposals		(583)	-
As at 31 March		3,426	-

A net profit on disposal of assets held for sale of £0 (2024-25: £0) is included within the overall net gain on disposal of property and equipment within other non-cash expenditure which is disclosed in Note 6.

11. Intangible assets

	Information technology £000	Software licences £000	Assets under construction £000	Total £000
Cost or valuation				
At 1 April 2025	710,031	6,770	36,656	753,457
Additions	-	-	36,941	36,941
Disposals	(40,953)	(6,041)	-	(46,994)
Impairment	-	-	(4,560)	(4,560)
Reclassifications	23,734	-	(23,734)	-
At 31 March 2026	692,812	729	45,303	738,844
Amortisation				
At 1 April 2025	(341,397)	(6,768)	-	(348,165)
Charged in year	(88,746)	(2)	-	(88,748)
Disposals	40,953	6,041	-	46,994

	Information technology £000	Software licences £000	Assets under construction £000	Total £000
Revaluation	9	-	-	9
At 31 March 2026	(389,181)	(729)	-	(389,910)
Carrying amount at 31 March 2026	303,631	-	45,303	348,934
Carrying amount at 31 March 2025	368,634	2	36,656	405,292

All intangible assets are owned by us. The largest 4 assets under construction added in year are Decommissioning and Legacy Risk Mitigation £14.5 million, Possessions Project £12 million, DTS Digital Delivery £5.6 million and Housing Dispute Policy £2.1 million.

	Information technology £000	Software licences £000	Assets under construction £000	Total £000
Cost or valuation				
At 1 April 2024	828,171	14,579	84,271	927,021
Additions	-	-	37,125	37,125
Disposals	(180,331)	(8,537)	1	(188,867)
Impairment	(19,771)	-	(2,729)	(22,500)
Revaluation	(50)	-	-	(50)
Reclassifications	82,012	-	(82,012)	-
Transfers	-	728	-	728
At 31 March 2025	710,031	6,770	36,656	753,457
Amortisation				
At 1 April 2024	(442,903)	(14,041)	-	(456,944)
Charged in year	(95,611)	(536)	-	(96,147)
Disposals	180,331	8,537	-	188,868
Impairment	16,771	-	-	16,771
Revaluation	15	-	-	15
Transfers	-	(728)	-	(728)
At 31 March 2025	(341,397)	(6,768)	-	(348,165)
Carrying amount at 31 March 2025	368,634	2	36,656	405,292
Carrying amount at 31 March 2024	385,268	538	84,271	470,077

12. Leases

Our lease contracts comprise of leases of land and buildings.

	Land and Buildings £000	Total £000
Cost or valuation		
At 1 April 2025	1,237,215	1,237,215
Additions	2,108	2,108
Derecognition	(7,224)	(7,224)
Remeasurements	(338)	(338)
Revaluations	11,929	11,929
At 31 March 2026	1,243,690	1,243,690
Depreciation		
At 1 April 2025	(300,342)	(300,342)
Charged in year	(77,057)	(77,057)
Derecognition	7,224	7,224
Revaluation	4,668	4,668
At 31 March 2026	(365,507)	(365,507)
Carrying amount at 31 March 2026	878,183	878,183
Carrying amount at 31 March 2025	936,873	936,873

Right-of-use lease assets

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

Right-of-use lease assets comprise:

	£000
Assets valued at net present value of future lease payments	764,956
Assets valued at depreciated replacement cost (DRC)	78,262
Assets valued at existing use value (EUV)	34,965
Total	878,183

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

Lease liabilities

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

	31 March 2026	31 March 2025
	£000	£000
Amounts falling due		
Not later than 1 year	79,853	85,759
Later than 1 year and not later than 5 years	307,985	309,096
Later than 5 years	660,132	731,138
Less interest element	(90,819)	(96,048)
Total lease liabilities	957,151	1,029,945

	31 March 2026	31 March 2025
	£000	£000
Current	68,189	74,317
Non-current	888,962	955,628
Total lease liabilities	957,151	1,029,945

Amounts recognised in the Statement of Comprehensive Net Expenditure

	2025-26	2024-25
	£000	£000
Depreciation	77,057	81,649
Interest expense	11,869	11,371
Low value and short-term leases	269	160
Irrecoverable VAT on right-of-use leases	14,239	1,263
Total	103,434	94,443

Amounts recognised in the Statement of Cash Flows

	2025-26	2024-25
	£000	£000
Interest expense	11,869	11,371
Repayments of principal on leases	71,238	101,033
Total	83,107	112,404

13. Financial instruments

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

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

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

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

Fair values

The fair values of our financial assets and liabilities as at 31 March 2026 and 31 March 2025 approximate their book values.

14. Trade and other receivables

Amounts falling due within 1 year

	31 March 2026	31 March 2025
	£000	£000
Trade receivables	4,325	15,773
Other receivables		
VAT recoverable	15,304	12,746
Intra-departmental receivables	46,274	79,182
Prepayments and accrued income	21,710	16,375
Other receivables	18,573	22,417
Total amounts falling due within 1 year	106,186	146,493

There are no trade receivables falling due after more than 1 year (none at 31 March 2025).

