Ministry of Justice

Annual Report and Accounts 2025-26



HC 794

Ministry of Justice
Annual Report and Accounts 2025-26

For the period 1 April 2025 to 31 March 2026

Accounts presented to the House of Commons pursuant to Section 6(4) of the Government Resources and Accounts Act 2000

Annual report presented to the House of Commons by Command of His Majesty

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This is part of a series of departmental publications which, along with the Main Estimates 2025-26 and the document Public Expenditure: Statistical Analyses 2024, present the government's outturn for the financial year 2025-26 and planned expenditure for the financial year 2026-27.



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Performance

Performance

Overview

This section sets out the department's objectives for 2025-26, the challenges to the delivery of our objectives and how we have performed during the year.

Who we are and what we do



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

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

How we operate



MoJ is a ministerial department, supported by 36 executive agencies and other arm's length bodies. In the current financial year, we had five executive agencies responsible for the delivery of the majority of our services to the public:

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

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

Our objectives

MoJ is responsible for all aspects of justice. In 2025-26, we worked with renewed purpose, focusing on our ambitions for justice delivery: punishment that cuts crime, swifter justice for victims, and a beacon for justice and the rule of law.

Read more about our strategic outcomes and objectives on pages 27 to 82 (performance overview and our performance analysis).

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

- 'MoJ', 'department' or 'departmental group' to mean the single economic unit comprising the core department, its executive agencies and its arm's length bodies
- the department's financial year to 31 March 2026 is written as '2025-26' or 'the current financial year'

Executive agencies and arm's length bodies

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

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

Agencies

HM Prison and Probation Service (HMPPS) manages around 87,000 prisoners across 126 prisons and supervises around 258,000 offenders in the community and those under pre-release supervision, providing a high level of monitoring and public protection.[1]

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

HM Courts and Tribunals Service (HMCTS) is responsible for the administration of criminal, civil and family courts and tribunals in England and Wales, and non-devolved tribunals in Scotland and Northern Ireland.

HMCTS is governed through a partnership between the Lord Chancellor, the Lord Chief Justice and the Senior President of Tribunals, each of whom has specific responsibilities enshrined in statute.

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

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

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

1 HM Prison and Probation Service (2026), Prisons and their resettlement providers. Available at: www.gov.uk/government/publications/prisons-and-their-resettlement-providers

Arm's length bodies and other bodies

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

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

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

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

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

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

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

Advisory non-departmental bodies

Civil, family, tribunal and criminal procedure rule committees make necessary procedure rules to improve and simplify court procedures for the public.

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

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

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

Civil and family justice councils improve the justice system and the public's understanding of it.

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

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

Independent Public Advocate supports victims of major incidents from the immediate aftermath through to the conclusion of any inquiries or inquests, helping them to understand and navigate the processes that follow.

Office holders

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

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

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

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

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

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

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

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

Other

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

Judicial Office supports the judiciary, providing advice on judicial statutory functions, legal information, communications and human resources support. It includes the Judicial College, which provides training to approximately 24,000 judicial office holders. The Judicial Office also supports the Civil Justice Council, Family Justice Council and Administrative Justice Council.

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

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

2025-26 in numbers

In this section we outline our performance during 2025-26. Here is a snapshot of the services we provide for the public. Further information on our performance is shown in the performance analysis on pages 36 to 82.

Courts and tribunals

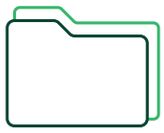


Courts and tribunals sitting days – across all our courts and tribunals

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

Courts and tribunals cases received during the year

We received over **4.6 million** cases of which **35%** were criminal cases, an increase from over **4.2 million** cases received during 2024-25.



Crown Court

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



Family court

We sat over **99,000** days in the family court and completed over **541,000** cases.



Prisons and probation



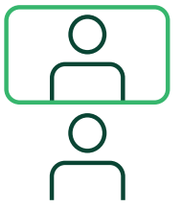
People on probation

On 31 March 2026, there were **258,332** offenders supervised by the probation service in England and Wales (due to a break in the probation caseload series, figures are not directly comparable with those published for earlier periods).

People in prison



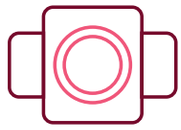
On 31 March 2026, there were **87,342** prisoners in England and Wales compared to **87,919** a year earlier.[2]



Youth custody services

On 31 March 2026, there were **404** children and young people in custody, including 18 years and older, down from **502** in the previous year.

Electronic monitoring[3]



The number of individuals assigned with an electronic monitoring device was **28,687** as at 31 March 2026.

2 Ministry of Justice (2026), Offender management statistics bulletin, England and Wales. Available at: https://assets.publishing.service.gov.uk/media/69f243cfb73b862445e3ac84/OMSQ_Q4_2025.pdf

3 Following the transition between electronic monitoring contract providers, electronic monitoring reporting resumed in 2025 under new data collection arrangements. As a result, electronic monitoring data from 2025 onwards is produced on a new basis and is not comparable with data from earlier years.

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

Legal aid applications



We processed over **340,000** legal aid applications in 2025-26, compared to over **380,000** in the previous financial year. **100%** of criminal applications were processed in two working days. Where performance data was available, **72%** of civil applications were processed in 20 working days, except the most complex cases.[4]

Bills processed



We processed more than **1.40 million** bills in 2025-26, compared to over **1.45 million** in 2024-25. For the periods where performance data was available, **94.7%** of complete, accurate civil bills were paid within 20 working days, just below the 95% target. **98.5%** of complete, accurate criminal bills were paid within 20 working days, exceeding the 95% target.[5]



Customer service

We answered over **115,000** phone calls to our call centres (compared to over **123,000** in 2024-25) and exceeded all our customer service and correspondence key performance indicator targets.



Number of lasting powers of attorney registered

We registered over **1.4 million** lasting power of attorney applications, down from **1.41 million** in the previous year.



CICA claims

In 2025-26, we made a total of **43,169** decisions, providing **£181 million** in compensation to victims.

4 Due to the criminal cyber-attack in LAA, data is only available for April 2025 and December 2025 to March 2026 (for civil) and April 2025 and October 2025 to March 2026 (for criminal). The reported performance percentages relate only to those available reporting periods and do not reflect full-year performance.

5 Due to the criminal cyber-attack in LAA, data is only available for December 2025 to March 2026 for civil and June 2025 to March 2026 for criminal. The reported performance percentages relate only to those available reporting periods and should not be interpreted as full-year performance.

Corporate and functional metrics

Finance – net spend

There was **£13.0 billion** total net expenditure (total operating spend less income received) in this financial year, compared to **£12.4 billion** in the previous financial year.

Diversity – ethnicity

At the end of March 2026, of those staff who reported their ethnicity, **20%** of staff (19% at March 2025) and **9%** of senior civil servants (9% at March 2025) were from ethnic minorities.

Diversity – disability

At the end of March 2026, of those staff who reported their disability status, **18%** of staff (18% at March 2025) and **14%** of senior civil servants (14% at March 2025) indicated that they have a disability.

Recycling centres

More than **100** prisons now operate dedicated recycling centres, involving over **1,000** prisoners and delivering savings of more than **£4.5 million** a year, an increase of **£1.5 million** from the previous year.

People Survey engagement score

The Employee Engagement Index score for 2025 was **61%**, unchanged from 2024.

Representation of female staff at MoJ

At the end of March 2026, women made up **50%** of the department's Senior Civil Service (SCS), and female representation across all grades was **58%**.

Parliamentary activity

Statutory instruments laid

40 statutory instruments were laid in the financial year, compared to **46** in 2024-25.

Parliamentary questions answered within deadline

91% of **3,077** parliamentary questions were answered within the parliamentary deadline, against a target of **85%**. This is a slight increase from 2024-25 where **89%** were answered within the parliamentary deadline.

Forewords



From the Lord Chancellor and Secretary of State for Justice

It is a privilege to have been appointed Lord Chancellor and Secretary of State for Justice. There are few parts of government whose work touches people's lives in quite so many ways – whether that's keeping communities safe, supporting someone who has been the victim of a crime, helping offenders to turn their lives around, or making sure everyone can access justice.

This annual report and accounts covers a period before my appointment. It is a record of a year in which my predecessor and his ministers led the department, and I pay tribute to them for their service. It also sets out the foundations on which my ministerial team and I will now build.

The last financial year was another demanding one for the justice system. Staff across MoJ and its agencies continued to deliver vital public services, while at the same time responding to significant pressures in our prisons, probation and the courts.

There was important progress. The department continued its £4.7 billion programme to deliver up to 14,000 additional prison places, aiming to do so by 2031. Since July 2024, we have already delivered 3,200 new prison places. Additional investment of up to £700 million in probation and community services by 2028-29 is strengthening capacity and capability. It is supporting the recruitment of at least 1,300 trainee probation officers in 2026-27, with recruitment on track to meet that commitment, and enabling us to electronically monitor more offenders leaving prison.

We have increased funding for courts and tribunals, allowing more sitting days in the Crown Court and more trials to be heard, so that victims start to get the swifter justice they deserve. We have also secured £550 million over three years to strengthen support for victims.

These are significant achievements – but this report also makes clear the scale of the challenges that remain.

In my first weeks in post, one thing has already become very clear to me – we cannot reform one part of the criminal justice system in isolation from the rest. What happens in our courts affects our prisons. What happens in our prisons affects probation. Justice is an ecosystem and we must approach reform in that way.

As I lead MoJ, I will be ambitious but practical. Where something works, we should build on it. Where it does not, we should be prepared to change it. Throughout, our tests must remain the same: does it protect the public, does it deliver for victims, and does it command confidence in the justice system?

In the year ahead, we will continue to increase prison capacity and put the system on a more sustainable footing for the future. We will strengthen probation and community supervision, so that offenders are properly punished but also properly supported to turn their lives around for good. Crucially, we will ensure that victims are exactly where they belong – at the heart of the justice system. Central to this is making sure we tackle the backlogs in our criminal courts.

Justice must be delivered more swiftly, while staying true to the values on which our system was built.

None of this can be achieved from Whitehall alone. It depends on prison and probation staff, courts and tribunals staff, the judiciary, and our partners across government and outside it. Having spent the last few months meeting those people and seeing their work for myself, I know both the scale of the task ahead and the strength we have to rise to it.

I am grateful for what was delivered during 2025-26, and I look forward to continuing the work to build a better justice system – one that protects the public, serves victims, and delivers the swift and effective justice the British people rightly expect.

The Rt Hon Alex Norris MP
Lord Chancellor and Secretary of State for Justice



From the Permanent Secretary

I am pleased to present the MoJ annual report and accounts for 2025-26. This reflects a year of significant change, challenge and progress across the justice system. It shows how we have worked to deliver better outcomes for the public while laying the foundations for long-term transformation.

2025-26 has been a demanding year. We have faced sustained pressures across our prisons, probation and courts, rising demand for many of our services, and the challenge of balancing immediate operational needs with the change needed to build a more effective system.

Thank you to everyone across MoJ, our agencies and arm's length bodies for your commitment and hard work throughout the year. You have kept everything moving forward and have shown remarkable resilience. I would also like to recognise the leadership of the former Deputy Prime Minister, whose support helped secure important reforms and investment that will benefit the justice system for years to come.

This year we have strengthened public protection. Population pressures across the prison estate have remained significant, requiring difficult decisions and our full attention. Responding to these challenges, we expanded capacity through the opening of HMP Millsike, strengthened prison security and safety, invested in our frontline workforce and increased support for rehabilitation by helping more people leaving custody access accommodation and employment. We continued to strengthen probation services through investment in the frontline and recruiting more probation officers. And we introduced the Sentencing Act, to place the system on a more sustainable footing.

We have enabled the courts to deliver swifter justice for victims. Too many victims wait too long for their cases to progress, and reducing those delays is one of our most important priorities. During the year, we increased court capacity, achieved the highest level of Crown Court sitting days for a decade and laid the foundations for significant reform through the Independent Review of the Criminal Courts and the introduction of the Courts and Tribunals Bill. We also secured significant new investment in victim support services and continued our contribution to the government's ambition to halve violence against women and girls within a decade.

The department has also played its part in ensuring that the UK remains a beacon for justice and the rule of law. We increased court and tribunal capacity in response to growing demand, strengthened accountability and transparency across the justice system, and continued to modernise through our investment in technology. We responded decisively to the criminal cyber-attack affecting LAA while maintaining vital services and we worked with the legal sector to promote English law and legal services internationally, supporting economic growth and reinforcing the UK's reputation for legal excellence.

Looking back on the year, the progress made to build stronger foundations for the future stands out to me. We have secured long-term investment, delivered major legislative reform, expanded capacity across key services and strengthened our ability to respond to rising demand. These actions will not resolve every challenge overnight, but they are important steps towards a more resilient and sustainable justice system.

Next year we will continue to turn investment and reform into lasting improvements for the public: reducing pressures across our prisons, probation, courts and tribunals, improving services for victims, strengthening confidence in sentencing and rehabilitation, and delivering a justice system that is more efficient, effective and accessible. Working closely with the Lord Chancellor and ministers, we will remain focused on driving improvements across the justice system.

Thank you again to colleagues across MoJ for everything we have accomplished this year. Your expertise, commitment and dedication to public service have enabled the department to make meaningful progress despite significant operational pressures. While challenges remain, the actions described in this report provide a strong platform for the year ahead. I am confident that we will continue to improve outcomes for victims, the public and all those who depend on the justice system.

Dr Jo Farrar CB OBE
Permanent Secretary and Principal Accounting Officer



From the Lead Non-Executive Board Member

Departmental Board members continued to support MoJ through another exceptionally demanding year for the justice system. I was appointed as Lead Non-Executive Director on 5 May 2026, shortly after the end of the 2025-26 reporting year. In preparing this statement, I have drawn on the work of the Departmental Board during the year, the insights of non-executive colleagues who served throughout that period, and my early engagement with the former Deputy Prime Minister and the Lord Chancellor, the Permanent Secretary and the executive team since taking up the role. It therefore reflects both the board's work during 2025-26 and the priorities that will shape its contribution in the year ahead.

Jennifer Rademaker has continued to add significant value across the department, with particular focus on HMPPS where she sits on the Rademaker Programme Delivery Board and supports the HMPPS team on prison officer recruitment. With probation, Jennifer is a 'critical friend' on ARNS (Assessing Risks, Needs and Strengths) and sits on the ARNS and Our Future Probation Service governance boards. At HMCTS, she is supporting on magistrate recruitment. This is in addition to her leadership and culture work where she also mentors six MoJ senior employees.

Andrew Robb focused on the department's digital and transformation programme, with particular contribution on the new probation tool, Justice Transcribe, and also leaning across to HMCTS to support their digital reform plans. He showed fantastic leadership of the Transformation Advisory Board, which has helped shape the direction of the department's transformation agenda.

But there have also been significant changes to the non-executive cadre. Mark Rawlinson concluded his term as Lead Non-Executive Director after nearly eight years in post, during which he made a substantial contribution to the department, including through the Departmental Board effectiveness review, the Nominations Committee, and his focus on delivery. Since the end of the reporting period, Andrew Robb has stepped down as a non-executive director. Paul Smith also stepped down as Chair of the Audit and Risk Assurance Committee, alongside Mark Beaton and Jonathan Spence as non-executive directors. I am grateful to each of them for the expertise, challenge, and commitment they brought to the department.

I am pleased to welcome Gurpreet Dehal, who was appointed as Chair of the Audit and Risk Assurance Committee on 1 April 2026 and will also be the non-executive lead on efficiencies, and Justin Russell, who joined the board as a non-executive director on 11 May 2026 and will focus on youth justice. Their appointments bring valuable new experience and perspective as the board supports the department through the next phase of delivery and reform.

During 2025-26, the Departmental Board focused on the department's priorities, performance and principal risks. Alongside these standing items, its discussions covered the Spending Review settlement, reform and transformation, pressures across prisons, probation and the courts, and the future shape of the department's headquarters and corporate centre. These are connected challenges, and the board's role is to help ensure they are considered as part of a coherent departmental strategy.

Reflections from non-executives during the year reinforced the importance of clear priorities, robust evidence and consistent follow-through from discussion to delivery.

The Departmental Board met once during the 2025-26 reporting period, most recently on 26 June 2025. This was due to ongoing priorities over the year and a period of significant change in board membership. These factors significantly limit the scope to carry out a meaningful effectiveness assessment. It was therefore agreed that a review would not be undertaken this year. A full evaluation, including an independent external assessment in line with good practice, is planned for 2027 and will be overseen by me.

The Delivery Board scrutinised major programmes and portfolios, including Synergy, HMCTS reform closure and electronic monitoring. These discussions tested delivery confidence, benefits, operational readiness and value for money, while also drawing out wider lessons on programme governance and accountability.

The Audit and Risk Assurance Committee provided independent assurance on governance, risk management and control environment, whilst also looking at functional performance across the department. The LAA cyber-attack brought particular focus to business continuity, legacy technology risk and cyber resilience. The committee worked closely with the department to reflect on the lessons from the incident, supporting a shared focus on resilience planning, risk information and assurance across the department and its agencies.

I would like to extend my sincere thanks to the former Deputy Prime Minister, current Lord Chancellor and to the executive team for their warm welcome to the department and look forward to the future engagement with the non-executives on the broad challenges the department faces. The non-executive cadre remains committed to supporting the department as it strives to improve outcomes across the justice system.

Looking ahead, one of my early priorities is to support the Departmental Board in maintaining a clear focus on delivery against MoJ's key priorities including reducing the Crown Court backlog, implementing the Sentencing Act, prison build and advancing the Hillsborough Bill through Parliament. The department is strengthening its approach to performance, convening the Justice Performance Board to provide ministerial grip on justice system performance – using data-led discussion to identify risks, challenge delivery, and agree actions to improve performance. This should also support better decision-making and clearer accountability across the justice system.

As Lead Non-Executive Board Member, I will focus on helping the board provide constructive challenge on the deliverability of plans, the management of financial and operational risk, and the need to ensure that reform strengthens the department's resilience over time.

Rob Whiteman
Lead Non-Executive Board Member



Chief Operating Officer's review of the year

Financial performance

In 2025-26, MoJ operated within the budgetary limits approved by Parliament at the Supplementary Estimate. The departmental expenditure limits (DEL) were set at £12,961 million for resource spending (RDEL) and £2,303 million for capital spending (CDEL). In addition, the annually managed expenditure (AME) allocations were £806 million for resource (RAME) and £20 million for capital (CAME).

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

Total RDEL income for the year amounted to £1,965 million against budgeted income of £1,849 million, and represented a 2.2% increase from £1,923 million in the previous financial year. As a share of the gross resource budget, income accounted for 13.3% in the current financial year, compared to 13.5% in the previous year.

A detailed breakdown of the approved budgets, actual outturn for the financial year, and variances is presented in the table below. This information corresponds directly with the audited Statement of Outturn against Parliamentary Supply on page 155.

Table 1: Performance against parliamentary control totals 2025-26

	Supplementary Estimate £million	Outturn £million	Variance £million	Variance Percentage
RDEL	12,961	12,799	162	1.3
Of which				
Administration	613	573	40	6.6
CDEL	2,303	2,222	81	3.5
RAME	806	163	643	79.8
CAME	20	0	20	100.0
Net cash	14,398	13,867	531	3.7

Funding and allocations in 2025-26

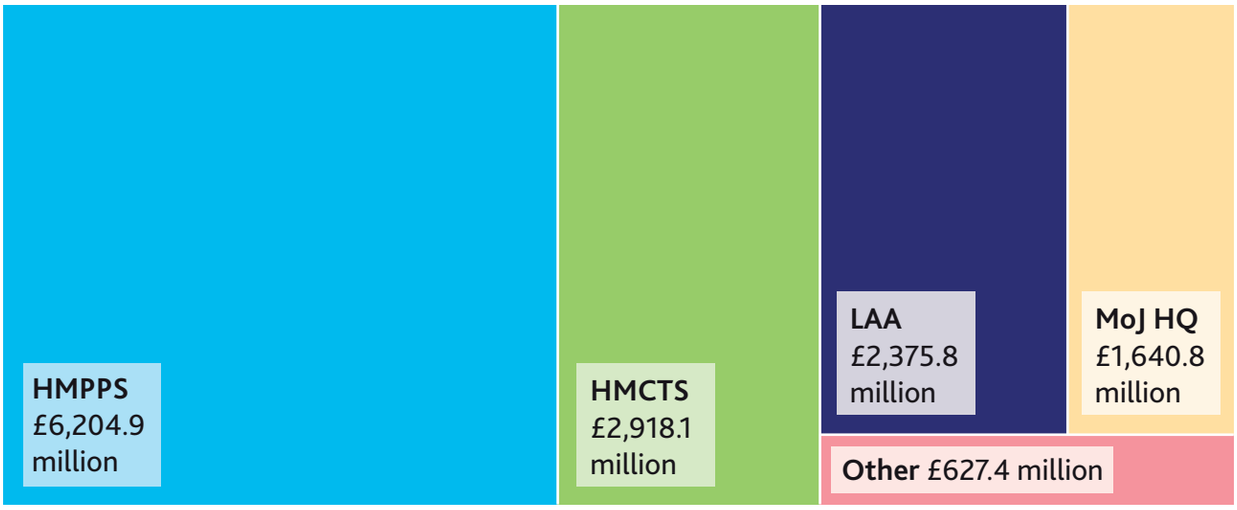
The department's total resource budget (DEL and AME) for 2025-26 is £13.8 billion and total capital budget (DEL and AME) is £2.3 billion.

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

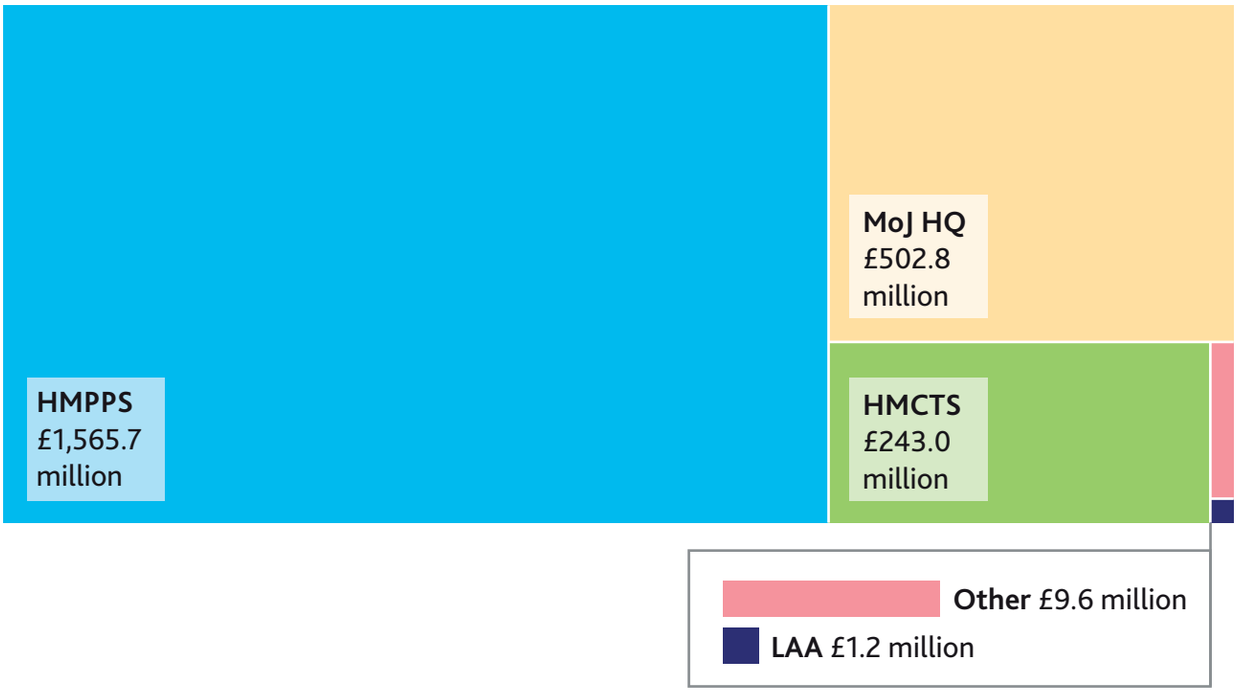
HMPPS HMCTS LAA, OPG and CICA MoJ HQ

Other agencies and non-departmental public bodies

Components of MoJ resource budget 2025-26 – total resource budget (RDEL and RAME): £13,767 million



Components of MoJ capital budget 2025-26 – total capital budget (CDEL and CAME): £2,323 million

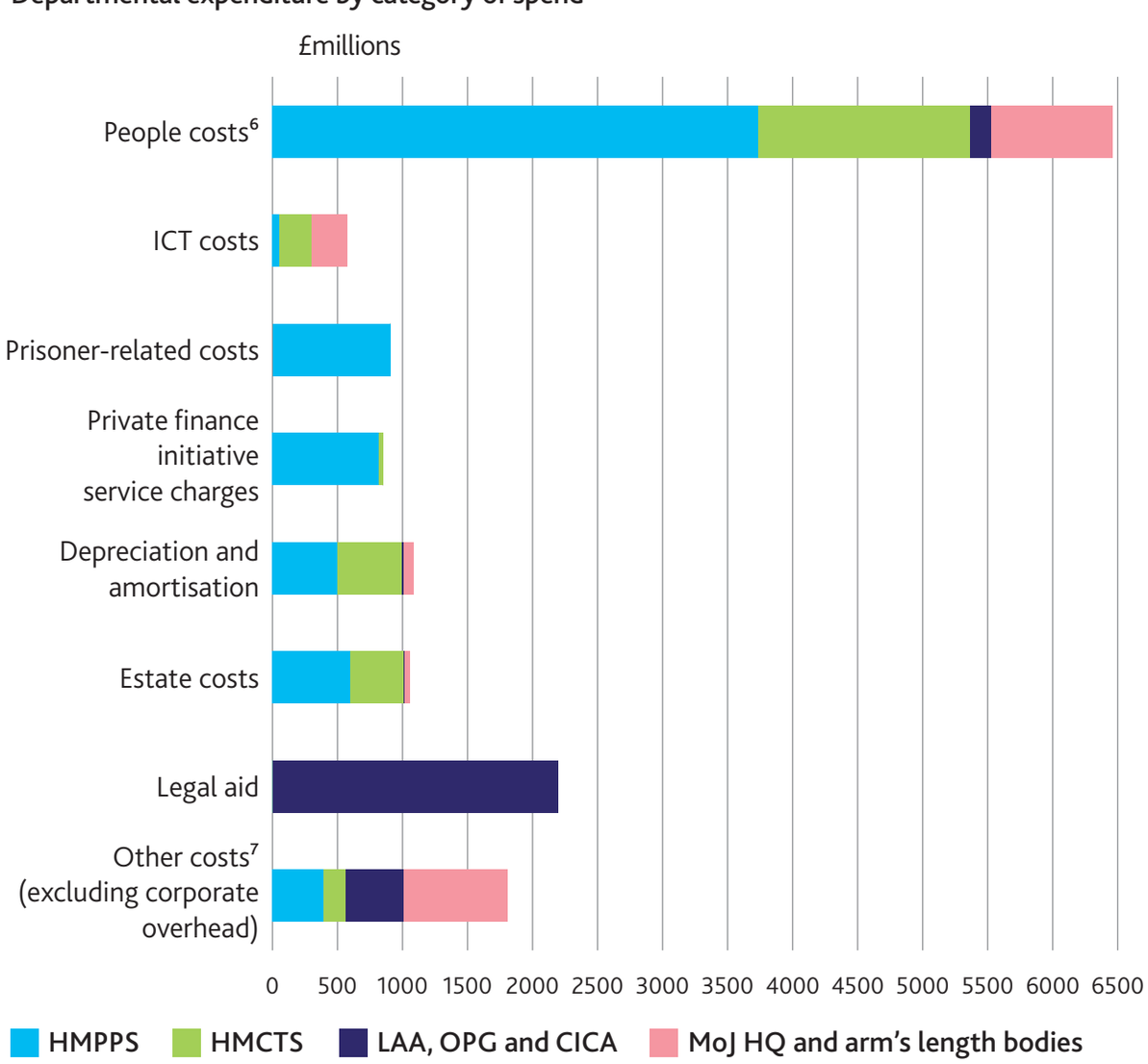


Where we spent our money in 2025-26

The department's RDEL budget is primarily spent on running prison and probation services, the courts and tribunals system, and funding for legal aid. We achieved a final outturn of £12,799 million, within 1.3% of the available budget.

Resource

Figure 2: Resource expenditure by category of spend



6 People costs include wages and salaries, social security costs, pension costs, early departure costs and the net cost of secondments.

7 Other costs of £1.8 billion include: grants of £311.1 million, contracted out costs of £280.2 million, compensation to victims of crime of £218.4 million, professional services of £119.6 million, other provisions expenses of £190.2 million, communications and office supplies of £96.7 million, travel subsistence and hospitality of £73.1 million, training and other staff-related costs of £72.6 million, and judicial and juror costs of £66.0 million. The remainder, spread over various expenditure lines, totals £381.4 million.

Resource expenditure in prisons and probation supported the delivery of core operational services including the running of prisons, the supervision of offenders in the community and the provision of rehabilitation and resettlement activities. Funding also enabled the department to manage a range of additional cost pressures and service demands. This included pay awards for prison and probation staff, increases in employer national insurance contributions following rate changes, and continued recruitment to strengthen frontline delivery, including the onboarding of trainee probation officers. These investments supported staffing resilience and operational performance across both prisons and probation services.

Expenditure across key operational areas, including utilities, food, offender learning and contractual services, reflected prevailing inflationary conditions, consistent with trends seen in recent years.

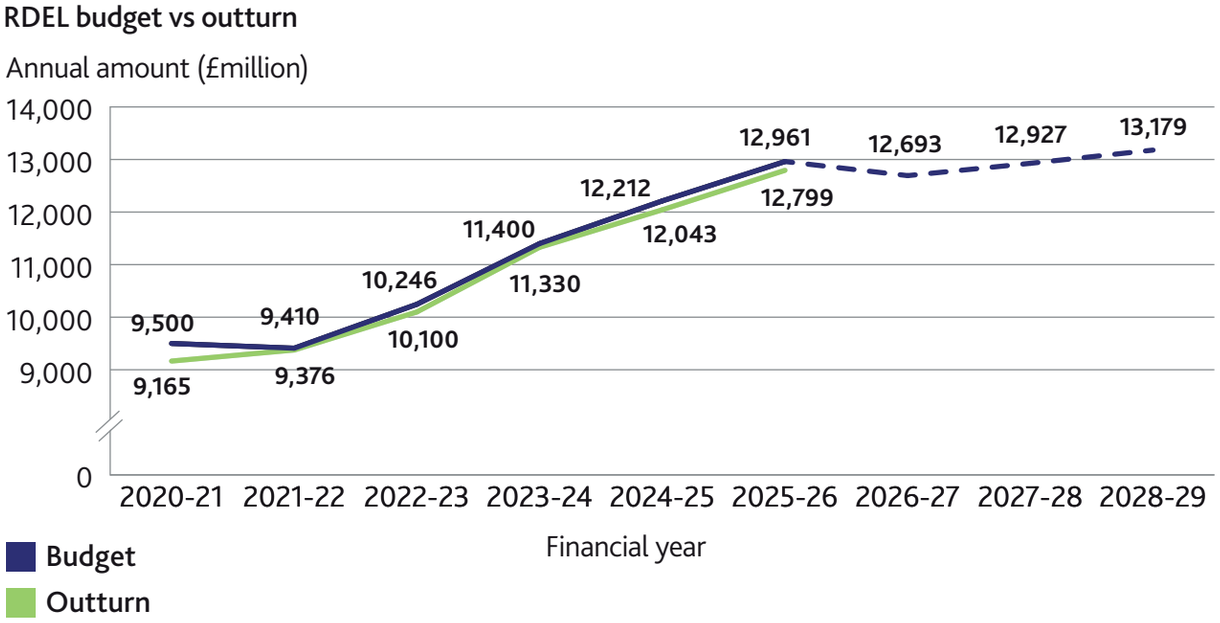
Expenditure also increased as a result of expanding prison capacity, most notably through the mobilisation and operation of HMP Millsike, which opened in April 2025. Alongside this, HMPPS continued to invest significantly in building improvement and maintenance works across the estate to support safety, decency and operational performance.

In courts and tribunals, resource expenditure was directed at running the system as efficiently and effectively as possible, with the aim of improving productivity and ensuring the timely and accurate progression of cases.

Funding supported the delivery of HMCTS frontline services and also enabled it to manage a range of financial pressures, including pay awards for staff and the judiciary, increases in employer national insurance contributions and higher levels of judicial activity, with many courts and tribunals operating at or near full capacity. This ensured that HMCTS could continue to use its sitting day allocation effectively, keep cases progressing through the system, and maintain the accuracy and timeliness of outcomes.

The largest area of spend remained judicial and staff costs, which together accounted for 53% of total HMCTS expenditure. Alongside these core operating costs, additional investment supported a range of operational and strategic priorities, including strengthening judicial security, improving operational assurance, increasing capacity to manage modernisation and change, and enhancing the resilience of digital systems.

Figure 3: RDEL budget vs outturn[8]



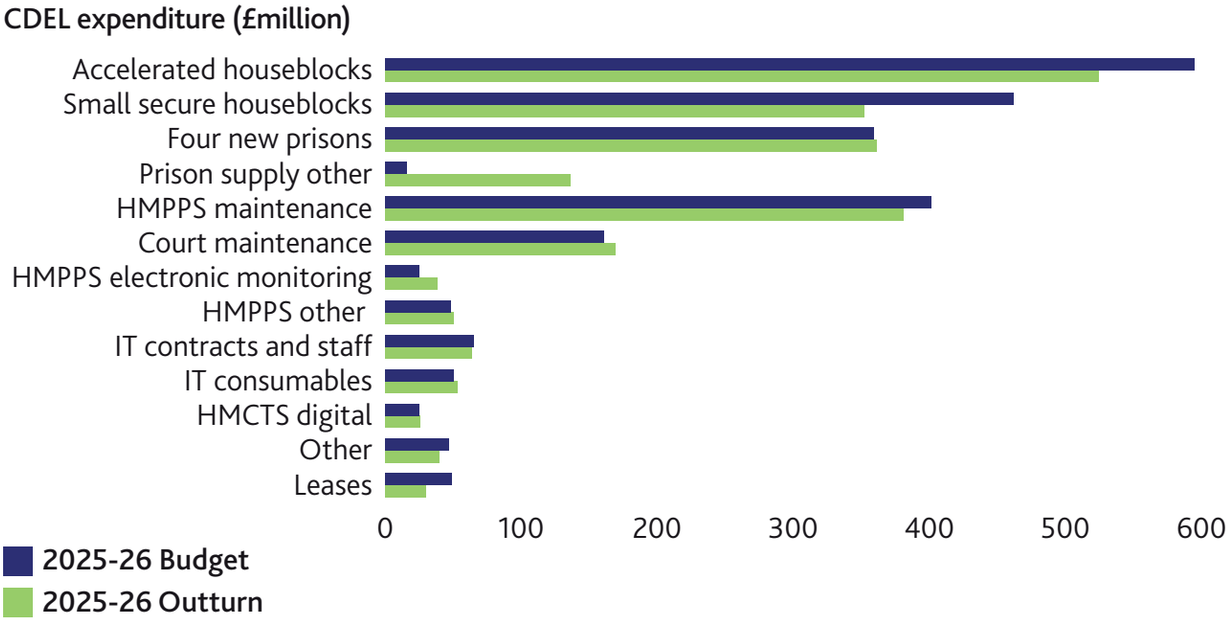
8 From 2026-27, ringfenced depreciation and fixed asset impairments (non-fiscal) will move from RDEL to AME in line with HM Treasury requirements. This is reflected in the budget figures from 2026-27.

The department's total resource settlement for the remainder of the current Spending Review period to 2028-29 provides £12.5 billion DEL in 2026-27, £13 billion DEL in 2027-28 and £13.3 billion DEL in 2028-29. This represents an average real terms growth rate of around 1.8%. The investment provided looks to support transformation across the justice system via major reform programmes, which include delivering against the recommendations from the Independent Sentencing Review and Independent Review of the Criminal Courts. Alongside these planned reforms, the department must balance significant financial pressures reflecting incoming justice system demand, impacts of rising inflation on core goods, services and utilities, and increasing pay demands.

Capital

We also delivered £2,222 million of CDEL investment, within 3.5% of the budget. The underspend was mainly due to changes in the timing of prison-related projects, including some projects starting later than planned and the impact of delivery risks crystallising differently to those assumed in the forecast during the final quarter of the financial year.

Figure 4: CDEL expenditure



The majority of the department's capital budget is spent on delivering its prison build programme and the maintenance of its property estate.

In 2025-26, the department maintained a focused programme of capital investment across the prison and probation estate. HMPPS invested £1.5 billion in its assets and infrastructure. Capital investment was targeted towards building and refurbishing prisons, investing in information technology (IT) systems, and improving the estate. Alongside continued progress on the prison build programme, significant capital investment has been made in prisons to increase capacity through local initiatives aligned with departmental spending priorities. This includes investment in areas such as safety, decency and security, alongside key programmes and projects including accelerated houseblock delivery, small secure houseblocks, construction of a category B prison at HMP Welland Oaks, fire safety improvements and refurbishments across the estate. This has helped to improve safety, resilience and operational continuity across the estate.

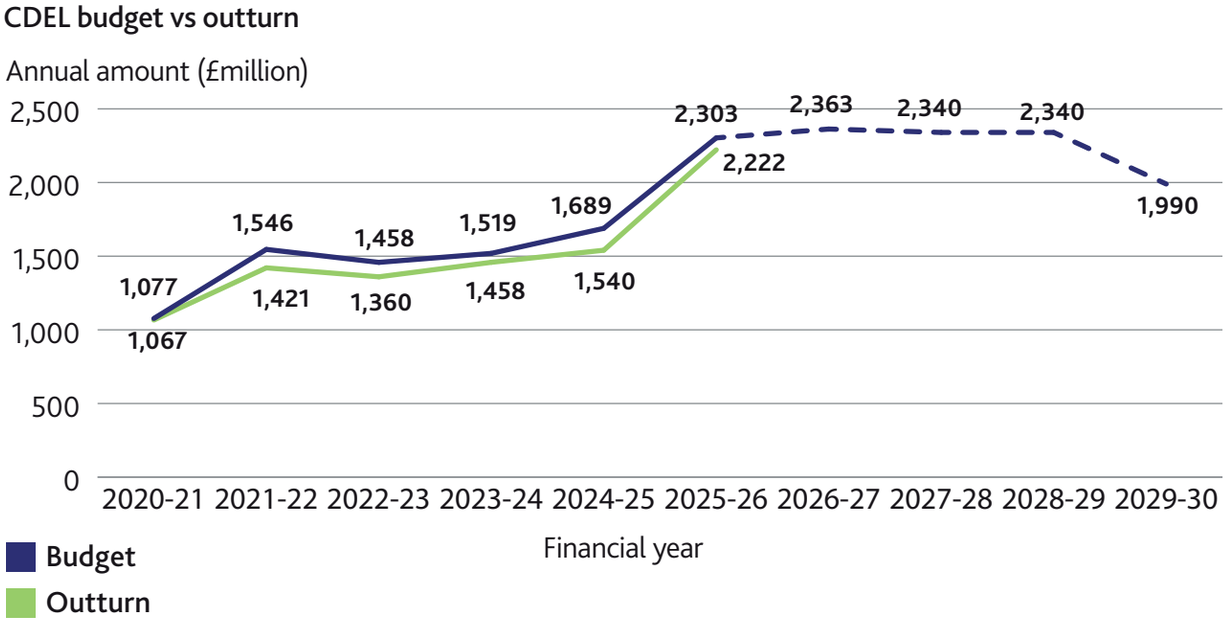
The department continued to invest in the courts and tribunals estate and associated equipment. This funding was directed towards maintenance and repair works across the estate to enhance the condition of buildings, including £162 million on essential repairs and improvements such as damaged roofs, broken lifts and outdated electrical systems, alongside new building projects. A key milestone was the completion of the new Central London Tribunal Centre, with hearings starting in March 2026. This created an additional 30 tribunal hearing rooms, strengthening capacity and supporting improved access to justice.

2025-26 also saw continued investment in technology across MoJ headquarters (HQ), prisons, legal aid, and courts and tribunals to improve the effectiveness of the services we deliver. This included investment in Justice Transcribe – a new tool that securely records and transcribes conversations, helping probation officers spend more time supporting people on probation – and the continuation of programmes to modernise legacy digital services.

This year's funding for the courts represents a substantial increase in capital investment compared to previous years. We expect this positive trajectory to continue into 2026-27, supported by a record capital settlement at Spending Review 2025.

Our CDEL settlement for the remainder of the Spending Review period has agreed budgets for four years in total, up to 2029-30. The department will receive £2.3 billion annually to 2028-29 and £2 billion in 2029-30. The majority of the CDEL settlement has been provided to continue the ambitious prison build programme, which looks to provide 14,000 new prison places through investment of £7 billion between 2024 and 2030.

Figure 5: CDEL budget vs outturn



Forward look

Over the 2025 Spending Review period, MoJ will continue to prioritise investment in safe, resilient and modern infrastructure across the justice system. This includes a sustained commitment to prison maintenance, with £275 million of fire safety improvement projects already scheduled for 2026-27.

In courts and tribunals, a landmark £2.79 billion settlement has been agreed for 2026-27. The department has committed to allowing Crown Court sitting days to be uncapped in 2026-27, to support tackling the backlog. Beyond the uncapped capacity provided for the Crown Court, this settlement allows for significant investment across other jurisdictions including magistrates, tribunals and civil. Capital investment in the court's estate will rise significantly, with £287 million committed in 2026-27 to deliver essential repairs and accelerate digital upgrades, helping to modernise services and improve user experience.

The department will also invest in frontline services that protect the public and improve outcomes.

- **Probation:** Funding secured at the Spending Review will support a significant expansion of electronic monitoring and the recruitment of an additional 1,300 probation officers in 2026-27.
- **Legal aid:** Investment in legal aid will strengthen the long-term sustainability of the system through additional funding for advocate fees and training opportunities for pupils. The expansion of legal aid at inquests will also increase support through further investment in civil legal aid.
- **Victims and witnesses:** The department will invest £550 million over three years in vital victim and witness services, supporting the government's mission to halve violence against women and girls.

Looking ahead, the department will continue to drive efficiency, innovation and value for money across all areas of spend. This includes expanding the use of artificial intelligence (AI) to improve productivity and transparency in the courts, using it to transcribe more hearings, anonymise materials across the court system and summarise judgements.

Together, these investments and reforms will ensure that resources are targeted effectively to deliver a more efficient, modern, and resilient justice system aligned with the department's strategic priorities.

Our performance

Our strategic outcomes, set out in our delivery plan for 2025-26, reflect our longer-term ambitions for the justice system. These are:

Punishment that cuts crime – protecting the public and reducing reoffending with a sustainable and effective prison and probation service



Swifter justice for victims – ensuring timely, just outcomes for victims and defendants through a modern and efficient criminal courts system



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



These outcomes reflect our commitment to improving services across prisons, probation, courts and legal services and support wider government priorities. Colleagues across MoJ contribute to delivering these outcomes, from frontline staff working directly with the public to specialists in areas such as digital, estates, HR, finance and analysis. Together, we work towards a shared goal of protecting the public, supporting victims, reducing reoffending, improving access to justice and upholding the rule of law. We use operational data to understand and improve our performance. Our published performance metric information can be found on GOV.UK.[9,10]

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

10 Justice Data homepage. Available at: data.justice.gov.uk

Performance overview

This section summarises our performance against our strategic outcomes in 2025-26. More detailed information on our performance and the risks affecting delivery can be found on pages 36 to 82, with information on principal risks on pages 31 to 35.

In 2025-26, the justice system continued to face significant pressure as demand remained high across prisons, probation, courts and tribunals, while increasingly complex cases placed additional strain on services. These challenges affected capacity, timeliness and the experience of people using the justice system.

Throughout the year, we focused on protecting the public and reducing reoffending, helping victims receive justice more quickly, and improving access to justice through modern and effective services. We increased capacity, progressed reforms and strengthened support across key parts of the justice system to improve performance and address long-term challenges. While significant pressures remain and some reforms will take time to achieve their full impact, these actions are helping create a safer, faster and more accessible justice system.

Punishment that cuts crime



This outcome focuses on keeping the public safe by ensuring offenders are punished effectively, managed safely and supported to stop offending. It aims to reduce crime and future victims through safe and sustainable prisons, effective probation services, rehabilitation that helps people turn their lives around, and early intervention that prevents children and young people from becoming involved in crime. In 2025-26, prisons and probation services faced significant pressure from rising demand for prison places, workforce challenges and the need to maintain safe and effective services. These pressures increased the risk of overcrowding, placed additional strain on staff and services, and made it harder to support rehabilitation and meet future demand. To address these challenges, we:

- progressed sentencing and probation reforms through the Independent Sentencing Review and Sentencing Act, helping create a more sustainable system while strengthening public protection and community supervision
- expanded prison capacity by around 2,150 places, including opening HMP Millsike and progressing thousands of additional prison places, helping reduce pressure on the prison estate by increasing the prison supply-demand gap to around 2,500 places and supporting long-term sustainability
- improved prison safety and security by investing around £15 million in protective equipment, providing up to 10,000 additional sets of body armour, training up to 500 additional officers in the use of tasers, and strengthening measures to manage the highest-risk prisoners
- invested in prison and probation staff through recruitment, pay and workforce reforms, helping build resilience and maintain frontline services under increasing demand
- expanded digital services and electronic monitoring, helping staff supervise offenders more effectively, manage risk in the community and protect the public while reducing administrative burdens
- invested in rehabilitation and early intervention by improving access to accommodation, employment, healthcare and specialist support, contributing to 81.0% of prison leavers being in settled accommodation three months after release and 36.5% being in employment six months after release, helping address the drivers of offending and reduce reoffending

Together, these actions helped stabilise prison and probation services during a period of sustained operational pressure, increasing capacity, strengthening public protection and improving support to help people move away from crime. While challenges remain, these reforms are helping create a safer and more sustainable justice system that is better placed to reduce reoffending, prevent future victims and protect communities over the long term.