15. Cash and cash equivalents

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

	31 March 2026	31 March 2025
	£000	£000
As of the beginning of the period	45,762	58,731
Net increase/(decrease) in cash balances	18,836	(12,969)
As at the end of the period	64,598	45,762
The following balances as at 31 March 2026:		
Government Banking Service	64,529	45,694
Cash in hand	68	67
Imprests	1	1
Total cash and cash equivalents	64,598	45,762

16. Trade and other payables

Amounts falling due within 1 year

	31 March 2026	31 March 2025
	£000	£000
Taxation and social security	26,287	21,266
Trade payables	29,717	18,562
Other payables	37,430	31,614
Intra-departmental payables	20,202	63,117
Accruals and deferred income	133,142	113,650
Deferred fee income	26,399	30,301
Total amounts falling due within 1 year	273,177	278,510

Amounts falling due after more than 1 year

	31 March 2026	31 March 2025
	£000	£000
Local Authority loan balances	15,177	17,847
Total amounts falling due after more than 1 year	15,177	17,847

Deferred fee income

	2025-26	2024-25
	£000	£000
As at 1 April	30,301	34,314
Fee income recognised in year	(868,475)	(824,828)
Fee income deferred	864,573	820,815
As at 31 March	26,399	30,301

16.1 Financial liabilities

Amounts falling due within 1 year

	31 March 2026	31 March 2025
	£000	£000
Lease incentive payable	-	87
Imputed finance lease element of on balance sheet PFI contracts	11,137	12,409
Total amounts falling due within one year	11,137	12,496

Amounts falling due after more than 1 year

	31 March 2026	31 March 2025
	£000	£000
Imputed finance lease element of on balance sheet PFI contracts	31,697	39,566
Total amounts falling due after more than 1 year	31,697	39,566

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

17. Notes to the statement of cash flows

Summary of notional and non-cash costs are as follows

	2025-26	2024-25
	£000	£000
Notional costs		
Consolidated Fund judicial salaries - wages and salaries	178,561	170,164
Consolidated Fund judicial salaries - social security costs	26,987	23,138
External auditor's remuneration	430	434
Departmental recharge	104,917	104,237
Total notional costs	310,895	297,973
Non-cash costs		
(Profit)/Loss on disposal of property and equipment	(2,795)	109
Reduction in fair value of property and equipment	(11,719)	(7,935)
Impairment of property and equipment	141,603	12,758
Impairment of intangible assets	4,560	5,644
Reduction in fair value of assets held for sale	222	-
Movement in provisions	(5,296)	(8,523)
Movement in receivables impairment	102	513
Adjustments to IFRS 16 liabilities	132	-
Release of short-term lease incentive	(87)	-
Depreciation	255,319	248,549
Amortisation	88,748	96,147
Total non-cash costs	470,789	347,262
Total notional and non-cash costs	781,684	645,235

17.1 Reconciliation of property and equipment

	Notes	2025-26	2024-25
		£000	£000
Additions			
Property and equipment	9	195,236	141,080
Plus:			
Movement in capital accrual		(3,027)	9,856
Total purchases per statement of cash flows		192,209	150,936

17.2 Reconciliation of liabilities arising from financing activities 2025-26

	Notes	Opening balance 2024-25	Cash flows 2025-26	Interest charges	Asset additions and remeasure- ment	Non-cash adjustments to the SoCNE 2025-26	Closing balance 2025-26
		£000	£000			£000	£000
Repayments of local authority loans	16	17,847	(3,872)	1,202	-	-	15,177
Lease liabilities	12	1,029,945	(83,107)	11,869	1,721	(3,277)	957,151
PFI liabilities	16.1	51,975	(15,459)	6,318	-	-	42,834
Total amounts falling due		1,099,767	(102,438)	19,389	1,721	(3,277)	1,015,162

17.3 Reclassification of financing activity items within the Statement of cash flows for the period ending 31 March 2025

	Original £000	Change £000	Revised £000
Net cash outflow from operating activities	(1,268,565)	-	(1,268,565)
Net cash outflow from investing activities	(177,446)	(10,606)	(188,052)
Net cash inflow from financing activities	1,433,042	10,606	1,443,648
Net decrease in cash and cash equivalents in the period	(12,969)	-	(12,969)

18. Provision for liabilities and charges

	Early departure costs £000	Dilapidations £000	Other provisions £000	2025-26 Total £000	2024-25 Total £000
At 1 April	50,183	16,800	14,860	81,843	94,023
Provided in-year	6	2,310	1,674	3,990	2,772
Not required and written back	(7,047)	(915)	(1,275)	(9,237)	(11,653)
Utilised in-year	(4,310)	(61)	(699)	(5,070)	(5,941)
Unwinding of discount	2,335	-	-	2,335	2,642
At 31 March	41,167	18,134	14,560	73,861	81,843
Analysis of expected timings of discounted flows					
Not later than 1 year	4,055	2,237	4,471	10,763	10,995
Later than 1 year but not later than 5 years	13,272	4,415	3,825	21,512	22,625
Later than 5 years	23,840	11,482	6,264	41,586	48,223
At 31 March	41,167	18,134	14,560	73,861	81,843

18.1 Provision for early departure costs

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

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

An interest rate, set by HMT, of 2.55% (2024-25: 2.65%) has been used to assess the interest costs of the scheme liability and future estimated payments have been discounted at a rate of 2.95% (2024-25: 2.4%).

The provision was valued by the Government Actuary's Department (GAD) as at 31 March 2026.

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

18.2 Dilapidations

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

18.3 Other provisions

	31 March 2026	31 March 2025
	£000	£000
Onerous lease (undeveloped land)	6,978	8,030
PFI reversions (Sheffield and Humberside)	4,793	4,593
Legal and other claims	1,930	1,125
By-analogy pension schemes	859	1,013
Fee refunds	-	99
Total other provisions	14,560	14,860

The by-analogy pension scheme provision relates to 3 pension schemes: the Criminal Injuries Compensation Tribunal; the Immigration and Asylum Chamber; and the Residential Property Tribunal. The schemes' liabilities were valued by GAD as at 31 March 2026.

19. Capital commitments

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

	31 March 2026	31 March 2025
	£000	£000
Property developments	73,401	62,910
Intangible assets	10,453	10,898
Total capital commitments	83,854	73,808

20. Private Finance Initiatives (PFI)

We are party to 7 PFI service concession arrangements. A summary of each PFI contract is set out below. During 2025-26 the provision of serviced accommodation for magistrates' courts at Bromsgrove, Kidderminster, Worcester and Redditch ended and the buildings reverted to us at no cost.

Project name	Contract start date	Duration (years)	On/off Statement of Financial Position	Initial capital value (£m)	Description
Exeter	November 2002	32	On	20.1	Provision of a courthouse comprising 4 criminal courts, 1 civil court and 4 District Judge hearing rooms. At the end of the contract term the building will revert to us at no cost.
East Anglia	October 2002	25	On	34.5	Provision of Crown Court centres in Ipswich and Cambridge. Ipswich consists of 5 criminal courtrooms; Cambridge consists of 3 criminal courtrooms. At the end of the contract term the buildings in Ipswich and Cambridge will revert to us at no cost.
Sheffield	November 2002	27	On	7.7	Provision of a Family Hearing Centre in Sheffield. At the end of the contract term we have the option of acquiring the under lease at the lower of its open market value or £2 million.
Derbyshire Magistrates' Courts	August 2001	27	On	29.5	Provision of serviced accommodation for magistrates' courts at New Mills, Chesterfield and Derby. The contract term can be extended (subject to agreement of mutually acceptable terms) by up to 5 years. At the end of the contract term the buildings shall revert to us at no cost.

Project name	Contract start date	Duration (years)	On/off Statement of Financial Position	Initial capital value (£m)	Description
Manchester Magistrates' Court	March 2001	28	On	32.9	Provision of serviced accommodation at Manchester Magistrates' Court at Spinningfields in Manchester. The contract term can be extended by mutual agreement by up to 10 years. At the end of the contract term the building shall revert to us at no cost.
Humberstone Magistrates' Court	November 2001	25	On	21.6	Provision of serviced magistrates' courthouses in Hull, Beverley and Bridlington. On expiry, we have the option of taking the assets back for a nominal amount of £3 million.
Avon and Somerset Magistrates' Court	August 2004	27	On	46.6	Provision of serviced accommodation at Bristol Magistrates' Court, North Somerset Magistrates' Court, and Avon and Somerset Probation HQ and Training Centre, both at Worle. The contract term can be extended by mutual agreement by up to 5 years. At the end of the contract term the buildings shall revert to us at no cost.

20.1 On balance sheet contracts

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

	31 March 2026	31 March 2025
	£000	£000
Rentals due not later than 1 year	13,338	15,086
Rentals due later than 1 year and not later than 5 years	30,931	39,497
Rentals due later than 5 years	12,627	16,205
Minimum future lease payments	56,896	70,788
Future unwinding discount	(6,897)	(9,213)
Future interest expense	(7,165)	(9,600)
Present value of minimum lease payments	42,834	51,975

Details of the minimum service charge element are given in the table below for each of the following periods:

	31 March 2026	31 March 2025
	£000	£000
Service charge due within 1 year	29,294	33,031
Service charge due later than 1 year and not later than 5 years	71,434	88,615
Service charge due later than 5 years	34,502	41,296
Total	135,230	162,942

20.2 Charge to the statement of comprehensive net expenditure

The total amount charged to the SoCNE in respect of the service element of PFI contracts and other service concession arrangements recognised on the SoFP was £34.4 million (2024-25: £36.8 million).

21. Contingent liabilities

We are involved in several legal cases dealing with ex-gratia compensation and other claims. For those cases where we are able to estimate the possible cost, we estimate a settlement value of £0.9 million (31 March 2025: £0.3 million).

22. Related party transactions

We are an executive agency of the MoJ, which is regarded as a related party. During the year we have had material transactions with the MoJ and other entities for which the MoJ is regarded as the parent entity. We also had material transactions with a number of other government departments and central government bodies. In accordance with the requirements of the FReM, these transactions have not been reported.

Registry Trust Limited is a private company limited by guarantee with no share capital. It maintains the Register of County Court judgments on behalf of the Lord Chancellor and the Secretary of State for Justice. Revenue recognised from the Registry Trust Limited in the year amounted to £0.7 million (2024-25: £0.6 million) with a total debtor balance due to us as at 31 March 2026 of £0.2 million (31 March 2025: £0.2 million).

No Board members or related parties have undertaken any material transactions with us during 2025-26 and 2024-25.