Swifter justice for victims



This outcome focuses on making sure victims and defendants get timely and fair outcomes through an effective criminal justice system. It aims to keep cases moving through the courts as quickly as possible, ensure victims get the support and information they need, and maintain public confidence in the justice system by making services fair, open and easy to access. In 2025-26, criminal courts continued to face high demand. Large numbers of cases and long delays meant some victims and defendants had to wait longer for their cases to be resolved. Demand continued to enter the system faster than cases could be completed, increasing the risk of growing backlogs and putting pressure on courts and justice partners. To help address these challenges, we:

- increased court capacity and improved the way courts operate by delivering over 110,000 Crown Court sitting days, the highest level for a decade, making more courtrooms available and helping more cases move through the system
- published both parts of the Independent Review of the Criminal Courts and strengthened leadership across the criminal justice system, helping inform future reforms and support delivery across the system
- invested in and modernised the court estate, bringing four former Nightingale courts into the permanent estate and improving the resilience of court services
- increased transparency and victim involvement by expanding opportunities for victims to observe Parole Board hearings and providing clearer information about the justice process
- secured £550 million of funding over three years to expand victim and witness support services, increasing access to practical and emotional support for victims and witnesses as cases progress through the justice system
- worked with government and delivery partners to improve information sharing, co-ordination and service standards, helping provide more consistent support for victims across the justice system

Together, these actions helped more cases move through the courts and improved support for victims during a period of high demand. More victims and witnesses were able to access support, and work continued to reduce delays and improve how the justice system operates. While too many people still wait too long for their cases to be heard, these reforms are helping build a faster and more effective justice system that is better able to deliver justice and maintain public confidence.

A beacon for justice and the rule of law



This outcome focuses on helping people access justice when they need it. This includes resolving disputes, supporting families, providing legal aid, protecting vulnerable people and upholding the rule of law. It aims to make justice services easier to use, help people resolve problems more quickly and maintain confidence in the justice system. In 2025-26, civil, family and tribunal services continued to face high demand. Growing caseloads, more complex cases and pressure on some legal services meant some people had to wait longer for decisions and support. These challenges increased the risk of delays in key services, including immigration and asylum appeals, and placed additional pressure on legal aid and wider justice services. To help address these challenges, we:

- improved civil, family and tribunal services through legal reforms and service improvements, helping people resolve cases more effectively and efficiently
- increased capacity in courts and tribunals and provided targeted support to areas facing the greatest pressures, including immigration and asylum appeals, where the number of cases completed increased by 38.7%, helping services manage rising demand
- strengthened legal aid services by increasing fees for providers, supporting the sector's long-term sustainability and maintaining access to justice while managing recovery from the criminal cyber-attack against LAA's digital systems
- improved family court services through changes to processes and the expansion of the private law Pathfinder model, helping courts identify risks earlier, better protect children and reduce delays
- responded to record demand at OPG, registering more than 1.58 million powers of attorney while reducing average processing times from 49 to 45 working days, improving customer experience and efficiency
- supported the UK's legal services sector and promoted English law internationally, while reducing average processing times from 49 to 45 working days, improving co-ordination across government and strengthening leadership across the justice system

Together, these actions helped more people access justice, improved support for families and vulnerable people, and strengthened legal services during a period of high demand. They helped courts and tribunals deal with increasing numbers of cases, maintained access to legal support, and improved important services such as powers of attorney. While some services continue to face delays and growing demand, these changes are helping create a justice system that is easier to use, more efficient and better able to meet people's needs.

Principal risk summary

During 2025-26, the department managed a number of significant risks affecting the delivery of justice services, public protection and confidence in the justice system. These risks were monitored by the Executive Committee. While progress was made in several areas, particularly prison capacity and legal aid recovery, many risks remain elevated due to sustained demand pressures, workforce constraints, ageing infrastructure, cyber threats, and wider economic and societal factors. As a result, the department expects a number of these risks to remain significant over the Spending Review period to 2029.

This year, principal risks are presented using an aggregated group-wide methodology replacing the thematic risk categories used previously. The underlying risk landscape remains broadly comparable, although the categorisation of risks has changed.

The risks and trends reported in this table cover the period 1 April 2025 to 31 March 2026. Our risk landscape continually evolves and changes. Any significant changes to risks since this date have been reported in agency annual reports and accounts.

Key to outcomes and strategic enablers

- **Punishment that cuts crime**
- **Swifter justice for victims**
- **A beacon for justice and the rule of law**

Principal risk area	Impacted outcome/s:	Trend this year	Trend and mitigation	External factors
Critical IT and cyber security: Critical vulnerabilities and resilience issues in MoJ's technology estate lead to an incident, resulting in a failure to operate effectively	Punishment that cuts crime Swifter justice for victims A beacon for justice and the rule of law	◀▶ No change	During 2025-26, cyber security and technology resilience remained a significant cross-cutting risk. The department strengthened cyber governance, incident management, supplier assurance and technology risk management, while continuing to invest in reducing technical debt, improving resilience and establishing clearer risk tolerances across critical systems. Despite this progress, the risk remains elevated due to continued reliance on legacy technology, vulnerabilities within critical services and a persistent external cyber threat environment. Successful risk reduction will depend on sustained investment in modernisation and improvements to resilience across the technology estate.	Sophisticated cyber threat actors, geopolitical instability, technological change, and supplier vulnerabilities.

Principal risk area	Impacted outcome/s:	Trend this year	Trend and mitigation	External factors
Prison capacity: Demand outstrips supply for prison places	Punishment that cuts crime	Decrease	During 2025-26, the risk of insufficient prison capacity reduced as operational headroom improved and capacity remained above agreed tolerance levels. This was supported by Sentencing Act measures, expansion of home detention curfew, enhanced bail information services, targeted capacity management and the delivery of additional prison places. However, prison capacity remains a significant strategic risk. Staffing shortages, estate constraints, compliance-related works and maintenance activity continue to limit operational flexibility, while medium-term and long-term pressures remain, particularly within the female estate and from future fire safety interventions that could temporarily reduce available capacity.	Criminal justice system demand, labour market conditions, construction inflation, planning and environmental approvals, fire safety compliance requirements and sentencing trends.
Probation capacity: Demand overwhelms probation services leading to a decline in service quality	Punishment that cuts crime	No change	During 2025-26, probation capacity remained under significant pressure as demand continued to outpace available resource, although confidence in the longer-term outlook improved. The department responded through reprioritising to focus on the highest-risk offenders, revised operating models, workforce recruitment and retention activity, and the Our Future Probation Service reform programme, helping to prioritise resources, reduce workload pressures and improve operational sustainability. Despite these interventions, probation capacity remains a significant risk. Performance continues to vary across regions and successful risk reduction is dependent on the delivery of planned workforce, process and digital reforms to close the gap between demand and capacity.	Labour market conditions, workforce retention, implementation of sentencing reforms, offender volumes and regional recruitment challenges.

Principal risk area	Impacted outcome/s:	Trend this year	Trend and mitigation	External factors
Probation quality: We are unable to improve performance and quality to support the delivery of sentencing and probation reforms and protect the public	Punishment that cuts crime	No change	During 2025-26, the probation quality risk remained stable but continued to affect the consistency of rehabilitation and public protection outcomes. The department strengthened quality assurance, professional standards, workforce development and performance management arrangements, while continuing to embed reforms aimed at improving service effectiveness. Despite this progress, operational pressures and workforce constraints continue to create risks to consistent service delivery. Residual risk remains while significant reform activity is implemented, and sustained improvement depends on successfully embedding changes and maintaining quality standards across the probation system.	Workforce capability and experience, offender complexity, operational demand and pace of reform implementation.
Long-term high security estate safety and security: Failure to provide a safe and secure custodial environment for the highest-risk prisoners	Punishment that cuts crime	No change	During 2025-26, the long-term high security estate risk remained stable but continued to require significant management attention. The department invested in staffing, security capability, intelligence-led interventions and estate improvements to maintain the safe and secure operation of the estate and manage risks associated with violence, illicit items and evolving security threats. Despite these controls, residual risk remains elevated due to the complexity of the high security prisoner population and the continuing threat posed by violence, assaults, drone activity, and challenges to physical and procedural security arrangements.	Serious organised crime, technological developments supporting contraband delivery, workforce pressures, estate condition and infrastructure resilience.

Principal risk area	Impacted outcome/s:	Trend this year	Trend and mitigation	External factors
Criminal court reform: Delivery of Crown Court reforms do not put the Crown Court caseload on a downward trajectory this Parliament and disproportionately impact magistrates' court performance	Swifter justice for victims	▲ Increase	During 2025-26, criminal court demand and caseload pressures continued to affect the timely delivery of justice. While additional sitting days, increased court capacity and operational improvements strengthened the system's ability to manage demand, outstanding caseloads remained high and receipts continued to outpace disposals in some areas. The department responded through increased Crown Court capacity, judicial recruitment, process improvements and wider criminal court reform activity. Despite these measures, the risk increased during the year and remains significant, with sustained reductions in the caseload dependent on continued system performance and the successful implementation of longer-term reforms, including recommendations arising from the Independent Review of the Criminal Courts.	Demand entering the criminal justice system, judicial availability, case complexity, criminal justice system interdependencies and legal profession capacity.
Legal aid restoration: Ability to recover to pre-cyber-attack capacity and operate the legal aid system in line with statutory provision	Swifter justice for victims A beacon for justice and the rule of law	▼ Decrease	During 2025-26, the criminal cyber-attack against LAA's digital systems had a significant impact on LAA's ability to operate, creating significant disruption, reducing capacity and increasing risks to the administration of legal aid. The department implemented contingency arrangements, prioritised the restoration of critical services and worked closely with partners, cyber specialists, auditors and stakeholders to recover and strengthen resilience. While substantial progress has been made, the risk remains significant. Ongoing recovery activity continues to present operational, financial and reputational challenges, and the incident has heightened risks relating to financial reporting, audit assurance and governance disclosures until recovery is complete and systems are fully stabilised.	Supplier resilience, technological dependencies and legal aid demand.

Principal risk area	Impacted outcome/s:	Trend this year	Trend and mitigation	External factors
Legal aid funding: Risk that the Lord Chancellor cannot meet their statutory duty to provide legal aid, or do so within available funding	Swifter justice for victims A beacon for justice and the rule of law	No change	During 2025-26, pressures on legal aid expenditure continued to create affordability challenges and risks to the delivery of the Lord Chancellor's statutory responsibilities. The department strengthened its response through enhanced financial forecasting, engagement with providers, expenditure prioritisation and close monitoring of demand-led costs. Additional pressures arose during the year from contingency payment arrangements and financial uncertainties associated with the criminal cyber-attack against LAA's digital systems. Despite these actions, the risk remains significant. Demand for legal aid continues to place pressure on available funding, and the department must balance affordability with its statutory obligations to maintain access to justice and a sustainable legal aid system.	Demand-led expenditure, inflation and provider market sustainability.
Immigration and Asylum Chamber: Judicial attrition from the Immigration and Asylum Chamber will cause demand to outpace capacity and drive up First-tier Tribunal caseloads	Punishment that cuts crime Swifter justice for victims	No change	During 2025-26, demand pressures within the Immigration and Asylum Chamber remained significant, with rising caseloads continuing to affect timeliness and service delivery. The department worked with the judiciary to increase capacity, improve productivity and develop longer-term responses to growing demand. Despite these interventions, the risk remains significant. Future performance is dependent on wider asylum system demand, the volume of new case receipts and the ability to maintain sufficient judicial capacity.	Immigration and asylum demand, Home Office policy and operational performance and wider geopolitical factors

Our performance analysis

Outcome 1: Punishment that cuts crime

Focus: Keeping the public safe through effective prisons and probation services, helping people stop reoffending, and supporting children and young people to stay away from crime. By doing this, we aim to reduce crime, protect communities and give people the opportunity to make positive changes to their lives.



Our year in context

In 2025-26, prisons and probation services faced growing pressure. More people needed prison places and probation support, while staff worked under increasing pressure. This created risks for the justice system, including not having enough prison places, not having enough probation staff to meet demand, and making sure services remained safe, secure and effective. These challenges made it harder to support rehabilitation and reduce reoffending.

To address these challenges, we created more prison places, improved prison safety and security, recruited and trained more staff, expanded the use of electronic tagging, and introduced sentencing and probation reforms. We also invested in services that help people tackle the causes of crime, including support with housing.

Developing a sustainable and effective prison and probation service that protects the public

To reduce pressure and create a more sustainable system, we focused first on increasing capacity and reforming how offenders are managed across prisons and probation.

Independent Sentencing Review

We need a justice system that protects the public, reduces reoffending and uses prison and probation resources effectively. In 2025-26, growing pressure on prisons and probation highlighted the need for long-term reform. Following publication of the Independent Sentencing Review in May 2025, we progressed a major programme of sentencing and probation reform to strengthen public protection, reduce reoffending, and create a more sustainable prison and probation system, while ensuring the most dangerous offenders remain in custody.

This builds on action taken to stabilise the system through sentencing reform and measures in the Sentencing Act.

We accepted most of the review's recommendations and secured Royal Assent for the Sentencing Act in January 2026. From March 2026, we began introducing reforms designed to improve public protection, strengthen community supervision and make better use of prison capacity.

These include:

- replacing existing recall arrangements, including short-term and standard recall, with a single 56-day recall period to simplify recall policy and support more consistent management of offenders
- limiting the use of short sentences and giving courts greater discretion to suspend sentences of up to three years
- announcing a consultation on introducing external regulation for the probation service to design and implement an independent regulatory model, and any necessary legislation – this would support greater public understanding and formal recognition of probation practitioners' professional status
- increasing investment in probation and reducing administrative burden so staff can focus on reducing reoffending[11]
- strengthening community punishment and supervision, including greater use of electronic monitoring and restriction zones to protect victims

Electronic monitoring is an important part of helping probation services supervise offenders in the community, manage risk and protect victims. In 2025-26, we expanded the use of GPS tagging for offenders convicted of crimes such as burglary, theft and robbery, and set out plans for further investment in tagging technology and monitoring capability. [12,13]

Following the transition between electronic monitoring contract providers, electronic monitoring reporting resumed in 2025 under new data collection arrangements. As a result, electronic monitoring data from 2025 onwards is produced on a new basis and is not comparable with data from earlier years. The number of individuals assigned an electronic monitoring device was 28,687 at 31 March 2026.[14]

These reforms are supported by significant planned investment in probation and community services. This includes strengthening community supervision, expanding the use of electronic monitoring, improving accommodation support, and increasing workforce capacity. Together, these reforms will help ensure prison places are available for those who pose the greatest risk, strengthen community punishment and support a more sustainable justice system over the long term.

11 Ministry of Justice (2026), Sentencing Act ensuring punishment cuts crime gets Royal Assent. Available at: www.gov.uk/government/news/sentencing-act-ensuring-punishment-cuts-crime-gets-royal-assent

12 Ministry of Justice and University of Surrey (2025), Assessing the effectiveness of radio frequency electronic monitoring for community and suspended sentence orders. Available at: assets.publishing.service.gov.uk/media/Electronic_Monitoring_research_report_updated_acknowledgement

13 Ministry of Justice (2025), 24/7 GPS tags lead crackdown on burglary, theft and robbery. Available at: www.gov.uk/government/news/247-gps-tags-lead-crackdown-on-burglary-theft-and-robbery

14 Ministry of Justice (2022), Electronic monitoring statistics. Available at: www.gov.uk/government/collections/electronic-monitoring-publication

Prison capacity

To keep the public safe and support people to turn away from crime, we need enough prison places. Increasing prison capacity ensures offenders can be held securely, supports effective rehabilitation and creates a more sustainable prison system for the future. Without sufficient prison places, the justice system cannot safely hold offenders sentenced by the courts.

In recent years, the prison population has grown faster than the number of available prison places. This reduced the gap between demand (the number of people who need a prison place) and supply (the number of usable prison places available), increasing capacity pressure across the prison system. The Independent Review of Prison Capacity highlighted the risks this creates, including reduced flexibility to manage population growth safely and effectively.[15]

In 2025-26, we took action to increase prison capacity and added around 2,150 prison places. This enabled the system to manage population pressures, reduced the risk of running short of places, and helped prisons operate more safely and effectively, while ensuring offenders continued to be held securely when required by the courts.

This includes:

- opening HMP Millsike, a new all-electric prison with around 1,500 places, which began taking prisoners in April 2025, alongside a new houseblock at HMP Fosse Way providing 245 places from December 2025 and 110 additional places at HMP Cookham Wood in February 2026[16]
- progressing construction of over 4,900 further prison places through a mix of new prisons, houseblocks and modular accommodation, to be delivered in future years

These actions are part of the government's £4.7 billion investment to create up to 14,000 additional prison places by 2031, the biggest expansion of the prison estate in over a century.[17] Alongside expanding prison capacity, we continued sentencing and probation reforms, including measures in the Sentencing Act, to help protect the public, support rehabilitation and manage future demand more effectively.

As a result, the gap between prison capacity and demand improved during the year, reducing the immediate risk of running short of prison places and supporting prison safety and operational effectiveness.[18] However, the prison population continues to grow, leaving future capacity resilience sensitive to changes in demand.

15 Dame Anne Owers (2025), Independent Review of Prison Capacity. Available at: assets.publishing.service.gov.uk/independent-prison-capacity-review-report

16 Ministry of Justice (2025), First prisoners arrive at new 1,500-place jail. Available at: www.gov.uk/government/news/first-prisoners-arrive-at-new-1500-place-jail

17 Ministry of Justice (2025), Prison building boom to make streets safer. Available at: www.gov.uk/government/news/prison-building-boom-to-make-streets-safer

18 Ministry of Justice (2013), Prison population statistics. Available at: www.gov.uk/government/collections/prison-population-statistics

Key to metrics

Value change from previous year:

- Increasing
- Decreasing
- No change

Progress on previous year:

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

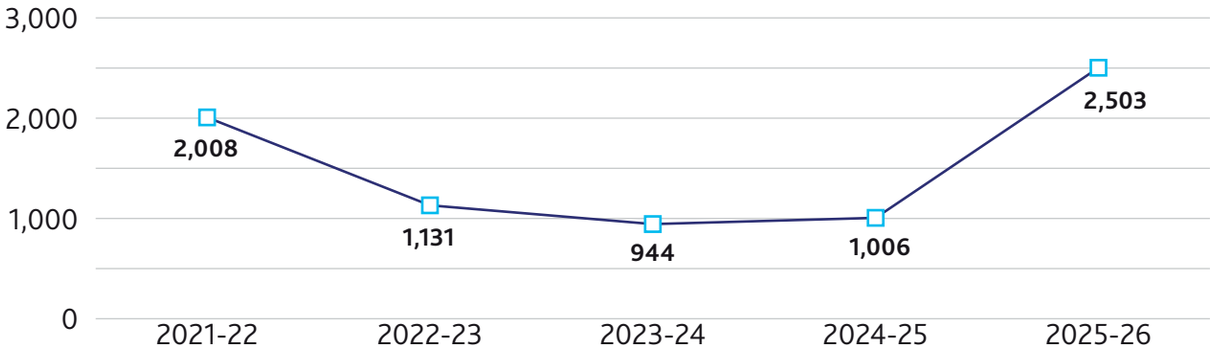
Prison supply-demand gap: the difference between the number of useable places (supply) and population (demand)

Value change/ progress

The prison supply-demand gap is a metric used to measure whether there are enough prison places to accommodate the prison population.

As of 30 March 2026, the prison supply-demand gap stood at 2,503 places, up from 1,006 places at 31 March 2025. The adult male estate had 2,071 places while the women's estate had 334.

This increase reflects the creation of additional prison capacity through the government's prison expansion programme and the introduction of the 56-day fixed-term recall (FTR56) scheme, which reduced the time some recalled prisoners spend in custody. Together, these measures increased the number of available prison places and helped manage growing demand. However, the prison population continues to increase and demand for prison places is expected to remain under pressure in the coming years. More information about FTR56 can be found in the Sentencing Bill progression measures factsheet at www.gov.uk/government/publications/sentencing-bill-2025/sentencing-bill-progression-measures-factsheet



Probation capacity

To protect the public and help people turn away from crime, we need effective probation services. Probation plays a vital role in reducing reoffending by supervising offenders in the community, managing risk and supporting rehabilitation. In 2025-26, probation services faced increasing pressures from high caseloads, with demand expected to grow further as sentencing reform, including changes introduced through the Sentencing Act, expands the use of community supervision.

To address this, we took action to make the probation service more sustainable and give staff more time to manage risk, support rehabilitation and focus on the people who need the most support. During the year we have:

- simplified processes and reviewed how services are delivered to reduce duplication, make workloads more manageable and support more consistent supervision
- expanded the use of digital tools, including piloting and expanding Justice Transcribe, an AI-enabled tool that reduces administrative work and gives staff more time to work directly with people on probation[19]
- prioritised supervision for people who present the highest risk of reoffending, helping staff focus their time where it can have the greatest impact

In March 2026, we also announced £700 million of investment in probation services by 2028-29, including onboarding at least 1,300 trainee probation officers in 2026-27.[20]

Safety and security

A safe and secure prison estate is essential to protecting the public and helping people turn away from crime. Safe prisons help reduce violence, protect staff and prisoners, and create the right environment for rehabilitation.

In 2025-26, prisons continued to face pressure from high prisoner numbers. This placed additional strain on staff, facilities and the day-to-day running of prisons. Evidence shows that overcrowding can increase the risk of violence and serious incidents, creating a challenging environment for staff and prisoners. This can disrupt daily activities and make it harder to provide the education, training and rehabilitation that help people move away from crime. While safety challenges remain, some indicators have begun to stabilise, suggesting that actions taken across the estate are helping to improve conditions.

19 Justice AI Unit, Justice Transcribe in Probation. Available at: ai.justice.gov.uk/our-work/justice-transcribe

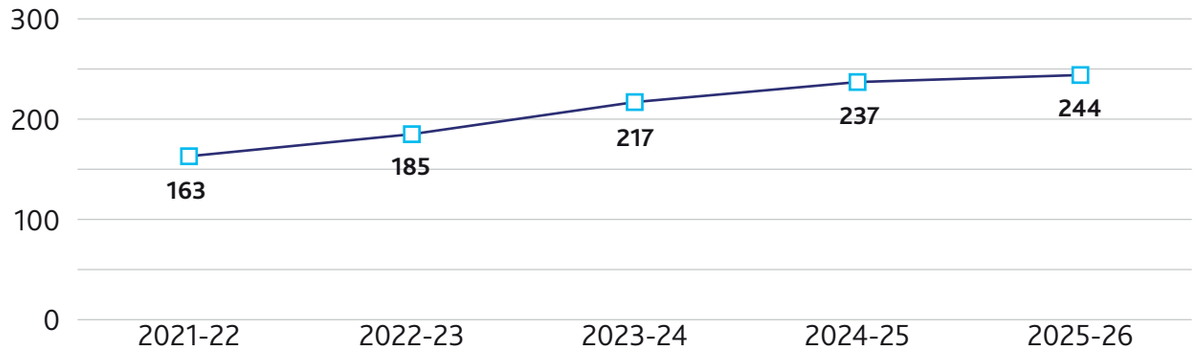
20 UK Parliament (2026), Update on probation delivery: Statement made on 19 March 2026. Available at: questions-statements.parliament.uk/written-statements

Rate of assaults by prisoners on prisoners (per 1,000 prisoners) – 12-month figure

Value change/ progress

The rate of assaults by prisoners on prisoners is a metric used to measure how often prisoners physically assault other prisoners.

In the 12 months to March 2026, the rate of prisoner-on-prisoner assaults was 244 per 1,000 prisoners, a 2.9% increase compared to the 12 months to March 2025. This continues a year-on-year upwards trend since the 12 months to March 2021.

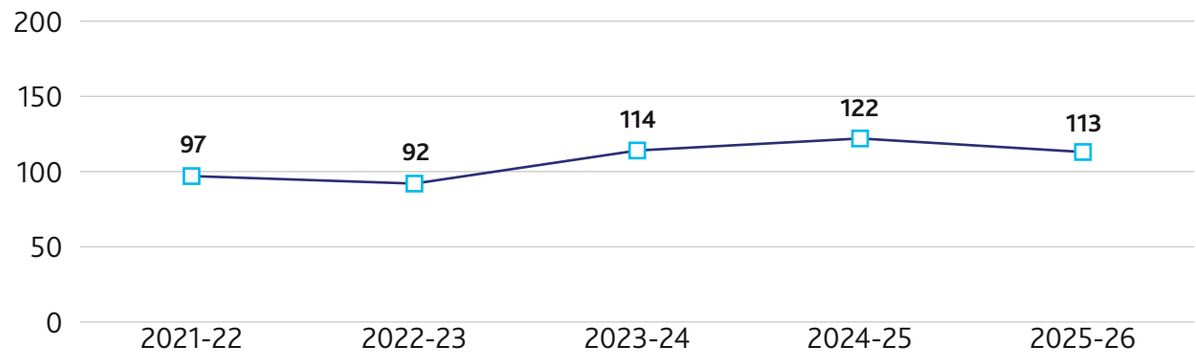


Rate of assaults on staff (per 1,000 prisoners) – 12-month figure

Value change/ progress

The rate of assaults on staff is a metric used to measure how often prisoners physically assault prison staff.

In the 12 months to March 2026, the rate of assaults on staff was 113 incidents per 1,000 prisoners, a 7% decrease compared to the 12 months to March 2025.



To improve safety and security during the year, we have:

- invested around £15 million to expand protective equipment for frontline staff, providing up to 10,000 additional sets of protective body armour, with 5,000 prioritised for use in the highest-risk environments[21]
- trained up to 500 additional officers in the use of conducted energy devices (tasers) to strengthen our ability to respond safely and effectively to high-threat incidents[22]
- invested in prison security infrastructure, including anti-drone measures such as exterior netting and reinforced windows as well as CCTV and control room upgrades[23]
- invested in the development of advanced counter-drone capability through two industry challenges, with HM Government Communications Centre and UK Defence Innovation respectively, and UK Research and Innovation, committing £6.5 million further investment to 2030 [24, 25, 26]
- strengthened the management of the most dangerous prisoners, including changes to separation centres and plans for enhanced restrictions for those posing the highest risk, following Jonathan Hall KC's Independent Review of Separation Centres[27]

These measures strengthened protection for frontline staff and improved the prison service's ability to manage safety and security risks. While violence and self-harm remain challenges in some prisons, safety indicators have begun to stabilise and we continue to target improvements where risks remain highest. However, sustained capacity pressures continue to affect some prisons. We will continue investing in safety, security and prison capacity to create a more stable environment that protects the public, supports rehabilitation and helps reduce crime.

Prison and probation staffing

Having enough skilled prison and probation staff is essential to keeping the public safe and helping people turn away from crime. In 2025-26, both prisons and probation services continued to face pressure from growing demand and high workloads. To address this, we invested in recruitment, pay, training and workforce development to build a stronger and more sustainable frontline workforce.

In prisons, we continued recruitment, implemented the 2026-27 prison service pay award and invested in leadership development, including rolling out the 'Enable' programme for frontline prison officers and leaders. The programme aims to transform the working environment in prisons and improve training, support and leadership offers by promoting strong, positive relationships between staff and prisoners.

21 Ministry of Justice (2025), Protective body armour for prison officers in high-security settings. Available at: www.gov.uk/government/news/protective-body-armour-for-prison-officers-in-high-security-settings

22 Ministry of Justice (2025), Major safety boost for frontline prison staff. Available at: www.gov.uk/government/news/major-safety-boost-for-frontline-prison-staff

23 Ministry of Justice (2025), Overcrowded jails fuel prisoner violence. Available at: www.gov.uk/government/news/overcrowded-jails-fuel-prisoner-violence

24 Ministry of Justice (2025), Tech challenge launched to counter drone threats in prisons. Available at: www.gov.uk/government/news/tech-challenge-launched-to-counter-drone-threats-in-prisons

25 UK Defence Innovation (2026), £1.85m competition launched to counter illegal UAS use around prisons and sensitive sites. Available at: www.gov.uk/government/news/185-million-competition-launched-to-counter-illegal-uas-use-around-prisons-and-sensitive-sites

26 UK Research Innovation (2026), £50m research and innovation programme launched to make Britain's streets safer for everyone. Available at: www.ukri.org/news/50m-research-and-innovation-programme-launched-to-make-britains-streets-safer-for-everyone

27 Ministry of Justice (2026), Dangerous extremists face "supermax" style restrictions behind bars. Available at: www.gov.uk/government/news/dangerous-extremists-face-supermax-style-restrictions-behind-bars--2

There were encouraging signs that retention is improving, with nearly a quarter fewer Band 3 to 5 prison officers leaving the service in the year ending 31 March 2026 (2,337 leavers), down 718 compared to the previous year. The resignation rate also fell to 6.0%.[28]

However, the number of frontline prison officers remained under pressure, with overall staffing levels at 92% of their target based on hours adjusted for full-time equivalent, highlighting the challenge of meeting increasing demand.

In probation, we delivered the 2025-26 pay settlement, representing the largest pay increase for probation staff since joining HMPPS in 2014, alongside improvements to recruitment and training. We also took action to manage workload and reduce unnecessary demand on staff.

The probation service exceeded its trainee recruitment target, onboarding 1,389 trainees against a target of 1,300.

The probation service grade workforce continued to grow during the year, increasing by 784 staff (3.7%) to 22,180 full-time equivalent staff as of 31 March 2026.[29] These increases are helping probation services meet growing demand and strengthen public protection.

We also strengthened staff safety through enhanced security measures, improved personal safety training and additional equipment to better protect staff working in increasingly complex environments.

Together, these actions are helping build a more stable workforce. Fewer prison officers left during the year, and the probation workforce continued to grow, improving our ability to deliver safe prisons, effective probation services and rehabilitation support.

By improving recruitment, retention, training and staff safety, we are strengthening frontline services and better supporting staff to protect the public and reduce reoffending.

Delivering services that break the cycle of reoffending

Protecting the public today is only part of our job. To reduce crime in the future, we must also help people overcome the problems that can lead to offending and stop children and young people becoming involved in crime in the first place.

Reduce reoffending

Helping people address the causes of their offending is an important part of reducing crime. Access to stable housing, employment, education and healthcare can help people build better futures and reduce the likelihood of reoffending. In 2025-26, we worked with partners across government and beyond to improve access to housing, employment and healthcare, help people build more stable lives after release, reduce the likelihood of reoffending and prevent future victims.

We have:

- strengthened the evidence for reducing reoffending by publishing the reducing reoffending evidence synthesis in April 2025, helping us better understand how support with issues such as mental health and substance misuse can reduce the risk of future crime[30]
- launched a trial bringing probation and health services closer together, making it easier for people on probation to access drug, alcohol and mental health support[31]

28 HM Prison and Probation Service (2026), HM Prison and Probation Service workforce quarterly: June 2026. Available at: https://www.gov.uk/government/statistics/hm-prison-probation-service-workforce-quarterly-june-2026

29 HM Prison and Probation Service (2026), HM Prison and Probation Service workforce quarterly: March 2026. Available at: www.gov.uk/government/statistics/hm-prison-probation-service-workforce-quarterly-march-2026/hm-prison-and-probation-service-workforce-quarterly-march-2026

30 Ministry of Justice (2025), Reducing reoffending evidence synthesis. Available at: www.gov.uk/government/publications/reducing-reoffending-evidence-synthesis

31 Ministry of Justice (2026), NHS and probation join forces to break cycle of reoffending. Available at: www.gov.uk/government/news/nhs-and-probation-join-forces-to-break-cycle-of-reoffending

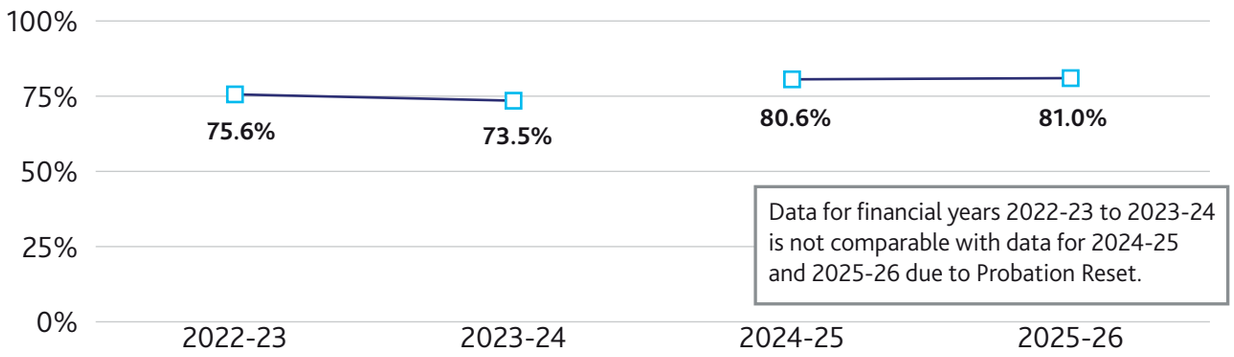
- appointed author Lee Child as the first Prison Reading Laureate, promoting reading, literacy and other skills that can improve employment opportunities after release[32]
- expanded work opportunities in prison, including a paid employment scheme at HMP Leyhill with Gov Facility Services Limited to help prisoners build skills, confidence and work experience[33]
- re-commissioned independent approved premises which provide supervised accommodation for higher-risk offenders after release
- supported the opening of three new male approved premises sites in London and the Southwest, increasing capacity in areas of high demand

Percentage of prisoners in settled accommodation three months after release

Value change/ progress ↑

The percentage of prisoners in settled accommodation three months after release is a metric used to measure the proportion of prison leavers who are living in stable, long-term accommodation three months after release from custody.

In 2025-26, 81% of offenders were in settled accommodation at three months after being released from custody in England and Wales. From May 2024 to March 2025, 80.6% of offenders were in settled accommodation after being released from custody. This metric was adapted for Probation Reset, which altered the cohorts, meaning data is not directly comparable with years prior to 2024-25. Caution should also be exercised when comparing figures for 2025-26 with those for the previous year. The 2024-25 outcomes were based on 11 months of data from May 2024 to March 2025, while the 2025-26 figures are derived from data over a complete performance year from April 2025 to March 2026.



32 Ministry of Justice (2026), Prisoners turn new page with launch of Reading Laureate. Available at: www.gov.uk/government/news/prisoners-turn-new-page-with-launch-of-reading-laureate--2

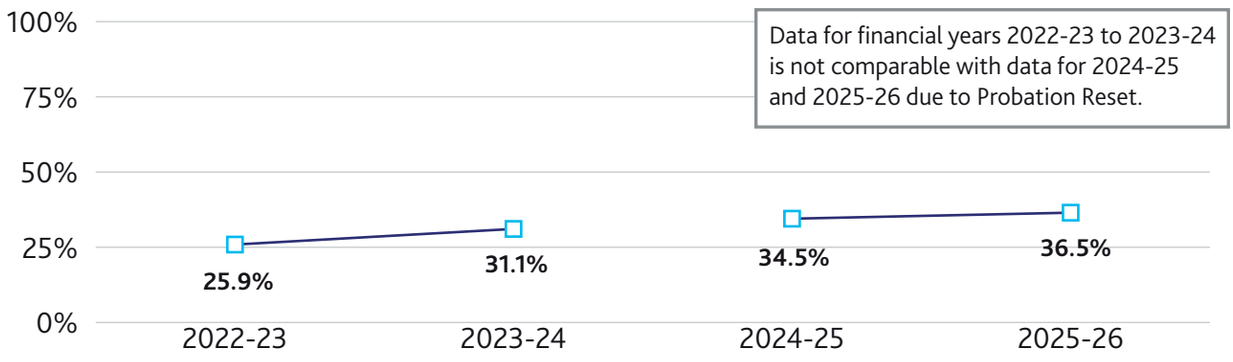
33 Gov Facility Services Limited (2025), Ground-breaking employability scheme at HMP Leyhill celebrated as "resounding success". Available at: www.gov.uk/government/news/ground-breaking-employability-scheme-at-hmp-leyhill-celebrated-as-resounding-success

Percentage of prison leavers in employment six months post-release

Value change/ progress ↑

The percentage of prison leavers in employment six months post-release is a metric used to measure how many prison leavers are in work six months after leaving prison.

In 2025-26, 36.5% of prison leavers were in employment at six months after being released from custody in England and Wales, improving from May 2024 to March 2025, when 34.5% of offenders were in employment six months after being released. This metric was adapted for Probation Reset, which altered the cohorts, meaning data is not directly comparable with years prior to 2024-25. Caution should also be exercised when comparing figures for 2025-26 with those for the previous year. The 2024-25 outcomes were based on 11 months of data from May 2024 to March 2025, while the 2025-26 figures are derived from data over a complete performance year from April 2025 to March 2026.

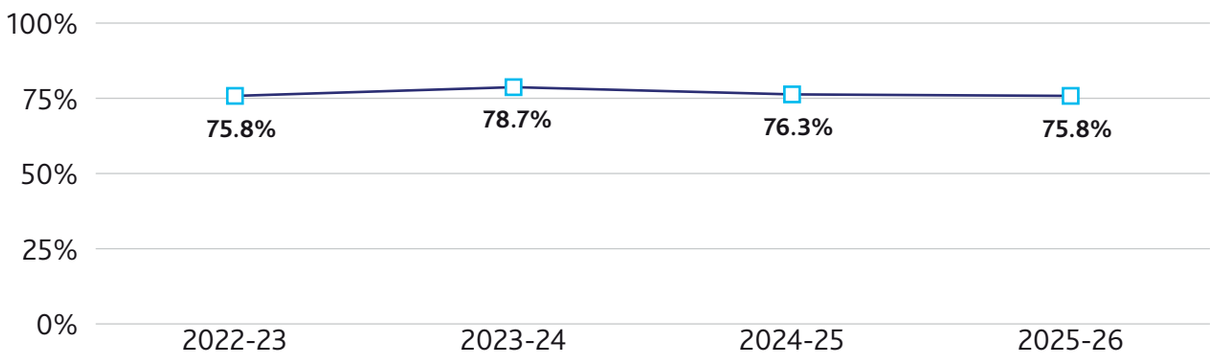


Proportion of cases where requirements are delivered by probation before the sentence expires

Value change/ progress ↓

The proportion of cases where requirements are delivered by probation before the sentence expires is a metric used to measure the proportion of court-ordered activities that are successfully completed before an individual's sentence ends.

In 2025-26, 75.8% of community orders and suspended sentence orders terminated with successful completion of attached requirements, including accredited programmes, rehabilitation activity requirements, or unpaid work. This was a 0.5 percentage point decrease compared to 76.3% in 2024-25.



Together, these actions are helping more people access support with housing, health, education and employment. By addressing some of the main causes of offending, they aim to reduce reoffending and create safer communities.

Case study:

Grand Avenues grant funding – reducing reoffending and contributing to community



During 2025-26, HMPPS Wales provided £51,930 in grant funding to Action in Caerau and Ely (ACE) to support the delivery of Grand Avenues, a community-focused approach to probation. ACE provided intensive support to approximately 45 people on probation and their families, delivering 672 recorded engagements focused on income stability, practical problem-solving, crisis support and debt advice. This work contributed to over £1.1 million in improved household financial stability. Delivered from trusted community hubs, the approach improved access to primary healthcare and local services, strengthened community connections and promoted active citizenship, including partnership work to open a new community café for local residents. It also supported work readiness through ID, training and routes into volunteering and employment.

Women in prison

Although women make up a minority in the criminal justice system, many have complex and interrelated needs. Addressing these issues can help reduce reoffending, support rehabilitation and ultimately reduce crime. The Women's Justice Board was established to advise on reducing the number of women in custody, with its report published in March 2026.[34] Alongside this, we announced £31.6 million, an increase in funding of around 50%, for women's centres and specialist services to help more women access support with housing, employment, substance misuse and domestic abuse. By tackling some of the key drivers of offending, these services help women build more stable lives and avoid further contact with the criminal justice system, including custody. They provide earlier and more targeted support which helps to reduce reoffending, improve outcomes for women and reduce future demand on the criminal justice system.[35]

Diverting children and young people away from crime

Supporting children and young people to stay away from crime is one of the most effective ways to reduce crime in the long term. Evidence shows that 80% of prolific adult offenders first became involved in offending as children. By intervening early and providing the right support, we can help young people make positive choices and prevent future offending. We are developing an ambitious programme of reforms across the youth justice system set out in the youth justice white paper published in May 2026.[36]

We set out the first steps of our reforms in the February 2026 policy statement, 'A modern youth justice service: Foundations fit for the future'.[37]

34 Ministry of Justice (2026), Women's Justice Board recommendations for reducing women's imprisonment. Available at: www.gov.uk/government/publications/womens-justice-board-report/womens-justice-board-recommendations-for-reducing-womens-imprisonment

35 Ministry of Justice (2026), Major funding boost to divert women from a life of crime. Available at: www.gov.uk/government/news/major-funding-boost-to-divert-women-from-a-life-of-crime

36 Ministry of Justice (2026), Cutting youth crime, changing young lives. Available at: www.gov.uk/government/publications/cutting-youth-crime-changing-young-lives

37 Ministry of Justice (2026), A modern youth justice service: Foundations fit for the future. Available at: www.gov.uk/government/publications/a-modern-youth-justice-service-foundations-fit-for-the-future

These included:

- a £281 million investment in the youth justice core grant over three years
- a further £46 million investment in the Turnaround programme over three years
- plans to reform the Youth Justice Board to focus on the continuous improvement of youth justice services
- establishing an expert panel to advise on how digital technology and data analytics can be better used to support youth justice services
- looking at how the government can support uptake of new technology across youth justice services and youth custody, building on innovative practice elsewhere in the justice system

These reforms focus on preventing offending before it becomes entrenched, reducing future crime and improving life chances.

Tackling knife possession by children

Stopping children from carrying knives is an important part of preventing future crime and keeping communities safe. In 2025-26, we strengthened our approach by focusing on early intervention and continued support which can help young people understand the consequences of carrying a knife and access the help they need to make positive choices. We:

- worked with the Home Office to publish new national guidance in February 2026 requiring police to refer every child found carrying a knife to youth justice services[38]
- worked with courts, schools and community partners, including through court-led education initiatives and local partnerships, to improve young people's understanding of the consequences of carrying a knife, and the support available to prevent knife possession and reoffending

These actions are helping create a more consistent response to knife possession across England and Wales and supporting young people to move away from crime.

Improving sentence management (releases in error)

Accurate sentence management is essential to protecting the public and maintaining confidence in the justice system. Following a high-profile release in error during 2025-26, we launched a programme of improvements in response to Dame Lynne Owens' Independent Review into Releases in Error and committed £82 million of investment. Actions included strengthening oversight, improving guidance and checks, and investing in digital and AI-enabled tools to improve sentence calculation and reduce reliance on paper-based processes. Together, these changes are helping reduce the risk of release errors, improve the accuracy of sentence management and strengthen public protection.

Outcome summary

Reducing crime requires more than punishment alone. It requires safe prisons, effective probation services, early intervention for children and young people, and support that helps people address the causes of their offending. In 2025-26, we invested across each of these areas to protect the public, reduce reoffending and help more people build crime-free lives. These actions helped reduce pressures on prison capacity, strengthen probation services and improve safety and security across the prison estate. However, demand remained high and risks relating to prison capacity, probation workloads, and maintaining safe and effective services continued to affect performance throughout the year. Despite focused management actions to address them, these pressures are expected to persist into 2026-27, with workforce constraints, increasing demand and capacity challenges continuing to pose risks to the quality, consistency and sustainability of service delivery. Despite these challenges, we made progress towards creating a safer, more sustainable justice system and delivering our outcome of punishment that cuts crime.

38 Ministry of Justice and Home Office (2026), Government guidance for child knife possession offences. Available at: www.gov.uk/government/publications/child-knife-possession-offences/government-guidance-for-child-knife-possession-offences-accessible--2

Outcome 2: Swifter justice for victims



Focus: Keeping cases progressing through the courts, improving support for victims of violence against women and girls, and making sure victims and witnesses get the help they need throughout the justice process. By doing this, we aim to deliver justice more quickly, improve confidence in the justice system and achieve better outcomes for victims.

Our year in context

In 2025-26, demand for our courts and tribunals services has remained high and outstripped capacity across many jurisdictions, but especially in the criminal courts and tribunals. This led to a continued increase in open caseloads and longer waits for victims, witnesses and defendants. These pressures made it harder to deliver timely justice and impacted the experience of many victims.

To meet these pressures, we increased the number of court sitting days, took action to reduce backlogs, made better use of court space and expanded digital services to help cases progress more quickly. We also strengthened support for victims, including securing £550 million over three years to expand services and improve how we use feedback from victims to improve the justice system.

Ensuring efficient case and timely progression through the criminal courts system

Long waits for court hearings can have a significant impact on victims, witnesses and defendants. Delays can make it harder for victims to engage with the justice process and reduce confidence in the justice system. Improving how quickly cases move through the courts is therefore an important part of delivering swifter justice for victims.

In 2025-26, criminal courts continued to face significant pressure as more cases entered the system than could be completed. To help more cases progress through the courts, we increased court capacity through the highest allocation of Crown Court sitting days on record and delivered over 99% of funded sitting days during the year. We also continued to modernise court services and improve processes in areas facing the greatest pressure.