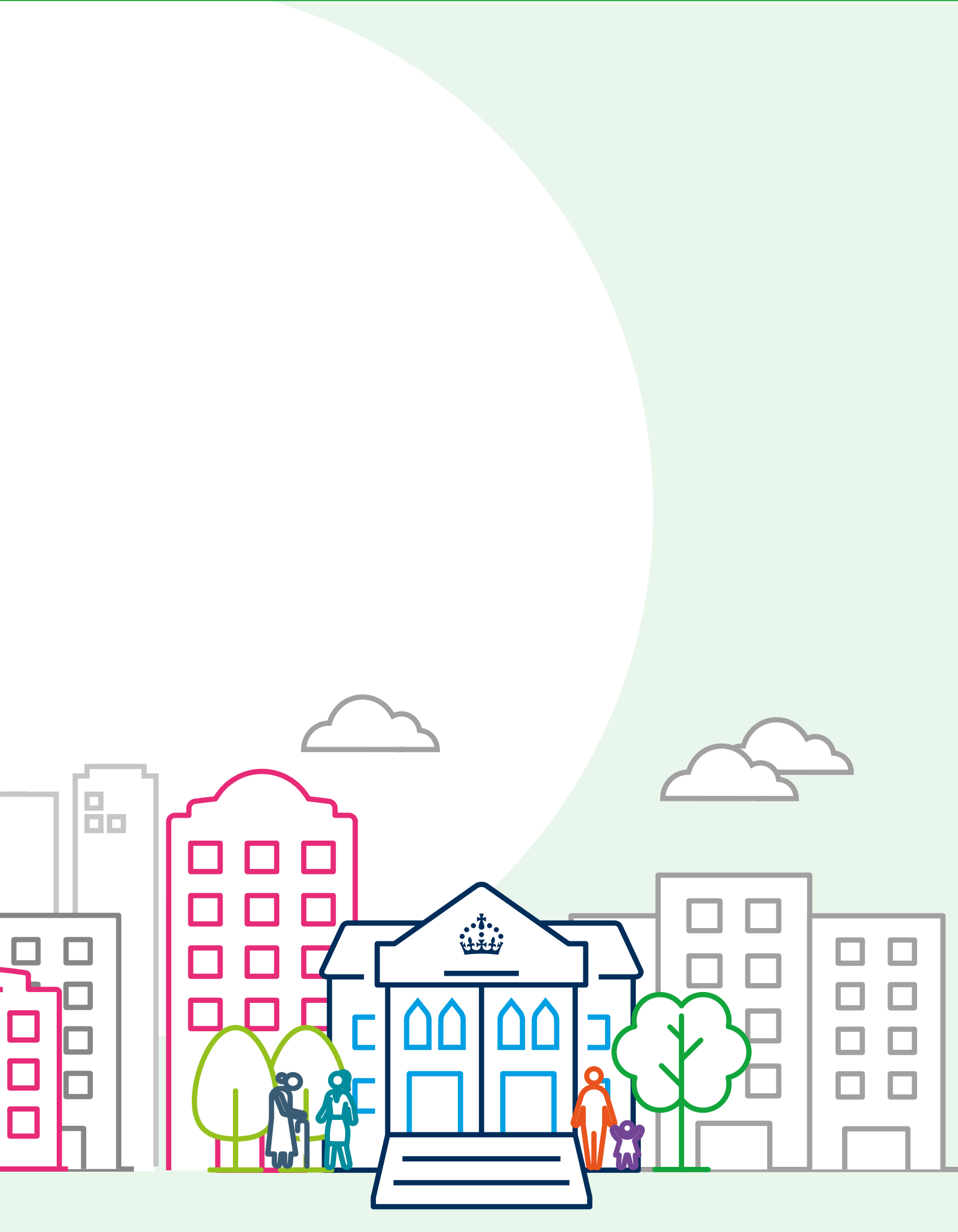
We also have a number of arrangements with the MoJ and its departmental bodies which are classified as intra-departmental recharges. These payments are for the use of assets and other services and are expensed in the SoCNE each year as they are incurred. It is impractical to separate the payments reliably between those relating to assets and those relating to other services. These arrangements contain no defined end date. The payments also include payments for non-lease elements in the arrangements.

23. Third party balances

We hold a number of cash balances on behalf of third parties. These consist of bail monies and monies held on behalf of court users which are received and held while the case progresses. At 31 March 2026 these amounted to £53.9 million (31 March 2025: £48.6 million) and, in accordance with FReM requirements, have not been recognised in the accounts.

24. Events after the reporting period

In accordance with the requirements of IAS 10 Events after the reporting period, post statement of financial position events are considered up to the date on which the accounts are authorised for issue. This is interpreted as the same date as the date of the Certificate and Report of the Comptroller and Auditor General.



Annex A – Fees and charges legislation

The most current fees orders are listed below and can also be viewed at www.legislation.gov.uk/.

- The Civil Proceedings Fees Order 2008 (S.I. 2008/1053) Relevant amendments are S.I. 2014/874, 2014/1834, 2015/576, 2016/402, 2016/434, 2016/807, 2016/1191, 2017/702, 2018/812, 2019/1063, 2020/720, 2021/462, 2021/588 2021/985, 2022/540, 2023/1094, 2024/476, 2025/351, 2025/466, 2025/1126, 2026/642 and 2026/665
- The Family Proceedings Fees Order 2008 (S.I. 2008/1054) Relevant amendments are S.I. 2011/1045, 2014/877, 2015/576, 2015/687, 2015/1419, 2016/402, 2019/1063, 2021/985, 2020/720, 2022/54, 2022/540, 2024/476, 2025/351, 2026/642 and 2026/665
- The Magistrates' Courts Fees Order 2008 (S.I. 2008/1052) Relevant amendments are S.I. 2010/731, 2014/875, 2016/807, 2018/812, 2019/1063, 2020/720, 2021/985, 2024/476, 2025/351, 2025/466, 2026/642 and 2026/665
- The Court of Protection Fees Order 2007 (S.I. 2007/1745) Relevant amendments are S.I. 2009/513, 2018/812, 2019/1063, 2021/985, 2025/351, 2026/642 and 2026/665
- The Gender Recognition (Application Fees) Order 2006 (S.I. 2006/758). Relevant amendments are S.I. 2021/462 and 2025/351
- The Non-Contentious Probate Fees Order 2004 (S.I. 2004/3120) Relevant amendments are Schedule 11(1) paragraph 1(2) of the Constitutional Reform Act 2005 and S.I. 2007/2174, 2011/588, 2014/876, 2019/1063, 2020/720, 2021/1451, 2025/351, 2025/1126, 2026/642 and 2026/665
- The Upper Tribunal (Immigration and Asylum Chamber) (Judicial Review) (England and Wales) Fees Order 2011 (S.I. 2011/2344). Relevant amendments are S.I. 2013/2069, 2016/402, 2016/807, 2025/351, 2026/642 and 2026/665
- The Upper Tribunal (Lands Chamber) Fees Order 2009 (S.I. 2009/1114) Relevant amendments are S.I. 2010/2601, 2013/1199, 2016/434, 2025/351, 2026/642 and 2026/665
- The First-tier Tribunal (Gambling) Fees Order 2010 (S.I. 2010/42) Amended by S.I. 2010/633, 2025/351, 2026/642 and 2026/665
- The First-tier Tribunal (Property Chamber) Fees Order 2013 (S.I. 2013/1179) Amended by S.I. 2016/807, 2025/351, SI 2026/485, 2026/642 and 2026/665

In addition, the remissions schedule to each of the above fees' orders (but not the fees order below) was substituted by The Courts and Tribunals Fee Remissions Order 2013 (S.I. 2013/2302), subsequently amended by S.I. 2014/590, 2016/211, 2017/422, 2021/985 and 2023/1094

- The First-tier Tribunal (Immigration and Asylum Chamber) Fees Order 2011 (S.I. 2011/2841). Relevant amendments are S.I. 2013/534, 2016/928, 2016/1149, 2017/515, 2018/330, 2026/642 and 2026/665. The remissions schedule applicable for in-country applications was inserted by S.I. 2020/314 and subsequently amended by 2021/985.

Annex B – Our Greening Government Commitments

We contribute to the MoJ's delivery of UN sustainable development goals 5 (gender equality) and 16 (peace, justice, and strong institutions).

Performance scope, exclusions and limitations

The following tables showcase our performance for the period January 2025 to December 2025 against the 2017-18 baseline (unless otherwise stated). We do not report utility data on shared occupations, including Nightingale courts, due to data limitations. This is consistent with wider government practice and our previous reporting. We do not consider that the exclusion of these areas has a material impact on sustainability reporting.

Our data was gathered and validated by a third party (Rio AI (UK) Limited) employed to manage our Greening Government Commitment (GGC) data returns. Further checks are undertaken by the company Det Norske Veritas (DNV) on behalf of Defra. This report is prepared in accordance with guidelines laid down in the HMT's Sustainability Reporting Guidance 2025-26.

A summary of our performance against GGC targets is in the Performance section on page 40.

Mitigating climate change: working towards Net Zero by 2050 2025-30 GGCs

Greenhouse gases and financial costs

Greenhouse gas (GHG) emissions	2017-18 baseline	2023-24	Restated 2024-25	Jan-Dec 2025
Non-financial indicators (tonnes CO2e)				
GHG emissions – Scope 1 (energy direct)	32,365	26,097	22,756	21,630
GHG emissions – Scope 2 (energy indirect)	40,178	21,443	21,814	21,319
GHG emissions – Scope 3 (travel)	1,539	556	1,291	854
Total emissions	74,082	48,096	45,861	43,803
Non-financial indicators (kWh)				
Electricity consumption	114,117,331	102,768,008	105,357,636	115,971,826
Natural gas consumption	169,724,933	142,662,779	124,418,241	118,238,056
Other energy resources	486,000	6,177,179	6,542,310	5,860,770
Total energy consumption	284,328,264	251,607,966	236,318,187	240,070,652
Financial indicators (£m)				
Natural gas purchased	16.4	31.7	34.1	32.0
Electricity purchased	5.9	8.9	10.6	10.1
Other purchased energy	1.8	1.0	1.3	1.1
Total gross expenditure on the purchase of energy	24.1	41.6	46.0	43.2

Notes:

- The renewable energy figure reported is our known renewable energy generation from roof-mounted solar electric panels over 55 sites. We have several sites that are not currently reporting solar generation data remotely and projects are being explored to install required technology to include for future reporting.
- Any anomalies or incorrect estimates are adjusted after financial year-end and will be reflected in the MoJ annual accounts.
- We do not report on car and van fleet emissions as the MoJ manages the ownership, hiring or leasing of car fleets across the department, including HMCTS.