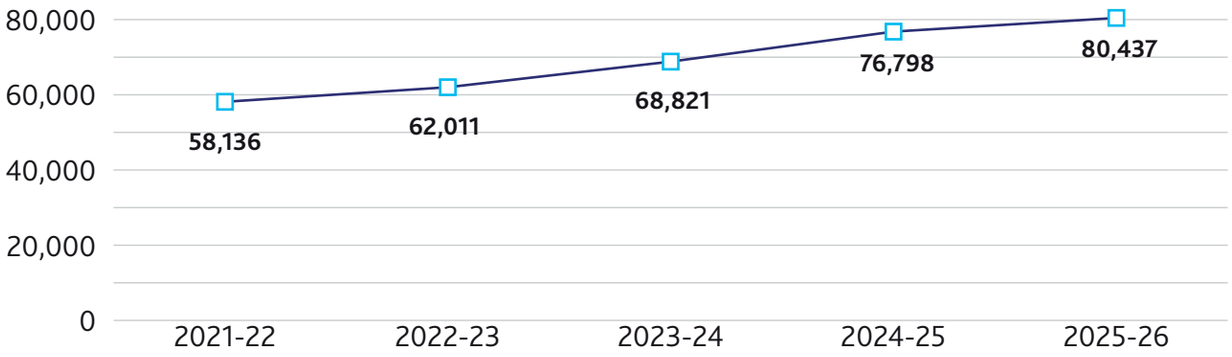
These actions increased the number of cases completed during the year and improved the system's ability to manage continued high demand. However, backlogs and delays remained significant, highlighting the need for longer-term reform to deliver swifter justice for victims.

Open caseload in the Crown Court

Value change/ progress

Open Crown Court caseload is a metric used to measure the number of Crown Court cases waiting to be completed at the end of the reporting period.

In the Crown Court, the open caseload increased by 4.7%, from 76,798 in 2024-25 to 80,437 in 2025-26.[39] This reflects the continued pressure on the criminal justice system following a sustained period of high case receipts. Sitting days in 2025-26 were the highest for a decade at 110,647, an increase of 2.5% from the previous year. Despite this, the open caseload remains a significant challenge, and work continues to increase capacity and improve efficiency.

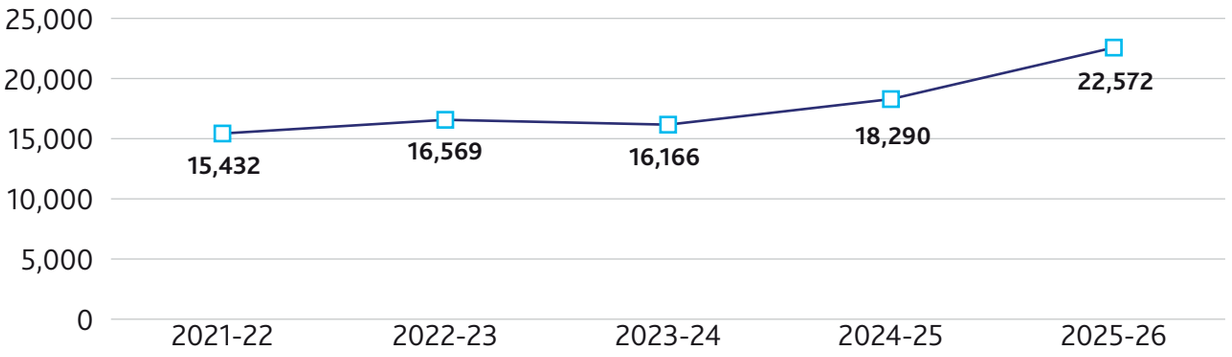


The number of Crown Court cases older than 12 months

Value change/ progress

The number of Crown Court cases older than 12 months is a metric used to measure the number of Crown Court cases that have been waiting for more than one year to be completed.

In the Crown Court, the number of cases older than 12 months increased by 23.4%, from 18,290 at the end of 2024-25 to 22,572 at the end of 2025-26.[39] By the end of 2025-26, 30% of open cases in the Crown Court were more than 12 months old. The volume of older cases remains a key challenge, with ongoing efforts focused on a combination of increasing capacity and sitting day outputs, and productivity increases including improvements to case progression and list.



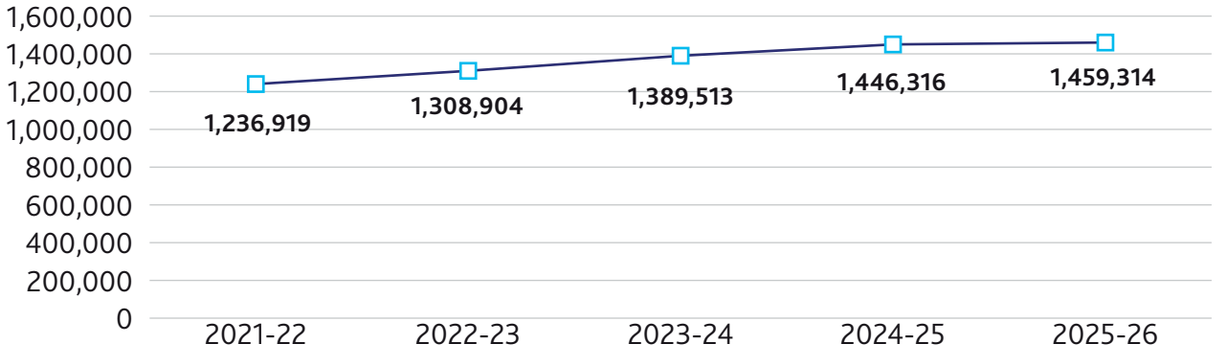
39 Minor variations to the chart figures reported in the MoJ annual report and accounts 2024-25 is attributable to routine subsequent revisions made during the reporting cycle as we improve the quality of the underlying data.

Magistrates' court disposals (criminal cases)

Value change/ progress

Magistrates' court disposals (criminal cases) is a metric used to measure the number of criminal cases completed in magistrates' courts during the financial year.

In the magistrates' court, the volume of cases reaching disposal (completed cases) increased by 0.9%, from 1,446,316 in 2024-25 to 1,459,314 in 2025-26. Despite this, receipts continue to exceed disposals, increasing the open criminal caseload from 333,297 at the end of 2024-25 to 371,980 at the end of 2025-26. Single justice procedure cases accounted for half of the open caseload. HMCTS continues to increase capacity through the ongoing recruitment of magistrates and legal advisers, which helped us sit 5% more days in 2025-26 than the previous year.



The Independent Review of the Criminal Courts, chaired by Sir Brian Leveson, examined the causes of delays across the criminal justice system and identified options to improve efficiency, reduce backlogs and support long-term reform. The published reviews provide the evidence base for future criminal court reform.

- Part 1, published in July 2025, examines long-term policy reform options which would require primary legislation to implement.[40]
- Part 2, published in February 2026, focuses on the efficiency of the system, including the use of technology and cross-system collaboration.[41]

The reviews provide a clear framework for reducing backlogs, improving timeliness and creating a more efficient criminal justice system. They reinforce the need for longer-term reform to address the underlying causes of delays and support swifter justice for victims.

We are responding to the review's findings. In April 2026, Clara Swinson was appointed as Criminal Justice Adviser and Second Permanent Secretary to provide stronger leadership across the criminal justice system and oversee delivery of the government's response to the review.[42] Implementation of the recommendations will continue over the coming years as part of the government's programme of criminal court reform.

40 Ministry of Justice (2025), Independent Review of the Criminal Courts: Part 1. Available at: www.gov.uk/government/publications/independent-review-of-the-criminal-courts-part-1

41 Ministry of Justice (2026), Independent Review of the Criminal Courts: Part 2. Available at: www.gov.uk/government/publications/independent-review-of-the-criminal-courts-part-2

42 Ministry of Justice (2026), Clara Swinson appointed as Second Permanent Secretary at the Ministry of Justice. Available at: www.gov.uk/government/news/clara-swinson-appointed-as-second-permanent-secretary-at-the-ministry-of-justice

Introduction of the Courts and Tribunals Bill

Introduced to Parliament in February 2026, the Courts and Tribunals Bill responds to challenges identified by the Independent Review of the Criminal Courts. The Bill includes reforms designed to make better use of court capacity, help more cases progress through the system, reduce pressure on the Crown Court and improve the efficiency of the criminal justice system.[43]

While the changes will take time to implement, they form an important part of our long-term plan to reduce backlogs and deliver swifter justice for victims.

Investing in and managing the court estate

Having enough courtrooms in the right places is essential to helping cases progress and reducing delays for victims, witnesses and defendants. Alongside legal reforms, we also invested in the buildings and facilities needed to support a modern and efficient court system.

In 2025-26, we increased court capacity by making four temporary Nightingale courtrooms permanent and investing in court buildings in areas facing the highest demand.

During the year, we invested £236 million in maintaining and upgrading the court estate, including £162 million on essential repairs, for example, roofs, lifts and electrical systems.

These investments helped maintain court capacity and minimise disruption through close co-ordination with court operations, phased delivery of works, and scheduling repairs outside operational hours where possible. This supported the continued progression of cases through the courts and is helping create a more resilient court system that supports the delivery of swifter justice for victims.

Supporting and engaging victims and witnesses and reducing withdrawal from the justice process

Victims and witnesses need support, information and confidence in the justice process.

In 2025-26, we strengthened how victims are supported and engaged across the justice system through more consistent services, clearer rights and greater transparency. We have:

- improved how victim feedback is collected and used, testing new approaches to capturing feedback safely and consistently, and using learning from pathfinder programmes to inform service improvements across justice services[44,45]
- strengthened victim participation and transparency by supporting the roll-out of the right for victims to observe Parole Board hearings and improving guidance to support consistent and safe delivery[46, 47, 48]
- supported delivery of the renewed Victims' Code, clarifying entitlements and strengthening consistency in how victims, including children, are supported as cases progress through the system[49]

43 Ministry of Justice (2026), Courts and Tribunal Bill: factsheet. Available at: www.gov.uk/government/publications/courts-and-tribunals-bill/courts-and-tribunals-bill-factsheet

44 Ministry of Justice (2025), Surveying victims on their experiences of the criminal justice system: feasibility study. Available at: www.gov.uk/government/publications/surveying-victims-on-their-experiences-of-the-criminal-justice-system-feasibility-study

45 Ministry of Justice (2025), Private law Pathfinder delivery update. Available at: www.gov.uk/government/publications/private-law-pathfinder-delivery-update

46 Parole Board (2025), Victims Observers – National roll-out on 1 April 2025. Available at: www.gov.uk/government/news/victim-observers-national-roll-out-on-1-april-2025

47 Parole Board (2025), Victims guidance. Available at: www.gov.uk/government/publications/victims-guidance

48 Parole Board (2025), Observers guidance – private hearings. Available at: www.gov.uk/government/publications/observers-at-parole-board-oral-hearings

49 Ministry of Justice (2026), Children to get swifter justice thanks to renewed Victims' Code. Available at: www.gov.uk/government/news/children-to-get-swifter-justice-thanks-to-renewed-victims-code

These actions form part of wider efforts to improve access to support, strengthen victims' rights and increase opportunities for victims to engage with the justice process, but there is still work to do. We secured investment of £550 million over three years to expand victim support services, improve access to practical and emotional support for victims and witnesses and reduce the risk of withdrawal from the justice process.[50, 51] We will continue working to improve support and engagement while broader reforms aim to reduce waiting times and deliver swifter justice for victims.

Case study:

Witness Service grant funding – supporting victims to give their best evidence



In 2025-26, MoJ provided £11.8 million in grant funding to Citizens Advice to deliver the national Witness Service across all criminal courts in England and Wales. Delivered by trained volunteers, the service provides emotional and practical support before, during and after court hearings, helping witnesses feel informed, safe and able to give their best evidence. Data provided by Citizens Advice shows the service supported over 85,500 witnesses in 2025-26, including around 41,600 victims of crime, many of whom were vulnerable or intimidated. This included delivering nearly 13,600 pre-trial court visits. Witness feedback demonstrated strong outcomes: 95% of respondents felt safer and 94% felt better prepared to give evidence following support from the Witness Service.

"I am so grateful for all of those who gave their time to support me, I would not have been able to complete the process and attend court without everyone's help." – Witness

"I volunteer with the Witness Service because every day is different, sometimes it is hard, but to make a witness feel more at ease is invaluable." – Volunteer

50 Ministry of Justice (2025), Deputy Prime Minister to announce 'swift and fair justice'. Available at: www.gov.uk/government/news/deputy-prime-minister-to-announce-swift-and-fair-justice

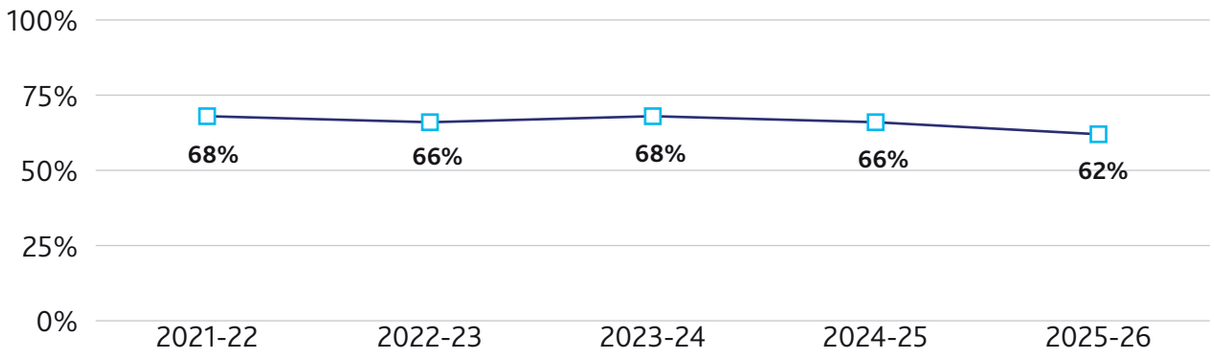
51 UK Parliament (2026), Victim support services: funding. Available at: hansard.parliament.uk/commons/debates/VictimSupportServicesFunding

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

Value change/ progress

The percentage of new criminal injury compensation applications decided within 12 months metric is used to measure the percentage of compensation claims from victims of violent crime that receive a decision within 12 months, indicating how effectively the service processes applications.

The percentage of new criminal injury compensation applications decided within 12 months decreased by four percentage points from 66% to 62% between 2024-25 and 2025-26. CICA has seen new applications rise from 29,000 in 2020-21 to over 47,000 in 2025-26, with a 10.5% increase this year alone. This growth has affected performance against key performance indicators. Additional recruitment and resource allowed some focus towards the end of the financial year, but due to delays in recruitment and intake growth the target to hit 70% by October 2025 was not met. CICA forecasts a further 10% year-on-year increase in new applications in 2026-27. Additional resource is being put into processing applications from quarter 1 to help manage this demand and improve performance, with an ambition to reach 70% by the end of 2026-27.



Our response to the most serious crimes, including violence against women and girls

We continued to strengthen support for victims of the most serious crimes, including violence against women and girls, to improve confidence in the justice system and help victims stay engaged throughout their case.

During the year we worked across government and delivery partners to improve how victims are supported, strengthen protections and introduce new measures to tackle the abuse of victims. We have:

- established a stronger cross-government framework and funding for victim support – we supported the publication of the violence against women and girls strategy in December 2025 and government made over £1 billion available to expand victim support services, safe accommodation and improve system co-ordination[52,53]
- improved information and protections for victims by giving victims free access to sentencing remarks[54]
- expanded restriction zones to help protect victims from offenders[55]
- expanded specialist support for victims of serious crime by launching a national legal adviser's service for rape victims and extending Operation Soteria, a national programme to improve the investigation and prosecution of rape and serious sexual offences, into the courtroom to improve how cases are handled[56]
- strengthened safeguarding for vulnerable victims, including updating victim policy and safeguarding arrangements to improve protections for children at risk of abuse[57]
- worked with partners across government to introduce new legislation to tackle online abuse, extending time limits for prosecuting intimate image abuse, creating new offences for violent pornographic material and strengthening legal duties on online platforms[58]

These actions have expanded access to support, strengthened protections and improved the consistency of services for victims. They are helping to build victim confidence and support a more effective response to violence against women and girls. The number of adult rape cases reaching the Crown Court continued to rise during 2025-26, indicating that more cases are progressing through the criminal justice system and reaching a court hearing.

52 Ministry of Housing, Communities and Local Government and Home Office (2025), Over £1 billion for victims of domestic abuse to access support and rebuild their lives. Available at: www.gov.uk/government/news/over-1-billion-for-victims-of-domestic-abuse-to-access-support-and-rebuild-their-lives

53 Home Office (2026), Freedom from violence and abuse: a cross-government strategy to build a safe society for women and girls. Available at: www.gov.uk/government/publications/freedom-from-violence-and-abuse-a-cross-government-strategy/freedom-from-violence-and-abuse-a-cross-government-strategy-to-build-a-safer-society-for-women-and-girls-accessible

54 Ministry of Justice (2026), Free access to sentencing remarks for all victims. Available at: www.gov.uk/government/news/free-access-to-sentencing-remarks-for-all-victims

55 Ministry of Justice (2025), New 'restriction zones' to boost protection for victims. Available at: www.gov.uk/government/news/new-restriction-zones-to-boost-protection-for-victims

56 Ministry of Justice (2026), Government launches new national Legal Advisors service for rape victims and expands Operation Soteria into the courtroom. Available at: www.gov.uk/government/news/government-launches-new-national-legal-advisors-service-for-rape-victims-and-expands-operation-soteria-into-the-courtroom

57 Ministry of Justice (2025), Thousands of children protected from abuse under victim reforms. Available at: www.gov.uk/government/news/thousands-of-children-protected-from-abuse-under-victim-reforms

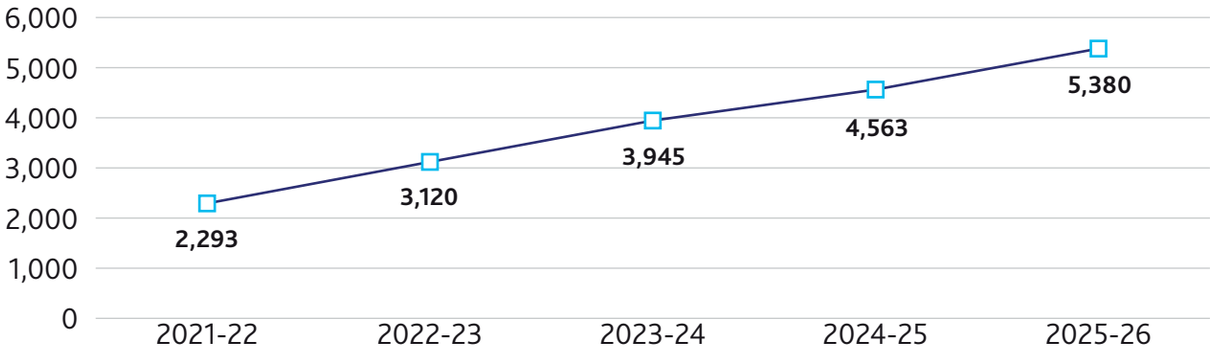
58 Ministry of Justice and Department for Science, Innovation and Technology (2025), New laws to target online abuse and pornography. Available at: www.gov.uk/government/news/new-laws-to-target-online-abuse-and-pornography

Volume of adult rape cases going to court

Value change/ progress

The volume of adult rape cases going to court is a metric used to measure the number of rape cases entering the Crown Court for trial.

The number of rape cases entering the Crown Court continued to increase in 2025-26, rising by 18% from 4,563 to 5,380 receipts.[59] This follows a sustained upward trend over recent years, with receipts more than doubling since 2021-22. The increase reflects continued system focus on improving the progression of rape cases through the criminal justice system.

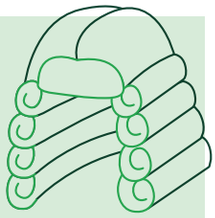


Outcome summary

Delivering swifter justice for victims requires cases to move through the courts efficiently, victims and witnesses to receive the support they need, and the justice system to respond effectively to those affected by crime. During 2025-26, the department increased court capacity and strengthened support for victims and witnesses, laying the foundations for improvements in the timeliness of justice. However, demand for services remained high and performance continued to be affected by Crown Court caseloads and the number of cases waiting more than 12 months to be completed. These challenges continued to affect the timeliness of criminal justice outcomes and victims' experiences. We will continue to improve services for victims, strengthen specialist support, and work with partners across the justice system to reduce delays and their impact on victims' wellbeing and confidence in the justice system.

59 Minor variations to the chart figures reported in the MoJ annual report and accounts 2024-25 are attributable to routine subsequent revisions made during the reporting cycle as we improve the quality of the underlying data.

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



Focus: Helping people access justice through civil, family and tribunal services, improving legal support, modernising important services and upholding the rule of law. People rely on these services at some of the most important moments in their lives, whether resolving a family dispute, seeking legal support, appealing a government decision or making arrangements for the future. By improving these services, we aim to help resolve problems more quickly, make access to support easier and maintain confidence in the justice system.

Our year in context

In 2025-26, demand for civil, family and tribunal services remained high. Many services continued to face pressure from growing caseloads, more complex cases and delays, which affected how quickly people could access justice and receive decisions. These pressures increased the risk of delays in key services and made it harder for people to access justice quickly.

To address these challenges, we increased capacity in high-demand areas, improved digital services and continued reforms to make courts, tribunals and legal aid services more effective.

Developing modern and efficient civil courts, family courts and tribunal services

Civil courts, family courts and tribunals help people access justice and resolve important issues affecting their lives. In 2025-26, high demand and increasingly complex cases continued to place pressure on services. We increased capacity, introduced reforms and modernised services to help cases progress more efficiently. These actions are improving timeliness and user experience in some areas, although significant challenges remain.

Legislative reforms to improve system performance

Courts and tribunals must be able to respond to changing demand and deliver fair, timely decisions. In 2025-26, we introduced and prepared a range of legislative reforms to improve how justice services operate and support more effective case management. We:

- prepared courts and tribunals for major legislative changes, including the implementation of the Renters' Rights Act, helping services respond effectively to future housing disputes[60]

60 UK Parliament (2026), Renters' Rights Act 2025. Available at: bills.parliament.uk

- updated court rules and legal processes to improve case management, transparency and public protection[61,62]
- supported legislation to enable the earlier deportation of eligible foreign national offenders, helping reduce pressure across the justice system[63]

Together, these reforms are helping ensure courts and tribunals are better prepared for future demand and able to respond more effectively to the needs of people using justice services. While many of the benefits will take time to be realised, they provide an important foundation for improving access to justice and supporting a more efficient and resilient justice system.

Immigration and asylum

People seeking an immigration or asylum decision need their cases to be resolved fairly and without unnecessary delay. Timely decisions help people access justice, provide certainty for those involved and support confidence in the rule of law. In recent years, the Immigration and Asylum Chamber has faced sustained demand that has exceeded capacity, increasing pressure on services and affecting how quickly cases can be resolved.

In 2025-26, we took action to increase capacity, improve efficiency and support longer-term reform of the appeals system.

We:

- provided funding for additional sitting days in the First-tier Tribunal Immigration and Asylum Chamber to increase the number of cases completed in the short term while longer-term reforms are developed
- worked with the Home Office to develop proposals for reforming the asylum appeals process to improve timeliness and support more effective case progression[64]
- worked with the judiciary and Home Office to increase flexibility in how cases are listed and heard, helping make better use of available capacity and improve productivity
- introduced digital improvements to support more efficient case management and help cases progress more quickly through the tribunal system

These actions are supporting faster and more consistent decision-making, helping people access justice sooner and strengthening confidence in the fairness and effectiveness of the justice system. However, demand is expected to continue exceeding capacity in the short term, and pressures on the chamber are likely to continue into 2026-27.

61 UK Legislation (2025), The Civil Procedure (amendment) Rules 2025. Available at: www.legislation.gov.uk/uksi/2025/106/contents/made

62 UK Legislation (2025), Civil Proceedings, England and Wales: The Economic Crime and Corporate Transparency Act 2023 (Commencement No. 5) Regulations 2025. Available at: www.legislation.gov.uk/uksi/2025/718/pdfs/uksi_20250718_en.pdf

63 Ministry of Justice (2025), Foreign prisoners to be deported sooner. Available at: www.gov.uk/government/news/foreign-prisoners-to-be-deported-sooner

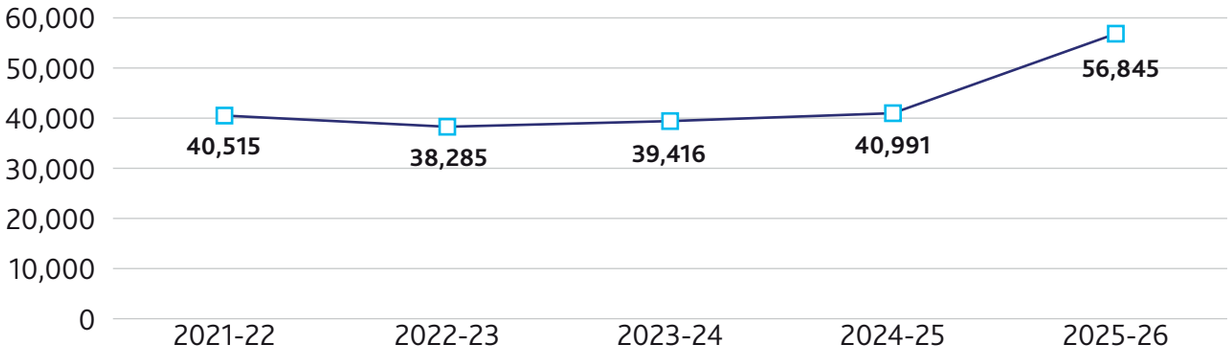
64 Home Office (2025), Tribunal system reforms to speed up asylum decisions. Available at: www.gov.uk/government/news/tribunal-system-reforms-to-speed-up-asylum-decisions

Disposals – Immigration and Asylum Chamber

Value change/ progress

Immigration and asylum chamber disposals is a metric used to measure the number of immigration and asylum cases completed by the First-tier Tribunal (Immigration and Asylum Chamber).

First-tier Immigration and Asylum Chamber disposals have increased by 38.7%, from 40,991 in 2024-25 to 56,845 in 2025-26. Despite this, high incoming demand to the tribunal, largely driven by higher volumes of Home Office asylum decisions, means we have seen the open caseload grow and waiting times for decisions increase. We continue to focus on increasing the speed with which cases progress, for example, by recruiting more judges, redeploying judges from other chambers into the Immigration and Asylum Chamber and improving technology.



Ensuring that legal aid effectively supports the resolution of legal issues now and in the future

Making courts and tribunals more efficient is only one part of improving access to justice. People must also be able to get legal advice and support when they need it. Legal aid helps people get legal advice and representation when they cannot afford to pay for it themselves. It plays an important role in helping people access justice, protect their rights and resolve legal problems fairly.

To strengthen legal aid for the future, we progressed legislative and funding reforms and took action to improve access to legal support.

Following the criminal cyber-attack against LAA's digital systems, we responded to operational disruption by introducing contingency arrangements to maintain access to criminal and civil legal aid. During the year, services were progressively restored with enhanced security measures, supporting recovery and improving system resilience.[65] These actions are helping to strengthen the sustainability of legal aid services and ensure support remains available for those who need it most.

65 Ministry of Justice and Legal Aid Agency (2025), Legal Aid Agency cyber security incident. Available at: www.gov.uk/guidance/legal-aid-agency-cyber-security-incident

Hillsborough Law

People need confidence that the state will act openly and honestly when things go wrong. In September 2025, we introduced the Hillsborough Law, the Public Office (Accountability) Bill to strengthen accountability and help ensure the truth is not hidden from the public.[66, 67] The Bill places a legal duty on public officials to tell the truth and fully co-operate with investigations, with penalties for serious cover-ups or misleading the public. It also expands legal aid so bereaved families can access legal support and representation where public bodies are involved. These changes aim to create a fairer process for families, improve access to justice and strengthen public confidence in the legal system.

The next steps in 2026-27 are to continue the Bill's passage through Parliament, refine provisions where needed, and prepare for implementation once the legislation receives Royal Assent.

Legal aid

Legal aid services remained under pressure during 2025-26 as high demand, a fragile provider market and a criminal cyber-attack against LAA's digital systems disrupted delivery. System recovery and stabilisation took priority during the year, alongside reforms to support long-term sustainability and access to justice.

Key developments included:

- increasing housing and immigration legal aid fees for controlled work, which covers advice and support provided directly by lawyers without court approval, through updates to remuneration regulations, contracts and LAA systems – the remainder of housing and immigration fee uplifts (licensed work, which covers more complex cases that require approval before legal aid is provided) will be implemented as soon as possible, with these changes aiming to improve provider sustainability and support access to justice in areas under the greatest pressure[68]
- increasing fees for criminal legal aid to help stabilise the sector and support access to timely advice and representation[69]
- responding to the criminal cyber-attack against LAA's digital systems by taking down online services and putting in place contingency arrangements to ensure continuous provision of criminal and civil legal aid – systems with enhanced security measures were brought back online in-year

By the end of March 2026, all core legal aid services had been restored, and the majority of contingency measures impacting providers had been withdrawn. LAA then moved from restoring services to recovery, focusing on clearing backlogs, winding down remaining contingency arrangements, and strengthening system security and resilience.[70]

66 Ministry of Justice (2025), Hillsborough Law Bill. Available at: www.gov.uk/government/publications/hillsborough-law-bill

67 Ministry of Justice and Cabinet Office (2025), Hillsborough Law to ensure truth never concealed by state again. Available at: www.gov.uk/government/news/hillsborough-law-to-ensure-truth-never-concealed-by-state-again

68 Ministry of Justice (2025), Civil legal aid: Towards a sustainable future. Available at: www.gov.uk/government/consultations/civil-legal-aid-towards-a-sustainable-future

69 Ministry of Justice (2025), Multi-million-pound investment in legal aid to boost access to justice for victims. Available at: www.gov.uk/government/news/multi-million-pound-investment-in-legal-aid-to-boost-access-to-justice-for-victims

70 Ministry of Justice and Legal Aid Agency (2013), Legal aid statistics. Available at: www.gov.uk/government/collections/legal-aid-statistics

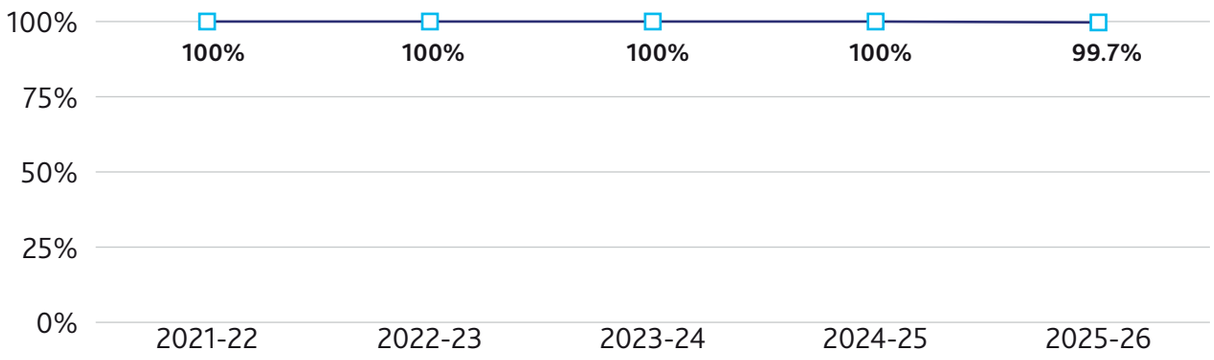
LAA: Percentage of criminal legal aid applications within two working days

Value change/ progress →

The percentage of criminal legal aid applications within two working days is a metric used to measure the percentage of criminal legal aid applications that receive an initial decision within two working days of receipt.

The percentage of crime legal aid applications processed within two working days decreased by 0.3 percentage points, from 100% in 2024-25 to 99.7% in 2025-26. Latest performance is nine percentage points higher than the key performance indicator target of 90%.

Following the criminal cyber-attack against LAA's digital systems, during system outage, intakes were lower before returning to pre-outage levels in October 2025. System data was unavailable for some time and performance is based on seven months of available system data. Prior year comparators are based on 12 months.



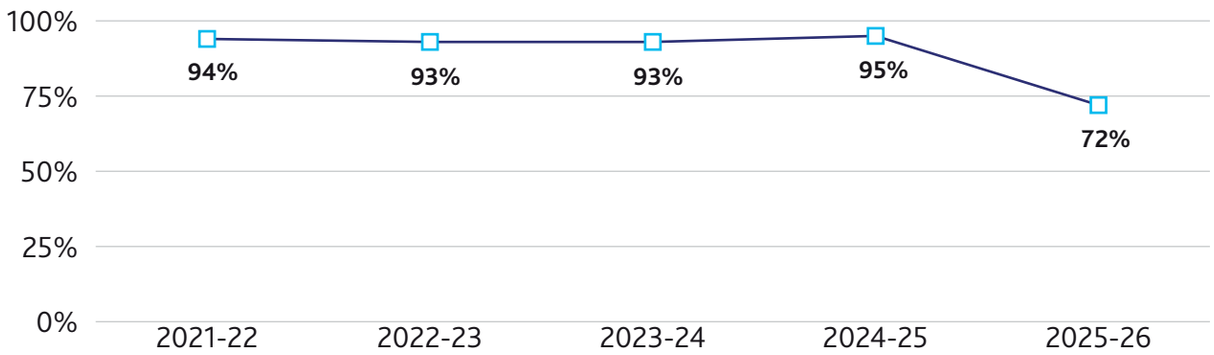
LAA: Percentage of civil legal aid applications within 20 working days

Value change/ progress

The percentage of civil legal aid applications within 20 working days is a metric used to measure the percentage of civil legal aid applications that receive an initial decision within 20 working days of receipt.

The percentage of civil legal aid applications processed within 20 working days did not meet our key performance indicator target of 85% in 2025-26. Performance reached 72%, over 13 percentage points below target and over 23 percentage points lower than 95% in 2024-25 and 93% in 2023-24.

Following the criminal cyber-attack against LAA's digital systems, systems were taken offline for a period of time. When systems were brought back online, intake levels increased significantly as 'missing' applications that were not seen during the outage began to materialise, together with cases created and/or assessed by providers under the contingency measures. This created additional pressure on performance targets and contributed to the recovery timeline. Performance could not be recovered to the key performance indicator target for year-end.



Reducing delays in family courts

Alongside strengthening legal support, we also continued to improve the services people rely on to resolve some of the most important issues in their lives. Family courts play an important role in helping children and families resolve disputes and make decisions about their future. When cases are resolved safely and without unnecessary delay, children can receive support sooner and families can move forward with greater certainty.

In 2025-26, we continued to improve how family courts operate, with a particular focus on protecting children and supporting timely decision-making in cases where there are concerns about abuse.

We strengthened legal protections, expanded new ways of working and introduced service improvements to help cases move through the system more effectively. We have:

- changed how courts make decisions about contact between children and parents through reforms in the Courts and Tribunals Bill, giving courts greater flexibility to limit or prevent contact where there are risks and ensuring decision-making focuses on the child's safety and best interests

- proposed removing the legal presumption of parental contact via the Courts and Tribunal Bill, so courts are no longer required to assume contact with both parents following separation[71]
- continued to expand delivery of the private law Pathfinder model in a further four court areas, which supports earlier identification of risk, makes case progression more efficient and puts the needs of the child at the centre of proceedings – in March 2026, the Deputy Prime Minister announced the intention to roll out the model nationally under the new child-focused courts[72]
- introduced a Civil and Family Orders Hub in Birmingham, bringing specialist staff together and using digital tools and standardised processes to improve consistency, reduce turnaround times and free up local courts to focus on hearings, with plans to roll out regional hubs by the end of 2026
- explored how AI can support anonymisation of judgements and documents in the family court, to help protect privacy while maintaining transparency

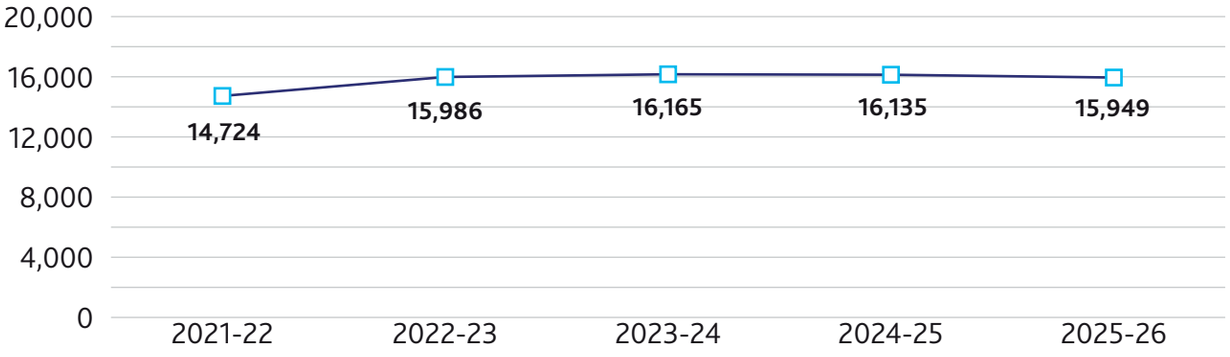
These actions are helping family courts identify risks earlier, make decisions more effectively and place children's safety and wellbeing at the centre of decision-making. They are also supporting more consistent services and helping families access justice more effectively, although complex cases and continuing demand mean challenges remain in some areas. While overall disposal volumes fell slightly during the year, older cases were concluded and waiting times improved in key areas. Early evidence from child-focused courts suggests that cases are progressing more effectively, but demand continued to exceed capacity during 2025-26, meaning pressures on family court services remain significant.

Number of family court disposals – public law

Value change/ progress

The number of family court disposals, public law, is a metric used to measure the number of public law family cases completed by the family court.

In family public law, the volume of disposals (completed cases) decreased by 1.2%, from 16,135 in 2024-25 to 15,949 in 2025-26.[73] In line with the Family Justice Board's priorities, the family court continued to focus on finalising older cases and disposing of more cases within 26 weeks. This is alongside a renewed focus on the Public Law Outline and an increase in judicial sitting days. However, regional disparities remain, highlighting the need for continued improvement. The timeliness of care and supervision cases has improved by two weeks since 2024-25 and the number of these cases dealt with in under 26 weeks has increased by 1%.



71 Ministry of Justice (2026), Government moves to protect children from abusive parents through new Courts and Tribunals Bill. Available at: www.gov.uk/government/news/government-moves-to-protect-children-from-abusive-parents-through-new-courts-and-tribunals-bill

72 Ministry of Justice (2026), Children to get swifter justice as new family courts approach expands nationally. Available at: www.gov.uk/government/news/children-to-get-swifter-justice-as-new-family-court-approach-expands-nationally

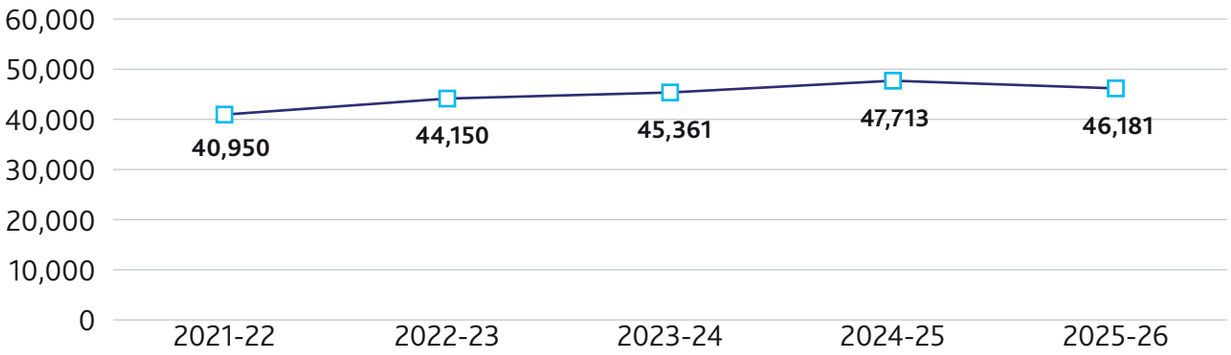
73 Minor variations to the chart figures reported in the MoJ annual report and accounts 2024-25 are attributable to routine subsequent revisions made during the reporting cycle as we improve the quality of the underlying data.

Number of family court disposals – private law

Value change/ progress

The number of family court disposals, private law, is a metric used to measure the number of private law family cases completed by the family court.

The volume of family private law disposals (completed cases) decreased by 3.2%, from 47,713 to 46,181 between 2024-25 and 2025-26.[74] During the year, receipts exceeded disposals, leading to an increase in the open caseload. However, the continued expansion of child-focused courts (formerly the private law Pathfinder pilot), alongside digital reforms and more efficient scheduling that support faster case progression, have contributed to an improvement in waiting times.



Improving lasting powers of attorney and deputyship services

Lasting powers of attorney and deputyship services help people plan for the future and ensure important decisions can be made on their behalf if they lose the ability to make them themselves. Providing reliable and timely services is important for helping people manage some of the most significant decisions in their lives.

In 2025-26, the Office of the Public Guardian (OPG) received the highest number of lasting power of attorney applications on record. Despite this, OPG maintained service performance while strengthening its operational capability. OPG has:

- reduced average registration times for lasting powers of attorney and enduring powers of attorney, achieving the highest customer satisfaction on record
- strengthened operational resilience and customer access by implementing a new telephony platform 'Genesys', improving contact centre performance and increasing the volume of calls handled while improving responsiveness – enhancements to call routing and voice recognition have made it easier for customers to reach the right services more efficiently
- increased the quality of deputyship services to support the Court of Protection by expanding the panel of professional deputies from 52 to 127, strengthening induction and setting clearer expectations, supported by processes to maintain standards

These actions helped OPG manage record levels of demand, improve the experience of service users and strengthen the resilience of its services. They are ensuring people can access timely and reliable support when making important decisions about their future or the future of those they care for.

74 Minor variations to the chart figures reported in the MoJ annual report and accounts 2024-25 are attributable to routine subsequent revisions made during the reporting cycle as we improve the quality of the underlying data.

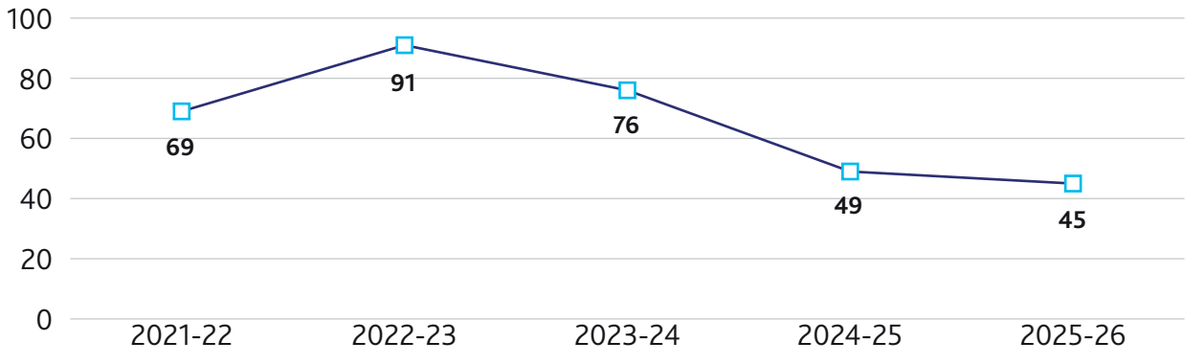
OPG: Average actual clearance time for a lasting power of attorney application

Value change/ progress

The average actual clearance time for a lasting power of attorney application is a metric used to measure the average amount of time it takes to process and clear a lasting power of attorney application.

For 2025-26, the average actual clearance time for a lasting power of attorney application decreased by a further 8% to 45 working days, compared to 49 in the previous year. Over the year, OPG received 1,589,500 power of attorney applications, an increase of 16%. It is encouraging that so many people recognise the value of having a lasting power of attorney. Against this backdrop, OPG delivered its strongest performance in five years.

Demand did not rise evenly, but came in pronounced waves throughout the year, creating periods of pressure on processing teams. These fluctuations made it more challenging and contributed to inconsistency in registration times. Despite this, OPG built on strong operational foundations from recent years, which helped manage these peaks more effectively at scale.



Upholding and promoting the rule of law domestically and internationally, and promoting the impact of legal services to support UK prosperity

Alongside improving services for the public, we also worked to strengthen the wider justice system. The rule of law helps people and businesses resolve disputes fairly and with confidence. It protects rights and helps make the UK an attractive place to invest, do business and create jobs. As one of the world's leading legal centres, the UK benefits economically from a strong and trusted legal system.

In 2025-26, we worked across government, regulators and the legal sector to strengthen the UK's legal services offer, improve co-ordination and promote English law internationally. We focused on strengthening the contribution that legal services make to the UK economy, supporting international investment and ensuring English law remains a trusted framework for resolving disputes. We have:

- worked across government and with regulators and industry to set priorities for the legal sector, contributing to the UK's professional and business services offer and supporting alignment with wider growth objectives[75]
- strengthened the international promotion of UK legal services through the LawtechUK programme and developed a more co-ordinated cross-government approach, promoting legal exports, improving market access and focusing activity on priority markets and audiences
- established the English Law Promotion Panel to provide strategic oversight and promote English law internationally, and published research to better understand and demonstrate its contribution to the UK economy and support future decision-making[76,77]

These actions are helping maintain confidence in the rule of law, supporting businesses to resolve disputes through a trusted legal system and strengthening the UK's reputation as a global legal centre. This helps attract international business, supports economic growth and contributes to jobs and prosperity across the UK.

Outcome summary

Access to justice depends on people being able to resolve legal problems fairly, quickly and effectively. It requires efficient courts and tribunals, sustainable legal aid services, modern justice services and strong support for the rule of law. In 2025-26, we invested across each of these areas, increasing capacity, progressing reforms and improving services to help more people access justice when they need it. However, pressures across courts and tribunals, legal aid and digital services continued to affect performance, and risks remain that growing demand, sustainability challenges within legal aid and delays in reform delivery could continue to impact access to justice in 2026-27. Meeting these challenges will remain a key priority as we work to improve access to justice and uphold the rule of law.

75 Department for Business and Trade (2025), The UK's Modern Industrial Strategy 2025. Available at: www.gov.uk/government/collections/the-uks-modern-industrial-strategy-2025

76 The English Law Promotion Panel. Available at: www.gov.uk/government/groups/the-english-law-promotion-panel

77 Ministry of Justice (2026), Harnessing English law for economic growth, Deputy Prime Minister's speech. Available at: www.gov.uk/government/speeches/harnessing-english-law-for-economic-growth-deputy-prime-ministers-speech

United Nations Sustainable Development Goals

MoJ shares responsibility with other government departments for supporting delivery of the UK's commitments to the United Nations Sustainable Development Goals (SDG). The table describes MoJ's primary contributions for 2025-26.

SDG 3

Good health and wellbeing
(Target 3.5 – Substance abuse)

MoJ's priority outcomes (contributing to SDG)

Punishment that cuts crime



MoJ activity in the financial year 2025-26

We continued to work with health partners to improve the use and effectiveness of community sentence treatment requirements. Since 2021, drug rehabilitation requirement commencements increased by around 73% and alcohol treatment requirements by around 34%. Intensive supervision courts, providing wraparound support and treatment, are expanding. In custody, Incentivised Substance-Free Living Units in 88 prisons provide structured support, with prisoners over 30% less likely to be involved in violence, self-harm or disorder. We increased access to mutual aid and strengthened links between prisons, probation and treatment providers to support continuity of care on release. We are extending drug testing powers through the Sentencing Bill so that all offenders on licence can be tested. In March 2026, 53% of adults were engaged in community treatment within three weeks of release, up from 38% in April 2021.

SDG 4

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

MoJ's priority outcomes (contributing to SDG)

Punishment that cuts crime



MoJ activity in the financial year 2025-26

The quality of teaching and learning in young offender institutions remains challenging. While education provider staffing has stabilised and inspections have identified early improvements, these have not yet translated into consistent improvements in outcomes. Functional skills deep dives with providers will inform a new cross-site working quality group to support improvement. Employment spaces have increased, with strong practice identified at Wetherby Young Offender Institution. 'Nurture pathways' have been added to the curriculum in all young offender institutions and support the most vulnerable children. Reading remains a priority, with all prisons implementing strategies aligned to a national reading framework. Across the wider estate, the Prisoner Education Service, launched in October 2025, is improving quality and consistency of delivery, and support for learners with additional needs. Apprenticeships and the Future Skills Programme are improving employment prospects for those nearing release and prison industries are also expanding, providing a broader range of work experience.

SDG 5

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

MoJ's priority outcomes (contributing to SDG)

Punishment that cuts crime



Swifter justice for victims



MoJ activity in the financial year 2025-26

Women make up a small proportion of the prison population but often have complex needs. Around 68% of women in custody have experienced domestic abuse, and more than half experienced abuse as children. In March 2026, we published a report by the Women's Justice Board setting out recommendations to reduce the number of women in prison. Ministers are considering these recommendations. We announced an additional £10 million funding for women's community organisations, bringing total funding to £31.6 million. Intensive supervision courts divert women from short custodial sentences into enhanced community support. Early results are promising, and ministers have committed to expand the model, including a new women's court in Liverpool launching in 2026-27.

SDG 8

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

MoJ's priority outcomes (contributing to SDG)

Punishment that cuts crime



MoJ activity in the financial year 2025-26

The proportion of prison leavers employed six months after release increased from 34.5% to 36.5%. Partnerships with employers continued to strengthen through the New Futures Network, the specialist employment team within HMPPS. During the year, we began rolling out a digital job matching tool across the prison estate to improve the quality and consistency of matching prisoners to employment opportunities on release. We also worked with the Department for Work and Pensions to support prisoners to prepare Universal Credit claims ahead of release, enabling access to Jobcentre Plus employment support as soon as possible after release.

SDG 10

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

MoJ's priority outcomes (contributing to SDG)

Punishment that cuts crime



Swifter justice for victims



A beacon for justice and the rule of law



MoJ activity in the financial year 2025-26

We continued a strategic approach to support social, economic and institutional inclusion of staff. New equality objectives were published in July 2025 and are structured around four outcome areas: inclusive culture, representative workforce, diversity and inclusion designed in, and compliance. Ahead of legislative change, we are strengthening our evidence through voluntary ethnicity and disability pay gap reporting in 2026, to support the identification and removal of structural barriers to fair participation and progression.

We have introduced a departmental risk assessment process to meet the requirements of the Worker Protection Act, taking a proactive and preventative approach to sexual harassment and supporting a safe and respectful working environment for all. We are modernising inclusion policies by updating our workplace adjustment policy and introducing a staff network and interest group policy. Together, these provide clearer, more consistent support for reasonable adjustments and staff voice, strengthening inclusive participation, accountability and engagement.

SDG 12

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

MoJ's priority outcomes (contributing to SDG)

Punishment that cuts crime



MoJ activity in the financial year 2025-26

We continued to embed sustainability within our procurement and estates activity, supporting waste reduction and more sustainable supply chains. We applied Cabinet Office procurement policy to encourage suppliers to reduce emissions and improve environmental performance.[78]

We continued to use the Building Research Establishment Environmental Assessment Method (BREEAM) in new build and refurbishment programmes.[79, 80]

By reusing, remanufacturing, refurbishing and recycling materials, we are now saving over £4 million annually. This activity also employs over 1,000 prisoners, enabling them to develop new skills and qualifications, and supports employment prospects on release.

SDG 13

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

MoJ's priority outcomes (contributing to SDG)

Punishment that cuts crime



MoJ activity in the financial year 2025-26

We are improving green skills for prisoners and supporting related employment opportunities contributing to the government's clean energy mission.

During 2025-26, we worked with an external partner to deliver a green skills training course at HMP Pentonville, focusing on building awareness of sustainability and developing skills for the green economy, alongside delivering an introductory solar photovoltaic training course in other prisons.

These activities complement existing initiatives, including the manufacture of energy-efficient lighting supporting the development of practical skills that contribute to employment opportunities in the clean energy sector.

We are also ensuring that both climate mitigation and adaptation measures are reflected in our long-term estate planning.

78 Department for Environment, Food and Rural Affairs (2012), Sustainable procurement: the GBS for construction projects and buildings. Available at www.gov.uk/government/publications/sustainable-procurement-gbs-for-construction-projects

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

80 BREEAM is a third-party certification process which assesses a project's environmental, social and economic sustainability performance using a set of standards developed by the Building Research Establishment.

SDG 15

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

MoJ's priority outcomes (contributing to SDG)

Punishment that cuts crime



MoJ activity in the financial year 2025-26

We support biodiversity across the estate through land management, operational activities and capital programmes. This includes integrating biodiversity considerations into farming and horticulture and delivering biodiversity net gain through prison expansion and refurbishment projects.

In 2025-26, prison-based tree nurseries expanded to include the cultivation of hedging plants and wildflower plugs, supporting planting activity across the estate and with government partners. Probation unpaid work teams piloted partnerships with the Environment Agency as part of community payback, and prisons incorporated habitat restoration and citizen science activities into regimes.

These initiatives support education, skills development, and physical and mental health outcomes, while contributing to habitat creation and improved environmental stewardship.

SDG 16

Peace, justice, and strong institutions
(Targets 16.1 – Reduce violence, 16.3 – Promote the rule of law, 16.b – Strengthen national institutions)

MoJ's priority outcomes (contributing to SDG)

Punishment that cuts crime



Swifter justice for victims



A beacon for justice and the rule of law



MoJ activity in the financial year 2025-26

We continued to support the rule of law at home and internationally. In December 2025, we established the English Law Promotion Panel to provide strategic insight and co-ordination on the international promotion of English law. This supports the UK's position as a leading global legal centre and contributes to international trade and investment.

This builds on wider work to strengthen co-ordination across government, improve the evidence for promoting legal services and support the long-term growth and resilience of the legal sector.

Climate and sustainability report

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

Scope

Information is prepared in accordance with HM Treasury's 2025-26 Government Financial Reporting Manual, sustainability reporting guidance, and Task Force for Climate-Related Financial Disclosures (TCFD)-aligned disclosure application guidance.[81]

Performance reporting and data governance

MoJ tracks its progress against the Greening Government Commitment targets (GGCs).[82] These targets came to an end in March 2025, which MoJ extended to March 2026, while we await confirmation of future GGCs. This report shows financial year progress for 2025-26, against a 2017-18 baseline, for MoJ group. The non-financial indicators for 2024-25 have been restated to show the full financial year up to March 2025. MoJ uses a structured approach to ensure data, as required by GGCs and HM Treasury guidance, is accurate, transparent and reliable, drawing on internal systems and external suppliers, with quality assurance, clear use of estimations, explanations of known data gaps and continuous improvements to data capture.

Tackling climate change

TCFD compliance statement

This annual report and accounts complies with the TCFD recommended disclosures on the following areas.

TCFD pillar	Recommended disclosure	Status
Governance	(a) Board oversight and (b) management's role	Compliant
Strategy	(a) Risks, (b) impacts and (c) resilience	Compliant
Risk management	(a) Identification, (b) management and (c) integration	Compliant
Metric and targets	(a) Metrics, (b) emissions/risks and (c) targets	Compliant

81 HM Treasury (2024), Government Financial Reporting Manual: 2025-26. Available at: www.gov.uk/government/publications/government-financial-reporting-manual-2025-26. HM Treasury (2025), Sustainability reporting guidance 2025-26. Available at: www.gov.uk/government/publications/sustainability-reporting-guidance-2025-26. HM Treasury (2023), TCFD-aligned disclosure guidance for public sector annual reports. Available at: www.gov.uk/government/publications/tcfd-aligned-disclosure-application-guidance

82 Department for Environment, Food and Rural Affairs and Cabinet Office (2016), Greening Government Commitments. Available at: www.gov.uk/government/collections/greening-government-commitments

Governance over climate-related issues

Board oversight – The Departmental Board receives an annual climate and sustainability transition report, while the Audit and Risk Assurance Committee receives quarterly dashboards and a biannual risk update. For further information on climate change governance arrangements, see page 106.

Management's role – The MoJ Senior Sustainability Board oversees departmental climate risks, opportunities, strategies and performance on a quarterly basis. Climate-related risks and performance are reviewed quarterly by the Finance, Performance and Risk Committee, which reports to the Executive Committee. The Investment Committee has delegated financial authority to invest in programmes and major projects, and our project delivery function supports this by managing a keyholder assurance process, which includes a climate and sustainability review of all business cases over £10 million.

Strategy

Risks, opportunities and time horizons

MoJ faces material climate-related risks and opportunities across the short, medium and long term, and the department assesses these over the following time horizons:

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

Climate change is already affecting MoJ operations and will intensify over time. Both physical risks including flooding, overheating and extreme weather, and transition risks including the scale, cost and disruption associated with decarbonising and adapting a large ageing estate, are considered material to the organisation's ability to deliver operations safely, effectively and efficiently.

Table 1 summarises MoJ's key risks and opportunities, by time horizon.

Table 1: Climate-related risks

Risk description	Horizon	Key MoJ controls
Acute physical risks		
Extreme high temperature – heatwaves pose increased health and safety risks and increase the likelihood of prison violence and disruption to court sittings.	Short, medium and long	First climate change risk assessment (CCRA1), overheating studies and prisons heatwave guidance.
Extreme precipitation – flooding poses disruption to prison and court operations, threatening capacity and damage to assets.	Short, medium and long	CCRA1, flood risk assessments, prison and courts flood cost modelling, and business continuity plans.
Severe windstorms – strong winds can interrupt critical local power supply and damage assets.	Short, medium and long	CCRA1.
Droughts – prolonged low rainfall can result in water shortages.	Short, medium and long	In scope for second climate change risk assessment (CCRA2).
Wildfires – fires near custodial sites pose risk to buildings, security, and health and safety.	Short, medium and long	In scope for CCRA2.

Risk description	Horizon	Key MoJ controls
Chronic physical risks		
Long-term temperature changes – rising average temperatures increase overheating and health risk and disrupt operational effectiveness.	Medium to long	In scope for CCRA2. Overheating studies.
Long-term average precipitation change – reduces estate resilience and HMPPS and HMCTS operations through more frequent flooding and surface water events.	Medium to long	In scope for CCRA2.
Sea level rise – increased frequency and severity of coastal flooding and erosion threaten coastal assets, causing site closures.	Medium to long	CCRA1 and long-term estates strategy.
Transition risks		
Policy and legal – regulatory changes may increase litigation and enforcement risk, raise estate upgrade and decarbonisation costs, and delay expansion or refurbishment where standards are not met, with impacts on capacity and operational resilience.	Short, medium and long	Horizon scan obligations, impact cost modelling, net zero and climate adaption strategies, and sustainable construction policy. BREEAM 'excellent' ratings targeted for new builds and expansions.
Technology – decarbonisation may require the rapid adoption of capital-intensive and unproven technologies (in custodial and heritage court settings), disrupt our operations during retrofit and increase costs.	Short to medium	Pilot technologies in custodial and court settings (heat pump, heat networks and electric vehicles). Renewable energy programmes.
Market – cost volatility and supply chain pressures drive up utility, construction and retrofit costs, constrain maintenance and capital budgets and delay upgrades, with risks to estate resilience and operational capacity.	Short to medium	Forward purchasing or hedging of energy supplies. Decarbonisation cost modelling.
Reputation – perceived weaknesses in estate management, safety or compliance with climate expectations may increase scrutiny, legal challenge and opposition (to prison expansion).	Short, medium and long	Leadership position taken on climate risk. BREEAM 'excellent' ratings targeted for prison and court new builds and expansions.

The 2030s are likely to be a period of heightened exposure, where increasing climate hazards coincide with peak estate retrofit and energy transition activity, including increasingly challenging targets, and where cost escalation and delivery disruption risks are most acute.

Climate change also presents opportunities for MoJ, including improving operational efficiency, strengthening estate resilience, reducing long-term operating costs through energy efficiency, and linking sustainability activity with wider justice outcomes such as rehabilitation through green skills and service innovation.

Next steps include refining climate time horizons and embedding into departmental planning and decision-making, prioritising action to manage peak risks, and ensuring climate-related opportunities are reflected in estates, workforce and service strategies.

Impacts on business, strategy and financial planning

During the year, MoJ reviewed its climate-related metrics and targets alongside initial climate scenario analysis to strengthen links between physical risk exposure, climate pathways and long-term financial impacts.

Business operations: Climate hazards already disrupt MoJ operations, including custody, courts and digital services. These disruptions increase the likelihood of asset downtime, operational restrictions, emergency response activity and workforce pressures. The frequency and severity of these impacts increase under all climate pathways. Non-compliance with new legislation and deploying new technology also increases disruption risk to operations.

Strategy: Climate change will increasingly influence long-term strategic decision-making. This includes how the estate is modernised and decarbonised while maintaining capacity and safety, how services remain resilient to disruption, and how workforce, prisoner and court user wellbeing, health and decency are protected during extreme conditions.

Financial planning (including quantified climate costs): MoJ faces material financial exposure from both physical and transition risks and lack of multi-year funding. Ongoing scenario analysis is strengthening our understanding of the scale and timing of costs under different warming pathways:

- transition costs from decarbonising and adapting the estate are expected to be substantial with total transition costs likely to be several billion pounds – the scale and timing of these costs will depend on delivery approach, market conditions and policy decisions
- market and supply chain pressures, including price volatility and green premium effects linked to deploying new technologies, are expected to increase costs further, particularly during the 2030s, placing additional pressure on capital budgets and delivery
- under the proactive lower warming pathway (around 2°C), ongoing analysis indicates that overheating-related operating costs are already material and expected to rise steadily from the 2030s as an ongoing pressure over time where further adaptation is not implemented
- flood-related costs, including disruption, repair and remediation costs, are material and are expected to increase over time, particularly under the higher-warming pathways
- under the cascading crises higher warming pathway (over 4°C), overheating-related costs increase much more sharply, diverging clearly from the lower warming pathway by mid-century and resulting in significantly higher long-term operating costs

These findings reinforce the importance of incorporating whole-life costs, cost of inaction and scenario sensitivity into business cases, capital planning and long-term budgeting.

Our next steps include strengthening the use of climate risk and cost evidence in investment decisions, aligning estates, infrastructure and financial strategies to reduce avoidable disruption and long-term cost escalation, and developing clearer links between climate risk exposure and resource allocation, including 'invest to avoid' cases for adaptation.

Scenario analysis

During the year, MoJ undertook climate scenario analysis to assess the resilience of its strategy under different plausible future climate pathways. Two scenarios were used:

- an approximate 2°C lower warming pathway, with early and orderly global mitigation and adaptation
- an over 4°C higher warming pathway, with delayed action and more severe physical impacts

The analysis shows that risks increase under both pathways in the short and medium term, with the 2030s representing the period of greatest combined pressure as transition delivery, increasing hazards and cost escalation coincide.

Under the lower warming pathway, risks become more manageable over time, provided early investment and disciplined delivery are put in place. Under the higher warming pathway, physical disruption and operating costs increase substantially, with greater reliance on reactive responses and higher long-term financial exposure.

The analysis demonstrates that early, co-ordinated action materially improves long-term resilience and value for money, while delayed action increases disruption, cost and risk.

Our next steps during 2026-27 include:

- further developing our scenario analysis and informing MoJ strategic planning and investment sequencing
- refreshing the analysis as climate and policy assumptions evolve
- strengthening the use of scenario outputs in governance, risk management and major programme decision-making

Risk management

Ongoing risk identification and assessment: Climate change and sustainability-related risks are a thematic risk, reviewed quarterly and through in-depth assessments.

Risk management: Risks are managed using the MoJ risk management framework, which is aligned to the Orange Book. For further information on the risk management framework, see pages 102 to 103.

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

Targets and metrics

MoJ uses several targets and metrics to measure our performance and to understand our vulnerability to climate-related risks. Tables 2 and 3 below show our present position against the GGC climate-related targets and our key metrics for the financial year, against a 2017-18 baseline, using data available to December 2025 (due the timing of this report).

MoJ has not met its total emissions reduction and direct scope 1 emissions reduction targets, driven largely by our expansion, ageing legacy estate and an increase in our reporting boundary. Reducing our emissions will remain challenging going forward and we are therefore focusing on greening our expansion and developing environmental investment principles that can inform our pre-planned maintenance spend.

Mitigating climate change: working towards net zero 2050

MoJ total emissions have reduced by 14% from the 2017-18 baseline. The need to transition away from fossil fuels is challenging for the MoJ estate with maintenance backlogs, capacity considerations and complex security requirements limiting our ability to retrofit existing estate and harness modern technologies at the scale and pace required. These challenges are compounded by funding priorities where MoJ must address critical fire safety obligations, upgrading an ageing estate and capacity building.

To drive carbon reduction activity in 2025-26 we have:

- strengthened assessment processes to better inform investment decision-making
- reframed transition risks and opportunities to focus on delivering efficiencies and resilience
- collaborated across government to unblock shared challenges (funding, power connections and fleet electrification)
- co-ordinated an MoJ approach for heat network connections
- secured Department for Energy Security and Net Zero grant funding for heat network efficiency works and a heat network connection at Coventry Magistrates' and Crown Court, and energy-saving within the prison expansion programme
- delivered building fabric (window) and efficiency interventions (heat recovery, boiler optimisations and LEDs)
- delivered roof-mounted solar power projects and completed feasibility proposals for wind projects

Next steps for 2026-27 include:

- refreshing the MoJ emissions reduction plan, aligning with new GGC targets and long-term strategy
- strengthening internal policy and standards to drive efficiencies and resilience
- maturing multi-year interventions to target priority return-on-investment opportunities

Case study:

HMP Channings Wood energy efficiency

HMP Channings Wood secured almost £750,000 from the Department for Energy Security and Net Zero, supporting a major energy efficiency investment for the new houseblock at the prison. The funding is delivering on-site solar power and electrical and plumbing upgrades to reduce heat loss and improve energy performance. The houseblock and ancillary buildings will all be electric and fossil fuel free, supporting the project's BREEAM 'outstanding' certification, which places the new buildings at HMP Channings Wood among the UK's most sustainable buildings.

Resilience to climate change

We are committed to making MoJ more resilient to the impacts of climate change, in line with our commitments under the Third National Adaptation Programme.

MoJ has made progress in strengthening climate resilience. In 2025-26 we:

- further developed our evidence base by conducting site-level flood risk assessments
- developed partnerships with academia to understand the impacts of overheating
- produced a climate resilience plan
- implemented resilience measures, such as sustainable drainage systems at our courts

Case study:

York Magistrates' Court flood resilience

In 2025, HMCTS partnered with the Environment Agency and City of York Council on flood alleviation, providing greater protection to York Magistrates' Court. This court last flooded in 2015, resulting in a three-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.

Next steps for 2026-27 include:

- continuing to embed adaptation considerations across policies, standards and processes
- continuing to install interventions across our estate to reduce overheating and flood risk
- continuing to improve our understanding of climate change risk which will inform MoJ's CCRA2

Table 2: MoJ performance against climate-related targets

GGC-aligned targets	2025-26 performance	Target achieved	Progress commentary
Reduce overall greenhouse gas emissions by 41% from a 2017-18 baseline, by March 2026	-14%	No	Reductions to date result from energy efficiency, renewable energy measures and electrical grid decarbonisation. However, the target was not met due to increased maintenance backlogs, capacity expansion, funding constraints and an increase in reporting boundary.
Reduce direct greenhouse gas emissions from estate and operations by 23% from a 2017-18 baseline, by March 2026	+17%	No	Direct emissions in 2025-26 are 17% higher. 71% of the increase is due to improved reporting of liquid fuel consumption, including fuel used to support temporary infrastructure. A further 14% is due to the inclusion of private prisons within the reporting boundary. The remaining increase reflects estate growth and higher operational demand. Newly constructed prisons are predominantly all-electric and therefore primarily affect scope 2 rather than scope 1 emissions.
Reduce domestic business flight emissions by 30% from a 2017-18 baseline, by March 2026	-49%	Yes	Domestic business flights continue to stay below the 2017-18 target as teams pursue virtual meetings and land-based travel.

Table 3: MoJ non-financial, financial and climate-related risk metrics

Climate-related metrics	2017-18 baseline	2024-25 (restated)[83]	2025-26 performance
Non-financial indicators			
Scope 1 emissions (direct) (tCO2e)	189,874	178,801	219,072
Scope 2 emissions (energy indirect) (tCO2e)	166,976	94,825	93,000
Scope 3 emissions (tCO2e) from business travel	13,546	11,139	12,592
Total emissions (tCO2e)	**370,396**	**284,765**	**324,664**
Electricity consumption (MWh)	474,376	450,253	517,105
Renewables on site (MWh)	28,605	1,500	2,929
Natural gas consumption (MWh)	924,849	844,531	984,362
Other energy sources (MWh)	38,984	89,484	124,989
Total energy use (MWh)	**1,466,814**	**1,385,768**	**1,629,385**
Financial indicators (£)			
Electricity purchased (£million)	-	146	127
Natural gas purchased (£million)	-	65	58
Other energy sources purchased (£million)	-	11	10
Total gross expenditure on the purchase of energy (£)	**92**[84]	**222**	**195**
Climate-related risks			
Percentage of assets at high risk of flooding present day (prisons – updated using latest Environment Agency National Flood Risk Assessment data)		89%	89%
Percentage of assets at high or very high risk of overheating from increased maximum summer temperatures under 2°C warming scenario		65%	65%
Percentage of assets at high or very high risk of overheating from increased maximum summer temperatures under 4°C warming scenario		73%	73%
Operational energy use intensity (kWh/m2/year)		223	220
Operational carbon emission intensity (tCO2e/m2/year)		46	44
Percentage of assets reliant on coal heating		0.1%	0.1%
Percentage of assets reliant on oil heating		6%	4%
Percentage of assets reliant on liquified petroleum gas		1%	1%
Percentage of car fleet that is ultra-low emission vehicle		22%	23%
Percentage of van fleet that is ultra-low emission vehicle		0%	0%
Percentage of car fleet that is electric vehicle		8%	9%
Percentage of van fleet that is electric vehicle		0%	0%

83 Non-financial indicators for 2024-25 have been restated from a calendar-year to a financial-year reporting basis.

84 A breakdown of the total gross expenditure on the purchase of energy, between electricity, gas and other energy sources, is not available for the 2017-18 baseline.

Minimising waste and promoting resource efficiency

The prison estate accounts for 88% of MoJ's waste. Activity has therefore focused on improving resource efficiency across prisons. More than 100 prisons now operate dedicated recycling centres, employing over 1,000 prisoners to sort waste and prepare materials for reuse and recycling, delivering savings of over £4.5 million per year.[85] National repair and recycling initiatives continue to expand, including the in-cell television repair service, which has repaired over 30,000 units and generated £1.2 million in savings since inception. HMPPS is strengthening employment links between prison recycling centres and the waste and recycling sector, and further recycling pilots will be rolled out in 2026-27 to deliver additional savings and meaningful prisoner activity. Across the wider estate, HMCTS has successfully implemented simpler recycling reforms, achieving a 70% recycling rate and eliminating waste to landfill.

Table 4: MoJ non-financial, financial and climate-related risk metrics

Waste targets	2025-26 performance	Target achieved	Progress commentary
Reduce waste generated by 15% from a 2017-18 baseline, by March 2026	-12%	No	MoJ has continued to improve resource efficiency across the estate, contributing to a reduction in overall waste generation compared with the baseline. Further reductions are expected as recycling and refurbishment activity expands.
Reduce waste going to landfill to less than 5% of overall waste, by March 2026	4%	Yes	MoJ has significantly reduced waste sent to landfill, reflecting sustained diversion efforts and improved waste management across the estate.
Increase waste reused or recycled to at least 70% of overall waste, by March 2026	58%	No	Reuse and recycling performance has continued to improve, supported by expanded recycling, repair and reuse activity across MoJ sites.

85 This data is self-reported by prison waste management units.

The table below presents absolute values (in metric tonnes) for waste generated across the estate by category, covering both administrative and operational activities.

Table 5: MoJ waste generation and disposal non-financial metrics

Waste metrics	2017-18 baseline	2024-25 restated[86]	2025-26 performance
Non-financial indicators (tonnes)			
Waste recycled (tonnes)	25,863	18,715	22,375
Total IT waste recycled, reused and recovered (externally) (tonnes)	255	123	155
Total waste composted or food waste (tonnes)	2,109	4,484	4,451
Waste incinerated with energy recovery (tonnes)	16,037	19,661	15,736
Waste incinerated without energy recovery (tonnes)	21	1,190	476
Waste to landfill (tonnes)	6,797	1,274	1,626
Total waste arising (tonnes)	**51,082**	**45,447**	**44,819**

Reducing our water use

During 2025-26, MoJ made significant progress in reducing water consumption across the HMPPS custodial estate, delivering over £4 million in annualised savings and cost avoidance, alongside volumetric reductions exceeding 800,000 cubic metres. This improvement was achieved through a data-led approach, using automated meter reading and minimum night flow analysis to identify and target high-risk sites. A focused intervention programme at the poorest performing sites, supported by clear key performance indicators, has driven sustained performance improvements and will be expanded through additional water management measures. HMCTS has similarly made savings using water efficiency surveys and interventions such as unusual consumption alerts, out-of-hours monitoring, the phased roll-out of automatic meter readers and targeted behaviour changes.

Table 6: MoJ waste generation and disposal non-financial metrics

Water target	2025-26 performance	Target achieved	Progress commentary
Reduce water use by 8% from a 2017-18 baseline, by March 2026	+16%	No	Water use in 2025-26 is 16% higher when compared to the 2017-18 consumption baseline. 48% of the increase is due to changes in scope (such as estate growth and inclusion of private prisons, contributing 29%). 25% is likely due to data errors in quarter 4, which is under investigation and the performance may need to be restated next financial year. The remaining increase reflects genuine higher demand across the estate.

86 Non-financial indicators for 2024-25 have been restated from a calendar-year to a financial-year reporting basis.

Table 7: MoJ water consumption and financial cost metrics

Water metrics	2017-18 baseline	2024-25 restated[87]	2025-26
Non-financial indicators (cubic metres 000)			
Water consumption	9,503	10,007	11,093
Financial indicators (£million)			
Water supply costs	26	33	39

Procuring sustainable products and services

MoJ seeks to embed sustainable procurement considerations through its commercial processes and evolving policy framework. Relevant and proportionate sustainability considerations are incorporated across the commercial lifecycle. For higher-value procurements (over £5 million), teams are required to apply Carbon Reduction Plan requirements and consider the inclusion of carbon-related clauses where suitable. The Social Value Model's environmental outcomes are also applied where appropriate. The model ensures that social value considerations are embedded in public procurement where they are relevant and proportionate.[88] Government Buying Standards are considered at specification and contract management stages, with our e-procurement system capturing where these and other environmental criteria are included, providing visibility of how sustainability is reflected in procurements.

Commercial teams engage with suppliers on appropriate sustainability measures and apply metrics and key performance indicators to support contract management and performance reporting as needed. MoJ is progressing an updated sustainable procurement policy, expected to introduce minimum requirements for contracts above an agreed minimum value, aligned with government sustainable procurement priorities. This will support more consistent consideration of environmental impacts and supply chain risks, while retaining flexibility to reflect the nature and context of individual procurements.

Nature

The MoJ Nature Recovery Plan (2021 to 2025) concluded during the year, delivering its objectives on habitat creation, improved biodiversity data capability, and embedding biodiversity standards within the prison expansion programme. Effective early consideration of nature within planning, management of nutrient neutrality requirements and use of permitted development rights enabled nature-related objectives to be met efficiently and with value for money. Prison expansion and wider project delivery has been supported by strengthening ecological risk management, which has reduced potential cost, programme and legal impacts. Land use and biodiversity net gain plans are now routinely considered by the HMPPS Land Use Forum to ensure consistency of approach across multiple teams.

Nature management has also been factored into estate management and operations. The Property Transformation Programme, which is procuring facilities management services for our estate, has embedded requirements for rural estate management and ecological-sensitive grounds maintenance within facilities management contracts ahead of mobilisation in 2026-27.

87 Non-financial indicators for 2024-25 have been restated from a calendar-year to a financial-year reporting basis.

88 Cabinet Office (2025), Procurement Policy Note (PPN) 002: Taking account of social value in the award of central government contracts (and the accompanying Social Value Model). Available at: www.gov.uk/government/publications/ppn-002-taking-account-of-social-value-in-the-award-of-contracts

Progress has also been made in:

- piloting sustainable land management schemes at HMPPS sites
- recognising site-level ecological leadership and innovation through the Nature and People Awards
- publishing the Design Principles for Prison Landscapes
- completing a nature-based solutions appraisal across the HMCTS estate to inform climate resilience planning

Case study:

Design Principles for Prison Landscapes in England and Wales

MoJ worked in partnership with Kier Construction, the Scottish Prison Service and the University of Birmingham to publish the Design Principles for Prison Landscapes in England and Wales (2025). The principles translate research into practical, accessible guidance that supports secure operations, staff and prisoner wellbeing, climate resilience and biodiversity recovery. For HMPPS, the approach promotes more resilient prison environments, including improved thermal comfort, surface water management and reduced maintenance pressures. Funding has been sought to apply the principles within a live prison expansion project, with the outcome due in quarter 3 of 2026.

Reducing environmental impacts from IT and digital

Over the last financial year, MoJ has played a leading role in cross government work on making technology more sustainable, covering hardware, cloud services and AI. Working closely with the Department for Environment, Food and Rural Affairs and the Department for Science, Innovation and Technology, we have helped ensure future carbon reduction targets support our technology needs while maintaining performance and security.

By working with MoJ project teams, procurement and contract managers, we are improving the quality of environmental data provided by suppliers, including their carbon emissions, with reduction plans directly linked to the contract held with us. This will strengthen reporting against government targets.

In the year ahead, more contracts will include environmental reporting as a standard requirement. Through close collaboration with suppliers and procurement teams, we are embedding clear environmental targets and key performance indicators into contracts, helping drive real and measurable environmental improvements.

Dr Jo Farrar CB OBE
Permanent Secretary and Principal Accounting Officer

11 November 2026

Accountability

Corporate governance report

The purpose of the corporate governance report is to explain the composition and organisation of the department's governance structures and how these arrangements have supported the achievement of its objectives during 2025-26.

Directors' report

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

Departmental Board, Audit and Risk Assurance Committee, and Nominations Committee member attendance from 1 April 2025 to 31 March 2026

	Meetings attended per member of those eligible to attend		
	Departmental Board	Audit and Risk Assurance Committee	Nominations Committee
Ministers			
The Rt Hon David Lammy MP, Lord Chancellor and Secretary of State for Justice (from 6 September 2025)	0/0	-	-
The Rt Hon Shabana Mahmood, Lord Chancellor and Secretary of State for Justice (from 5 July 2024 to 5 September 2025)	1/1	-	-
Lord James Timpson OBE, Minister of State for Justice (from 5 July 2024)	1/1	-	-
Alex Davies-Jones MP, Parliamentary Under Secretary of State for Justice (from 9 July 2024)	1/1	-	-
Lord Ponsonby of Shulbrede, Parliamentary Under Secretary of State for Justice (from 9 July 2024)	1/1	-	-
Sir Nic Dakin MP, Parliamentary Under Secretary of State for Justice (from 23 July 2024)	1/1	-	-
Sarah Sackman KC MP, Minister of State for Justice (from 2 December 2024)	1/1	-	-
Jake Richards MP, Parliamentary Under Secretary of State for Justice (from 8 September 2025)	0/0	-	-
Baroness Levitt, Parliamentary Under Secretary of State and Lords Minister (from 6 September 2025)	0/0	-	-

Departmental Board, Audit and Risk Assurance Committee, and Nominations Committee member attendance from 1 April 2025 to 31 March 2026			
	Meetings attended per member of those eligible to attend		
	Departmental Board	Audit and Risk Assurance Committee	Nominations Committee
Executive management			
Dr Jo Farrar CB OBE, Permanent Secretary (from 1 July 2025)	0/0	4/6	1/1
Dame Antonia Romeo DCB, Permanent Secretary[89]	0/0	-	
Amy Rees, Director General, Chief Executive, HMPPS (to 13 April 2025) and Interim Permanent Secretary (from 14 April 2025 to 30 June 2025)	1/1	1/3	-
Nick Goodwin, Chief Executive, HMCTS	1/1	-	-
Jerome Glass, Director General, Policy Group – Courts and Access to Justice[90]	0/0	-	-
James McEwen, Chief Operating Officer (to 12 October 2025), Director General and Chief Executive Officer, HMPPS (from 13 October 2025)	1/1	3/5	-
Ross Gribbin, Director General, Policy – Prisons, Offenders and International Justice (from 16 November 2023 to 9 December 2025)	1/1	-	-
Megan Lee-Devlin, Director General, Service Delivery Transformation (to 28 September 2025) and Director General, Justice Services and Transformation (from 29 September 2025)	0/0	-	-
Amy Holmes, Interim Director General, Service Delivery Transformation (from 17 March 2025 to 28 September 2025) and Interim Chief Operating Officer (from 13 October 2025 to 31 March 2026)	1/1	5/5	-
Gemma Hewison, Interim Director General, Policy – Courts and Access to Justice (from 16 June 2025 to 30 November 2025)	1/1		
Phil Copple, Interim Chief Executive, HMPPS (from 14 April 2025 to 12 October 2025)	1/1		
Emma Churchill, Director General, Policy – Courts, Access to Justice, International Justice and Legal (from 1 December 2025)	0/0		
Mark Adam, Director General, People and Capability (from 8 August 2025)	0/0	-	1/1

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

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

Departmental Board, Audit and Risk Assurance Committee, and Nominations Committee member attendance from 1 April 2025 to 31 March 2026			
	Meetings attended per member of those eligible to attend		
	Departmental Board	Audit and Risk Assurance Committee	Nominations Committee
Non-executive or independent members			
Mark Rawlinson, Lead Non-Executive Member (to 3 March 2026)	1/1	-	1/1
Paul Smith, Non-Executive Member and Chair of Audit and Risk Assurance Committee	1/1	9/9	-
Mark Beaton, Non-Executive Member	1/1	-	-
Jennifer Rademaker, Non-Executive Member	1/1	9/9	1/1
Jonathan Spence, Non-Executive Member (from 21 August 2023 to 31 December 2025)	1/1	4/7	-
Andrew Robb, Non-Executive Member	1/1	-	-
Nicky Wilden, Independent Member of Audit and Risk Assurance Committee	-	8/9	-
Jonathan Flory, Independent Member of Audit and Risk Assurance Committee	-	8/9	-
Eleanor Fairford, Independent Member of Audit and Risk Assurance Committee (from 1 July 2025)	-	6/7	

Managing conflicts of interest

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

Any significant interest held by management, where there is a link with the department, is included in Note 26 on related party transactions. The list of ministers' interests can be found at: www.gov.uk/government/publications/list-of-ministers-interests

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

Personal data-related incidents

MoJ handles millions of records containing personal data and takes all incidents seriously. The following table provides a summary report of personal data-related incidents reported to the Information Commissioner's Office (ICO) in 2025-26. MoJ has seen a rise in the number of reportable incidents from five in 2024-25 to seven in 2025-26.

MoJ has an extensive data protection training programme for staff, which includes e-learning modules, on-demand videos, guidance documents and face-to-face training to help staff understand the importance of safeguarding the personal data they are processing. All staff are required to undertake mandatory data protection training on joining the department and yearly thereafter. They are also required to undertake annual training on good security measures, in line with the Security Functional Standard, and completion is monitored centrally. Staff are supported to use good security practices through local information assurance networks. Adherence is monitored through a network of trained security and data protection practitioners.

Table 1: Personal data incidents reported to the ICO

Date incident reported	Nature of incident	Nature of data involved	Number of people potentially affected	Notification status
10 April 2025	Inappropriate access of case files by a member of staff	Name, address, date of birth and case evidence	1	Case closed by the ICO with no further action (28 July 2025)
16 April 2025	Unauthorised recording of CCTV footage inside a prison	Unredacted visual and audio data	14	Case closed by the ICO with no further action (1 October 2025)
17 April 2025	The confidential address of an appellant in a social security and child support case disclosed to other party	Name, address and contact details	3	Case closed by the ICO with no further action (22 April 2025)
28 April 2025	A criminal cyber-attack on online digital services	Name, address, personal identifiers, case reference number, contact details, financial data, criminal offence, sentence and employment data[91]	**Undecided**[92]	Case under review by the ICO
10 October 2025	The confidential addresses of appellants added to restraining orders and disclosed to respondents	Name and address	73	Case closed by the ICO with no further action (4 December 2025)
16 March 2026	The confidential address of adoptive parents disclosed to birth parent	Name and address	3	Case closed by the ICO with no further action (19 March 2026)
26 March 2026	The confidential address of the respondent in a private family law case disclosed to the applicant	Name and address	4	Case under review by the ICO

MoJ continues to monitor and assess its personal data risks to identify and address any weaknesses and ensure continuous improvements. For further information on information security, pages 106 to 107.

91 This information should not be read as meaning that every individual who accessed legal aid had all, or any, of the information listed exfiltrated. The information affected, if any, varies between individuals.

92 The exfiltrated records contain overlapping populations, meaning a consolidated count overstates the number of impacted individuals. Work continues to refine our understanding of those impacted. MoJ has provided the necessary detail to the ICO and continues to work closely with them.

Complaints to the Parliamentary and Health Service Ombudsman

The Parliamentary and Health Service Ombudsman addresses complaints made by members of the public, brought to its attention by MPs, where there has been alleged maladministration by government departments and other bodies in their jurisdiction. The department's performance for the year 2025-26 is shown below. The Ombudsman's annual analysis of the complaints it has received for each government department can be found at: www.ombudsman.org.uk

Number of complaints accepted for investigation	Number of completed investigations	Investigations upheld or partly upheld		Investigations not upheld		Investigations resolved without a finding or discontinued	
		Number	%	Number	%	Number	%
8	6	4	67%	2	33%	0	0%

	Complied with	Not complied with	Total
The number of Ombudsman recommendations	8	0	**8**

The completed Ombudsman investigations refer to complaints made in relation to HMCTS, the probation service and Cafcass. Where complaints are upheld or partly upheld, we review the case to ensure any learning is identified and improvements made.

Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed MoJ to prepare, for each financial year, consolidated resource accounts. These must set out the resources acquired, held or disposed of by the department during the year, and the uses of those resources. The scope of the accounts must cover the department, including its executive agencies and sponsored arm's length public bodies that are designated by order made under the Government Resources and Accounts Act 2000 by Statutory Instrument 2024 No. 295. These public bodies are together known as the 'departmental group', consisting of the department and sponsored bodies listed at Note 28 to the accounts. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the department and the departmental group and of the income and expenditure, Statement of Financial Position, and cash flows of the departmental group for the financial year.

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

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- ensure that the department has appropriate and reliable systems and procedures in place to carry out the consolidation process
- make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by non-departmental and other arm's length bodies
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis
- confirm that the annual report and accounts as a whole are fair, balanced and understandable, and take personal responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced and understandable

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

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

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

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

The annual report and accounts as a whole are fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced and understandable.

Accounting Officer System Statement

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

The department's Accounting Officer System Statement is available at: www.gov.uk/government/collections/accounting-officer-system-statements

Governance statement

This governance statement sets out the main features of the governance, risk management and internal control frameworks for 2025-26 through to the date of approval of the annual report and accounts. In accordance with the requirements outlined in Managing Public Money, the Government Financial Reporting Manual, Corporate Governance Code and related guidance, it outlines how the department is directed and controlled, how governance issues are managed, and the steps teams are taking to continuously improve and strengthen associated frameworks. The governance statement should be considered in conjunction with the Accounting Officer System Statement which describes the component parts of our system of internal control, including delegated authorities.

The department's governance structures

MoJ maintains governance arrangements to support the delivery of departmental priorities and outcomes. The governance framework:

- ensures compliance with HM Treasury's Corporate Governance Code for Central Government Departments and the principles and concepts within the Orange Book
- establishes a system of checks and balances, which provides assurance to the Departmental Board and Accounting Officer that the department is being governed effectively
- provides leadership and direction, including a clear vision of what the department is trying to achieve
- brings relevant capabilities, experience and insights together to provide rigorous scrutiny of the efficiency and effectiveness of performance
- promotes transparency and accountability, which maintains the trust and confidence of stakeholders through clear, complete and accurate reporting on what is being achieved and to what standards

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

Governance framework arrangements

MoJ's governance framework is centred on a formal structure of boards and committees, designed to provide timely, comprehensive and high-quality information to support effective oversight, informed decision-making, and the delivery of departmental objectives and resources in a transparent and accountable manner.

In 2025-26, we focused on strengthening our governance arrangements.

In April 2026, a new second Permanent Secretary was appointed to support the Permanent Secretary in leading the department, with delegated responsibility for the Chief Operating Officer Group and cross-criminal justice system alignment.

To support senior leaders and non-executive directors appointed during 2025-26, we strengthened our executive onboarding. This included introducing enhanced guidance and tailored briefings on governance, assurance and organisational oversight. In parallel, we developed guidance for MoJ staff to clarify how and when to engage effectively with non-executive directors. We also delivered targeted briefings to help new members of the senior leadership team discharge their duties effectively.

To further enhance the effectiveness of committees, we have developed a series of committee induction packs for Executive Committee sub-committees. These packs are designed to equip both new and existing members with the knowledge and tools required to operate effectively.

During the year, a review of delegated authority from the Executive Committee to its four sub-committees was completed. This sought to clarify and strengthen existing arrangements and, where appropriate, extend delegated responsibilities. The work was supported by a refreshed rolling committee effectiveness evaluation programme, introducing a consistent reporting methodology that enhances insight and enables meaningful comparison across committees. In 2025-26, we completed reviews for the Finance, Performance and Risk Committee, the People Business Committee and the Investment Committee. The Portfolio Committee review is in progress.

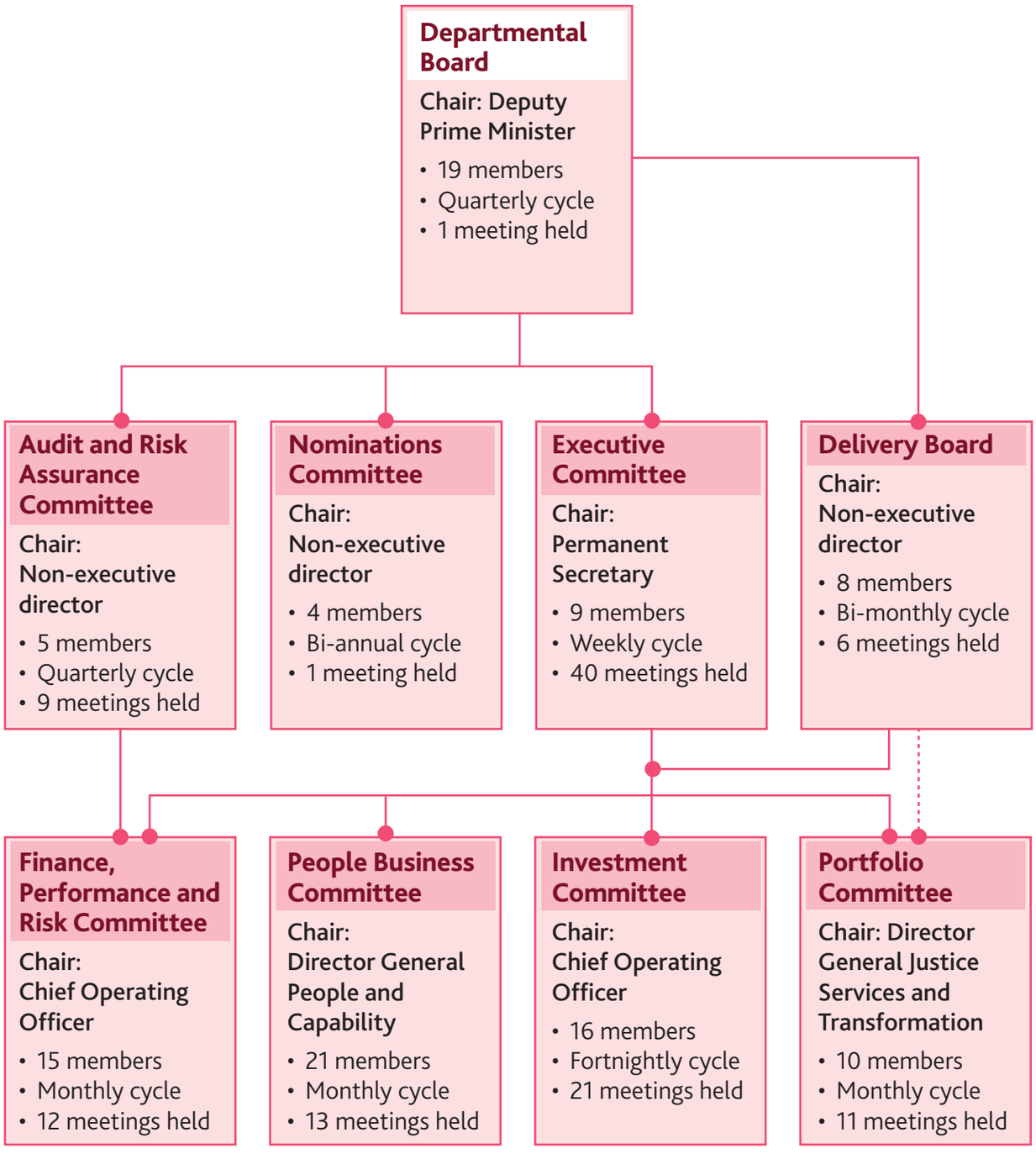
As part of this approach, we have piloted member commitment letters within the People Business Committee. These letters establish expectations in relation to accountability, responsibilities and levels of commitment, with the aim of empowering members and enhancing overall committee effectiveness.