We carried out a series of targeted environmental surveys across our estate, focusing on decarbonisation, water efficiency, overheating and flooding mitigation, and energy efficiency upgrades focussing on energy efficient lighting and building energy performance. These have provided a pipeline of possible sustainability interventions to deliver across the estate subject to funding outcomes.

We have secured Public Sector Decarbonisation Scheme funding via Salix¹ funding to connect Bradford Combined Court and Bradford Magistrates' Court to the Bradford Energy Network, a new low-to-zero-carbon district heating system that is due to come fully operational online in Summer 2027.

Across our wider estate, 8 buildings are now connected to district heat networks (DHN), and we estimate that over the next 2 decades, our carbon emissions will reduce by up to 75% and other forms of air pollution will be cut by up to 80%.

To support longer-term planning, we developed a DHN mapping tool that helps us identify viable schemes and better identify investment opportunities. We are closely engaged with the MoJ and Department for Energy Security and Net Zero to understand the viability and impacts of future DHN regulation and connections.

Our sustainability knowledge hub allows staff to see site-specific data on gas consumption, electricity and water use at a site, regional and national level. This is supported by guidance, resources and practical tools to help cut down carbon emissions, reduce utilities consumption and reduce waste production.

When the roof was replaced at Harrow Crown Court, we took the opportunity to install solar panels and replace the building's cooling systems. In all roof projects we explore the viability of solar panel installation to increase our renewable energy use.



Solar panels installed on the roof of Harrow Crown Court

Our operational and corporate assurance team have introduced virtual health checks where appropriate, using technology to help save travel time and costs. Since April 2025, around half a tonne of CO₂ emissions have been saved, which is equivalent to 2,500 miles of car travel (about the distance driving from London to Athens).

¹ www.gov.uk/government/organisations/salix-finance-ltd

Reducing our water use

Water consumption and financial costs

Water		2017-18 baseline	2023-24	Restated 2024-25	Jan-Dec 2025
Non-financial indicators (m3 000)	Water consumption	570,922	605,434	589,132	536,519
Financial indicators (£m)	Water supply costs	2.8	2.5	2.6	3.2

Reducing our water consumption remains a priority for HMCTS and the MoJ. We have made good progress in the last year and are continuing to take measures to reduce water consumption across our estate using targeted site interventions such as unusual consumption alerts, out-of-hours monitoring and a phased rollout of automatic meter readers. We are working closely with the MoJ and our water retailer to educate and engage staff on measures to reduce consumption and waste. Investment in water efficient infrastructure and programmes of leak detection and remediation are key to continue to drive down our consumption.

During 2025-26, we carried out water efficiency surveys across our estate to identify opportunities to reduce consumption and to target improvements at sites with higher-than-expected water use. We will implement these recommendations over the coming year, supported by guidance and behavioural change campaigns across the estate.

Currently, 65% of our estate is equipped with smart water meters, providing better insight into usage patterns and enabling timely, site-specific interventions. We continue to use measures such as unusual consumption alerts and out-of-hours monitoring to address issues quickly and will build on this progress through the continued phased rollout of smart metering. Water efficiency remains a strategic priority across the estate.

Minimising waste and promoting resource efficiency

Waste production

Waste		2017-18 baseline	2023-24	Restated 2024-25	Jan-Dec 2025
Non-financial indicators (tonnes)	Total waste recycled:	5,794	2969	2057	1691
	- ICT waste recycled/reused/ recovered (externally)	-	445	>0.5	>0.5
	- Composted/food waste	-	38	104	194
	Waste incinerated with energy recovery	1,352	1,217	457	340
	Waste incinerated without energy recovery	-	95	572	271
	Waste to landfill	1,306	61	19 ¹	0
Total waste		8,452	4,342	3,105	2,302
Financial indicators (£m)	Total expenditure on waste disposal	3.0	1.2	1.5	1.4

Note:

- We have reported a significant reduction in landfill waste for 2024-25 based on restated data, following the identification of a potential overstatement of landfill waste in previous years. Work is under way to investigate this issue, and prior-year figures will be corrected and restated where necessary in the 2026-27 HMCTS Annual Report and Accounts.

We continue to focus on waste reduction and comply with the new recycling measures introduced by the Government on 31 March 2025 to ensure our waste is disposed of correctly.

Our team in Nottingham explored practical ways to make their courts more environmentally sustainable. Working with Nottingham Trent University, they set up an arrangement for students to use unclaimed liquids that are routinely confiscated at security. Instead of being sent to landfill, these items now support students in developing their laboratory skills and turn something previously wasted into a valuable learning resource for the next generation of scientists.

Reducing environmental impacts from ICT and digital

We are committed to reducing the environmental impact from our information and communications technology (ICT) and digital services, and adhering to the Greening Government ICT and digital services strategy published at www.gov.uk/government/publications/greening-government-ict-and-digital-services-strategy-2020-2025/greening-government-ict-and-digital-services-strategy-2020-2025, ensuring our technology developments minimise our environmental impact where possible. For example:

- Since early 2024, we have recovered more than 22 tonnes of technology, including computers, laptops, and monitors. By recycling these devices, we have helped prevent the emission of over 1,800 tonnes of CO₂. That is equivalent to taking 400 cars off the road for a year.
- Across our estate, 22% 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. 2 megawatt hours of electricity are saved every week, and since the project started in March 2024, we have saved 134 megawatt hours of electricity. This is the equivalent of powering 50 homes for a year or heating enough water to make 450,000 cups of tea. We will continue to explore taking this approach with other sites.
- As part of our commitment to sustainability, the new London Tribunals site at Newgate Street incorporates features that reduce energy use and minimise environmental impact. We installed monitors, designed with sustainable materials, and improved energy efficiency. These HUB monitors also power laptops via USB-C and include multiple ports, eliminating the need for separate power sockets and external port replicators. This approach reduces the number of power sockets required by around 50%.

Consumer of single-use plastics

The MoJ single-use plastics policy is published at www.gov.uk/government/publications/ministry-of-justice-single-use-plastics-policy.

We remain committed to removing single-use plastics wherever viable alternatives exist. In partnership with our workplace supplies contractor, we restrict options for procurement of plastic products and provide guidance and advice on whole life costing and purchasing of more environmentally responsible alternatives.

Paper use

We reduced paper use by 67% compared with our 2017-18 baseline through the transition to digitised/online processes and services and local 'no print campaigns'. We continue to explore opportunities to reduce paper use across the business and where it is necessary, to promote the use of using recycled paper. For example, in August 2025, the War Pensions and Armed Forces Compensation Chamber moved from an administrative paper-based system to a fully digital service, supported by the digitisation of thousands of historic files and the introduction of digital-only appeals. This removed the need for paper bundles and eliminated courier services previously used to transport large physical case files. These changes have reduced reliance on paper, lowered associated transport emissions, and supported a more sustainable and resilient service for veterans and the judiciary.

Procuring sustainable products and services

The MoJ oversee procurement and contract management across the MoJ, including its agencies. We adhere to the MoJ's Sustainable Procurement Policy to incorporate sustainability into all procurement activities as part of our goal to achieve long-term value for money. MoJ contracts require that suppliers meet the Government Buying Standards. The MoJ Commercial and Contract Directorate review sustainability performance indicators in all contracts and pipeline of upcoming tenders.

Sustainable construction

We adhere to the MoJ's Sustainable Construction Policy including the requirement to undertake Building Research Establishment Environmental Assessment Method (BREEAM) policy. This policy requires all new build projects to target BREEAM outstanding (excellent as a minimum) and major refurbishments to target BREEAM excellent (very good as a minimum).

We have also partnered with the MoJ sustainable construction team to develop and pilot the MoJ wide sustainability efficiency evaluation assessment methodology (SEEAM). The SEEAM and the sustainable construction policy ensures that all HMCTS projects holistically assess and integrate sustainability interventions including building efficiency and climate adaptation measures where feasible.

Adapting to climate change

In July 2024 we established a HMCTS Climate Change Action Group (CCAG) to oversee the delivery of our Climate Resilience Plan 2025-26. The CCAG has worked closely with the MoJ CCAG in support of the MoJ Climate Change and Sustainability Strategy and MoJ Climate Resilience Plan. This group reports to the HMCTS Property Director and Head of Sustainability.

Since its development in 2024 we have continued to improve the net zero and climate adaptation investment tool to identify decarbonisation investment opportunities, climate adaptation measures and inform risk management.

The development of the SEEAM provides HMCTS with the tools to effectively assess and integrate climate risk adaptation measures within HMCTS projects.

During 2025-26 we undertook 10 feasibility studies for the implementation of nature-based solutions to mitigate climate risk. These studies explored the viability of using nature as a tool to reduce exposure to flooding and overheating. We aim to embed these feasibility studies in the delivery of capital projects.

We have continued to explore overheating research in partnership with the MoJ science office and are developing plans for a small-scale pilot to investigate temperate and thermal comfort and ventilation across the HMCTS estate.

In 2025 we partnered with the Environment Agency and City of York Council to benefit from a flood alleviation scheme, providing greater protection to York Magistrates' Court. This court last flooded in 2015, resulting in a 3-month closure of the building and cases being diverted to other courts. Installation of flood barriers and a range of other flood defence measures were undertaken during 2025-26 with successful completion and sign-off in February 2026.

We have produced a draft Climate Resilience and Sustainability Strategy that will set out our long-term vision for the management of climate risk and sustainability within HMCTS.

Rural proofing

Ensuring rural users can access our services continues to be a priority. We follow Defra guidance and undertake rural proofing assessments where appropriate. Remote access continues to play an important role in improving accessibility for people who live further from court and tribunal buildings, and video technology is now available in over 70% of our courtrooms, enabling remote hearings to take place, when approved by the judiciary.

Nature recovery and biodiversity action planning

We remain committed to nature recovery and the protection of biodiversity across our estate, and some examples of this are below. Our work aligns with the MoJ Nature Recovery Plan and its 9 core principles, which cover themes such as expanding habitats for pollinators (such as bees) and creating more opportunities for people to engage with nature. The MoJ Senior Sustainability Board provides oversight of the plan and assesses our progress in supporting the delivery of the department's nature recovery goals.

Snaresbrook Crown Court sits next to a designated Site of Special Scientific Interest, and we have an ecology management plan to support responsible site management. This plan outlines our approach to managing the grounds sensitively so that biodiversity and local ecological features are protected and strengthened.