More broadly, to enhance governance capability across the department, we have developed a suite of good practice guidance. These resources support MoJ staff in considering governance frameworks and arrangements, covering areas such as fostering effective committee culture, facilitating productive meetings, and clarifying the roles and responsibilities of chairs and members.

Separately, the Capacity Options Taskforce, established in 2023-24 to strengthen oversight of immediate prison capacity challenges, transitioned in January 2026 into the Strategic Capacity Forum, retaining the same core function. It continued to play a central role during 2025-26, co-ordinating the flow of capacity forecast information and supporting supply and demand decision-making across the department, while reporting to the Executive Committee and ministers.

During 2025-26, the department received updated departmental delegations from HM Treasury under Project RESET, a programme aimed at reducing bureaucracy and increasing efficiency. These are effective from 1 April 2026. We also worked to prepare for the implementation of new delegations, balancing reducing administrative burdens with increasing efficiency of decision-making.

Board and corporate committee information



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

MoJ committees

Departmental Board[93]

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

In-year activities included:

- providing oversight of the department's transformation agenda, including the Target Operating Model and delivery of a unified transformation plan
- overseeing business continuity arrangements and improvement of management information to support effective board-level decision-making
- considering significant operational and system change, including probation digitalisation
- providing assurance on board-level key performance indicators and the robustness of underlying performance measures, including Crown Court productivity data
- reviewing the department's response to the criminal cyber-attack against LAA's digital systems, including operational impacts and associated risks, in the context of wider system pressures

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee advises on the effectiveness of governance, risk management and internal controls. It fulfils this role by assessing the completeness of the assurances required to support the Departmental Board and Accounting Officer, and by evaluating the reliability and integrity of those assurances.

In-year activities included:

- providing oversight of audit, assurance and internal control arrangements, including engagement with the Government Internal Audit Agency and the National Audit Office
- overseeing the department's approach to risk management and governance, including contributing to the governance statement and annual report and accounts
- reviewing the departmental risk profile and management of principal and operational risks, including cyber security, criminal justice system capacity, fire safety and other high impact risks
- scrutinising accounting estimates and judgements, key performance indicator assurance, and the effectiveness of counter fraud, bribery, corruption and whistleblowing arrangements
- considering sustainability and climate-related issues, assurance over public bodies, and selected deep dive reviews on areas such as evidence and insight and workforce capability

93 Further information on the Departmental Board's governance arrangements and related corporate governance disclosures is provided on page 100.

Nominations Committee

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

In-year activities included:

- appraisal of directors general and discussion and advice in relation to performance assessment
- succession planning
- talent strategy

Executive Committee

The Executive Committee ensures that the department is fully aligned with the strategic direction set by the Deputy Prime Minister and Secretary of State, maintains and directs the capability to deliver, oversees the delivery of outcomes, and prioritises and allocates departmental resources.

In-year activities included:

- providing collective leadership and oversight of delivery of ministerial priorities and the department's strategic objectives
- considering organisational performance and financial position to support effective delivery across the department
- overseeing the department's approach to principal and emerging risks and consideration of external developments
- providing direction on major policy, operational and transformation matters, including the Sentencing Act 2026 and the Courts and Tribunals Bill 2026
- discussing people priorities, including workforce strategy, pay decisions, and wider organisational capability and planning to support delivery
- maintaining oversight of the department's change portfolio and major programmes, including regular portfolio updates, transformation strategy discussions, and monitoring of delivery risks and benefits

Delivery Board

The Delivery Board provides assurance to the Principal Accounting Officer and the Departmental Board on the delivery of the department's strategy, delivery plan and Government Major Projects Portfolio, ensuring that plans are well evidenced and strategic benefits are on track.

In-year activities included:

- providing oversight of portfolio-level delivery performance through regular reporting, including delivery confidence and forecasting accuracy
- scrutinising the performance of major programmes and priority delivery issues through targeted deep dive discussions, including significant delivery portfolios and programmes such as the Rehabilitation Directorate portfolio, courts reform closure activity, MoJ Synergy, and the Property Transformation Programme

The Delivery Board was adopted into the department's corporate governance framework in 2021. As a result of ongoing reviews of governance arrangements to ensure they remain proportionate and fit for purpose, the Delivery Board was dissolved at the end of March 2026. This decision recognises the overall strength and maturity of the assurance mechanisms supporting change delivery.

Finance, Performance and Risk Committee

The Finance, Performance and Risk Committee provides strategic oversight and integrated assurance across departmental financial management, performance and risk. It oversees the performance framework, management of principal and secondary risks, and compliance with functional standards and other government, legal or professional requirements.

In-year activities included:

- providing oversight of in-year and strategic financial management, including Spending Review implications and efficiency delivery
- considering risk reporting, planning and performance information to support effective oversight and decision-making
- overseeing the interface with internal audit and assurance on key controls and management information
- reviewing climate and sustainability issues, service transformation and arrangements for public bodies oversight
- delivering targeted risk deep dive assessments, encompassing disaster recovery and business continuity, commercial market resilience and technology risk
- handling reporting and escalation from sub-committees, including the Information and Security Risk Board and the Business Continuity and Resilience Board

People Business Committee

The People Business Committee provides strategic oversight, assurance, challenge and decision-making on people-related matters.

In-year activities included:

- providing assurance on the effectiveness of workforce and people arrangements supporting delivery of departmental objectives
- scrutinising workforce planning, recruitment and succession (including the Voluntary Exit Scheme), and compliance with key people controls
- monitoring people-related risks, including diversity and inclusion, leadership capability, worker protection and grievance handling
- considering the people impacts of major change and transformation programmes, including MoJ Synergy

Investment Committee

The Investment Committee makes investment decisions on the Executive Committee's behalf. It ensures that portfolio projects remain strategically aligned, affordable and deliverable from inception through to implementation, and that investments deliver value for money, meet regularity and propriety considerations, and are affordable and sustainable.

In-year activities included:

- providing oversight of investment decision-making across major change and capital programmes, including approval of business cases, re-baselining, gated releases and tolerance management
- overseeing investments across the justice system, including prison supply and capacity, new prisons and houseblocks, private finance initiative (PFI) prison expiry and transfer, and electronic monitoring
- considering significant digital, technology and reform investments, including Evolve, MoJ Synergy, HMCTS reform-related investment and property transformation
- monitoring the balance of risk across the investment portfolio, including regular updates on prison supply, rehabilitation and probation services, education, and the secure estate
- taking decisions on investment across major change and capital programmes, including approving business cases, setting tolerances, agreeing gated releases and re-baselining where required
- scrutinising significant investment proposals, including digital, technology and reform programmes to inform funding and delivery decisions

Portfolio Committee

The Portfolio Committee provides oversight of our major change portfolio. It ensures the portfolio is strategically aligned, affordable and deliverable, and project leaders comply with project delivery standards. It also advises on the deployment of expert resources.

In-year activities included:

- providing strategic oversight of the overall investment portfolio, ensuring alignment with ministerial priorities and departmental objectives
- overseeing the balance and sequencing of investment across the justice system, including prison capacity, estate expansion, electronic monitoring and wider system reform
- considering major programmes collectively to assess interdependencies, cumulative impacts and trade-offs across the system
- monitoring portfolio-wide delivery risks and pressures, including across prison supply, probation and rehabilitation services, education, and the secure estate, to support early identification of issues and inform reprioritisation

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

HM Treasury corporate governance code compliance

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

- The code stipulates that the Departmental Board meet on at least a quarterly basis. Due to the change in Secretary of State and competing priorities, only one meeting was held this financial year. While this is below the frequency expected, the board's supporting governance structures, including the Executive Committee and the Audit and Risk Assurance Committee, met at or above their expected frequencies. The establishment of the Justice Performance Board during 2025-26 introduced an additional senior forum, bringing together ministers and officials to review and scrutinise departmental performance. Looking ahead, the Departmental Board is scheduled to meet on three occasions during 2026-27.
- A formal Departmental Board effectiveness evaluation was not undertaken during 2025-26, reflecting both the limited frequency of board meetings and significant changes to its membership over the year. Led by the department's lead non-executive director, an informal review will take place before the end of 2026, ahead of a formal external evaluation in early 2027 once a regular meeting frequency has been re-established.

Management of outside interests

The Civil Service Code, underpinned by the Constitutional Reform and Governance Act 2010, requires all civil servants to act with integrity, including identifying and managing outside interests.

The MoJ Declaration and Management of Outside Interests Policy, aligned with Cabinet Office guidance, requires declaration of actual, potential or perceived conflicts of interest.[94] Individuals are responsible for declaring relevant interests, with failure to do so potentially leading to disciplinary action. Where conflicts arise, they must be promptly managed or removed in line with the Civil Service Code.

During 2025-26, the Government Internal Audit Agency reviewed the effectiveness of these arrangements and made recommendations to strengthen controls. An action plan is underway. MoJ is also contributing to Cabinet Office-led work following a National Audit Office review on conflicts of interest, and will take further action as required.[95]

MoJ maintains a central register of interests for all senior civil servants, covering financial interests, secondary employment and other relevant declarations. Senior civil servants must confirm annually that their declarations are complete and up to date, including nil returns where appropriate, and details of their secondary paid employment are published in line with transparency requirements.[96] Heads of business areas must ensure appropriate arrangements are in place to record declarations for all other staff. Ministerial and board member interests are published on GOV.UK.[97,98]

94 Cabinet Office (2024): Declaration and management of outside interests in the Civil Service. Available at: www.gov.uk/government/publications/declaration-and-management-of-outside-interests-in-the-civil-service/declaration-and-management-of-outside-interests-in-the-civil-service

95 National Audit Office (2024): Managing conflicts of interest: value for money. Available at: www.nao.org.uk/reports/managing-conflicts-of-interest

96 Ministry of Justice (2024): Ministry of Justice senior civil servant secondary paid employment. Available at: www.gov.uk/government/publications/ministry-of-justice-register-of-senior-civil-servant-secondary-paid-employment

97 Independent Adviser on Ministerial Standards (2026): List of ministers' interests. Available at: www.gov.uk/government/publications/list-of-ministers-interests

98 Ministry of Justice (2026): Ministry of Justice register of board members' interests. Available at: www.gov.uk/government/publications/ministry-of-justice-register-of-board-members-interests

In line with the current Declaration of Interests Policy for special advisers, all special advisers have declared any relevant interests or confirmed they do not consider they have any relevant interests. The Permanent Secretary has considered these returns and there are no relevant interests to be published.

Business appointment rules

The business appointment rules set out the process for approval when any employee, including civil servants and special advisers, wishes to leave the department to accept a role outside of the Civil Service. The rules apply for up to two years after leaving, and are designed to mitigate:

- any suspicion that an appointment might be a reward for past favours
- the risk that an employer might gain an improper advantage by appointing a former official
- the risk of a former official improperly exploiting privileged access to contacts in government

MoJ operates a defined process for considering applications for employees at SCS2 and below. Applications for director general level (SCS3) and above are managed in liaison with the Civil Service Commission, which determines the outcome and any associated conditions.

To support compliance, MoJ's People and Capability Group continues to:

- ensure that our employment contracts refer to the business appointment rules so that colleagues are aware of their obligations in this area from the outset
- ensure that colleagues across the business are regularly reminded of the business appointment rules and of their obligations in this area
- ensure that the business appointment rules form part of the leavers' process

During 2025-26, there were 51 SCS exits from the department. Nine business appointment rule applications were considered:

- two at SCS3 (director general)
- one at SCS1 (deputy director)
- two at Grade 6
- four below Grade 7

No applications were deemed unsuitable and no breaches of the rules were identified. All applications below SCS2 were approved with conditions, except for two at delegated grades where no conditions were applied.

In line with transparency requirements, the department publishes advice on business appointment rule applications for senior staff, including special advisers, on GOV.UK.[99] The Civil Service Commission publishes its advice for SCS3 and above on its website.[100]

Whistleblowing

The department's whistleblowing policy provides clear and effective routes for individuals to raise concerns in a supportive and confidential environment. The 2025 People Survey results provide evidence that the department's whistleblowing arrangements are effective. Awareness of how to raise a concern under the Civil Service Code increased to 72%, up four percentage points from 2024, while 70% of staff who responded were confident that concerns raised would be investigated properly. These results demonstrate growing awareness of reporting routes and confidence in MoJ's processes for handling concerns.

The department strengthened its arrangements and promoted awareness of reporting routes through internal communications, awareness sessions, participation in the cross-government 'Speak Up' campaign, and engagement from the director general-level whistleblowing champion.

99 Ministry of Justice (2026): MoJ business appointment rules. Available at: www.gov.uk/government/publications/moj-business-appointment-rules

100 Civil Service Commission: Business appointment rules. Available at: www.civilservicecommission.independent.gov.uk/business-appointment-rules

A network of 13 nominated officers continued to provide an independent and confidential route for raising concerns, offering impartial advice and support. Nominated officers received training on the Public Interest Disclosure Act and met regularly to share insight and good practice.

MoJ contributes to cross-government activity to improve whistleblowing arrangements and the experience of whistleblowers. A whistleblower experience survey has been introduced to inform continuous improvement, with findings shared with the Cabinet Office to support wider learning.

The department reports annually to the Cabinet Office on whistleblowing activity. In 2025-26, MoJ (including its executive agencies) reported 22 closed cases.

Significant control issues

As part of the arrangements for identifying and assessing significant control issues across MoJ and its executive agencies, agencies are requested to share details of any risks or issues disclosed within their governance statements with the MoJ Corporate Governance Centre of Expertise. These submissions are reviewed, and those assessed as significant are incorporated into this governance statement. For 2025-26, no material issues were identified for inclusion.

Throughout 2025-26, appropriate governance arrangements remained in place to manage and mitigate control challenges and emerging issues. The department recognises that it does not currently operate a single overarching assurance framework. However, this does not represent an absence of assurance. A range of established assurance activities and mechanisms operate across the organisation, including management oversight, second-line review and challenge, internal audit, external scrutiny and formal governance reporting. While the absence of an overarching framework limits the department's ability to systematically assess the completeness, co-ordination and adequacy of assurance coverage across its principal risks and key controls, the existing arrangements provide important compensating assurance.

The department is committed to developing and implementing such a framework in the coming year to strengthen oversight and effective governance, with plans already underway.

Enterprise risk management arrangements

Risk management is integral to MoJ's governance and leadership, underpinning how the organisation is directed, managed and controlled. The risk management framework is considered robust in relation to the identification, assessment, ownership, monitoring and escalation of principal and emerging risks. The framework supports effective planning, prioritisation and delivery of outcomes, while strengthening the ability to respond agilely to challenges, in compliance with the Orange Book: Management of Risk – Principles and Concepts and the Corporate Governance Code.

Responsibilities for the management of areas of risk are devolved through the organisational structure, defined roles and responsibilities, and delegated authorities. Responsibility for the effective operation of the risk framework is delegated to the Chief Operating Officer who is supported by the Chief Risk Officer.

The Chief Risk Officer actively engages with the department's governance arrangements, with responsibilities including:

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

During 2025-26 we took steps to evolve and improve our risk management approach, including:

- refining the principal risk approach, enabling the Executive Committee to focus on key risks while maintaining organisation-wide assurance
- implementing principal risk reviews by the Finance, Performance and Risk Committee and the Executive Committee, with quarterly reporting to the Audit and Risk Assurance Committee
- quarterly oversight of the full MoJ risk landscape to identify, assess and escalate emerging risks
- assessing risks embedded across investment decisions and the lifecycle of projects, programmes and commercial relationships, including alignment with external threats
- strengthening risk capability through training, maturity assessments (National Audit Office tool) and close alignment of strategy, finance, planning and risk to inform allocations and Spending Review decisions

Business continuity and organisational resilience

This year, the Departmental Operations Centre delivered a programme of exercises aligned to national security risk assessment scenarios, providing assurance over co-ordination and escalation arrangements, identifying cross-cutting dependencies, and informing improvements to local and corporate plans.

We strengthened business continuity assurance arrangements through enhanced self-assessments, targeted challenge and deep dive reviews of organisational arrangements. We monitored resulting improvement actions through governance processes.

The department also published its Corporate Crisis Management Strategy in 2025-26, clarifying escalation, co-ordination and decision-making arrangements. We established a crisis response surge pool to provide trained volunteers that can quickly be called on for additional resource in major crises, strengthening departmental resilience. Staff and senior leaders expected to lead crisis responses continue to be supported by training and development.

Oversight continued through the director-led Business Continuity and Resilience Governance Board. Collectively, these activities strengthened organisational resilience and provided greater assurance over the department's ability to respond to, and recover from, disruptive events.

Corporate fire, health and safety

The department continued to strengthen arrangements for managing compliance with fire safety and health and safety legislation during 2025-26. This was supported by clear governance, director-level accountability and oversight through audits, inspections, performance reporting and a structured assurance process.

During 2025-26, we strengthened controls through improvements to governance arrangements and increased audit and assurance activity. This included 26 workplace inspections and targeted audits of business areas and specialist functions, alongside continued alignment with ISO 45001 principles. Findings from these activities have supported compliance monitoring, identified improvement opportunities, and strengthened the consistency and maturity of risk management across the department. A follow-up review by the Government Internal Audit Agency provided a 'substantial' assurance rating for the corporate fire, health and safety function.

The mid-year assurance process indicated that the majority of public bodies are progressing towards full compliance, although some variation in maturity remains. Improvement activity has focused on strengthening assurance requirements, improving reporting consistency and providing targeted support where gaps have been identified. Lessons from incidents continue to inform improvements to the control environment.

Overall, these arrangements have strengthened oversight of fire, health and safety risks across the department and improved the visibility of areas requiring further action. Continued assurance and improvement activity will support greater consistency and compliance across the portfolio.

Internal control framework

The Principal Accounting Officer is responsible for maintaining an effective system of internal control across the department, its executive agencies and other public bodies. This is supported by a framework of delegated authorities monitored through our governance and risk management frameworks, to ensure effective stewardship of public resources and compliance with statutory and regulatory requirements.

The department continues to embed and apply government functional standards, which provide a stable basis for assurance, risk management and capability development, supporting value for money for the taxpayer. We monitor compliance through assessments, assurance processes and oversight by departmental governance committees, with targeted improvement activity undertaken where gaps are identified. We will undertake a programme of work to strengthen our understanding of second-line assurance across our functional landscape in the coming year.

During 2025-26, the department began a programme to modernise its approach to policy and operating procedure management. This aims to strengthen ownership and accountability, improve accessibility, and ensure that policies and procedures remain current, consistent and subject to regular review.

In addition to the improvements identified, we are exploring options to improve overall co-ordination of second-line assurance activities throughout the department to better inform the Principal Accounting Officer where internal control gaps exist.

Finance

The Principal Accounting Officer establishes plans to use resources affordably and sustainably within agreed limits. Financial authority is delegated to commit resources and incur expenditure, ensuring compliance with financial controls, including those mandated by HM Treasury and the Cabinet Office, as set out in our spending control framework.

These controls are designed to ensure that the department and its public bodies operate effectively and to the high standard of probity expected. Each budget holder is required to check expenditure to ensure that all transactions are legitimate and in line with anticipated spend, retaining records of all approvals with supporting documents. Identified anomalies are investigated and addressed through established control processes, with corrective or disciplinary action taken where appropriate.

Commercial

During 2025-26, the Commercial Function continued to improve governance, assurance and contract management arrangements in support of the Commercial Strategy 2025 to 2028.

We introduced a revised governance process for procurements valued above £10 million, providing proportionate oversight while maintaining appropriate assurance. We also reviewed commercial assurance boards to align with a comprehensive commercial assurance framework and HM Treasury guidance, clarifying decision-making responsibilities and strengthening oversight of commercial and contract management activity. In addition, we revised delegated authority arrangements for the execution of deeds to improve efficiency while maintaining compliance with legal and governance requirements.

The function also continued to strengthen supplier resilience arrangements, building on lessons learned from supplier failures in previous years. We introduced improved market management practices and contingency planning arrangements across commercial portfolios to support operational resilience and continuity of service delivery.

Collectively, these activities strengthened assurance over commercial decision-making, contract management and supplier resilience. In addition, the Commercial Optimisation Project launched in 2025-26, designed to improve the efficiency and overall performance of commercial operations across MoJ. Delivery of project-led improvements will start in 2026-27.

Projects and programmes

The department's projects and programmes are led by a senior responsible owner who is accountable for delivery, governance and the achievement of agreed outcomes.

MoJ projects are managed in accordance with the Government Functional Standard for Project Delivery, the government project delivery framework and other applicable functional standards. Integrated assurance and approval plans are maintained for all major projects and programmes and are subject to independent quality assurance through the National Infrastructure and Service Transformation Authority (for major projects and programmes on the Government Major Projects Portfolio).

The department maintains a structured approach to project and programme assurance through functional standard compliance assessments, gateway reviews, keyholder reviews and a proportionate 'three lines of defence' model. These arrangements provide assurance that projects and programmes are subject to appropriate scrutiny and challenge throughout their lifecycle, enabling the Project Delivery Function to assess compliance and identify which elements require further enhancement.

Enhanced portfolio reporting provided deeper insights into portfolio management at the Portfolio Committee. This improved visibility of delivery performance, risks and dependencies, enabling more effective oversight and challenge by senior governance bodies.

In 2026-27, the department will continue to focus on project delivery fundamentals, including planning, risk management and benefits realisation, to improve delivery confidence across the portfolio.

People

During 2025-26, we undertook a comprehensive review of the People and Capability Group's governance and ways of working, ensuring stronger alignment with wider departmental governance. This focused on streamlining processes, strengthening oversight and improving efficiency. It has enabled senior leaders to focus on decision-making at the appropriate level, strengthen risk assessment, improve tracking against key performance indicators, ensure escalation occurs at the right level, and maintain a clear, up-to-date view of workforce risks.

Property

During 2025-26, we continued to strengthen and mature governance arrangements for the management of MoJ's estate, building on improvements made in recent years to support effective oversight, risk management and decision-making across the property portfolio.

The MoJ Property Board remained the principal governance forum for estate management, providing strategic oversight of risks, investment decisions and delivery priorities. The board continued to support timely decision-making and effective co-ordination across the department and its agencies.

Governance arrangements between HMPPS and the Property Directorate were further strengthened through clearer accountabilities, revised functional partnership agreements and improved information flows. These changes provided greater clarity over decision-making responsibilities, escalation routes and performance oversight.

Risk management arrangements continued to mature through closer collaboration with HMPPS and strengthened oversight of shared operational risks. Key risks were identified, assessed and monitored through established governance processes, with appropriate controls and escalation mechanisms in place.

During the year, we refreshed the Strategic Asset Management Plan to reflect departmental priorities and the Government Property Strategy. Work also continued to review the strategic estate to support longer-term affordability and alignment with Spending Review settlements.

We developed a Target Operating Model to support the future delivery of property services, including workforce planning and organisational design. This will inform the phased implementation of efficiency and capability improvements over the coming years.

Internal audit and assurance activity undertaken during the year, including follow-up reviews of statutory compliance and fire, health and safety arrangements, demonstrated continued progress in strengthening the control environment. These findings were supported by routine compliance monitoring and assurance activity across the estate.

Collectively, these arrangements improved governance and oversight of operational risks, providing assurance that property services are being managed effectively in accordance with statutory and departmental requirements.

Climate change and sustainability

In 2025-26, MoJ continued to maintain robust oversight of climate-related, environment and sustainability issues. The Permanent Secretary is accountable for the delivery of improvements, in line with the government's GGCs.[101]

Climate and sustainability risks are now treated as a thematic risk across the MoJ group, with agencies managing them either as a principal risk or as a significant component of broader principal and functional risks. This change aligns with the adoption of a group-wide aggregated approach to principal risk reporting, replacing the previous risk category structure. The Departmental Board receives an annual report on performance and risks and MoJ's Audit and Risk Committee receives biannual reports.

The Chief Operating Officer continued to oversee strategic climate and sustainability activity, hold ownership of the thematic risk and chair the MoJ Senior Sustainability Board, which consists of appropriate SCS representatives from agencies and functions. The board received performance updates from across the departmental group regarding the delivery of the GGCs and management of risks. On a quarterly basis, the board reported to the Finance, Performance and Risk Committee, which escalated issues to the Executive Committee as required.

The Chief Sustainability Officer and Climate Change and Sustainability Unit continued to provide functional leadership, expertise and co-ordinated climate and sustainability activity across the departmental group. Looking ahead to 2026-27, we will be reviewing our thematic risk in line with the changing risk landscape, our improved risk understanding, and anticipated new government resilience and efficiency targets. Once in place, we will develop environmental action plans aligned with the revised targets, making clear our funded improvements, and supported by clear responsibilities and accountabilities.

Security and information

The Security and Information Directorate provides functional leadership and assurance across security, information management and data protection. It supports compliance with government security standards and relevant legislative requirements, including the Data Protection Act 2018 and the Public Records Acts 1958 and 1967.

During 2025-26, security, information and data protection risks continued to be overseen through the Information and Security Risk Board, supported by specialist working groups covering personnel, physical and information security, and data protection. The board met quarterly to monitor risk, review assurance activity and oversee delivery of improvement actions.

101 Cabinet Office and Department for Environment, Food and Rural Affairs (2025), Greening Government Commitments. Available at: www.gov.uk/government/collections/greening-government-commitments

Security and information risks continued to be reported through departmental governance structures, including the Executive Committee and the Audit and Risk Assurance Committee.

Given the complexity of the department's technology estate, cyber security remained a key area of focus. This year, the Security and Information Directorate continued to support LAA's response to the criminal cyber-attack against its digital systems. This included providing advice to support decisions about recovery of services and risk acceptance and remediation priorities, while delivery accountability remained with system and business owners. We have incorporated learning from incidents into updated guidance, response arrangements and cyber incident simulation exercises.

Progress continued against the MoJ Cyber Security Strategy, strengthening cyber resilience and the control environment including the introduction of a supplier security framework and expanded use of GovAssure assessments. We embedded security expertise and provider assurance within major programmes and operational services, and incorporated lessons identified from security incidents into improvement activity.

The department continued to work towards compliance with the government security framework, supported by annual security health check assessments and participation in cross-government security networks. These arrangements provided a structured approach to monitoring progress and identifying areas requiring further improvement.

More broadly, the department continued to strengthen arrangements in response to the evolving threat landscape. We are working towards compliance with the expanded requirements in the updated physical security standard. In partnership with national security bodies, nearly half of site assessments are complete, including 11 this year, with ongoing work to assess HQ sites and drive improvements through targeted action and performance tracking. Our programme of site assessments, awareness activity and engagement with government security partners supported the maintenance of appropriate security measures for staff, ministers and departmental assets.

The department is also implementing the updated personnel standard, which was rescoped to encompass the end-to-end employment process, with a focus on insider risk. Compliance has improved through the establishment of an insider risk programme team, publication of an insider risk strategy and personnel security policy, and the introduction of online behaviour monitoring. We are actively planning work to achieve improvements year on year. This includes:

- rolling out insider risk awareness modules department-wide to embed insider risk awareness into onboarding and annual training
- introducing quarterly reporting on behavioural indicators to measure behavioural risk reduction and policy adherence
- reviewing and updating personnel security policy based on feedback and the threat landscape

During the year, responsibility for national security vetting transferred in-house, providing greater visibility of vetting risks and strengthening departmental oversight of personnel security arrangements.

Collectively, these activities strengthened the security and information control environment, improved risk ownership and assurance coverage, and provided greater confidence in the department's ability to identify, manage and respond to security, information and data protection risks.

Data

During 2025-26, Justice Data strengthened governance, accountability and organisational alignment to support departmental priorities and improve the quality and accessibility of data services. This included work supporting the Independent Sentencing Review and the initiation of Justice ID, developed as part of the response to the Independent Review into Releases in Error. In parallel, accountability for data quality has improved through the ongoing implementation of internal audit recommendations.

The Digital and Data Delivery Board strengthens governance through the provision of strategic oversight, assurance and direction across the justice, digital, data and science portfolio, acting as the principal forum for significant digital and data issues.

Three improvement programmes transitioned into business-as-usual operations, embedding accountability for delivery and supporting the sustainability of key services. We further developed data quality reporting to identify critical data assets and prioritise improvement activity.

While progress has been made, data quality remains a significant risk in some operational areas and continues to be subject to ongoing management attention and oversight.

Analysis

The Analysis Function and Justice Data continued to provide analytical and evidence-based support to departmental policy, operational delivery and strategic decision-making throughout 2025-26.

Analytical resources were aligned and allocated to departmental priorities, including sentencing and criminal court reform and the Independent Review into Releases in Error, while continuing to provide core analytical products, data services and evidence to support decision-making across the department. Embedded analytical teams within policy and operational areas continued to support the effective integration of evidence into policy development and delivery.

Demand for analytical and data expertise remained high during the year, creating capacity pressures in some areas. These pressures were managed through prioritisation processes and the continued use of flexible resourcing arrangements, enabling resources to be deployed rapidly to emerging priorities.

Strengthening analytical quality assurance remained an area of focus. Work continued to develop a department-wide analytical quality assurance framework, providing greater clarity over roles and responsibilities and promoting consistent standards across analytical professions. This will improve the reliability, transparency and robustness of evidence used to inform departmental decision-making.

We further strengthened research and evaluation governance arrangements to support effective prioritisation of analytical activity and ensure resources remained aligned to departmental objectives. Established governance processes continued to support the identification of evidence gaps, oversight of commissioned research and evaluation activity, and compliance with appropriate methodological and ethical standards.

Collectively, these arrangements provided assurance over the quality, governance and effective use of analytical evidence across the department, supporting informed decision-making and continuous improvement.

Justice Digital

During 2025-26, Justice Digital continued to strengthen governance, assurance and compliance arrangements across the function.

We introduced a new end-to-end assurance model and enhanced technology governance process, providing clearer routes for investment approval, more proportionate assurance, and better oversight of digital and technology delivery. These arrangements strengthened accountability, supported value for money and improved the quality of information available for decision-making.

We made further progress through the Strengthening Digital and Data Programme, including the establishment of joint governance forums with agencies, improvements to financial management arrangements and clarification of governance responsibilities across the function. The implementation of a portfolio management tool has improved visibility of delivery, risk and performance information and supported more evidence-based decision-making.

Annual assurance and continuous improvement assessments identified areas requiring further development, including data governance, business continuity, accessibility, training and evidence-based assurance. Improvement plans are in place to address these areas and strengthen consistency of reporting and control effectiveness.

While governance arrangements continue to mature, further work is planned to simplify governance structures, strengthen accountability and improve assurance processes. Overall, the arrangements provide increased assurance over digital investment, delivery and risk management.

Counter fraud

The department remains committed to preventing, detecting and responding to fraud, bribery and corruption, working collaboratively across MoJ and the wider government counter fraud community. The Director General of the Service Transformation Group remained the department's accountable board member for counter fraud, providing strategic leadership and assurance to the Principal Accounting Officer. The ministerial sponsor for counter fraud provided ministerial oversight.

The MoJ Counter Fraud Sub-Committee, comprising representatives from executive agencies and key departmental functions, continued to oversee counter fraud activity across the department. The committee monitored delivery of counter fraud priorities, reviewed emerging risks and provided oversight of improvement activity.

Fraud risk continued to be considered at the earliest stages of policy development, investment decisions and programme delivery. Initial fraud impact assessments were completed for new spending initiatives and programmes, including those required by the Public Sector Fraud Authority. Counter fraud considerations also remained embedded within the department's investment and assurance processes, with more detailed fraud risk assessments undertaken where required.

During the year, the department reviewed its enterprise fraud risk assessment to reflect emerging risks, including those associated with new technologies and AI. A new Counter Fraud Strategy for 2026 to 2030 set out the department's approach to strengthening fraud controls, improving compliance with functional standards and increasing data-led detection and prevention activity.

Delivery of the strategy will be supported through annual action plans, performance measures and maturity assessments, with progress subject to regular oversight by the Counter Fraud Sub-Committee and engagement with the Public Sector Fraud Authority.

Collectively, these arrangements provided assurance that fraud, bribery and corruption risks are being actively identified, managed and monitored across the department.

Grants

Each grant programme is overseen by a senior officer accountable for the delivery of its objectives and compliance with the Government Grants Functional Standard. During 2025-26, the Grants Centre of Expertise continued to provide professional support, guidance and oversight, strengthening governance and assurance across the department's grant portfolio.

All grants are supported by a grant agreement, and have a senior officer responsible, who ensures that grants are afforded the appropriate level of scrutiny, all the functional standards are adhered to, and grant funding is administered effectively. The terms of the grant agreements allow for identification of underperformance or other issues by senior officers responsible and grant managers who will discuss these with the grant recipients. The Accounting Officer relies on senior officers responsible to provide structured monitoring of data, performance and delivery of outcomes, and to identify risks at individual grant scheme or award level.

The Grants Challenge and Assurance Panel, chaired by the senior officer responsible for the department's grants, continued to provide independent scrutiny and assurance over grant funding arrangements and value for money. During 2025-26, the panel provided oversight of £256 million in grant expenditure, reviewing both new and existing grant schemes to ensure consistency, proportionality and compliance with functional requirements. The panel provided challenge and advice to grant sponsors on grant design, delivery arrangements, risk management and expected outcomes, supporting effective decision-making and the appropriate use of public funds.

Mechanisms such as the Grants Challenge and Assurance Panel use information provided by grants teams to challenge and assure design, the delivery model and expected outcomes, covering propriety, regularity and value for money.

Compliance with the Government Grants Functional Standard continued to be externally validated through the biennial grants continuous improvement assessment. The most recent assessment, completed in 2024, rated the department as 'best' with a compliance score of 93.5%. During 2025-26, all recommendations arising from the assessment were implemented and closed.

These arrangements provided assurance that grant funding was subject to appropriate oversight, effective challenge and robust governance, supporting value for money and the achievement of intended outcomes.

Grants case studies are highlighted on pages 46 and 52.

Senior sponsorship of public bodies

During 2025-26, assurance over the governance, performance and financial management of public bodies continued to be provided through the Public Bodies Centre of Expertise, supporting consistent oversight across the portfolio. In March 2026, we appointed a Director of Public Bodies and Public Appointments, strengthening senior leadership oversight.

The department's sponsorship arrangements remained aligned to the Cabinet Office Sponsorship Code and were supported by a risk-based and proportionate approach to oversight, including annual partnership assessments, regular performance reviews and reporting through departmental governance structures.

The department continued to support reforms intended to strengthen the effectiveness, accountability and agility of public bodies. This included progressing a number of targeted reviews and continuing to update framework documents in line with government guidance. The Public Bodies Centre of Expertise also supported ministerial public appointments processes and continued work to improve the timeliness, diversity and effectiveness of appointments across the portfolio.

These arrangements provided proportionate oversight of governance, performance, financial management and risk across the public bodies landscape and continue to be reviewed to ensure they remain effective and aligned to departmental priorities.

Ministerial directions

There were no ministerial directions in 2025-26 to Dr Jo Farrar CB OBE in her capacity as Principal Accounting Officer.

Review of effectiveness

As Principal Accounting Officer, I am responsible for ensuring the effectiveness of the department's governance structures, risk management and internal control framework. This assurance is informed by:

- the audit opinion and insights provided by internal audit on the adequacy and effectiveness of the department's framework for governance, risk management and internal control
- the findings of the National Audit Office, including its financial audit of the department and its public bodies and its value for money report on the economy, efficiency and effectiveness of public expenditure
- the views of the Audit and Risk Assurance Committee on the design and operation of the department's governance, risk management and internal control arrangements
- assurance and oversight provided by the National Infrastructure and Service Transformation Authority in respect of the department's projects within the Government Major Projects Portfolio
- information from the department's public bodies on organisational performance and the effectiveness of their relevant boards
- feedback from senior managers with delegated responsibilities regarding stewardship of resources, management of risks, compliance with standards, and delivery against in-year budgets and targets

As Principal Accounting Officer, I am responsible for ensuring effective processes are in place to identify, monitor and report governance issues through the year. In discharging this responsibility, I draw assurance from the department's board and committee structures, as well as from assurance and audit processes. I also rely on the assurance provided by agency chief executives and directors general operating under delegated authority, as set out in the Accounting Officer System Statement.[102]

In preparing the department's governance statement, I have taken account of the outcomes of the annual assurance processes, including:

- completion of director assurance statements across MoJ HQ, reviewed and countersigned by the relevant directors general, assessing compliance with departmental policies and guidance
- a control maturity assessment evaluating the effectiveness of functional governance and compliance controls, and identifying areas for improvement
- committee effectiveness reviews to ensure effective governance and oversight arrangements remain in place
- review of material issues from executive agencies and other public bodies, assessed for materiality at MoJ level, providing an overview of compliance for their organisation

Government Internal Audit Agency

A key source of independent assurance is the internal audit function, which provides me and the Audit and Risk Assurance Committee with clear insight into issues identified through its work.

The scope of internal audit assurance aligns with my responsibilities as Principal Accounting Officer, covering the core department and the public bodies within the departmental group. Arrangements ensure I am promptly informed of any significant issues indicating ineffective risk management. I am also assured that internal audit operates in accordance with public sector internal audit standards.

For 2025-26, the MoJ Group Chief Internal Auditor has provided a 'limited' annual opinion on the department's framework of governance, risk management and control. This is defined as: "There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective."

102 HM Treasury (2026), Accounting Officer System Statements. Available at: www.gov.uk/government/collections/accounting-officer-system-statements

In the previous year, the MoJ Group Chief Auditor provided a 'moderate' opinion, noting a downward direction of travel towards 'limited'. Challenges identified at the time, which included a high level of risk exposure, constrained resources and significant demand pressures, have largely persisted into 2025-26.

The opinion was driven principally by an increase in the number of individual reviews receiving 'limited' assurance opinions. The Government Internal Audit Agency identified several recurring themes from 2024-25 requiring continued improvement, including fragmented assurance activity and weaknesses in second-line assurance, limitations in data quality and management information, and insufficient clarity of ownership and accountability across the control environment.

The overall opinion is further informed by annual assurance opinions across MoJ's public bodies. Notably, the two largest public bodies, HMPPS and HMCTS, have both received 'limited' opinions, primarily driven by an increase in individual reviews resulting in 'limited' assurance opinions.

Despite these challenges, the MoJ Group Chief Internal Auditor highlighted areas of strong performance across many of the department's public bodies, alongside continued progress in driving positive change within our operating environment. In particular, where internal audit is embedded within governance structures, there is evidence of increasing maturity and effectiveness.

A strong co-ordinated response to emerging, in-year, cross-departmental challenges was also observed, exemplified by the LAA cyber-attack.

Overall, the Government Internal Audit Agency has confirmed that the department continues to operate governance structures aligned with Cabinet Office requirements. Its risk management framework provides a solid foundation for understanding the department's risk profile, with arrangements continuing to evolve and strengthen over time.

While this position is well understood, the ongoing challenge is to ensure that identified controls are operating effectively, or that additional action or investment is undertaken to bring risks into tolerance, supported by a credible delivery plan. The department is committed to prioritising sustained action and targeted investment to strengthen the wider control and assurance environment. Initial improvement activity has focused on:

- improving audit owner engagement and preparedness, alongside stronger oversight of audit actions
- initiating a functional assurance review to establish a comprehensive view of assurance arrangements across MoJ
- mobilising a central Assurance Centre of Expertise to strengthen oversight and co-ordination of MoJ's control and assurance environment

We are also supporting efforts to deliver similar improvements across the executive agencies, particularly HMPPS and HMCTS.

While their work has highlighted evidence of embedded assurance processes in some areas of the department, they highlight the need for effective and consistent 'second line of defence' reporting, underpinned by robust data. Enhancements in this area will better equip senior leaders to assess control effectiveness and inform decisions on investment and risk appetite.

In terms of control and compliance, the work undertaken by the Government Internal Audit Agency recognises progress made by the department in embedding government functional standards. However, further work is required to establish a shared understanding between functions and service users regarding delivery expectations and service provision. This work is underway within the department.

External audit

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

The notional cost of the statutory audit for the core department was £778,820 (2024-25: £789,400), which also includes the statutory external audit of the consolidated accounts, the Office of the Accountant General and the Judicial Pension Scheme. The total cost of statutory external audits across the departmental group was £3,148,288, of which £689,468 was cash and £2,458,820 was notional cost (2024-25: £2,971,400 comprising £639,500 cash and £2,331,900 notional cost). The notional external audit cost includes the cost of the HMCTS Trust Statement which is not consolidated as part of these accounts.

Independent oversight of assurance arrangements

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

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

Conclusion

I have considered the evidence provided regarding the production of the governance statement and the independent advice and assurance provided by the Audit and Risk Assurance Committee. I conclude that the department has satisfactory governance and risk management systems in place with the necessary policies and procedures to support MoJ in delivering its statutory duties and to meet the aims and objectives set by ministers, while safeguarding the public funds and assets for which I am responsible. While the fundamental arrangements remain sound, I recognise that further co-ordinated work is required to strengthen effectiveness and ensure they operate consistently to an acceptable standard across MoJ. To address this, we have put in place a programme of improvement, as set out on page 112, to enhance the effectiveness of our governance, risk management and assurance arrangements and support their consistent operation across MoJ group.

Dr Jo Farrar CB OBE

Permanent Secretary and Principal Accounting Officer

11 November 2026

Remuneration and staff report

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

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

Remuneration policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.[103] The Review Body on Senior Salaries also advises the Prime Minister from time to time on:

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

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

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

The Review Body on Senior Salaries takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Board members and senior civil servants' remuneration

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

Service contracts

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

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at: www.civilservicecommission.org.uk

Remuneration and pension entitlement

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

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

Remuneration: salary and payments in kind (audited)

Remuneration	2025-26					2024-25				
	Total amount of salary and fees	All taxable benefits (nearest £100)	Pension-related benefits (nearest £1,000)[104]	Severance payments	Total (nearest £1,000)	Total amount of salary and fees	All taxable benefits (nearest £100)	Pension-related benefits (nearest £1,000)	Severance payments	Total (nearest £1,000)
Ministers[105,109]	£	£	£	£	£	£	£	£	£	£
The Rt Hon David Lammy MP, Lord Chancellor and Secretary of State for Justice (from 6 September 2025)[106]	33,753 (FYE 67,505)[107]	3,000	10,000	-	47,000	-	-	-	-	-
The Rt Hon Shabana Mahmood MP, Lord Chancellor and Secretary of State for Justice (from 5 July 2024 to 5 September 2025)[108]	33,753 (FYE 67,505)	-	7,000	-	41,000	49,721 (FYE 67,205)	-	13,000	-	62,000
Lord Timpson OBE, Minister of State for Justice (from 5 July 2024)	-	-	-	-	-	-	-	-	-	-

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

105 When a minister moves from one department to another, the exporting department pays their salary at the current rate of pay until the end of the month of departure, and the importing department pays in the following month at the appropriate salary plus any arrears.

106 The Rt Hon David Lammy MP's start date was 6 September 2025, but the department began paying his salary from 1 October 2025.

107 FYE: full-year equivalent.

108 The Rt Hon Shabana Mahmood's last day as Lord Chancellor and Secretary of State for Justice was 5 September 2025, but her salary was paid by the department until the end of September 2025.

Remuneration	2025-26					2024-25				
	Total amount of salary and fees	All taxable benefits (nearest £100)	Pension-related benefits (nearest £1,000)[104]	Severance payments	Total (nearest £1,000)	Total amount of salary and fees	All taxable benefits (nearest £100)	Pension-related benefits (nearest £1,000)	Severance payments	Total (nearest £1,000)
Ministers[105,109]	£	£	£	£	£	£	£	£	£	£
Alex Davies-Jones MP, Parliamentary Under Secretary of State for Justice (from 9 July 2024)	22,375	-	6,000	-	28,000	16,300 (FYE 22,375)	-	4,000	-	21,000
Lord Ponsonby of Shulbrede, Parliamentary Under Secretary of State for Justice (from 9 July 2024 to 6 September 2025)	-	-	-	-	-	-	-	-	-	-
Sir Nic Dakin MP, Parliamentary Under Secretary of State for Justice (from 23 July 2024 to 7 September 2025)	-	-	-	-	-	-	-	-	-	-
Sarah Sackman KC MP, Minister of State for Justice (from 2 December 2024)	31,680	-	8,000	-	40,000	10,475 (FYE 31,680)	-	3,000	-	13,000

109 Lord Ponsonby of Shulbrede, Sir Nic Dakin MP and Jake Richards MP are paid by another government department. Lord Timpson OBE and Baroness Levitt KC served as unpaid ministers.