We remain committed to supporting the peregrine falcons that nest at the Royal Courts of Justice through our partnership with the London Peregrine Partnership and the MoJ Ecology Team. The falcons have returned to the site for the sixth year in a row, and chicks have successfully hatched each year since 2022. Our nonintrusive webcam¹ continues to play an important role in monitoring the breeding season, including the fledging of 3 chicks in 2026. This year, working alongside the London Peregrine Partnership, we placed unobtrusive identification rings on the chicks, enabling long-term tracking of their development.



Current and retired staff from the North-East region at Withernsea Beach in Yorkshire

¹ www.youtube.com/@HMCTSPeregrineFalconWatch

These insights are essential for ongoing conservation efforts and help us to better understand and protect these birds.

The following are examples of our staff volunteering in beach cleaning operations, not only helping to preserve our coastline but also contributing valuable data to the Marine Conservation Society survey. Between their efforts over 900 items of litter were collected, including items such as plastic fragments and rubber, to pieces of clothing.

Elsewhere, staff at Teesside Combined Court and Horsham County Court revitalised and established ponds on site.



Colleagues from HMCTS at a beach clean in Scarborough, run in collaboration with Equans

Teesside Combined Court

With support from MoJ ecologists, the pond at Teesside Combined Court has been revitalised. On-site staff have planted marsh marigold, yellow flag iris (a native water lily), and some oxygenating hornwort among other plants to help improve the water quality of the pond and help nature thrive. And while the plants are still young and establishing, early signs of improved water quality are already visible.



Pond at Teesside Combined Court

Horsham County and Family Court

Staff installed a raised wildlife pond to boost nature at the site and provide a peaceful space for staff and court users, and it is already attracting wildlife.

Horsham has limited greenspace and strict security protocols. Despite this, Philip, Witness Liaison Officer, has used his green fingers to improve diversity over a sustained period of time, winning the MoJ Nature and People Award for best HMCTS project to enhance biodiversity. Actions included adding flower planters and bee houses, planting new trees and donating the surplus to a local primary school, and liaising with horticultural contractors to support less frequent grass mowing regimes to improve biodiversity.



"I wanted to say how lovely it is to see flower troughs outside the court. Courts are not very inviting, and often very stressful situations for those using them. For them to be brightened up with flower boxes I think is really positive"

A visiting barrister

Annex C – Off-payroll engagements

Highly paid off-payroll engagements as at 31 March 2026, earning £245 per day or greater

Number of existing engagements as of 31 March 2026	29
<i>Of which:</i>	
Have existed for less than one year at time of reporting	23
Have existed for between one and two years at time of reporting	4
Have existed for between two and three years at time of reporting	1
Have existed for between three and four years at time of reporting	-
Have existed for four or more years at time of reporting	1

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2026, earning £245 per day or greater

Number of temporary off-payroll workers engaged during the year ended 31 March 2026	38
<i>Of which:</i>	
Not subject to off-payroll legislation	37
Subject to off-payroll legislation and determined as in-scope of IR35	1
Subject to off-payroll legislation and determined as out-of-scope of IR35	-
Number of engagements reassessed for compliance or assurance purposes during the year	6
Of which: No. of engagements that saw a change to IR35 status following review	-

For any off-payroll engagements of board members and/or senior officials with significant financial responsibility, between 1 April 2025 and 31 March 2026

Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility during the financial year	-
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	8

Annex D – Glossary and notes

You can find further information below on terms, concepts and definitions published in this document.

Civil justice and tribunals: www.gov.uk/government/statistics/guide-to-civil-and-administrative-justice-statistics

Family Court: www.gov.uk/government/publications/a-guide-to-family-court-statistics

Criminal courts: www.gov.uk/government/publications/a-guide-to-criminal-court-statistics

Published management information: www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/statistics

ARAC	Audit and Risk Assurance Committee	ICT	Information and communication technology
CETV	Cash equivalent transfer value	IFRS	International Financial Reporting Standards
Defra	Department for the Environment, Food and Rural Affairs	MI	Management information
DWP	Department for Work and Pensions	MoJ	Ministry of Justice
ExT	Executive Team	NAO	National Audit Office
FRem	His Majesty's Treasury's Financial Reporting Manual	PCSPS	Principal Civil Service Pension Scheme
FTE	Full-time equivalent	SCS	Senior Civil Servant
GGC	Greening Government Commitment	SoCNE	Statement of comprehensive net expenditure
HMCTS	His Majesty's Courts and Tribunals Service	SoFP	Statement of financial position
HMRC	His Majesty's Revenue and Customs		
HMT	His Majesty's Treasury		
IAS	International Accounting Standards		
ICO	Information Commissioner's Office		

Annex E – HMCTS blogs and social media

Keep up to date with HMCTS



Inside HMCTS Blog
insidehmcts.blog.gov.uk



HMCTS Facebook
facebook.com/HMCTSGOVUK



HMCTS LinkedIn
linkedin.com/company/hmctsgovuk



HMCTS Whatsapp alerts
whatsapp.com/channel/0029VaClz9dKrWQqkGTRi20R



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x.com/GLLTEFGOVUK



HMCTS CEO
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Inside HMCTS Podcast
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HMCTS GOV.UK
gov.uk/government/organisations/hm-courts-and-tribunals-service



HMCTS Jobs Website
hmctsjobs.co.uk/



HMCTS Email alerts
www.gov.uk/guidance/hm-courts-and-tribunals-service-information-bulletins



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