Remuneration	2025-26					2024-25				
	Total amount of salary and fees	All taxable benefits (nearest £100)	Pension-related benefits (nearest £1,000)[104]	Severance payments	Total (nearest £1,000)	Total amount of salary and fees	All taxable benefits (nearest £100)	Pension-related benefits (nearest £1,000)	Severance payments	Total (nearest £1,000)
Ministers[105,109]	£	£	£	£	£	£	£	£	£	£
Jake Richards MP, Parliamentary Under Secretary of State for Justice (from 8 September 2025)	-	-	-	-	-	-	-	-	-	-
Baroness Levitt KC, Parliamentary Under Secretary of State and Lords Minister (from 6 September 2025)	-	-	-	-	-	-	-	-	-	-
Heidi Alexander MP, Minister of State for Justice (from 8 July 2024 to 28 November 2024)	-	-	-	-	-	12,604 (FYE 31,680)	-	3,000	-	16,000
The Rt Hon Alex Chalk KC MP, Lord Chancellor and Secretary of State for Justice (from 21 April 2023 to 5 July 2024)	-	-	-	-	-	17,784 (FYE 67,505)	-	4,000	16,876	39,000

Remuneration	2025-26					2024-25				
	Total amount of salary and fees	All taxable benefits (nearest £100)	Pension-related benefits (nearest £1,000)[104]	Severance payments	Total (nearest £1,000)	Total amount of salary and fees	All taxable benefits (nearest £100)	Pension-related benefits (nearest £1,000)	Severance payments	Total (nearest £1,000)
Ministers[105,109]	£	£	£	£	£	£	£	£	£	£
Mike Freer MP, Parliamentary Under Secretary of State for Justice (from 20 September 2022 to 5 July 2024)	-	-	-	-	-	5,894 (FYE 22,375)	-	1,000	5,593	13,000
The Rt Hon Edward Argar MP, Minister of State for Justice (from 27 October 2022 to 5 July 2024)	-	-	-	-	-	8,346 (FYE 31,680)	-	2,000	7,920	18,000
Gareth Bacon MP, Parliamentary Under Secretary of State for Justice (from 13 November 2023 to 5 July 2024)	-	-	-	-	-	5,894 (FYE 22,375)	-	1,000	5,593	13,000

Remuneration: salary and payments in kind (audited)

Remuneration	2025-26					2024-25				
	Total amount of salary and fees	All taxable benefits (nearest £100)	Bonuses paid[110]	Pension-related benefits (nearest £1,000)[111,112]	Total	Total amount of salary and fees	All taxable benefits (nearest £100)	Bonuses paid	Pension-related benefits (nearest £1,000)	Total
Senior managers	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Dr Jo Farrar CB OBE, Permanent Secretary (from 1 July 2025)[113]	145-150 (FYE 195-200)	-	-	23	170-175	-	-	-	-	-
Dame Antonia Romeo DCB, Permanent Secretary (to 13 April 2025)	5-10 (FYE 200-205)	-	-	6	10-15	205-210	-	0	63	270-275
Amy Rees, Director General, Chief Executive, HMPPS (to 13 April 2025) and Interim Permanent Secretary (from 14 April 2025 to 30 June 2025)[113]	45-50 (FYE 185-190)	14.2	10-15	6	80-85	175-180	40.2	15-20	25	260-265

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

111 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 decrease due to a transfer of pension rights.

112 The pension benefits of any members affected by the Public Service Pensions Remedy which were reported in 2022-23 on the basis of alpha membership for the period between 1 April 2015 and 31 March 2022 are reported in 2025-26 on the basis of Principal Civil Service Pension Scheme membership for the same period.

113 Jo Farrar and Amy Rees are members of the partnership pension scheme and as such did not accrue Principal Civil Service Pension Scheme benefits. The employer contributions to their partnership pension accounts are included in the 'Pension-related benefits' column of this table and the cash equivalent transfer value (CETV) table.

Remuneration	2025-26					2024-25				
	Total amount of salary and fees	All taxable benefits (nearest £100)	Bonuses paid[110]	Pension-related benefits (nearest £1,000)[111,112]	Total	Total amount of salary and fees	All taxable benefits (nearest £100)	Bonuses paid	Pension-related benefits (nearest £1,000)	Total
Senior managers	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Nick Goodwin, Chief Executive, HMCTS[114]	155-160	-	5-10	82	240-245	145-150	-	0-5	85	230-235
James McEwen, Chief Operating Officer (to 12 October 2025), Director General and Chief Executive Officer, HMPPS (from 13 October 2025)	175-180	-	5-10	75	255-260	165-170	-	10-15	141	320-325
Mark Adam, Director General, People and Capability (from 8 August 2025)	110-115 (FYE 170-175)	-	5-10	77	190-195	-	-	-	-	-

114 Nick Goodwin is remunerated by HMCTS. His remuneration is also published in the HMCTS annual report and accounts for the financial year ending 31 March 2026.

Remuneration	2025-26					2024-25				
	Total amount of salary and fees	All taxable benefits (nearest £100)	Bonuses paid[110]	Pension-related benefits (nearest £1,000)[111,112]	Total	Total amount of salary and fees	All taxable benefits (nearest £100)	Bonuses paid	Pension-related benefits (nearest £1,000)	Total
Senior managers	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Amy Holmes, Interim Director General, Service Delivery Transformation (from 17 March 2025 to 28 September 2025) and Interim Chief Operating Officer (from 13 October 2025 to 31 March 2026)[115]	135-140 (FYE 140-145)	-	15-20	134	285-290	5-10 (FYE 125-130)	-	-	5	10-15
Gemma Hewison, Interim Director General, Policy – Courts and Access to Justice (from 16 June 2025 to 30 November 2025)	60-65 (FYE 135-140)		-	25	85-90	-	-	-	-	-
Megan Lee-Devlin, Director General, Service Delivery Transformation (to 28 September 2025) and Director General, Justice Services and Transformation (from 29 September 2025)[116]	185-190	-	5-10	73	265-270	185-190[117]	-	0-5	69	255-260

115 During 2025-26, Amy Holmes was on the Departmental Board for two separate periods in two different roles. The remuneration for both these periods has been added together to arrive at total salary and bonuses. Pension CETV is as at 31 March 2026.

116 Megan Lee-Devlin was on an approved period of paid leave from 17 March 2025 to 28 September 2025. Amy Holmes served in the role on an interim basis during this period.

117 The 2024-25 comparative figure has been restated from £175,000-£180,000 to £185,000-£190,000 to include remuneration received while on paid leave.

Remuneration	2025-26					2024-25				
	Total amount of salary and fees	All taxable benefits (nearest £100)	Bonuses paid[110]	Pension-related benefits (nearest £1,000)[111,112]	Total	Total amount of salary and fees	All taxable benefits (nearest £100)	Bonuses paid	Pension-related benefits (nearest £1,000)	Total
Senior managers	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Ross Gribbin, Director General, Policy – Prisons, Offenders and International Justice (from 16 November 2023 to 9 December 2025)	105-110 (FYE 150-155)	-	10-15	52	170-175	145-150	-	15-20	112	270-275
Jerome Glass, Director General, Policy Group – Courts and Access to Justice (to 15 June 2025)	30-35 (FYE 150-155)	-	5-10	14	50-55	145-150	-	10-15	87	245-250
Richard Price, Director General, Performance, Strategy and Analysis (to 31 October 2024)	-	-	-		-	85-90 (FYE 145-150)	-	-	81	165-170
Emma Churchill, Director General, Policy – Courts, Access to Justice, International Justice and Legal (from 1 December 2025)	50-55 (FYE 150-155)	-	-	17	65-70	-	-	-	-	-
Phil Copple, Interim Chief Executive, HMPPS (from 14 April 2025 to 12 October 2025)	90-95 (FYE 180-185)	-	-	31	120-125	-	-	-	-	-

Remuneration: salary and payments in kind (audited)

	2025-26			2024-25		
	Fees (excluding performance-related remuneration)	All taxable benefits (nearest £100)	Bonuses paid	Fees (excluding performance-related remuneration)	All taxable benefits (nearest £100)	Bonuses paid
Non-executive board members[118]	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Mark Rawlinson, Lead Non-Executive Member (to 3 March 2026)[119]	15-20 (FYE 20-25)	-	-	20-25	-	-
Paul Smith, Non-Executive Member and Chair of Audit and Risk Assurance Committee (to 31 March 2026)[120]	20-25	-	-	20-25	-	-
Mark Beaton, Non-Executive Member (to 31 March 2026)	10-15	1.9	-	10-15	6.0	-
Jennifer Rademaker, Non-Executive Member	10-15	-	-	10-15	-	-
Jonathan Spence, Non-Executive Member (from 21 August 2023 to 31 December 2025)	10-15 (FYE 10-15)	0.8	-	10-15	2.4	-
Andrew Robb, Non-Executive Member	10-15	-	-	10-15	-	-

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

119 Mark Rawlinson left his role as Lead Non-Executive Member on the Departmental Board on 3 March 2026. Rob Whiteman was appointed as Lead Non-Executive Member on the Departmental Board on 5 May 2026.

120 Paul Smith left his role as Chair of the Audit and Risk Assurance Committee on 31 March 2026. Gurpreet Dehal was appointed as non-executive board member and Chair of the Audit and Risk Assurance Committee on 1 April 2026.

Salary

'Salary' includes:

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

This report is based on accrued payments made by the department and therefore recorded in these accounts. In respect of ministers in the House of Commons, departments bear only the cost of the additional ministerial remuneration. The salary for their services as an MP (£93,094 from 1 April 2025) and various allowances to which they are entitled are borne centrally.

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

Benefits in kind

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

Bonuses

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

Bonuses for SCS pay band 3 are determined by the Permanent Secretary, as advised by the Nominations Committee which includes the lead non-executive board member and the Chief People Officer. The bonuses reported in 2025-26 relate to performance in 2025-26 and 2024-25. The comparative bonuses reported for 2024-25 relate to performance in 2024-25 and 2023-24.

Pension entitlements: ministerial pensions (audited)

	Accrued pension at age 65 as at 31 March 2026	Real increase in pension at age 65	CETV at 31 March 2026	CETV at 31 March 2025[123]	Real increase/ (decrease) in CETV
Ministers[121,122]	**£000**	**£000**	**£000**	**£000**	**£000**
The Rt Hon David Lammy MP, Lord Chancellor and Secretary of State for Justice (from 6 September 2025)	10-15	0-2.5	224	208	7
The Rt Hon Shabana Mahmood MP, Lord Chancellor and Secretary of State for Justice (from 5 July 2024 to 5 September 2025)	0-5	0-2.5	19	12	3
Lord Timpson OBE, Minister of State for Justice (from 5 July 2024)	-	-	-	-	-
Alex Davies-Jones MP, Parliamentary Under Secretary of State for Justice (from 9 July 2024)	0-5	0-2.5	9	4	2
Lord Ponsonby of Shulbrede, Parliamentary Under Secretary of State for Justice (from 9 July 2024 to 6 September 2025)	-	-	-		-
Sir Nic Dakin MP, Parliamentary Under Secretary of State for Justice (from 23 July 2024 to 7 September 2025)	-	-	-	-	-

121 These ministers were not paid by MoJ during the reporting year. Lord Timpson OBE and Baroness Levitt KC served as an unpaid ministers. Therefore, they received no pension benefits from MoJ. Lord Ponsonby of Shulbrede, Sir Nic Dakin MP and Jake Richards MP were paid by another government department.

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

123 The 'CETV at 31 March 2025' figure may differ to the figure used for the end date in the previous year's published accounts. This is due to a change in the factors used in part of the calculation since the previous figures were run.

	Accrued pension at age 65 as at 31 March 2026	Real increase in pension at age 65	CETV at 31 March 2026	CETV at 31 March 2025[123]	Real increase/ (decrease) in CETV
Ministers[121,122]	**£000**	**£000**	**£000**	**£000**	**£000**
Sarah Sackman KC MP, Minister of State for Justice (from 2 December 2024)	0-5	0-2.5	16	8	4
Jake Richards MP, Parliamentary Under Secretary of State for Justice (from 8 September 2025)	-	-	-	-	-
Baroness Levitt KC, Parliamentary Under Secretary of State and Lords Minister (from 6 September 2025)	-	-	-	-	-
Heidi Alexander MP, Minister of State for Justice (from 8 July 2024 to 28 November 2024)	-	-	-	4	-
The Rt Hon Alex Chalk KC MP, Lord Chancellor and Secretary of State for Justice (from 21 April 2023 to 5 July 2024)	-	-	-	49	-
Mike Freer MP, Parliamentary Under Secretary of State for Justice (from 20 September 2022 to 5 July 2024)	-	-	-	56	-
The Rt Hon Edward Argar MP, Minister of State for Justice (from 27 October 2022 to 5 July 2024)	-	-	-	51	-
Gareth Bacon MP, Parliamentary Under Secretary of State for Justice (from 13 November 2023 to 5 July 2024)	-	-	-	4	-

Ministerial pension benefits

Pension benefits for ministers are provided by the Parliamentary Contributory Pension Fund. The scheme is made under statute and the rules are set out in the Ministers' Etc. Pension Scheme 2015.[124] Those ministers who are MPs may also accrue an MP's pension under the Parliamentary Contributory Pension Fund (details of which are not included in this report).

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

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

Cash equivalent transfer value

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A cash equivalent transfer value (CETV) is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme, or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total ministerial service, not just their current appointment as a minister. CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

124 Parliamentary Contributory Pension Fund: https://mypcpfpension.co.uk/wp-content/uploads/2019/09/ministerial-pension-scheme-rules.pdf

Real increase in value of the CETV

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

Civil Service pensions (audited)

	Accrued pension and related lump sum at pension age as at 31 March 2026	Real increase in pension and related lump sum at pension age	CETV at 31 March 2026	CETV at 31 March 2025	Real increase/ (decrease) in CETV	Employer partnership pension account at 31 March 2026
Senior managers[125]	**£000**	**£000**	**£000**	**£000**	**£000**	**£100**
Dr Jo Farrar CB OBE, Permanent Secretary (from 1 July 2025)[126]	-	-	-	-	-	22,700
Dame Antonia Romeo DCB, Permanent Secretary (to 13 April 2025)	65-70 plus a lump sum of 145-150	0-2.5 plus a lump sum of 0	1,314	1,310	3	-
Amy Rees, Director General, Chief Executive, HMPPS (to 13 April 2025) and Interim Permanent Secretary (from 14 April 2025 to 30 June 2025)[126]	-	-	-	-	-	6,400

125 Any members affected by the Public Service Pensions Remedy were reported in the 2015 scheme for the period between 1 April 2015 and 31 March 2022 in 2023-24, but from 2024-25, they are reported in the legacy scheme for the same period.

126 Dr Jo Farrar and Amy Rees are members of the partnership pension scheme and as such did not accrue Principal Civil Service Pension Scheme benefits. The employer contributions to their partnership pension accounts are included in the 'Pension-related benefits' column of this table and the CETV table.

	Accrued pension and related lump sum at pension age as at 31 March 2026	Real increase in pension and related lump sum at pension age	CETV at 31 March 2026	CETV at 31 March 2025	Real increase/ (decrease) in CETV	Employer partnership pension account at 31 March 2026
Senior managers[125]	**£000**	**£000**	**£000**	**£000**	**£000**	**£100**
Nick Goodwin, Chief Executive, HMCTS[127]	55-60 plus a lump sum of 120-125	2.5-5 plus a lump sum of 2.5-5	1,119	998	59	-
James McEwen, Chief Operating Officer (to 12 October 2025), Director General and Chief Executive Officer, HMPPS (from 13 October 2025)	70-75	2.5-5	1,208	1,094	44	-
Mark Adam, Director General, People and Capability (from 8 August 2025)	30-35	2.5-5	460	387	52	-
Amy Holmes, Interim Director General, Service Delivery Transformation (from 17 March 2025 to 28 September 2025) and Interim Chief Operating Officer (from 13 October 2025)[128]	45-50 plus a lump sum of 105-110	5-7.5 plus a lump sum of 10-12.5	902	745	105	-
Gemma Hewison, Interim Director General, Policy – Courts and Access to Justice (from 16 June 2025 to 30 November 2025)	30-35	0-2.5	382	363	14	-

127 Nick Goodwin is remunerated by HMCTS. His remuneration is also published in the HMCTS annual report and accounts for the financial year ending 31 March 2026.

128 The pension disclosures are a combination of the two periods in which Amy Holmes held roles on the Departmental Board during the reporting year: as Interim Director General, Service Delivery and Transformation, from 1 April 2025 to 28 September 2025, and Interim Chief Operating Officer, from 13 October 2025 to 31 March 2026.

	Accrued pension and related lump sum at pension age as at 31 March 2026	Real increase in pension and related lump sum at pension age	CETV at 31 March 2026	CETV at 31 March 2025	Real increase/ (decrease) in CETV	Employer partnership pension account at 31 March 2026
Senior managers[125]	**£000**	**£000**	**£000**	**£000**	**£000**	**£100**
Megan Lee-Devlin, Director General, Service Delivery Transformation (to 28 September 2025) and Director General, Justice Services and Transformation (from 29 September 2025)	20-25	2.5-5	214	162[129]	32	-
Ross Gribbin, Director General, Policy – Prisons, Offenders and International Justice (to 9 December 2025)	45-50	2.5-5	767	698	32	-
Jerome Glass, Director General, Policy Group – Courts and Access to Justice (to 15 June 2025)	50-55	0-2.5	878	863	7	-
Richard Price, Director General, Performance, Strategy and Analysis (to 31 October 2024)	-	-	-	1,460	-	-
Emma Churchill, Director General, Policy – Courts, Access to Justice, International Justice and Legal (from 1 December 2025)	60-65 plus a lump sum of 140-145	0-2.5 plus a lump sum of 0	1,236	1,208	11	-
Phil Copple, Interim Chief Executive, HMPPS (from 14 April 2025 to 12 October 2025)	85-90 plus a lump sum of 210-215	0-2.5 plus a lump sum of 0	1,954	1,861	21	-

129 Megan Lee-Devlin's 2024-25 CETV comparative figure has been restated from £160,000 to £162,000 to include the CETV for the period on paid leave.

Civil Service pensions

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

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

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

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or state pension age for members of alpha. The pension figures in this report show pension earned in the 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 judgement).

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The Public Service Pensions Remedy is made up of two parts.[130] The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as 'rollback'. From July 2025, eligible members who opted out between 12 March 2012 and 28 February 2022 were able to apply to buy back pension service for the remedy period (1 April 2015 to 31 March 2022), in line with Capita guidance, Employer Pension Notice 738 (EPN 738).[131] Any approved buy back will be processed by Capita and reflected in future benefit statements.

130 HM Revenue and Customs (2025), How the Pubic Service Pensions Remedy affects your pension. Available at: www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension

131 Civil Service Pensions (2025), EPN738 – Contingent decisions for members applying to buy back service from 1 April 2025 to 31 March 2022. Available at: www.civilservicepensionscheme.org.uk/employerhub/kbarticle/?id=KA-01227

The accrued pension benefits, CETV 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 judgement. The Public Service Pensions Remedy applies to individuals who were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the PCSPS for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

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

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

Fair pay disclosure

This section has been subject to audit.

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

The banded remuneration of the highest paid director in MoJ in 2025-26 was £210,000 to £215,000 (2024-25: £235,000 to £240,000). This was 5.7 times (2024-25: 6.9) the median remuneration of the workforce, which was £36,960 (2024-25: £34,649).

In 2025-26, 17 (2024-25: 12) employees, with their pay annualised, received remuneration in excess of the highest paid director. These were agency staff who worked for a part of the reporting year. In line with fair pay disclosure guidance, remuneration for agency workers has been annualised to arrive at the figures disclosed and does not reflect actual remuneration payments made to agency staff in 2025-26.

Of the 17 agency workers, eight (2024-25: 10) worked less than 30 days in the year, and two (2024-25: one) received actual compensation in excess of the highest paid director. Remuneration ranged from £20,000 to £25,000, to £345,000 to £350,000 (2024-25: £20,000 to £25,000, to £310,000 to £315,000).

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

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

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

	2025-26		2024-25	
	Salary	Bonus payments	Salary	Bonus payments
Staff average	6%	26%	6%	-7%
Highest paid director	6%	-29%	6%	6%

The highest paid director received an increase in base pay due to a change in roles during the year.
The highest paid director received a bonus of £12,500 in 2025-26 and a bonus of £17,500 in 2024-25.
In the financial year 2023-24, the highest paid director received a bonus of £16,500.

Table 2: Ratio between the highest paid director's total remuneration and the pay and benefits of employees in the lower quartile, median and upper quartile

	Lower quartile	Median	Upper quartile
2025-26	7.1:1	5.7:1	4.7:1
2024-25	8.5:1	6.9:1	5.7:1

The ratio between the highest paid director's remuneration and the staff lower, median and upper quartile decreased due to lower benefits in kind and bonuses in 2025-26 for the highest paid director.

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

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

	Lower quartile		Median		Upper quartile	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Salary	29,611	27,840	36,027	34,345	44,493	41,781
Total remuneration	29,846	27,986	36,960	34,649	45,464	42,000

The compensation for loss of office

This section has been subject to audit.

No minister received compensation for loss of office in 2025-26.

Staff numbers and composition

This section has been subject to audit.

Staff costs

Departmental group

				2025-26	2024-25
	Permanently employed staff[132]	Other	Ministers[133]	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	3,911,114	239,618	343	4,151,075	3,913,286
Social security costs[134]	534,908	2,664	48	537,620	403,089
Other pension costs	903,120	75	-	903,195	894,131
Sub-total	**5,349,142**	**242,357**	**391**	**5,591,890**	**5,210,506**
Early departure costs	32,089	-	-	32,089	32,690
Early departure provisions	738	-	-	738	(32)
Add inward secondments	5,241	2,907	-	8,148	7,695
Less recoveries in respect of outward secondments	(11,422)	-	-	(11,422)	(12,556)
Total net costs	**5,375,788**	**245,264**	**391**	**5,621,443**	**5,238,303**
Of which:					
Core department and agencies	5,116,399	197,858	391	5,314,648	4,955,266
Non-departmental public bodies	259,389	47,406	-	306,795	283,037
	5,375,788	**245,264**	**391**	**5,621,443**	**5,238,303**

132 Includes staff on permanent and fixed-term contracts.

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

134 The apprenticeship levy, implemented across England on 6 April 2017, is an employment tax of 0.5% of the annual pay bill and these costs are included within social security costs. The reduction in the employers' national insurance secondary threshold combined with a rate increase, and the annual pay award, has significantly increased employers' national insurance costs year on year.

During 2025-26, £29 million of staff costs (2024-25: £18.1 million) have been capitalised.

Under the Ministerial and Other Salaries Act 1975, the salary and social security costs of the Lord Chancellor, included under 'Ministers' above, are paid from the Consolidated Fund. In 2025-26, the Lord Chancellor's full-year equivalent salary was £67,505 (2024-25: £67,505) and the associated combined social security costs were £8,060 (2024-25: £8,060). No severance payments were made to ministers in 2025-26 (2024-25: four payments of £35,982).

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

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

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

The PCSPS and the Civil Servants and Others Pension Scheme (known as alpha) are unfunded multi-employer defined benefit schemes where the department is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2024. Details can be found in the accounts of the Cabinet Office: Civil Superannuation on GOV.UK.

For 2025-26, employer contributions of £780.8 million were payable to the PCSPS (2024-25: £743.2 million) at a single rate of 28.97% (2024-25: 28.97%) of pensionable earnings. The scheme actuary reviews employer contributions approximately every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2025-26 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employer pension contributions equivalent to 0.5% (2024-25: 0.5%) of pensionable pay were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of employees in the PCSPS.

Past employees of the probation trusts, and Local Government Pension Scheme probation staff who transferred to community rehabilitation companies and HMPPS' National Probation Service, are covered by the provisions of the Local Government Pension Scheme via one pension fund, Greater Manchester Pension Fund, administered by Tameside Metropolitan Borough Council. For the year to 31 March 2026, HMPPS paid employer contributions of £200.9 million to the Greater Manchester Pension Fund, relating to current probation staff, at 26.5% (2024-25: £192.9 million at 26.5%).

Employees of Cafcass are members of the Local Government Pension Scheme through the West Yorkshire Pension Fund. This financial year, employer contributions of £18.0 million were payable at a rate of 18.1% (2024-25: £17.5 million at a rate of 18.6%).

Employees can opt to open a partnership pension account, which is a stakeholder pension with an employer contribution. Employer contributions to partnership pension accounts were £2.3 million (2024-25: £2.2 million) and were paid to one or more of the three appointed stakeholder pension providers. Employer contributions, which are age-related, ranged from 8% to 14.75% (2024-25: 8% to 14.75%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

The NEST Defined Contribution Scheme is offered to individuals working in HMPPS who are not civil servants and therefore not eligible to join the Civil Service Pension Scheme or the Local Government Pension Scheme. For the year to 31 March 2026, employer contributions of £0.03 million were paid (2024-25: £0.03 million).

In addition, other pension costs include Greater Manchester Pension Fund pension cost recharge adjustments of £97.4 million (2024-25: £64.8 million), West Yorkshire Pension Fund pension cost recharge adjustments of £6.0 million (2024-25: £1.3 million), and other pension scheme costs of £4.0 million (2024-25: £3.3 million) for some of the department's arm's length bodies. For further details on employer pension contributions and contribution rates for the Legal Services Commission, Cafcass and probation pension schemes, refer to Note 24.

51 employees (2024-25: 24 employees) retired early on ill health grounds. The total additional accrued pension liabilities in the year were £383,000 (2024-25: £123,000).

Judicial costs

Departmental group

				2025-26	2024-25
	Senior judicial salaries	Other judicial salaries	Fee-paid judiciary	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	180,053	137,179	174,177	491,409	467,554
Social security costs	26,987	20,524	23,095	70,606	57,771
Other pension costs	111,653	85,484	80,757	277,894	262,519
Total net costs	**318,693**	**243,187**	**278,029**	**839,909**	**787,844**

The Judicial Pension Scheme is an unfunded multi-employer defined benefit scheme which prepares its own accounts, but for which the department (through HMCTS) is unable to identify its share of the liabilities. Details of the most recent full valuation as at March 2020 are available in the Judicial Pension Scheme annual report and accounts 2025-26.

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

The benefits payable are governed by the provisions of either:

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

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

Staff numbers

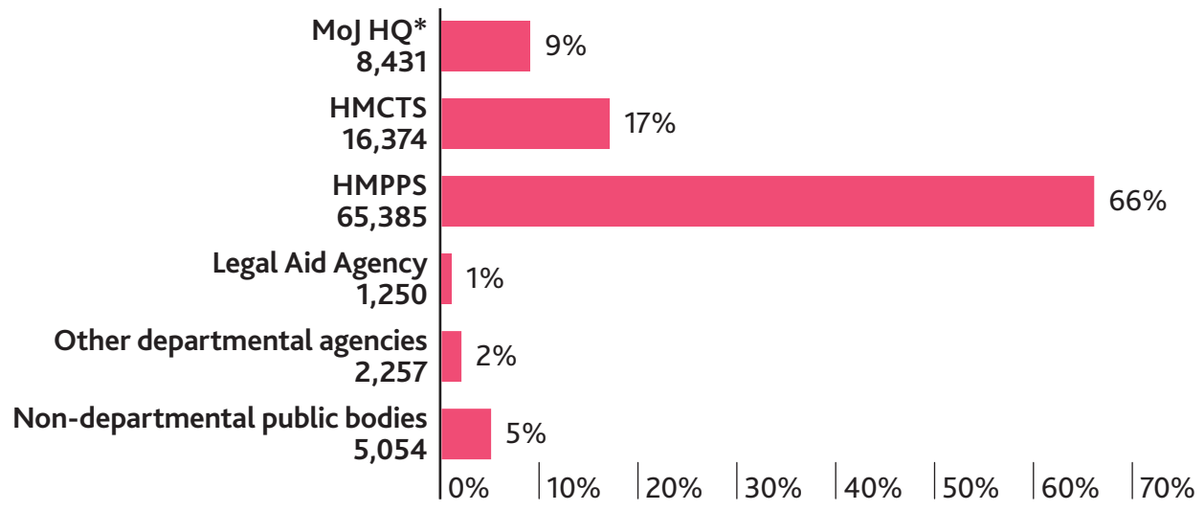
Departmental group

The average number of full-time equivalent people employed during the year was as follows.

					2025-26	2024-25
	Permanently employed staff[135]	Other	Ministers	Special advisers	Total	Total
MoJ HQ and associated offices						
MoJ HQ and associated offices	7,751	230	4	3	7,988	8,215
Agencies						
HMCTS	14,542	1,832	-	-	16,374	16,282
OPG	1,692	236	-	-	1,928	1,912
HMPPS	64,496	887	1	1	65,385	65,783
LAA	1,243	7	-	-	1,250	1,207
CICA	328	1	-	-	329	302
Non-departmental bodies						
Non-departmental public bodies	4,498	556	-	-	5,054	4,945
Capital projects						
Staff engaged in capital projects	337	106	-	-	443	350
Total	**94,887**	**3,855**	**5**	**4**	**98,751**	**98,996**
Of which:						
Core departments and agencies	90,389	3,299	5	4	93,697	94,051
Non-departmental public bodies	4,498	556	-	-	5,054	4,945
Total	**94,887**	**3,855**	**5**	**4**	**98,751**	**98,996**

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

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



*Includes staff engaged in capital projects

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

				2025-26	2024-25
	Senior judicial salaried	Other judicial salaried	Fee-paid judiciary	Total	Total
Core department and agencies	1,010	955	1,140	3,105	3,087
Total	**1,010**	**955**	**1,140**	**3,105**	**3,087**

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

Civil Service and other compensation schemes – exit packages

This section has been subject to audit.

	2025-26			2024-25		
	Compulsory redundancies	Other compensated departures	Total exit packages	Compulsory redundancies	Other compensated departures	Total exit packages
Exit package cost band	**Number**	**Number**	**Total number**	**Number**	**Number**	**Total number**
Less than £10,000	-	202	202	-	214	214
£10,000-£25,000	1	128	129	-	114	114
£25,001-£50,000	-	133	133	-	99	99
£50,001-£100,000	-	277	277	-	316	316
£100,001-£150,000	-	30	30	-	39	39
£150,001-£200,000	-	4	4	-	3	3
£200,001-£250,000	-	6	6	-	1	1
£250,001-£300,000	-	-	-	-	-	-
£300,001-£350,000	-	-	-	-	-	-
Total number of exit packages by type	**1**	**780**	**781**	**-**	**786**	**786**

	2025-26			2024-25		
	Compulsory redundancies	Other compensated departures	Total exit packages	Compulsory redundancies	Other compensated departures	Total exit packages
Of which:						
Core department and agencies	1	760	761	-	786	786
Non-departmental public bodies	-	20	20			
Total cost of exit packages by type (£000)	**16**	**33,378**	**33,394**	**-**	**34,674**	**34,674**
Of which:						
Core department and agencies	16	33,075	33,091	-	34,674	34,674
Non-departmental public bodies	-	303	303	-	-	-

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

In 2025-26, the figures include costs for HMPPS staff members leaving under a voluntary departure scheme. Voluntary departure schemes also ran in 2024-25 and are included in the comparative figures in the table above.

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

Spend on consultancy and temporary staff

	2025-26				2024-25			
	Core department	Agencies	Non-departmental public bodies	Total	Core department	Agencies	Non-departmental public bodies	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Consultancy	3,349	1,537	271	5,157	11,452	1,865	151	13,468
Temporary staff	50,456	149,182	31,207	230,845	72,050	126,549	18,388	216,987
Total	**53,805**	**150,719**	**31,478**	**236,002**	**83,502**	**128,414**	**18,539**	**230,455**

Total contingent labour costs increased by £13.9 million (6.4%). There were reductions in agency full-time equivalent staff in MoJ HQ, as posts were filled permanently, but these were mostly offset by increases due to operational need in HMCTS.

Consultancy costs reduced by £8.3 million (62%) in 2025-26. In 2024-25, MoJ used the services of consultants to support major change programmes including Synergy shared services programme deliverables, the Property Transformation Programme and the initial phase of the Tech Value for Money Project. In 2025-26, MoJ used the services of consultants to support the delivery of several initiatives including the Enable Programme, Justice Digital Optimisation Review and LAA cyber security support.

Our staff

Recruitment

The department is committed to ensuring all appointments are conducted in line with the Civil Service Recruitment Principles which require appointments to be made on merit and on the basis of fair and open competition. The department has received an improved audit rating from the Civil Service Commission on review of recruitment compliance, and a continuous improvement plan is in place to strengthen existing processes.

A programme of transformation is underway to deliver more for less, with a specific focus on how recruitment is conducted across MoJ. Digital enhancements to the recruitment platform aim to improve the vacancy manager and candidate experience.

In November 2025, MoJ implemented a renewed approach enabling internal job applicants for time-bound roles to be routinely appointed as a detached duty, rather than a fixed-term appointment or loan arrangement. This multi-functional approach, led by resourcing, reduced departmental risks around tax liabilities, payroll inaccuracies, redeployment numbers and governance around internal moves.

The department has a clear focus on continuous improvements to ensure we strengthen our inclusive recruitment practices to attract and retain the best talent to deliver a world-class justice system. A review of our guides which support our commitment as a Disability Confident employer is underway to ensure fair outcomes and provide vacancy managers with the tools to respond to changes in candidate behaviour. We have committed to upskilling vacancy managers and recruitment teams by delivering training on making fair and effective decisions in recruitment, in addition to our training on the Civil Service Commissioner's Recruitment Principles, and right to work and visa sponsorship.

In December 2025, MoJ relaunched the Advance into Justice Scheme, providing a bespoke recruitment pathway for armed forces veterans, service leavers, reservists and spouses, tapping into a further resource pool for HMPPS operational roles. Roles are advertised nationally and tailored communications have been integrated into the applicant tracking system to aid candidate retention within the recruitment process. The MoJ resourcing team attend regular armed forces careers fairs to promote the opportunities that the scheme presents to the armed forces and highlight the unique benefit of allowing a 12-month start date deferral.

The department has also broadened the life chance recruitment offering through the Going Forward into Employment pathways. MoJ now offers opportunities for care leavers, carers and autistic people, in addition to the existing groups of prison leavers, veterans and military spouses.

Employment of people with disabilities

MoJ continues to be an accredited Disability Confident Leader, demonstrating our commitment to attracting, recruiting, developing and retaining disabled people and those with long-term conditions. As part of that commitment, the department continues to ensure its processes, policies and organisational culture promote disability inclusion with leadership from a board-level disability champion, SCS disability leads and staff networks. During 2025-26, we engaged staff to review our workplace adjustment policy.

The new applicant tracking system continues to support a fair, effective and efficient process to manage reasonable adjustment requests. Further work is being done to support the onboarding of successful applicants whose reasonable adjustments may extend beyond the recruitment process. We continue to work closely with occupational psychologists and experts in equality law to ensure our practices are aligned to new legislative requirements.

Inclusion and employee experience

MoJ is committed to building a representative workforce and an inclusive culture that supports people to perform and thrive. Our approach aligns with cross-government priorities and ensures that inclusion and employee experience are embedded in how we work.

We aim to attract, retain and develop people from a wide range of backgrounds, drawing on insight into the experiences that matter most to colleagues. This helps us create the conditions for effective performance and fair treatment across the department. Expectations of leadership roles are clearly articulated: senior champions provide challenge and advocacy, line managers foster inclusive team cultures, and all staff are expected to uphold our values and contribute to a respectful workplace.

MoJ's person-centred approach to wellbeing means that each employee is treated as an individual with their own unique package of needs. In the last year, in response to demand from employees, we have set up a new men's mental health group called Man-KIND. It focuses on improving men's wellbeing by sharing information, updates and resources, and raising awareness of the internal and external support available. In response to our wellbeing survey that shows money worries are one of our people's greatest challenges, in January 2025 we began a financial wellbeing awareness campaign. Eight bi-weekly updates were issued, each focused on a specific theme, with the aim to build knowledge, increase confidence and ensure colleagues felt supported in accessing the help available. Through this co-ordinated approach, we continue to strengthen our culture and support organisational effectiveness in delivering justice outcomes for the public.

MoJ has undertaken a review of its people policies to ensure alignment with the Worker Protection Act, refreshed its guidance on domestic abuse and launched the Bright Sky app across the whole organisation, to support those impacted by domestic abuse (the first government department to do so).

MoJ continues to lead on delivering cross-government social mobility initiatives, including the Catapult mentoring and sponsorship scheme (around 17,000 participants) and the Schools Programme (500 events delivered in this financial year), supported by over 3,800 volunteer ambassadors across government.

We externally publish the MoJ group gender pay gap and report annually, including our voluntary action plan to close the gap. Women continue to be well represented in our organisation, including in the most senior grades and in the upper hourly pay quartile. However, women remain over-represented in the two lower hourly pay quartiles.

In 2025, the mean gender pay gap was 6.1% (an increase of 0.4 percentage points from 2024) and the median gender pay gap was 8% (an increase of three percentage points from 2024).[136] Allowances for shift working in the prison service continue to be a crucial factor producing a gender pay gap for the MoJ group. The gender bonus gap figures for 2024-25 are negative, indicating a slightly higher bonus payment for female staff, although a small variation in distribution could produce no gap.

We monitor the impact of our employee policies and procedures via the effective use of equalities data. Staff diversity information is published in the departmental core diversity statistics section of this report on page 149, and MoJ staff diversity data can be found in the Civil Service statistics tables.

At the end of March 2026, women made up 50% of the department's SCS, and female representation across all grades is 58%. Between March 2025 and March 2026, self-reporting rates (previously referred to as declaration rates) rose for disability (from 81% to 82%), religion (from 78% to 79%) and sexual orientation (from 79% to 80%). Ethnicity remained the same at 85%.

136 The latest published data is from 31 March 2025, in the MoJ gender pay gap report 2025. Available at: www.gov.uk/government/publications/ministry-of-justice-gender-pay-gap-report-2025/ministry-of-justice-gender-pay-gap-report-2025#executive-summary

At the end of March 2026, of those staff who reported their ethnicity, 20% of staff (19% at March 2025) and 9% of SCS (9% at March 2025) were from ethnic minority backgrounds. Of those staff who reported their disability status, 18% of staff (18% at March 2025) and 14% of SCS (14% at March 2025) indicated that they have a disability.

At the end of March 2026, the self-reporting rate for staff carers was 68%. Of those staff who reported their carer status, 17% of staff indicated that they are carers.

Case study:

MoJ accredited as a Carer Confident, Level 3 Ambassador Employer

In February 2026, MoJ was awarded the highest level of Carer Confident accreditation. In 2023, MoJ was awarded Level 2 Carer Confident, and we used this as a springboard to identify any gaps in carer support and to make improvements. Achieving this accreditation was a collective effort across MoJ and its agencies, and places MoJ as only the second department to achieve Ambassador status. MoJ was assessed on five main criteria: preparation, policy and guidance, practice, peer support and promoting support, and carers' experiences.

This accreditation recognises MoJ's commitment to helping our colleagues who are carers to combine work and care, building an inclusive workplace where carers are recognised, respected and supported. MoJ demonstrated how we creatively used a multi-pronged approach to encourage carers to identify themselves and come forward for support. This approach has provided more accurate data to help us to improve carer support. The different initiatives we use to ensure managers are not just aware of carers' needs, but also have practical tools to support carers more effectively, were highlighted as impressive. We provided a dedicated managers section on the carer support intranet page and delivered tailored sessions to help managers understand their role in the carers passport.

As part of that commitment, MoJ continues to build a carer-inclusive culture with leadership from a board-level carers champion, SCS carers champions and a carers network. As well as reflecting on the progress we have made over the last three years, MoJ will now consolidate and embed the carer support we offer to further build a carer-inclusive workplace.

Achieving Ambassador status heightens our reputation as a leading employer in supporting carers, helps to attract the growing number of carers to MoJ, and retains carers in our workforce by providing the right support that is easily accessible.

Modern slavery

MoJ's commitment to tackling modern slavery in its supply chains is set out in the UK government's Group Modern Slavery Statement 2022. The Commercial Directorate continues to embed the identification and management of modern slavery risks across procurement and contract management, in line with Procurement Policy Note (PPN) 009.

Updated in 2025 to reflect the Procurement Act 2023 and Procurement Regulations 2024, PPN 009 continues to underpin MoJ commercial activity. Modern slavery risk is considered across new procurements and existing contracts, supported by proportionate risk assessment and due diligence tools that enhance supply chain visibility and support effective risk management.

Sickness absence data

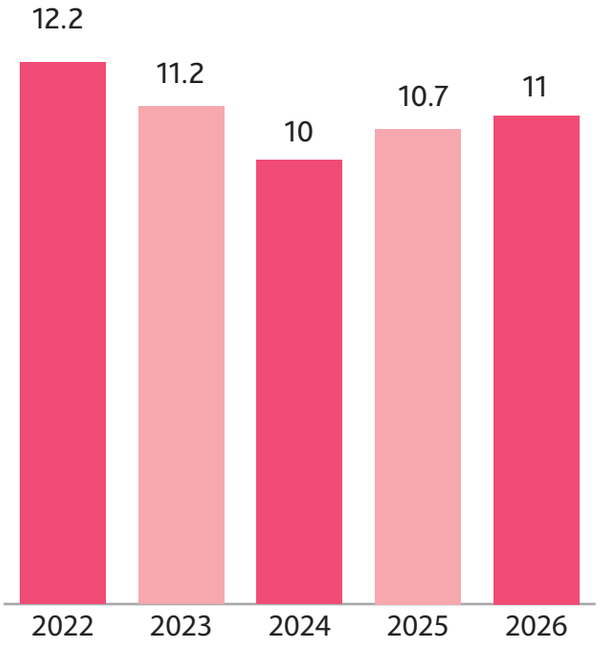
Across the department (including its executive agencies), the number of average working days lost in the last 12 months was 11 at the end of March 2026, compared to 10.7 at the end of March 2025.

This reflects the operational and non-operational functions across the organisation. Mental ill health and musculoskeletal conditions continue to be key drivers of absence across the department.

The department continues to actively support colleagues who are absent due to ill health through a range of interventions. This includes access to occupational health services and the Employee Assistance Programme for both employees and managers, providing tailored advice alongside regular communication and wellbeing-focused support.

Supporting our people remains a priority for MoJ. A range of short-term and long-term measures are in place to help reduce absence, including reflective practice sessions, trauma risk management and ongoing occupational health support.

Number of average working days lost at 31 March each year



Employment and occupation trade union relationships

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

Union relationships remain relatively constructive at a national level and are a key component in ensuring meaningful engagement and operational delivery. The focus this year has been continuing the dialogue on the union priorities for pay, harmonisation of people policies and managing the people impact of the Spending Review.

HMPPS currently recognises 10 trade unions. For prisons, the Youth Custody Service and HQ, these are the POA, PGA and NTUS (PCS, UNITE, FDA, PROSPECT and GMB). For probation (and some HQ roles), they are NAPO, GMB SCOOP and Unison.

Engagement this financial year has focused on reducing prison and probation capacity pressures, including resetting probation (and prison) work to support progress towards more community-based sentencing under the Sentencing Act 2026. Safety, security, decency, rehabilitation, workplace culture (Rademaker recommendations) and pay have also been key areas of engagement.

Constructive trade union relationships and effective consultation remain critical to supporting the delivery of operational and reform priorities, supported by HMPPS' established engagement frameworks.

Health and safety at work

All MoJ staff are provided with the protections set out in the Health and Safety at Work etc. Act 1974. Work activities are subject to risk assessment processes to identify and control potential hazards.

The department has strengthened health and safety governance, including enhanced senior leadership oversight and accountability. This supports a culture of continuous improvement and ensures effective management of risks in line with statutory requirements and best practice.

Staff engagement

The 2025 Civil Service People Survey was completed by 42,307 employees (42%), a decrease of two percentage points from 2024 (44%). The HMPPS response rate remains low (34%), a reduction from 2024's response rate (38%). CICA also saw a decrease in response rate, down 10 percentage points to 59%.

The Employee Engagement Index score has remained at 61% since 2023. Areas that saw no changes from last year are: organisational objectives and purpose (83%), my manager (73%), inclusion and fair treatment (75%), and resources and workload (72%).

MoJ scores decreased by one percentage point in both my work (78%) and my team (77%), while learning and development was down by two percentage points (54%) compared to 2024.

Pay and benefits remains the lowest-scoring theme at 34%, though it has increased by two percentage points.

We are committed to acting on the survey results. As in 2024, 32% of colleagues believe action was taken last year, and 42% believe action will be taken this year.

Staff turnover

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

HMPPS continued to see a sustained reduction in leaver rates through 2025-26, with the overall leaver rate reducing from March 2025 to March 2026.

HMPPS addresses retention through an evidence-led, co-ordinated approach set out in the Employee Experience and Retention Framework. This uses data, research and insight to identify drivers of attrition, target interventions and embed retention as a core workforce priority aligned to the People Strategy. It is supported by a retention toolkit and structured exit interviews, alongside formal oversight including deep dives at high-attrition sites and national co-ordination through the Retention Delivery Committee.

Staff turnover

	2025-26		2024-25	
	Turnover	Departmental turnover[137]	Turnover	Departmental turnover
MoJ HQ	5.4%	9.8%	6.0%	10.1%
HMPPS	8.6%	9.2%	10.3%[138]	11%[138]
HMCTS	8.5%	10.1%	9.2%	11.1%
OPG	4.9%	7.3%	5.9%	8.5%
LAA	4.3%	6.0%	6.5%	8.5%
CICA	5.9%	7.3%	5.5%	8.6%

Workforce composition[139]

The number of staff split between male and female as at 31 March 2026 is as follows.

	2025-26		2024-25	
	Male	Female	Male	Female
Directors[140]	5	4	7	4
SCS staff only[141]	160	157	157	163
Non-SCS staff	40,847	56,402	40,685	55,842

Number of SCS staff by band

	Headcount as at 31 March 2026	Headcount as at 31 March 2025
Grade and salary band		
Permanent Secretary £185,000 - £204,999	1	2
SCS3 £130,000 - £194,999	7	11
SCS2 £95,000 - £164,999	69	62
SCS1 £75,000 - £119,999	240	245
Total	**317**	**320**

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

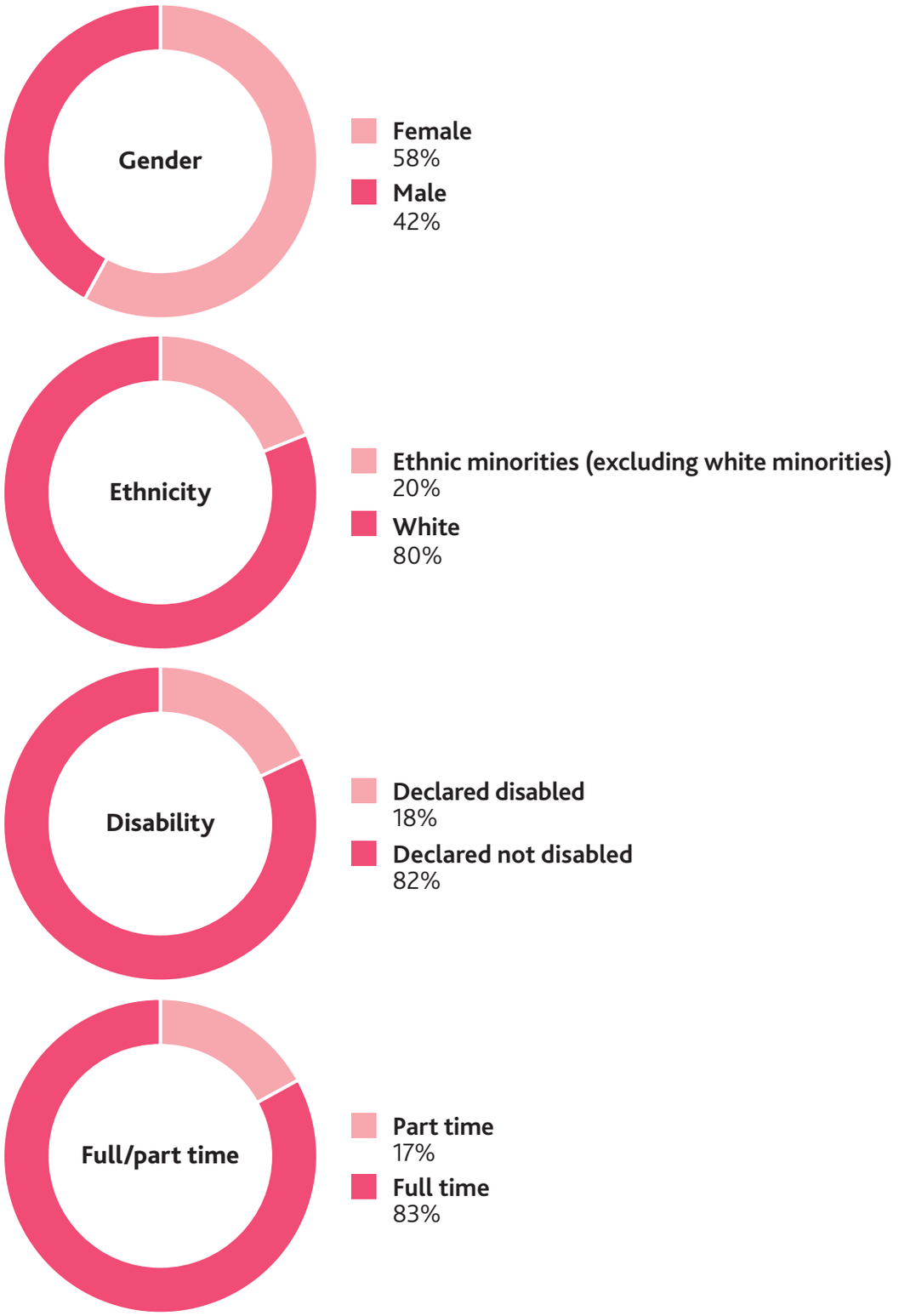
138 Due to data revisions captured after publication, turnover and departmental turnover figures were updated from 10.1% and 10.8% to 10.3% and 11% respectively for the previous financial year.

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

140 Members of the Executive Committee.

141 Based on headcount for the department and its executive agencies (excluding non-departmental public bodies) at 31 March 2026. The number of staff reported on page 138 represents the average number of full-time equivalent staff over the year.

Departmental core diversity statistics: payroll staff in post on 31 March 2026



These statistics provide a snapshot of the department's workforce. Further detail on MoJ workforce diversity can be found within the Civil Service statistics for 2025.[142]

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

Off-payroll engagements

During 2025-26, MoJ reviewed off-payroll engagements where we are required to consider intermediaries (IR35) legislation using HM Revenue and Customs' guidance and online status indicator. We have advised our contracting body of the outcome of the status determinations so that, where appropriate, tax deductions are made at source from payments made in respect of the engagement with MoJ.

Highly paid off-payroll worker engagements as at 31 March 2026, earning £245 per day or greater

	MoJ	HMPPS	HMCTS	LAA	OPG	CICA	Cafcass	OLC	Parole Board	CCRC	JAC	LSB	OSPT	YJB	Oasis Restore Trust	GFSL	IMA	Grand total
Number of existing engagements as of 31 March 2026	328	8	23	1	0	0	11	0	0	0	1	0	1	0	2	8	0	383
Of which:																		
Number that have existed for less than one year at time of reporting	173	5	20	0	0	0	3	0	0	0	1	0	0	0	0	0	0	202
Number that have existed for between one and two years at time of reporting	99	0	1	0	0	0	1	0	0	0		0	1	0	1	2	0	105
Number that have existed for between two and three years at time of reporting	29	1	1	0	0	0	1	0	0	0	0	0	0	0	1	2	0	35
Number that have existed for between three and four years at time of reporting	16	1	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	19
Number that have existed for four or more years at time of reporting	11	1	1	1	0	0	4	0	0	0	0	0	0	0	0	4	0	22

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2026, earning £245 per day or greater

	HQ	HMPPS	HMCTS	LAA	OPG	CICA	Cafcass	OLC	Parole Board	CCRC	JAC	LSB	OSPT	YJB	Oasis Restore Trust	GFSL	IMA	Total
(a) Number of temporary off-payroll workers engaged during the year ended 31 March 2026	740	12	38	1	1	0	15	0	0	0	1	0	1	0	2	17	0	828
Of which:																		
(b) Not subject to off-payroll legislation	722	9	37	1	1	0	0	0	0	0	0	0	0	0	2	0	0	772
(c) Subject to off-payroll legislation and determined as in-scope of IR35	14	0	1	0	0	0	5	0	0	0	1	0	1	0	0	17	0	39
(d) Subject to off-payroll legislation and determined as out-of-scope of IR35	4	3	0	0	0	0	10	0	0	0	0	0	0	0	0	0	0	17
(e) Number of engagements reassessed for compliance or assurance purposes during the year	56	1	6	0	0	0	0	0	0	0	0	0	0	0	2	0	0	65
(f) Of which: Number of engagements that saw a change to IR35 status following review	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3

For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2025 and 31 March 2026

	HQ	HMPPS	HMCTS	LAA	OPG	CICA	Cafcass	OLC	Parole Board	CCRC	JAC	LSB	YJB	GFSL	IMA	Oasis Restore Trust	Total
Number of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
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. This figure should include both on-payroll and off-payroll engagements.	19	14	8	7	14	4	15	4	12	15	12	15	20	12	12	16	199

Details of the exceptional circumstances that led to the above off-payroll engagements and the duration of the engagement are as follows: Oasis Restore Trust – A Chief Finance Officer was appointed in April 2024 and is supporting the project mobilisation team through the secure schools full business case and mobilisation phase. A permanent successor will be appointed once this phase is complete.

Parliamentary accountability

This section has been subject to audit.

Statement of Outturn against Parliamentary Supply

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

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

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

The format of the SOPS mirrors the Supply Estimate, published on www.gov.uk/government/publications/supplementary-estimates-2025-26, to enable comparability between what Parliament approves and the final outturn.

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

The supporting notes detail:

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

The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on page 154. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on GOV.UK.

The SOPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The financial review, on pages 20 to 26 in the performance report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SOPS disclosures.

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

Departmental expenditure limits (DEL)

DEL budgets are set for each department over a multi-year period at Spending Reviews, with adjustments each year as set out in the Estimates voted by Parliament. They cover relatively predictable and controllable spending areas, and are split further into:

Resource DEL (RDEL)

Estimate: £12,961 million
Outturn: £12,799 million

Of which: Administration
Estimate: £613 million
Outturn: £573 million

This includes day-to-day operational costs, such as staff salaries, legal aid payments, running costs of courts and tribunals, and the maintenance of the prison and courts estate. RDEL costs are split between administration costs (general support costs) and programme costs (direct frontline delivery costs and support costs directly associated with frontline service delivery).

Capital DEL (CDEL)

Estimate: £2,303 million
Outturn: £2,222 million

This includes long-term investment in infrastructure and assets, including the construction of prisons, refurbishment of court buildings, and investment in digital transformation and IT systems.

Annually managed expenditure (AME)

AME budgets are used for spending that is more volatile, demand-led, or otherwise difficult to forecast accurately. In MoJ, they mainly allow for non-cash items such as revaluation of assets and provisions for future costs. These are split further into:

Resource AME (RAME)

Estimate: £806 million
Outturn: £163 million

This includes the accounting cost of annually revaluing our property assets, along with provisions for potential future costs such as legal liabilities, which can fluctuate significantly from year to year.

Capital AME (CAME)

Estimate: £20 million
Outturn: £0

In MoJ this is used exclusively for provisions relating to leased assets.

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

Summary of resource and capital outturn 2025-26

								2025-26		2024-25
				Outturn			Estimate	Outturn vs estimate, saving/(excess)		Outturn
		Voted	Non-voted	Total	Voted	Non-voted	Total	Voted	Total	Total
	Note	£000	£000	£000	£000	£000	£000	£000	£000	£000
Departmental expenditure limit (DEL)										
Resource	SOPS 1.1	12,612,934	186,003	12,798,937	12,770,746	190,277	12,961,023	157,812	162,086	12,042,929
Capital	SOPS 1.2	2,222,460	-	2,222,460	2,303,342	-	2,303,342	80,882	80,882	1,540,379
Total DEL		**14,835,394**	**186,003**	**15,021,397**	**15,074,088**	**190,277**	**15,264,365**	**238,694**	**242,968**	**13,583,308**
Annually managed expenditure (AME)										
Resource	SOPS 1.1	162,656	-	162,656	806,084	-	806,084	643,428	643,428	296,861
Capital	SOPS 1.2	(411)	-	(411)	19,500	-	19,500	19,911	19,911	(930)
Total AME		**162,245**	**-**	**162,245**	**825,584**	**-**	**825,584**	**663,339**	**663,339**	**295,931**
Total budget		**14,997,639**	**186,003**	**15,183,642**	**15,899,672**	**190,277**	**16,089,949**	**902,033**	**906,307**	**13,879,239**
Non-budget expenditure										
Non-budget		-	-	-	-	-	-	-	-	-
Non-budget expenditure		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total resource	SOPS 1.1	12,775,590	186,003	12,961,593	13,576,830	190,277	13,767,107	801,240	805,514	12,339,790
Total capital	SOPS 1.2	2,222,049	-	2,222,049	2,322,842	-	2,322,842	100,793	100,793	1,539,449
Total non-budget		-	-	-	-	-	-	-	-	-
Total budget and non-budget expenditure		**14,997,639**	**186,003**	**15,183,642**	**15,899,672**	**190,277**	**16,089,949**	**902,033**	**906,307**	**13,879,239**

Figures in the areas outlined in bold lines are voted totals subject to parliamentary control. Refer to the Supply Estimates Manual, available on GOV.UK, for detail on the control limits voted by Parliament.

Net cash requirement 2025-26

				2025-26	2024-25
		Outturn	Estimate	Outturn vs estimate, saving/(excess)	Outturn total
Item	**Note**	**£000**	**£000**	**£000**	**£000**
Net cash requirement	Annex A, SOPS 3	**13,867,549**	**14,398,158**	**530,609**	**12,519,599**

Administration costs 2025-26

				2025-26	2024-25
		Outturn	Estimate	Outturn vs estimate, saving/(excess)	Outturn total
Type of spend	**SOPS Note**	**£000**	**£000**	**£000**	**£000**
Administration costs	1.1	**573,021**	**613,271**	**40,250**	**549,552**

Figures in the areas outlined in bold are voted totals subject to parliamentary control. In addition, although not a separate voted limit, any breach of the administration budget will result in an excess vote.

Due to their size, the variances in estimate to outturn of RDEL and AME have been explained below.

In 2025-26, the RDEL budget for day-to-day spending was £12,961 million (2024-25: £12,212 million) and the final outturn was £12,799 million (2024-25: £12,043 million). The RDEL underspend was due primarily to lower than planned non-cash depreciation charges.

AME is demand-led spending, where budgets are not fixed in advance. Expenditure in AME is generally less predictable and controllable than expenditure in DEL so large variances are not unusual. AME covers costs such as property impairments, movements in provisions and legal aid work in progress. In 2025-26, the department budgeted for £826 million (2024-25: £833 million) of AME and the final outturn was £163 million (2024-25: £296 million).

SOPS Notes 3 and 4 in Annex A form part of the SOPS. These notes are subject to audit.

Notes to the Statement of Outturn against Parliamentary Supply 2025-26

SOPS 1. Outturn detail, by estimate line

SOPS 1.1 Analysis of resource outturn by estimate line

		Resource outturn							Estimate				Outturn
		Administration			Programme								
		Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total including virements	Outturn vs estimate saving/ (excess)	2024-25 outturn total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Spending in DEL voted expenditure													
A	Policy, corporate services and associated offices	531,599	(38,597)	493,002	1,949,978	(1,357,557)	592,421	1,085,423	1,296,830	(174,141)	1,122,689	37,266	1,020,248
B	HM Prison and Probation Service	14,368	(4)	14,364	6,326,873	(287,902)	6,038,971	6,053,335	6,159,911	(12,131)	6,147,780	94,445	5,676,010
C	HM Courts and Tribunals Service	29,064	-	29,064	2,603,500	(67,614)	2,535,886	2,564,950	2,567,060	3,617	2,570,677	5,727	2,396,747
D	Legal Aid Agency	19,208	53	19,261	2,393,500	(37,594)	2,355,906	2,375,167	2,197,837	178,541	2,376,378	1,211	2,279,185

		Resource outturn							Estimate			Outturn
		Administration			Programme							
		Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total including virements	Outturn vs estimate saving/ (excess)	2024-25 outturn total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
E	Criminal Injuries Compensation Authority	2,182	(926)	1,256	199,329	(20,642)	178,687	179,943	181,842	494	182,336	2,393	163,344
F	Office of the Public Guardian	105	-	105	109,311	(128,484)	(19,173)	(19,068)	(5,362)	105	(5,257)	13,811	(20,352)
G	Children and Family Court Advisory and Support Service (net)	5,699	-	5,699	161,802	-	161,802	167,501	166,897	938	167,835	334	156,994
H	Criminal Cases Review Commission (net)	1,023	-	1,023	8,943	-	8,943	9,966	10,107	191	10,298	332	9,362
I	Judicial Appointments Commission (net)	770	-	770	9,885	-	9,885	10,655	11,046	-	11,046	391	9,659
J	Legal Services Board (net)	-	-	-	5,693	-	5,693	5,693	5,715	-	5,715	22	5,220

		Resource outturn							Estimate			Outturn
		Administration			Programme							
		Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total including virements	Outturn vs estimate saving/ (excess)	2024-25 outturn total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
K	Office for Legal Complaints (net)	-	-	-	19,488	-	19,488	19,488	20,001	-	20,001	513	17,447
L	Parole Board (net)	2,244	-	2,244	31,438	-	31,438	33,682	33,342	886	34,228	546	31,782
M	Youth Justice Board (net)	3,359	-	3,359	103,190	-	103,190	106,549	106,695	-	106,695	146	103,925
N	Gov Facility Services Limited (net)	-	-	-	221	-	221	221	1	220	221	-	508
O	Independent Monitoring Authority (net)	2,874	-	2,874	2,484	-	2,484	5,358	6,033	-	6,033	675	5,077
P	Oasis Restore Trust (net)	-	-	-	14,071	-	14,071	14,071	12,791	1,280	14,071	-	12,275
Total voted expenditure in DEL		**612,495**	**(39,474)**	**573,021**	**13,939,706**	**(1,899,793)**	**12,039,913**	**12,612,934**	**12,770,746**	**-**	**12,770,746**	**157,812**	**11,867,431**

		Resource outturn							Estimate			Outturn
		Administration			Programme							
		Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total including virements	Outturn vs estimate saving/ (excess)	2024-25 outturn total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Non-voted expenditure													
Q	Higher judiciary judicial salaries	77	-	77	211,349	-	211,349	211,426	215,993	-	215,993	4,567	198,362
R	Levy income – Legal Services Board and Office for Legal Complaints (CFER)[143]	-	-	-	-	(25,423)	(25,423)	(25,423)	(25,716)	-	(25,716)	(293)	(22,864)
Total non-voted expenditure in DEL		**77**	**-**	**77**	**211,349**	**(25,423)**	**185,926**	**186,003**	**190,277**	**-**	**190,277**	**4,274**	**175,498**
Total RDEL spending		**612,572**	**(39,474)**	**573,098**	**14,151,055**	**(1,925,216)**	**12,225,839**	**12,798,937**	**12,961,023**	**-**	**12,961,023**	**162,086**	**12,042,929**

143 CFER: Consolidated Fund extra receipts.

		Resource outturn							Estimate			Outturn
		Administration			Programme							
		Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total including virements	Outturn vs estimate saving/ (excess)	2024-25 outturn total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Spending in AME voted expenditure													
S	Policy, corporate services and associated offices	-	-	-	(36,215)	-	(36,215)	(36,215)	342,685	(660)	342,025	378,240	117,403
T	HM Prison and Probation Service	-	-	-	(35,584)	-	(35,584)	(35,584)	45,000	-	45,000	80,584	(21,909)
U	HM Courts and Tribunals Service	-	-	-	129,955	-	129,955	129,955	135,400	-	135,400	5,445	2,789
V	Legal Aid Agency	-	-	-	43,157	-	43,157	43,157	178,400	-	178,400	135,243	87,403
W	Criminal Injuries Compensation Authority	-	-	-	67,147	-	67,147	67,147	78,210	-	78,210	11,063	114,236

		Resource outturn							Estimate			Outturn
		Administration			Programme							
		Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total including virements	Outturn vs estimate saving/ (excess)	2024-25 outturn total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
X	Office of the Public Guardian	-	-	-	(160)	-	(160)	(160)	1	-	1	161	(548)
Y	Children and Family Court Advisory and Support Service (net)	-	-	-	(5,939)	-	(5,939)	(5,939)	26,000	-	26,000	31,939	(1,678)
Z	Criminal Cases Review Commission (net)	-	-	-	214	-	214	214	300	-	300	86	(762)
AA	Judicial Appointments Commission (net)	-	-	-	36	-	36	36	1	35	36	-	(10)
AB	Legal Services Board (net)	-	-	-	(24)	-	(24)	(24)	1	-	1	25	-
AC	Office for Legal Complaints (net)	-	-	-	266	-	266	266	1	265	266	-	197

		Resource outturn							Estimate			Outturn
		Administration			Programme							
		Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total including virements	Outturn vs estimate saving/ (excess)	2024-25 outturn total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
AD	Parole Board (net)	-	-	-	441	-	441	441	81	360	441	-	248
AE	Youth Justice Board (net)	-	-	-	-	-	-	-	1	-	1	1	-
AF	Gov Facility Services Limited (net)	-	-	-	(186)	-	(186)	(186)	1	-	1	187	(508)
AG	Independent Monitoring Authority (net)	-	-	-	-	-	-	-	1	-	1	1	-
AH	Oasis Restore Trust (net)	-	-	-	(452)	-	(452)	(452)	1	-	1	453	-
Total RAME spending		**-**	**-**	**-**	**162,656**	**-**	**162,656**	**162,656**	**806,084**	**-**	**806,084**	**643,428**	**296,861**
Total resource		**612,572**	**(39,474)**	**573,098**	**14,313,711**	**(1,925,216)**	**12,388,495**	**12,961,593**	**13,767,107**	**-**	**13,767,107**	**805,514**	**12,339,790**

SOPS 1.2 Analysis of capital outturn by estimate line

		Capital outturn			Estimate			Outturn	
		Gross	Income	Net total	Total	Virements	Total including virements	Outturn vs estimate saving/ (excess)	2024-25 Prior year outturn total
		£000	£000	£000	£000	£000	£000	£000	£000
Spending in DEL voted expenditure									
A	Policy, corporate services and associated offices	485,412	1	485,413	488,829	(3,416)	485,413	-	363,724
B	HM Prison and Probation Service	1,496,076	(3,525)	1,492,551	1,565,700	(5,121)	1,560,579	68,028	999,118
C	HM Courts and Tribunals Service	234,495	(6,584)	227,911	238,020	-	238,020	10,109	166,742
D	Legal Aid Agency	482	(34)	448	1,200	-	1,200	752	(32)
E	Criminal Injuries Compensation Authority	79	(118)	(39)	100	-	100	139	62
F	Office of the Public Guardian	7,878	-	7,878	100	7,778	7,878	-	(89)
G	Children and Family Court Advisory and Support Service (net)	5,244	-	5,244	4,500	744	5,244	-	3,147
H	Criminal Cases Review Commission (net)	129	-	129	217	-	217	88	416
I	Judicial Appointments Commission (net)	-	-	-	-	-	-	-	-
J	Legal Services Board (net)	14	-	14	274	-	274	260	31
K	Office for Legal Complaints (net)	515	-	515	500	15	515	-	2,405
L	Parole Board (net)	492	-	492	500	-	500	8	500
M	Youth Justice Board (net)	484	-	484	600	-	600	116	1,104
N	Gov Facility Services Limited (net)	-	-	-	1	-	1	1	1,850

		Capital outturn			Estimate			Outturn	
		Gross	Income	Net total	Total	Virements	Total including virements	Outturn vs estimate saving/ (excess)	2024-25 Prior year outturn total
		£000	£000	£000	£000	£000	£000	£000	£000
O	Independent Monitoring Authority (net)	-	-	-	1	-	1	1	216
P	Oasis Restore Trust (net)	1,420	-	1,420	2,800	-	2,800	1,380	1,185
Total CDEL spending		**2,232,720**	**(10,260)**	**2,222,460**	**2,303,342**	**-**	**2,303,342**	**80,882**	**1,540,379**
Spending in AME voted expenditure									
S	Policy, corporate services and associated offices	1,254	-	1,254	14,585	(154)	14,431	13,177	(854)
T	HM Prison and Probation Service	(1)	-	(1)	1	-	1	2	-
U	HM Courts and Tribunals Service	49	-	49	4,500	-	4,500	4,451	(364)
V	Legal Aid Agency	229	-	229	105	124	229	-	-
W	Criminal Injuries Compensation Authority	(789)	-	(789)	1	-	1	790	(213)
X	Office of the Public Guardian	(1,201)	-	(1,201)	1	-	1	1,202	188
Y	Children and Family Court Advisory and Support Service (net)	17	-	17	300	-	300	283	50
Z	Criminal Cases Review Commission (net)	-	-	-	1	-	1	1	-
AA	Judicial Appointments Commission (net)	-	-	-	-	-	-	-	-
AB	Legal Services Board (net)	-	-	-	1	-	1	1	-
AC	Office for Legal Complaints (net)	31	-	31	1	30	31	-	238
AD	Parole Board (net)	-	-	-	-	-	-	-	-

		Capital outturn			Estimate		Outturn	
		Gross	Income	Net total	Total	Virements	Total including virements	Outturn vs estimate saving/ (excess)	2024-25 Prior year outturn total
		£000	£000	£000	£000	£000	£000	£000	£000
AE	Youth Justice Board (net)	-	-	-	1	-	1	1	-
AF	Gov Facility Services Limited (net)	-	-	-	1	-	1	1	-
AG	Independent Monitoring Authority for the Citizens' Rights Agreements (net)	-	-	-	1	-	1	1	-
AH	Oasis Restore Trust (net)	-	-	-	1	-	1	1	25
Total CAME spending		**(411)**	**-**	**(411)**	**19,500**	**-**	**19,500**	**19,911**	**(930)**
Total capital		**2,232,309**	**(10,260)**	**2,222,049**	**2,322,842**	**-**	**2,322,842**	**100,793**	**1,539,449**

The total estimate columns include virements. Virements are the reallocation of provision in the Supply Estimate that do not require parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements is provided in the Supply Estimates Manual, available on GOV.UK.

The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can compare the value to the estimates laid before Parliament.

SOPS 2 Reconciliation of outturn to net operating expenditure

		2025-26 Outturn total	2024-25 Outturn total
	Note	£000	£000
Total resource outturn in SOPS			
Budget DEL	SOPS 1.1	12,798,937	12,042,929
Budget AME	SOPS 1.1	162,656	296,861
Non-budget		-	-
Total		**12,961,593**	**12,339,790**
Add:			
Capital grants (net of EU contributions)		(6,140)	(3,787)
Research costs classified as capital under ESA 10		8,369	19,578
Other costs and income transferred to capital		(751)	(226)
Total		**1,478**	**15,565**
Less:			
RDEL PFI adjustments		4,940	1,625
Other adjustments		(516)	(5,099)
Total		**4,424**	**(3,474)**
Net operating expenditure in CSoCNE	**CSoCNE**	**12,967,495**	**12,351,881**

Outturn and the estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. This reconciliation therefore bridges the resource outturn to net operating expenditure, linking the SOPS to the financial statements.

Capital grants and research costs are budgeted for as CDEL but accounted for as spend on the face of the CSoCNE, and therefore function as a reconciling item between resource and net operating expenditure. The depreciation on certain PFI contract assets is accounted for as spend in the CSoCNE but is non-budget spend and therefore does not appear in the SOPS. SOPS 3 and SOPS 4 notes can be found in Annex A on pages 292 to 294.

Regularity of expenditure

This section has been subject to audit.

Losses and special payments

Losses statement

	2025-26		2024-25	
Values	**Core department and agencies**	**Departmental group**	**Core department and agencies**	**Departmental group**
	£000	**£000**	**£000**	**£000**
Cash losses	903	903	273	273
Claims abandoned	2	2	53	53
Administrative write-offs	22,571	22,577	19,848	20,129
Fruitless payments	3,824	3,824	104	104
Store losses	307	307	2,481	2,481
Constructive losses	38,510	38,510	47,995	47,995
Total value of losses	**66,117**	**66,123**	**70,754**	**71,035**

	2025-26		2024-25	
Numbers	**Core department and agencies**	**Departmental group**	**Core department and agencies**	**Departmental group**
Cash losses	894	894	632	632
Claims abandoned	19	19	14	14
Administrative write-offs	42,440	42,443	10,536	10,541
Fruitless payments	7	7	6	6
Store losses	190	190	11,035	11,035
Constructive losses	21	21	8	8
Total value of losses	**43,571**	**43,574**	**22,231**	**22,236**

In 2025-26, there were 15 losses (2024-25: 17) over £300,000 as follows.

During 2025-26, HMPPS recognised constructive losses arising from the prison capacity programme of £23,949,121. These include expected further costs associated with projects disclosed in the prior year's losses statement. The losses primarily arose from the write-off of construction costs incurred on projects at existing prison sites that were subsequently descoped. As part of delivering 20,000 additional prison places, the portfolio is kept under continuous review to ensure investment remains focused on the most deliverable and value-for-money projects. During the year, HMPPS also undertook an affordability review of the overall programme, which informed decisions on the composition of the portfolio.

In HMPPS, a constructive loss of £4,816,604 arose from the discontinuation of development of the resettlement passport's digital tools following internal review of the projects.

HMPPS recognised a constructive loss of £2,521,700 relating to temporary prison accommodation units purchased in 2020 whose installation was significantly delayed. Changes in the intervening period meant the design was no longer fit for its intended purpose.

HMPPS recognised fruitless payments totalling £1,263,288 for utility infrastructure works supporting prison expansion, where recovery is not possible following contractor insolvency.

Following the criminal 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 £363,000.

HMCTS took the decision to deprioritise planned improvement and remediation works at one court site, resulting in a constructive loss of £626,002.

HMCTS assessed that further recovery action on a number of debts is not appropriate. The total amount written off as part of this exercise is £1,242,790.

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 £2,557,000 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 £4,401,887 of digital capital expenditure in relation to work undertaken to prepare for its implementation.

Constructive losses include the impairment of digital assets in LAA that were made obsolete following the criminal cyber-attack on its digital assets. Four of those assets each have a value of over £300,000, those being: application programming interface development (£538,600), Corporate Information System development (£394,810), evidence migration (£377,160) and integrations (£364,541).

Special payments

	2025-26		2024-25	
Values	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Compensation payments	29,887	31,025	31,775	32,758
Ex gratia	1,609	1,624	2,544	2,576
Extra-contractual payments	8	8	7	7
Extra-statutory and extra-regulatory payments	-	-	5	5
Special severance payments	31	31	-	-
Total value of special payments	**31,535**	**32,688**	**34,331**	**35,346**

	2025-26		2024-25	
Numbers	Core department and agencies	Departmental group	Core department and agencies	Departmental group
Compensation payments	7,924	8,211	6,660	6,974
Ex gratia	2,299	2,313	2,736	2,742
Extra-contractual payments	150	150	139	139
Extra-statutory and extra-regulatory payments	-	-	40	40
Special severance payments	50	50	-	-
Total value of special payments	**10,423**	**10,724**	**9,575**	**9,895**

In 2025-26, there were 13 (2024-25: 14) special payments over £300,000.

HMPPS made 11 special payments over £300,000 (2024-25: 12).

- Five compensation payments were made to operational members of HMPPS staff: £821,045, £408,653 (in addition to £17,000 payments disclosed in previous financial years), £449,785 (in addition to £405 payments disclosed in previous financial years), £363,281 (in addition to £29,250 payments disclosed in previous financial years), and £315,000 (in addition to £130,000 payments disclosed in previous financial years).
- Three payments were made to prisoners: £3,405,637 (in addition to £455,000 payments disclosed in previous financial years), £678,546 (in addition to £5,943,353 payments disclosed in previous financial years), and £438,000.
- Three payments were made to third parties: £690,600 (in addition to £4,400 payments disclosed in previous financial years), £396,979 and £318,750.

A significant periodic payment order was granted in-year which will be made annually for the remainder of the claimant's life. The first of these payments is included in the disclosures above.

In MoJ HQ, a compensation payment of £321,772 was made after MoJ lost a case at the European Court of Human Rights following a breach of Article 10 of the convention (right to freedom of expression).

In MoJ HQ, an interim compensation payment of £500,000 was made in relation to a miscarriage of justice case under section 133 of the Criminal Justice Act 1988.

Charitable donations

HMCTS made charitable donations totalling £10,000 in 2025-26 (2024-25: £25,000).

Publicity and advertising

The department spent £18,601,638 on publicity and advertising in 2025-26 (2024-25: £8,975,058) relating to prison officer recruitment and media costs associated with a large-scale national advertising campaign.

Gifts and hospitality

Details of gifts, hospitality, travel and meetings of the department's ministers, directors general, Permanent Secretary and special advisers can be found at: www.gov.uk/government/collections/moj-gifts-hospitality-travel-and-meetings

Fees and charges

This section has been subject to audit.

MoJ is required, in accordance with HM Treasury's Managing Public Money, to disclose results for the areas of its activities where fees and charges are levied. The analysis provided below is for fees and charges purposes and is not intended to meet the requirements of IFRS 8 Operating Segments.

				2025-26		2024-25
	Gross income net of remissions	Full cost	Surplus/ (deficit)	Fee recovery actual	Fee recovery target	Fee recovery actual
	£000	£000	£000	%	%	%
Office of the Accountant General	8,223	8,223	-	100%	100%	100%
Official Solicitor and Public Trustee						
Litigation	854	10,153	(9,299)	8%	N/A	14%
Trust and estates	1,040	402	638	259%	N/A	283%
HMCTS						
Family	235,716	547,935	(312,219)	43%	100%	63%
Civil	621,354	721,002	(99,648)	86%	100%	86%
Asylum and immigration	9,861	190,314	(180,453)	5%	N/A	5%
Other fee generating tribunals	1,518	45,302	(43,784)	3%	N/A	6%
Non-fee generating tribunals	-	542,980	(542,980)	-	N/A	
Office of the Public Guardian	128,293	124,020	4,273	103%	100%	104%
Legal Services Board	5,671	5,671	-	100%	100%	100%
Office for Legal Complaints	19,754	19,754	-	100%	100%	100%
HMCTS – other fee refunds	(82)	-	(82)	-	-	-
Total	**1,032,202**	**2,215,756**	**(1,183,554)**			

Fee-charging segments

Operating segment	Details
Office of the Accountant General (OAG)	OAG invests money on behalf of its clients in the court funds investment account, which earns interest at the Bank of England base rate, or in the equity index tracker fund for long-term investments. Clients do not pay fees for investment services, but the operational costs of OAG are paid out of the surplus interest earned on their funds. OAG is therefore intended to run at nil net cost to the department's vote and in terms of the principles of cost recovery should be 100% self-funding.
Official Solicitor and the Public Trustee (OSPT)	The Official Solicitor's civil, family and Court of Protection litigation services continue to be largely publicly funded due to the nature of the cases dealt with, but where appropriate, alternative funding arrangements (such as conditional fee agreements) are also entered into. In some classes of Court of Protection case, where appropriate to do so, the Official Solicitor charges clients at full cost for services provided. OSPT charges for their work in administering trusts and estates. The fee income associated with Public Trustee trusts and estates cases is governed by a fees order, and the Official Solicitor's trusts and estates work is charged for on an hourly rate basis. The Public Trustee also processes 'title on death' applications under the Law of Property Act. The budget allocation to OSPT covers the cost of the Lord Chancellor's Reciprocal Enforcement of Maintenance Orders Unit and the International Child Abduction and Contact Unit. This service is publicly funded in full.
HM Courts and Tribunals Service (HMCTS)	HMCTS collects and reports on fee charges that have been set by MoJ policy and which appear in statutory instrument fees orders. Section 180 of the Anti-social Behaviour, Crime and Policing Act 2014 gives the Lord Chancellor, with the consent of HM Treasury, the statutory power to set certain court and tribunal fees above cost recovery levels. The income generated must be reinvested back into HMCTS. Government introduced enhanced fee charging for money claims on 9 March 2015, and further enhanced fees including divorce, civil and some tribunals in March, April and July 2016. The system of 'Help with Fees' (fee remissions) exists to ensure that individuals are not denied access to the courts if they genuinely cannot afford the fee. Only the civil and tribunal businesses have systems for charging fees. HMCTS reports on both the civil and tribunal fee-charging business segments. Civil business contains two business streams: family (including probate and Court of Protection) and civil (including civil business in the county court, higher courts and magistrates' courts). Tribunal business contains two business streams: immigration and asylum, and other fee-charging special tribunals (including lands, residential property, gambling and gender recognition). Further detail on current fees orders can be found within the HMCTS annual report and accounts.

Operating segment	Details
Office of the Public Guardian (OPG)	The Mental Capacity Act 2005 provides for fees to be charged for proceedings brought in relation to the functions carried out by the Public Guardian. The levels of charges are contained in two statutory instruments as well as the Lasting Powers of Attorney, Enduring Powers of Attorney, Public Guardian Regulations 2007 and the Public Guardian (Fees etc.) Regulations 2007.
Legal Services Board (LSB) and Office for Legal Complaints (OLC)	LSB and OLC income relates to levies receipted from approved regulators. This income is surrendered to the Consolidated Fund in line with the Legal Services Act 2007. In return, LSB and OLC receive grant-in-aid funding from the department equal to the income surrendered.

Remote contingent liabilities

This section has been subject to audit.

As required by Managing Public Money, in addition to contingent liabilities disclosed in accordance with IAS 37 in Note 25 to the accounts, HMPPS discloses, for parliamentary reporting and accountability purposes, certain statutory and non-statutory contingent liabilities where the likelihood of transfer of economic benefit is remote.

Heathrow Airport Holdings Limited indemnity: Assurance has been given to Heathrow Airport Holdings Limited and other third parties (such as airlines) which may be affected by the operations of HMPPS. The likelihood of a liability arising from these contingencies is considered to be remote.

The assurance covers the following amounts:

- up to £50 million for damage or injury per incident to third parties caused airside in the event of negligence of HMPPS
- up to £250 million for damage or injury to third parties per incident in the event of negligence by HMPPS while on board an aeroplane
- personal accident and/or sickness for HMPPS staff while on escorting duties

Privately managed prisons: HMPPS would be liable as underwriter of last resort to meet certain losses incurred by the privately managed prisons.

CICA: On occasion, compensation cases at appeal stage and under the jurisdiction of the First-tier Tribunal – Criminal Injuries Compensation may proceed to judicial review. These cases are not included within the provision due to the fact that a possible obligation exists which will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of CICA.

Dr Jo Farrar CB OBE

Permanent Secretary and Principal Accounting Officer

11 November 2026

The certificate and report of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I certify that I have audited the financial statements of the Ministry of Justice and of its departmental group for the year ended 31 March 2026 under the Government Resources and Accounts Act 2000. The department comprises the core department and its agencies. The departmental group consists of the department and the bodies designated for inclusion under the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2025. The financial statements comprise: the department's and the departmental group's:

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

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

In my opinion, the financial statements:

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

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2026 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

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

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

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

The framework of authorities described in the table below has been considered in the context of my opinion on regularity.

Framework of authorities	
Authorising legislation	Government Resources and Accounts Act 2000
Parliamentary authorities	Supply and Appropriations Act
HM Treasury and related authorities	Managing Public Money

Conclusions relating to going concern

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

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

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

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

Overview of my audit approach

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

This is not a complete list of all risks identified through the course of my audit but only those areas that had the greatest effect on my overall audit strategy, allocation of resources and direction of effort. I have not, for example, included information relating to the work I have performed on the presumed risk of management override of controls; fraud in revenue recognition; the valuation of net receivables; the valuation of lease liabilities and the valuation of legal provisions relating to judicial claims, where my work has not identified any matters to report.

The key audit matters were discussed with the Audit and Risk Assurance Committee. Their report on matters that they considered to be significant to the financial statements is set out on page 95.

In this year's report the following changes to the risks identified have been made compared to my prior year report:

- there is a new key audit matter related to cyber related legal claims at the Legal Aid Agency;
- the key audit matter identified in the prior year relating to the cyber incident at the Legal Aid Agency, which focused on the risks related to manipulation of underlying systems data, is no longer a key audit matter. However, the impact of the cyber incident is reflected in other key audit matters relating to the Legal Aid Agency; and
- the key audit matter relating to assets under construction only applies to the prison and probation estate in the current year, but included the courts estate in the previous year.

Valuation of property

Description of risk

The group owns significant property valued at £13.8 billion (2024-25: £13.2 billion). This includes the prison and probation estate valued at £10.0 billion (2024-25: £9.5 billion) and courts estate valued at £3.7 billion (2024-25: £3.6 billion). 91% (2024-25: 92%) of the group's estate is considered specialised and is valued on a depreciated replacement cost basis.

The valuation of this property requires significant judgement and estimation by management and its external valuers, the Valuation Office Agency (VOA). Inaccuracies in inputs or unreasonable assumptions used in these valuations (namely in respect of determining the modern equivalent asset; the level of obsolescence; and the gross internal area) could result in a material misstatement of the financial statements.

How the scope of my audit responded to the risk

In response to the risk over the valuation of property, I:

- assessed the design and implementation of the group's processes and controls around the valuation of properties;
- evaluated the competence of the group's external valuers, the VOA, which included consideration of its qualifications and expertise;
- engaged auditor's experts who reviewed and challenged the valuation approach and assumptions for a sample of properties. Using the work of the auditor's expert, I reviewed the key inputs adopted by the VOA in its valuation calculations and confirmed that the valuation methodology used is consistent with the RICS Valuation Standards and the Government Financial Reporting Manual;
- assessed management's response to the 2025-26 FReM valuation changes, including management's indexation calculations for properties not subject to physical valuation, the judgement not to apply an index to land assets, and the adequacy of management's impairment review;
- reviewed capital expenditure to identify the completeness of changes to properties. Drawing on this review, I sampled a selection of changes to the gross internal areas used in valuations, conducting site visits where necessary; and
- assessed the adequacy of the disclosures of estimates and valuation assumptions in Note 1.7 that were made in accordance with IFRS 13 – Fair Value Measurement.

Key observations

I considered the inputs, assumptions and methods used by the department to value the property estate to be appropriate. I did not identify material misstatements as a result of the work I have performed.

Assets under construction

Description of risk

Assets under construction are material to the departmental group. Across the group during the year, there were additions of £1.9 billion (2024-25: £1.3 billion); transfers to live assets of £0.8 billion (2024-25: £1.2 billion) and a year-end balance of unfinished projects valued at £3.2 billion (2024-25: £2.1 billion). The key audit matter relates to the prison and probation estate's additions of £1.8 billion (2024-25: £1.2 billion); transfers to live assets of £0.6 billion (2024-25: £1.0 billion) and a year-end balance of unfinished projects valued at £3.1 billion (2024-25: £1.9 billion).

There is a risk that expenditure is capitalised as AUC where it does not meet the criteria for recognition as an asset under the applicable accounting standards. There is also a risk that projects classified as assets under construction at year-end have gone live and therefore require valuation at depreciated replacement cost rather than at cost, which generally leads to differences in carrying value. This was an area where I found errors in the prior year.

How the scope of my audit responded to the risk

In response to the risk over assets under construction, I:

- assessed the design and implementation of the group's processes and controls over assets under construction;
- tested a sample of in year capital additions, to ensure that they met the requirements for capitalisation under International Accounting Standards;
- reviewed a sample of assets reclassified from assets under construction to live, to ensure that assets had become operational before the end of the reporting period. I also considered the value of these assets to ensure that they were properly reflected in the financial statements; and
- tested a sample of ongoing assets under construction projects to confirm that these projects remained live and to determine whether any needed to be impaired. This included reviewing £23.9 million of prison projects which were cancelled in the year and therefore disclosed as a constructive loss on page 169.

Key observations

I considered the outcomes of the substantive procedures performed in response to this risk to be satisfactory. I did not identify material misstatements as a result of the work I have performed.

Legal Aid Agency: Work in progress provision

Description of risk

The provision for unbilled work completed by legal aid providers is highly material to the financial statements at £0.97 billion (2024-25: £1.01 billion). This liability is calculated based on different models for each legal aid stream. The underlying models and methodology used for these provisions are complex and based on assumptions about the operation of the legal aid sector and courts. These provisions have a degree of estimation uncertainty, with a range of reasonable outcomes greater than my materiality for the financial statements. Case management systems were compromised by the cyber-attack and remained offline for a significant proportion of the year creating a backlog of provider claims and significant gaps in data. This situation has created barriers to applying the established methodology for estimating the liability and, therefore, management have made several modifications to models.

The financial statements (Note 19) disclose the sensitivity estimated by the group.

How the scope of my audit responded to the risk

In respect of the legal aid work in progress provisions, I:

- assessed the design and implementation of the group's processes and controls over the work in progress provision;
- reviewed the key assumptions which are applied within the underlying models and assessed whether these are reasonable and complete;
- reviewed the alternative methodologies explored by management, when responding to the cyber-attack, to confirm whether this was sufficient and whether the most appropriate methodology was selected;
- understood and challenged the changes in assumptions from the prior year and assessed whether the assumptions are reasonable considering the outcome compared to the prior year estimate;
- tested the completeness and accuracy of the data inputs, drawing upon the work of IT audit specialists;
- tested the logical integrity of the models including independently recalculating the output, using modelling experts; and
- reviewed the adequacy of the disclosures including the sensitivity analysis in Note 19 of the financial statements.

Key observations

I considered the outcomes of the substantive procedures performed in response to this risk to be satisfactory. I did not identify material misstatements as a result of the work I have performed.

Legal Aid Agency: Cyber related legal claims

Description of risk

Management have recognised a provision and an unquantified contingent liability in 2025-2026 for legal claims relating to the cyber-attack identified in April 2025. The overall liability is potentially material, and there is high estimation uncertainty associated with these balances, given the stage of the litigation. There is also a chance that a material element of the contingent liability will crystallise and be recognised within the provision balance in future financial years.

Management have also made judgements around the extent of the liability that could be reliably estimated and disclosed this as a provision in the financial statements in line with accounting standards (Notes 1b, 19 and 25).

How the scope of my audit responded to the risk

In response to this risk, I:

- reviewed and challenged management's judgements in respect of their proposed approach for accounting for cyber related legal claims;
- assessed the design and implementation of the group's processes and controls over the cyber related legal claims;
- tested the assumptions, underlying data and techniques employed in deriving the estimate;
- reviewed and challenged the work of management's experts that underpinned the provision including the potential ranges for settlement;
- used an auditor's expert to challenge management's judgment that no provision exists for claims which have not yet been received, as they cannot be reliably measured; and
- reviewed and challenged the estimation uncertainty disclosures relating to the liabilities.

Key observations

I considered the outcomes of the substantive procedures performed in response to this risk to be satisfactory. I did not identify material misstatements as a result of the work I have performed.

Criminal injury tariff scheme provision

Description of risk

The group recognises a provision of £433 million (2024-25: £365 million) for compensation claims under the 2012 Criminal Injuries Compensation scheme. The provision includes all cases known and received by the group but have not yet been processed through to award. To determine the expected level of award, management use historic case data and overlay assumptions around how future cases will be resolved differently compared to historic cases.

Due to the complexity of the model; the high levels of estimation uncertainty; and a trend of increasing caseload and increasing average case values, I consider the valuation of the provision could result in material misstatement in the group financial statements.

How the scope of my audit responded to the risk

In response to this risk, I:

- considered the design and implementation of key controls around the estimate and modelling process;
- assessed changes to the model and process for 2025-26;
- assessed the work of auditor's experts used to test and validate model inputs, including SQL reports run from the Case Management System, which form the basis of the model calculation;
- reviewed and recalculated the provision estimate;
- documented our assessment and challenge of key model assumptions for reasonableness and best practice; and
- reviewed model disclosures, including those around the sensitivity of the estimate.

Key observations

I considered the outcomes of the substantive procedures performed in response to this risk to be satisfactory. I did not identify material misstatements as a result of the work I have performed.

Valuation of defined benefit pension schemes

Description of risk

The departmental group has material gross defined benefit pension liabilities including HMPPS's share of the Greater Manchester Pension Fund (GMPF) of £4.6 billion (2024-25: £4.2 billion); and Cafcass's share of the West Yorkshire Pension Fund (WYPF) of £649 million (2024-25: £614 million). The net liability of HMPPS's share of GMPF is £23.9 million (2024-25: £472.2 million); and Cafcass's share of WYPF is £nil (2024-25: £17.4 million). These net balances are derived from highly material asset and liability balances as set out in Note 24.

Significant estimates are made in determining the key assumptions used in valuing the group's gross defined benefit pension scheme obligations. When making these assumptions management take independent actuarial advice relating to their appropriateness.

A small change in assumptions and estimates can have a material financial impact on the group's gross defined benefit pension obligations.

The most significant assumptions are discount rate, inflation rate and mortality/life expectancy. As part of my risk assessment, I determined that the gross defined benefit pension scheme obligations have a degree of estimation uncertainty, with a potential range of reasonable outcomes greater than my materiality for the financial statements, which is why I considered it a key audit matter.

In addition to the pension obligations, the departmental group has rights over £7.6 billion (2024-25: £6.9 billion) of investment assets. 29% or £2.2 billion of these assets are hard to value, where assumptions and judgments are required when determining their fair value. The remaining elements of the asset balances are easier to value. However, given the overall value of the assets, the level of error identified in prior years in initial data received from the pension funds and the element of hard to value assets, I consider pension asset valuation to be a key audit matter.

How the scope of my audit responded to the risk

In response to this risk, I:

- assessed the design and implementation of the group's processes and controls over the schemes;
- challenged, with the support of actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data in the context of market practice and the macroeconomic uncertainties;
- engaged actuarial specialists to review the roll-forward methodology used to assess the pension scheme liabilities, and provide assurance over the triennial funding valuation, including testing of member data;
- considered the adequacy of the group's disclosures in respect of the sensitivity of the deficit to these assumptions (note 24); and
- reviewed assurances about the procedures performed by the auditors of the two funds related to the valuation and existence of fund assets. The scheme auditors undertook procedures to assess whether the methodology and assumptions used in valuing these assets were reasonable. I reviewed the results of the procedures carried out by the scheme auditors to assess if they were sufficient for the purposes of my audit. I also considered the work performed by the auditors over benefits paid; contributions received and membership data which all feed into the calculation of the pension obligation.

Key observations

I considered the outcomes of the substantive procedures performed in response to this risk to be satisfactory. I did not identify material misstatements in the valuation of defined benefit pension net liability as a result of the work I have performed.

Application of materiality

Materiality

I applied the concept of materiality in both planning and performing my audit, and in evaluating the effect of misstatements on my audit and on the financial statements. This approach recognises that financial statements are rarely absolutely correct, and that an audit is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement or irregularity. A matter is material if its omission or misstatement would, in the judgement of the auditor, reasonably influence the decisions of users of the financial statements.

Based on my professional judgement, I determined overall materiality for the department and its group's financial statements as a whole as follows:

	Departmental group	Department parent
Materiality	£175 million (2024-25: 170 million)	£139 million (2024-25: 136 million)
Basis for determining overall account materiality	1% of non-current assets (2024-25: 1% of non-current assets)	0.8% of non-current assets (2024-25: 0.8% of non-current assets)
Rationale for the benchmark applied	Non-current assets are the largest item in both the departmental group and parent Statements of Financial Position. Significant public benefit is derived from the prison and courts estate, driving user interest in the extent and condition of those assets. We have set materiality at 1% for the group and 0.8% for the parent based on our risk assessment and the composition of the group.	
Taxpayer backed financial activity where an additional level of materiality has been applied	£145 million (2024-25: £135 million)	£115 million (2024-25: 108 million)
Basis for determining residual account materiality	1% (2024-25: 1%) of gross expenditure excluding depreciation and impairment but including capital additions.	0.8% (2024-25: 0.8%) of gross expenditure excluding depreciation and impairment but including capital additions.
Rationale for the benchmark applied	This threshold is set to reflect the sensitivity of financial statement users to transactions and balances reflecting taxpayer-backed financial activity. Capital additions are included since these form part of total managed expenditure voted by Parliament, and depreciation is excluded to avoid double-counting.	

Performance materiality

I set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality of the financial statements as a whole. Group performance materiality was set at 73% of group materiality for the 2025-26 audit (2024-25: 70%). In determining performance materiality, I have also considered the uncorrected misstatements identified in the previous period.

Other materiality considerations

Apart from matters that are material by value (quantitative materiality), there are certain matters that are material by their very nature and would influence the decisions of users if not corrected. Such an example is any errors reported in the related parties note in the financial statements. Assessment of such matters needs to have regard to the nature of the misstatement and the applicable legal and reporting framework, as well as the size of the misstatement.

I applied the same concept of materiality to my audit of regularity. In planning and performing my audit work to support my opinion on regularity and in evaluating the impact of any irregular transactions, I considered both quantitative and qualitative aspects that would reasonably influence the decisions of users of the financial statements.

Error reporting threshold

I agreed with the Audit and Risk Assurance Committee that I would report to it all uncorrected misstatements identified through my audit in excess of £300,000, as well as differences below this threshold that in my view warranted reporting on qualitative grounds. I also report to the Audit and Risk Assurance Committee on disclosure matters that I identified when assessing the overall presentation of the financial statements.

Total unadjusted audit differences reported to the Audit and Risk Assurance Committee have increased net assets by £11.2 million.

Audit scope

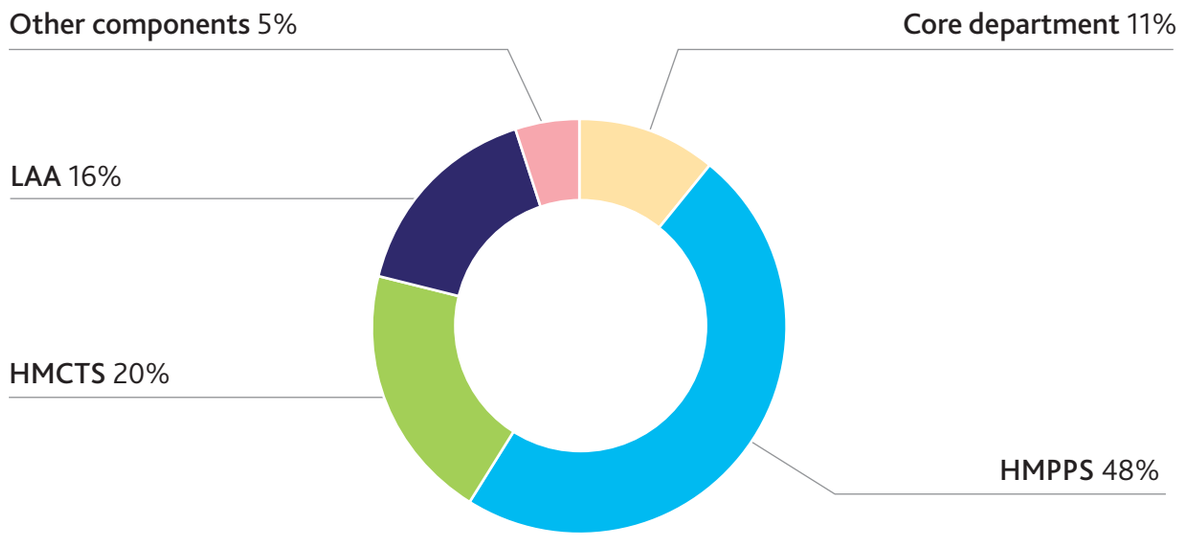
The scope of my group audit was determined by obtaining an understanding of the department and its group's environment, including group-wide controls, and assessing the risks of material misstatement at the group level.

The departmental group comprises the core department and the 14 entities within its boundary and has total group assets of £20.4 billion and total group operating expenditure of £14.8 billion. The group's largest components comprise the core department, HMCTS, HMPPS and LAA, which make up 99% of gross assets and 95% of gross expenditure. In line with *ISA (UK) 600 Audits of Group Finance Statements (Including the Work of Component Auditors)*, I assessed my approach to the audit of the Ministry of Justice group considering the risks of material misstatement given the size, estimation, and/or complexity of various classes of transactions, account balances and disclosures within the departmental group financial statements. I used this risk assessment to determine the audit procedures I require to be performed under my direction, supervision and review, whether those classes of transactions, account balances and disclosures arise within the department itself or in its components.

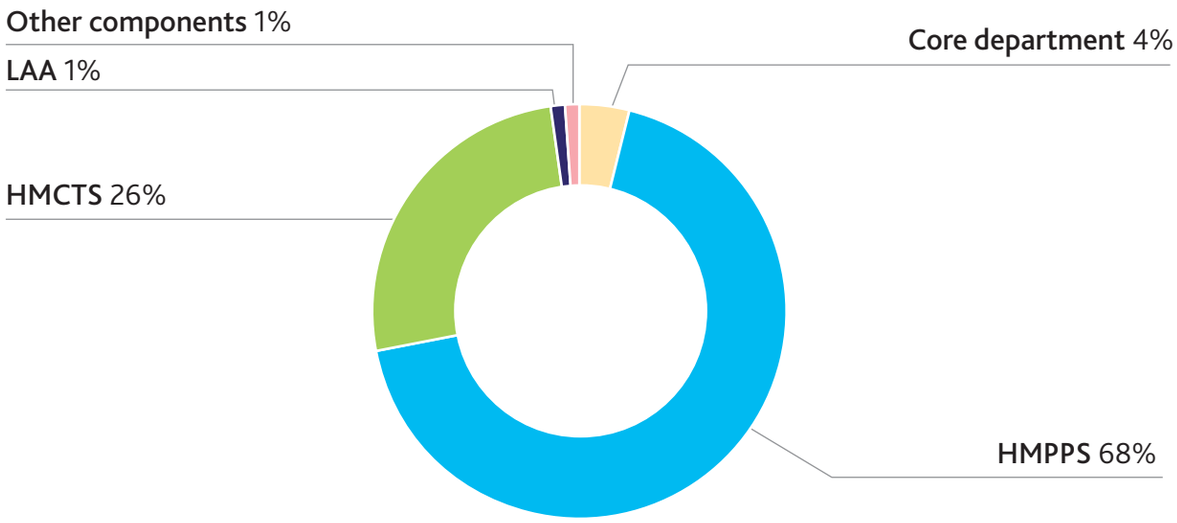
Based on my risk assessment, I included in the scope of my audit various classes of transactions, account balances and disclosures arising from the departmental group, HMPPS, HMCTS, LAA, CICA, OPG, Cafcass, GFSL and YJB. My audit included coverage of 99% of departmental group assets and 99% of departmental group expenditure through the work performed directly as a group auditor and work performed by the component auditors.

I also reviewed the Statement of Parliamentary Supply, which includes figures derived from the group financial statements. I obtained assurance over the classification of items within this statement and confirmed that these had been properly disclosed and classified. I also tested reconciling items.

Gross expenditure of components of the Ministry of Justice group (as at 31 March 2026)



Gross assets of components of the Ministry of Justice group (as at 31 March 2026)



Other information

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

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

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

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

Matters on which I report by exception

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

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

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

Responsibilities of the Accounting Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, 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 department and its group's accounting policies;
- inquired of management, the department's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the department and its group's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the department and its group's controls relating to the department's compliance with the Government Resources and Accounts Act 2000, Managing Public Money and the Supply and Appropriation (Main Estimates) Act 2025.
- inquired of management, the department's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team including relevant component audit teams and the relevant internal and external specialists, including modelling experts and property valuation experts regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I obtained an understanding of the department and group's framework of authority and other legal and regulatory frameworks in which the department and group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the department and its group. The key laws and regulations I considered in this context included the Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2025, employment law, pensions and tax legislation, and legislation setting out fees, charges and compensation in relation to legal aid, courts and tribunals and criminal injuries compensation.

Audit response to identified risk

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

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

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

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

Other auditor's responsibilities

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement.

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

12 November 2026

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

Financial statements

Financial statements

Consolidated Statement of Comprehensive Net Expenditure

for the year ended 31 March 2026

		2025-26		2024-25	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Revenue from contracts with customers	2	(1,913,182)	(1,912,297)	(1,867,480)	(1,866,792)
Other operating income	3	(57,263)	(57,656)	(64,544)	(65,077)
Total operating income		**(1,970,445)**	**(1,969,953)**	**(1,932,024)**	**(1,931,869)**
Staff costs	4	5,314,648	5,621,443	4,955,266	5,238,303
Judicial costs	4	839,909	839,909	787,844	787,844
Purchase of goods and services	5	3,199,093	3,035,015	2,993,312	2,847,875
Depreciation, amortisation and impairment	6	1,065,277	1,073,927	1,179,765	1,187,671
Legal aid funded provisions	7	2,194,105	2,194,105	2,229,386	2,229,386
Other provision expenses	7	408,026	408,662	283,847	283,814
Net (gain)/loss on disposal of assets	8	(4,339)	(4,337)	1,084	1,392
Revaluation of non-current and financial assets	9	(11,566)	(11,566)	(7,946)	(7,946)
Other operating expenditure	10	1,862,601	1,706,013	1,795,935	1,648,952
Total operating expenditure		**14,867,754**	**14,863,171**	**14,218,493**	**14,217,291**
Net operating expenditure before financing		**12,897,309**	**12,893,218**	**12,286,469**	**12,285,422**

		2025-26		2024-25	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Finance income		(12)	(12)	(15)	(15)
Finance expense	11	55,429	56,352	55,169	55,045
Borrowing cost on provisions		17,739	17,739	11,280	11,280
Net operating expenditure before tax		**12,970,465**	**12,967,297**	**12,352,903**	**12,351,732**
Taxation		-	198	-	149
Net expenditure for the year		**12,970,465**	**12,967,495**	**12,352,903**	**12,351,881**
Other comprehensive net expenditure					
Items that will not be reclassified to operating expenditure:					
Net (gain)/loss on revaluation of:					
Property, plant and equipment		(449,558)	(449,594)	(76,428)	(72,543)
Right-of-use assets		(16,235)	(16,235)	5,740	5,740
Intangible assets		(48)	(47)	(391)	(393)
Assets for sale		2,228	2,228	579	579
Net (gain)/loss on impairment of:					
Intangible assets		-	-	85	85
Remeasurement of pension schemes:					
Cafcass pension scheme		-	(12,214)	-	21,055
Legal Services Commission pension scheme		5,558	5,558	2,649	2,649
By-analogy pension schemes		-	(90)	90	(220)
Probation pension schemes		(359,083)	(359,083)	(12,797)	(12,797)
Oasis Restore Trust pension scheme		-	450	-	-
Total comprehensive net expenditure for the year		**12,153,327**	**12,138,468**	**12,272,430**	**12,296,036**

The notes on pages 203 to 290 form part of these accounts.

Consolidated Statement of Financial Position

as at 31 March 2026

		2025-26		2024-25	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	12	17,425,754	17,463,222	15,714,450	15,750,528
Right-of-use assets	13	1,083,728	1,097,146	1,158,421	1,172,774
Intangible assets	14	616,876	620,512	639,695	643,979
Investments		320	320	251	251
Pension assets	24	41,679	41,679	45,697	45,697
Trade and other receivables	16	119,958	119,962	119,082	119,082
Total non-current assets		**19,288,315**	**19,342,841**	**17,677,596**	**17,732,311**
Current assets					
Assets held for sale	15	8,670	8,670	9,898	9,898
Inventories		64,747	66,197	70,805	72,239
Trade and other receivables	16	569,102	575,183	428,047	431,126
Cash and cash equivalents	17	338,909	390,315	303,706	351,525
Total current assets		**981,428**	**1,040,365**	**812,456**	**864,788**
Total assets		**20,269,743**	**20,383,206**	**18,490,052**	**18,597,099**
Current liabilities					
Trade and other payables	18	(2,109,757)	(2,128,190)	(1,769,716)	(1,781,488)
Financial liabilities	18	(153,349)	(156,158)	(165,650)	(168,361)
Provisions	19	(1,197,928)	(1,201,260)	(1,335,513)	(1,339,437)
Total current liabilities		**(3,461,034)**	**(3,485,608)**	**(3,270,879)**	**(3,289,286)**
Total assets less current liabilities		**16,808,709**	**16,897,598**	**15,219,173**	**15,307,813**

		2025-26		2024-25	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Non-current liabilities					
Trade and other payables	18	(27,319)	(27,354)	(31,733)	(31,733)
Other financial liabilities	18	(1,187,488)	(1,198,990)	(1,309,776)	(1,322,530)
Provisions	19	(1,069,172)	(1,071,371)	(803,348)	(805,365)
Pension liabilities	24	(24,709)	(28,819)	(473,258)	(494,937)
Total non-current liabilities		**(2,308,688)**	**(2,326,534)**	**(2,618,115)**	**(2,654,565)**
Assets less liabilities		**14,500,021**	**14,571,064**	**12,601,058**	**12,653,248**
Taxpayers' equity					
General Fund		9,518,997	9,589,732	7,897,973	7,953,718
Revaluation reserve		4,981,024	4,981,332	4,703,085	4,699,530
Total taxpayers' equity		**14,500,021**	**14,571,064**	**12,601,058**	**12,653,248**

The notes on pages 203 to 290 form part of these accounts.

Dr Jo Farrar CB OBE

Permanent Secretary and Principal Accounting Officer

11 November 2026

Consolidated Statement of Cash Flows

for the year ended 31 March 2026

		2025-26		2024-25	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Net operating expenditure	CSoCNE	(12,970,465)	(12,967,495)	(12,352,903)	(12,351,881)
Adjustments for non-cash transactions		3,698,659	3,712,799	3,753,312	3,731,702
Finance expense		23,443	23,727	33,228	33,380
Movements in pensions		(113,520)	(120,376)	(68,703)	(70,178)
(Increase)/decrease in trade and other receivables	16	(141,931)	(144,937)	31,403	33,374
Less: movements in receivables not passing through the CSoCNE and receivable impairments		5,363	5,389	(15,077)	(14,532)
(Increase)/decrease in inventories		6,058	6,042	(7,183)	(7,416)
Increase/(decrease) in trade and other payables	18	335,627	342,323	31,841	56,219
Less: movements in payables relating to items not passing through the CSoCNE		(123,518)	(123,515)	7,726	7,633
Increase/(decrease) in other financial liabilities	18	(134,589)	(135,743)	(173,394)	(171,170)
Less: movements in other financial liabilities relating to items not passing through the CSoCNE		134,502	135,656	173,394	171,170
Utilisation of provisions		(2,495,559)	(2,496,736)	(2,405,540)	(2,406,758)
Intra-departmental adjustment through Consolidated Statement of Changes in Taxpayers' Equity (between MoJ core and agencies)		-	-	21,086	13
Other		-	262	(32,130)	(55)
Net cash outflow from operating activities		**(11,775,930)**	**(11,762,604)**	**(11,002,940)**	**(10,988,499)**

		2025-26		2024-25	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Cash flows from investing activities					
Purchase of property, plant and equipment		(2,071,717)	(2,075,742)	(1,409,474)	(1,413,253)
Purchase of intangible assets	14	(115,432)	(116,574)	(93,751)	(96,163)
Adjust for increase/(decrease) in capital payables		91,026	91,023	25,823	25,916
Proceeds on disposal of property, plant and equipment		3,257	3,257	(5,196)	(5,196)
Proceeds on disposal of intangible assets		(151)	(151)	-	-
Proceeds on disposal of assets held for sale		5,163	5,163	13,040	13,040
Net cash outflow from investing activities		**(2,087,854)**	**(2,093,024)**	**(1,469,558)**	**(1,475,656)**
Cash flows from financing activities					
From the Consolidated Fund (supply)		13,900,000	13,900,000	12,485,000	12,485,000
From the Consolidated Fund (non-supply)		211,426	211,426	198,362	198,362
Capital element of finance leases and on-balance sheet PFI contracts		(160,288)	(164,573)	(188,579)	(191,072)
Repayment of local authority loans		(2,711)	(2,711)	(792)	(792)
Interest paid		(26,769)	(27,053)	(33,228)	(33,380)
Net cash inflow from financing activities		**13,921,658**	**13,917,089**	**12,460,763**	**12,458,118**

		2025-26		2024-25	
		Core department and agencies	Departmental group	Core department and agencies	Departmental group
	Note	£000	£000	£000	£000
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		**57,874**	**61,461**	**(11,735)**	**(6,037)**
Payments of amounts due to the Consolidated Fund		(22,671)	(22,671)	(21,022)	(21,022)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		**35,203**	**38,790**	**(32,757)**	**(27,059)**
Cash and cash equivalents at the beginning of the period	**17**	**303,706**	**351,525**	**336,463**	**378,584**
Cash and cash equivalents at the end of the period	**17**	**338,909**	**390,315**	**303,706**	**351,525**

The notes on pages 203 to 290 form part of these accounts.

Consolidated Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2026

This statement shows the movements during the year on the different reserves held by MoJ. The General Fund represents the total assets less liabilities of the entities within the accounting boundary, to the extent that the total is not represented by other reserves and financing items. The revaluation reserve reflects the change in asset values that have not been recognised as income or expenditure.

		Core department and agencies			Departmental group		
		General Fund	Revaluation reserve	Total reserves	General Fund	Revaluation reserve	Total reserves
	Note	£000	£000	£000	£000	£000	£000
Balance at 1 April 2025		**7,897,973**	**4,703,085**	**12,601,058**	**7,953,718**	**4,699,530**	**12,653,248**
Net parliamentary funding – drawn down		13,900,000	-	13,900,000	13,900,000	-	13,900,000
Net parliamentary funding – deemed		280,696	-	280,696	280,696	-	280,696
Unspent supply drawn down repayable to the Consolidated Fund		(313,147)	-	(313,147)	(313,147)	-	(313,147)
Consolidated Fund standing services							
Judicial salaries		205,548	-	205,548	205,548	-	205,548
Lord Chancellor's salary		77	-	77	77	-	77
Utilisation of Judicial Service Award		5,801	-	5,801	5,801	-	5,801
Consolidated Fund extra receipts (CFERs) payable to the Consolidated Fund		(25,423)	-	(25,423)	(25,423)	-	(25,423)
Net expenditure for the year	CSoCNE	(12,970,465)	-	(12,970,465)	(12,967,495)	-	(12,967,495)
Net gain/(loss) on revaluation of							
Property, plant and equipment		-	449,558	449,558	-	449,594	449,594
Right-of-use assets		-	16,235	16,235	-	16,235	16,235
Intangible assets		-	48	48	-	47	47
Assets held for sale		-	(2,228)	(2,228)	-	(2,228)	(2,228)

		Core department and agencies			Departmental group		
		General Fund	Revaluation reserve	Total reserves	General Fund	Revaluation reserve	Total reserves
	Note	£000	£000	£000	£000	£000	£000
Remeasurement of pension schemes							
Cafcass pension scheme	24	-	-	-	12,214	-	12,214
Legal Services Commission pension scheme	24	(5,558)	-	(5,558)	(5,558)	-	(5,558)
By-analogy pension schemes		-	-	-	90	-	90
Probation pension scheme	24	359,083	-	359,083	359,083	-	359,083
Oasis pension scheme	24	-	-	-	(450)	-	(450)
Non-cash adjustment							
Auditor's remuneration	5	2,459	-	2,459	2,459	-	2,459
Corporate overhead recharges	10	(3,731)	-	(3,731)	-	-	-
Movements in reserves							
Transfers from revaluation reserve		185,674	(185,674)	-	181,846	(181,846)	-
Other movements							
Intra-group transfers of non-current assets		-	-	-	-	-	-
Other		10	-	10	273	-	273
Balance at 31 March 2026		**9,518,997**	**4,981,024**	**14,500,021**	**9,589,732**	**4,981,332**	**14,571,064**

Consolidated Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2025

		Core department and agencies			Departmental group		
		General Fund	Revaluation reserve	Total reserves	General Fund	Revaluation reserve	Total reserves
	Note	£000	£000	£000	£000	£000	£000
Balance at 1 April 2024		**7,419,289**	**4,770,790**	**12,190,079**	**7,480,670**	**4,771,273**	**12,251,943**
Net parliamentary funding – drawn down		12,485,000	-	12,485,000	12,485,000	-	12,485,000
Net parliamentary funding – deemed		315,295	-	315,295	315,295	-	315,295
Grant from bodies external to the department		-	-	-	-	-	-
Unspent supply drawn down repayable to the Consolidated Fund		(280,696)	-	(280,696)	(280,696)	-	(280,696)
Consolidated Fund standing services							
- Judicial salaries		193,290	-	193,290	193,290	-	193,290
- Lord Chancellor's salary		92	-	92	92	-	92
- Utilisation of Judicial Service Award		4,980	-	4,980	4,980	-	4,980
Consolidated Fund extra receipts (CFERs) payable to the Consolidated Fund		(22,864)	-	(22,864)	(22,864)	-	(22,864)
Net expenditure for the year	CSoCNE	(12,352,903)	-	(12,352,903)	(12,351,881)	-	(12,351,881)
Net gain/(loss) on revaluation of							
- Property, plant and equipment		-	76,428	76,428	-	72,543	72,543
- Right-of-use assets		-	(5,740)	(5,740)	-	(5,740)	(5,740)
- Intangible assets		-	391	391	-	393	393
- Assets held for sale		-	(579)	(579)	-	(579)	(579)
Net gain/(loss) on impairment of							
- Intangible assets		-	(85)	(85)	-	(85)	(85)

		Core department and agencies			Departmental group		
		General Fund	Revaluation reserve	Total reserves	General Fund	Revaluation reserve	Total reserves
	Note	£000	£000	£000	£000	£000	£000
Remeasurement of pension schemes							
- Cafcass pension scheme	24	-	-	-	(21,055)	-	(21,055)
- Legal Services Commission pension scheme	24	(2,649)	-	(2,649)	(2,649)	-	(2,649)
- By-analogy pension schemes		(90)	-	(90)	220	-	220
- Probation pension schemes	24	12,797	-	12,797	12,797	-	12,797
Non-cash adjustment							
- Auditor's remuneration	5	2,332	-	2,332	2,332	-	2,332
- Corporate overhead recharges	10	(2,978)	-	(2,978)	-	-	-
Movements in reserves							
- Transfers from revaluation reserve		138,127	(138,127)	-	138,282	(138,282)	-
Other movements							
Prior year OLC and LSB CFER		21,103	-	21,103	30	-	30
Intra-group transfers of non-current assets		(32,130)	-	(32,130)	-	-	-
Other		(22)	7	(15)	(125)	7	(118)
Balance at 31 March 2025		**7,897,973**	**4,703,085**	**12,601,058**	**7,953,718**	**4,699,530**	**12,653,248**

The notes on pages 203 to 290 form part of these accounts.

Notes to the accounts for the year ended 31 March 2026

1a) Statement of accounting policies

1.1 Basis of preparation

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

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

The preparation of the accounts in conformity with IFRS requires the use of certain critical accounting estimates (see Note 1b).

In addition to the primary statements prepared under IFRS, the FReM requires the department to prepare a Statement of Outturn against Parliamentary Supply and supporting notes showing the outturn against estimates in terms of the net resource requirement and the net cash requirement. These are included within the parliamentary accountability section in this report.

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

1.2 Going concern

The FReM states that going concern for the public sector is interpreted as the anticipated continued provision of the entity's services in the future, as evidenced by inclusion of financial provision for that service in published documents. In common with other government departments, the group's liabilities are expected to be met by future grants of supply and the application of future income, both to be approved annually by Parliament. The department considers there is no reason to believe that future approvals will not be forthcoming. Hence, it is considered appropriate to adopt a going concern basis for the preparation of these financial statements.

1.3 Accounting convention

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

1.4 Basis of consolidation

These accounts consolidate the core department, executive agencies and non-departmental public bodies (NDPBs) which fall within the departmental boundary as defined in the FReM and make up the departmental group. A list of entities included within the departmental boundary is given at Note 28.

Where two columns are included, the first contains amounts for the core department and its agencies and the second contains amounts for the departmental group as a whole. Accounting policies are harmonised across the group and all significant intra-departmental balances and transactions between entities within the departmental boundary are eliminated.

All consolidated entities have accounting reference dates that align with the core department.

1.5 Machinery of government changes and restatement of comparatives

There have been no machinery of government changes in 2025-26 (2024-25: none).

1.6 Changes in accounting policy and disclosures

a) There have been no changes in accounting policies or new or amended standards adopted in 2025-26.

b) HM Treasury have advised that IFRS 8 Operating Segments applies to entities with publicly traded instruments. Therefore, MoJ is no longer required to include segmental reporting in its published annual report and accounts.

c) 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 will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after 1 January 2027 in the private sector. The impact of IFRS 18 on the public sector is still being assessed, and a decision has not yet been taken on an implementation date.

IFRS 19 Subsidiaries without Public Accountability: Disclosures allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements and is effective for annual reporting periods beginning on or after 1 January 2027 in the private sector. The impact of IFRS 19 on the public sector is still being assessed, and a decision has not yet been taken on an implementation date.

1.7 Property, plant and equipment

Initial recognition and capitalisation threshold

Property, plant and equipment is initially recognised at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Such expenditure is capitalised where:

- the asset is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow, or service potential be provided, to MoJ
- it is expected that the asset will be used for more than one financial year
- the cost of the asset can be measured reliably

The core department's capitalisation threshold for individual assets is £10,000. The thresholds across the departmental group range from £500 to £10,000.

Where significant purchases of individual assets which are separately below the capitalisation threshold arise in connection with a single project, they are treated as a grouped asset. The core department's capitalisation threshold for grouped assets is £1 million. The thresholds across the departmental group range from £500 to £1 million. All thresholds include irrecoverable Value Added Tax (VAT).

Subsequent valuation method

Land and buildings (including dwellings) are recorded at fair value, as interpreted by the FReM, on the basis of professional valuations, which are conducted for each property at least once every five years. These are primarily undertaken by the Valuation Office Agency using the Royal Institution of Chartered Surveyors appraisal and valuation manual, known as the 'Red Book'.

In between professional valuations, carrying values are adjusted by the application of indices or through desktop valuations for which different indices are applied depending on the assets. This ensures that carrying values are not materially different from those that would be determined at the end of the reporting period. For buildings, the index applied is the Building Cost Information Service All-In Tender Price Index that reflects price changes in the construction sector and is a good indicator of price pressure in building contracts in the UK. For existing use value buildings, a new Commercial Property Capital Price Index has been created by the Valuation Office Agency for application by public sector bodies. Due to lack of a suitable index available without undue cost or effort, the dispensation in section 10.1.3 of the FReM 2025-26 to revalue the relevant 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.

Criminal courts, prisons and some parts of the probation estate are mostly classified as specialised buildings which cannot be sold on the open market. For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost on a modern equivalent asset basis in accordance with the FReM and Royal Institution of Chartered Surveyors guidance, taking into account the functional obsolescence of the property and other assumptions. A modern equivalent asset basis assumes that the asset will be replaced with a modern asset of equivalent capacity and location requirements of the services being provided.

Non-specialised properties are valued based on existing use or market value where there is an open market valuation for such properties.

Assets which are held for their service potential and are in use (operational assets used to deliver either frontline services or back-office functions) are measured at their current value in existing use.

Assets that were most recently held for their service potential but are surplus, with no plan to bring them back into use, are valued at current value in existing use where there are restrictions which would prevent access to the market at the reporting date. If we can access the market, then the surplus asset is valued at fair value in accordance with **IFRS 13 Fair Value Measurement**.

Where there is a clear plan to bring an unused asset back into future use as an operational asset, the asset is not considered as surplus and is maintained at current value in existing use.

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

Fair value hierarchy and inputs

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

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

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

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

Revaluation

Gains arising on revaluation are credited to the revaluation reserve and shown in other comprehensive net expenditure, unless they reverse a revaluation decrease on the same asset. Reversals are credited to the CSoCNE to the extent of the previous amount expensed, and any excess is credited to the revaluation reserve.

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

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

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

Depreciation

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

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

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

Estimated useful asset lives are within the following ranges:

Freehold land	Not depreciated
Leasehold land	Remaining lease period
Freehold buildings (including dwellings)	Shorter of remaining life or 60 years
Leasehold buildings (including dwellings)	Shortest of remaining life, remaining lease period or 60 years
Information technology	Shorter of remaining life or 3 to 15 years
Plant and equipment	Shorter of remaining life or 3 to 15 years
Furniture, fixtures and fittings	Shorter of remaining life or 3 to 20 years

Assets under construction

Assets under construction are valued at historical cost within property, plant and equipment and intangible assets, and are not depreciated or amortised until completed. On completion, the asset's carrying value is transferred to the respective asset category.

Expenditure is capitalised where it is directly attributable to bringing an asset into working condition, such as external consultant costs, relevant employee costs and an appropriate portion of relevant overheads.

1.8 Intangible assets

Intangible assets comprise internally developed software for internal use (including such assets under construction), software developed by third parties, and purchased software licences. As at 31 March 2026, we did not identify any software as a service or any other cloud-based, right-of-use assets.

The capitalisation thresholds across the departmental group range from £500 to £250,000 (including irrecoverable VAT).

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. Since 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.

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 less and impairment losses. The carrying values from the transition date of 1 April 2024 are considered historical cost and will be amortised over the remaining lives of the assets.

Software developed internally or by third parties

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by MoJ are capitalised when they meet the criteria specified in the FReM, which has been adapted from IAS 38 Intangible Assets. Other expenditure that does not meet these criteria is recognised as an expense as incurred.

The useful lives of internally developed software range from one to 15 years. In accordance with IAS 38 Intangible Assets, MoJ reviews the useful economic lives of its intangible assets each financial year.

MoJ utilises an agile development approach. For each module of IT, amortisation begins when it is ready for its intended use, regardless of whether the IT will be placed into service in planned stages that may extend beyond a reporting period. If the functionality of a module is entirely dependent on the completion of other modules, amortisation begins when both that module and the other modules on which it is functionally dependent are ready for their intended use.

Purchased software licences

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

1.9 Impairment

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

An impairment reflects a diminution in the value of an asset as a result of a clear consumption of economic benefits or service potential. At each reporting date, MoJ assesses all assets for indications of impairment. If any such indications exist, the assets in question are tested for impairment by comparing the carrying value of those assets with their recoverable amounts.

If the recoverable amount of an asset is less than its carrying value, the carrying value of the asset is reduced to its recoverable amount. The recoverable amount of an asset is the higher of its 'fair value less costs to sell' and 'value in use' (as defined above).

When an asset's carrying value decreases as a result of a permanent diminution in the value of the asset due to a clear consumption of economic benefit or service potential, the decrease is charged directly to net operating costs in the CSoCNE. If the asset has previously been revalued, any remaining revaluation reserve balance (up to the level of the impairment loss) is released to the General Fund.

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

1.10 Non-current assets held for sale

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

1.11 Leases

IFRS 16 requires a lessee to recognise assets and liabilities for all leases (apart from the exemptions listed below).

Scope and exclusions – the departmental group as lessee

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

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

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

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

When making the above assessments, MoJ excludes two types of leases:

- those relating to low value items, which it considers as those where the underlying asset would have a cost of less than £10,000 when new, provided those items are not highly dependent on or integrated with other items
- contracts whose term is less than 12 months

At inception or on reassessment of a contract that contains a lease component, MoJ assesses whether it is reasonably certain to exercise break options or extension options at the lease commencement date. MoJ reassesses this if there are significant events or changes in circumstances that were not anticipated. In the event that a lease contract has expired, but MoJ remains in occupation pending negotiations for a renewed term, the lease term has been measured as the estimated time until the new contract will be agreed.

Initial recognition – the departmental group as lessee

At the commencement of a lease, the department recognises a right-of-use asset and a lease liability. Under HM Treasury's IFRS 16 application guidance, the measurement of lease payments excludes any VAT payable and irrecoverable VAT is expensed at the point it falls due, in line with IFRS Interpretations Committee (IFRIC) 21 Levies. If the VAT element cannot be clearly identified from lease invoices, the lease liability and right-of-use asset are measured using the gross value of invoices for remaining lease payments.

Lease liability

The lease liability is measured at the value of the remaining lease payments discounted either by the interest rate implicit in the lease or, where this is not readily determinable, the department's incremental rate of borrowing. This rate is advised annually by HM Treasury: 4.81% for leases that commenced, transitioned or were remeasured in the 2025 calendar year (2024: 4.72%).

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

Right-of-use asset

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

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

However, in accordance with the FReM, where the lease requires nil or nominal consideration (usually referred to as a 'peppercorn' lease) the asset will instead be measured at its existing use value, using market prices or rentals for equivalent land and properties, with the difference between the carrying amount of the right-of-use asset and lease liability treated as notional income.

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

Subsequent measurement – the departmental group as lessee

After initial recognition, the right-of-use asset will be measured using the fair value model. The departmental group considers that the cost model (measurement by reference to the lease liability) is a reasonable proxy for fair value, in the case of non-property leases, and also for property leases of less than five years or with regular rent reviews. For other leases, the asset will be carried at a revalued amount.

The lease liability will be adjusted for the accrual of interest, repayments, reassessments and modifications. Reassessments are reappraisals of the probability of the options given by the existing lease contract, for example where we no longer expect to exercise an option. Modifications are changes to the lease contract. Reassessments and modifications are accounted for by either by:

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

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

Estimates and judgements

In assessing the lease, MoJ makes the following estimates and judgements.

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

1.12 Service concession arrangements

Service concession arrangements (SCAs), including PFI arrangements, are where private sector operators are contractually obliged to provide services to the public in relation to certain infrastructure assets.

MoJ recognises the infrastructure asset at fair value (or the present value of the future minimum infrastructure payments, if lower) as a non-current asset in the Consolidated Statement of Financial Position (CSoFP) with a corresponding liability for future payments under the agreement, following the principles contained within IFRS 16. As per the FReM, this approach means the liability is remeasured whenever there is a change in future lease payments resulting from a change in an index or rate used to determine those payments.

For budgeting purposes, SCAs are evaluated according to the balance of risks and reward of ownership as defined by European System of Accounts (ESA) 10. This means that some SCAs recognised in the accounts are treated differently for budgetary purposes against HM Treasury budgeting controls.

1.13 Employee benefits

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

IAS 19 Employee Benefits requires MoJ to recognise the expected cost of the annual leave entitlement of its employees that is accrued at the end of each financial year.

Defined benefit pension schemes

PCSPS and Judicial Pension Scheme

The provisions of the PCSPS cover most past and present employees, while salaried and fee-paid judicial office holders are covered by the Judicial Pension Scheme (JPS). Both the PCSPS and the JPS are unfunded defined benefit schemes. However, in accordance with the FReM section 8.2 adaptation of IAS 19, the department accounts for these as defined contribution schemes and recognises contributions it pays as an expense in the year in which they are incurred. The legal or constructive obligation is limited to the amount that it agrees to contribute to the fund.

The department is responsible for the administration of the JPS that provides for the pension entitlements of salaried and fee-paid judicial office holders of eight other participating bodies.

Provisions have been recognised in the department's accounts for the liability to fee-paid judicial office holders in respect of the Judicial Service Award as this cannot be paid by the JPS in accordance with its governing regulations.

The JPS is not consolidated within these accounts and further information can be found in the JPS accounts at www.gov.uk/government/publications/judicial-pensions-scheme-annual-report-and-accounts-2025-to-2026.

Further information about these provisions is set out in Note 19.

Funded pension schemes

Unlike the schemes described above, funded pension schemes are accounted for through the department's CSoFP, applying **IAS 19 Employee Benefits** in full. These accounts contain the Local Government Pension Scheme (LGPS) for HMPPS probation staff and past employees of the probation trusts, including those who transferred to community rehabilitation companies and/or community rehabilitation services, Cafcass and the Legal Services Commission Pension Scheme (LSCPS).[144]

144 Legal Services Commission Pension Scheme website: https://lscpensions.co.uk

The cost of providing benefits is determined using the projected unit credit method, with formal actuarial valuations being carried out at the end of every third reporting period (the most recent valuations being as at 31 March 2025). The results of the valuations as at 31 March 2025, including the roll forward for the financial year 2025-26, were reflected in the 2025-26 accounts.

Past employees of the probation trusts, and LGPS probation staff who transferred to community rehabilitation services and the HMPPS National Probation Service, are covered by the provisions of LGPS via one pension fund administered by the Greater Manchester Pension Fund (GMPF). The Secretary of State for Justice has provided a guarantee in respect of the community rehabilitation services' participation in the GMPF for pension liabilities that transferred to the community rehabilitation services.

The liability or asset recognised in the CSoFP is the present value of the defined benefit obligation less the fair value of plan assets at the reporting date. The present value of the obligation is determined by discounting estimated future cash outflows using rates as advised by the scheme actuary. In between formal actuarial valuations, the obligation is approximated by adjusting the most recent full valuation using latest available membership data.

Remeasurements (comprising actuarial gains and losses), the effect of the asset ceiling (including irrecoverable surplus adjustments), and the return on plan assets (excluding interest) are recognised within other comprehensive expenditure in full in the period in which they arise. Service costs are recognised in the CSoCNE and are spread systematically over the working lives of the employees. The net interest charge in the CSoCNE reflects the unwinding of the discount applied to the net liabilities of the scheme.

IAS 19 requires that the discount rate is determined by reference to market yields at the end of the reporting period, on high-quality AA corporate bonds of a currency and duration consistent with the currency and duration of the benefit obligations.

Under the requirements of IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, the value of any net pension surplus which was determined under IAS 19 is limited in the financial statements to reflect that the full economic benefit of a surplus is not realisable. This restriction is known as the asset ceiling.

In the case of the LSCPS, MoJ is able to recognise a pension asset as it has an unconditional right to a refund from the Legal Services Commission during the life of the plan. MoJ can elect to withdraw money out of the fund, to the extent that the funding level does not drop below 105%. Therefore, in the event of a surplus no asset ceiling is applied.

Further detail on the application of IFRIC 14 is included in Note 24.

Other defined benefit pension schemes

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

Early departure and injury benefit costs

The department is required to pay the additional cost of benefits beyond the normal PCSPS and LGPS benefits in respect of employees who retire early. The total cost is provided in full when the early departure programme has been announced and is binding on the department.

The Civil Service Injury Benefit Scheme requires the department to pay benefits to any individual who is injured in connection with their employment. Benefits are paid only in respect of loss of earning capacity, and a provision is made for expected future costs.

The early departure and injury benefit provisions are discounted using the rate disclosed in Note 1.18.

1.14 Income

Income is generated directly from the operating activities of the departmental group and includes both budgetary and non-budgetary income. Non-budgetary income is outside the ambit of the departmental group and is surrendered to the Consolidated Fund as CFERs (refer to Annex A, SOPS 4).

Income is stated net of VAT and comprises mainly fees and charges for services which are set on a full cost recovery basis.

MoJ recognises revenue from a number of different sources, primarily from:

- HMCTS fees
- LAA civil representation and criminal case recoveries
- OPG fees (largely power of attorney fees)
- HMPPS income (largely prison-related)
- recoveries from other government departments

Fee income

HMCTS fee income

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

The power to charge fees is conferred by section 92 of the Courts Acts 2003, and the power to charge enhanced fees is conferred by section 180 of the Anti-Social Behaviour Crime and Policing Act 2014. This is the legislation against which HMCTS assesses its performance obligations. This legislation also provides for statutory instruments to set out a price list for the fees to be charged. These statutory instruments, determined in the FReM adaption as contracts under IFRS 15, are interpreted as the performance obligations on HMCTS in respect of the individual fees charged. This does not place a performance obligation on the judiciary.

HMCTS has therefore adopted an income policy which recognises that in the administration of the courts system, HMCTS, whose role is to support the judiciary in their administration of justice, bears a responsibility to applicants to ensure their application is progressed on receipt of the correct fee.

In recognition of this obligation, HMCTS defers most of its revenue until the issue of an application is completed, or any other obligations are completed that are required as part of the relevant statutory instrument.

Civil fees make up the majority of HMCTS income and can be disaggregated into broad jurisdictional categories. Within each category, there are three significant common performance recognition points: issue, hearing and enforcement.

OPG fee income

For OPG fees and charges, revenue from contracts with customers comprises fees for services which are set based on an OPG full cost recovery basis. Fee income consists of amounts for services rendered from power of attorney applications, supervision of court appointed deputies, and copies of power of attorney certificates.

Fines and penalties

MoJ also collects fines, criminal court charges and fixed penalties imposed by the judiciary or police and is permitted to retain part of the value of fines and penalties collected. The HMCTS Trust Statement accounts for fines and penalties imposed by the criminal justice system as revenue ultimately payable to the Consolidated Fund, on a gross basis. It also accounts for the cash and balances payable to the Consolidated Fund and third parties in relation to the collection of the fines and penalties amounts.

As there are no specific performance obligations associated with receiving revenue from fines and penalties, the revenue is considered to be a non-exchange transaction and therefore outside the scope of IFRS 15. They are measured at the fair value of amounts received, or receivable, net of judicial cancellations and remissions. Revenue is recognised at the full value of the imposition when a fine or penalty is validly imposed and an obligation to pay arises. Where a penalty is cancelled due to attendance at a training course, as a result of an appeal or for other legal reasons or as a result of settlement by other valid means including imprisonment, revenue is de-recognised and the de-recognition of revenue is recorded as a reduction against revenue.

The victim surcharge

An additional surcharge is added to fines that are imposed. HMCTS is responsible for collecting the victim surcharge and passing the receipts to MoJ justice reform directorate to fund victims' services. Revenue is recognised on the same basis as fines.

Recoveries from other government departments and income from the NHS and other healthcare providers

Recoveries from other government departments relate to the recharge of expenditure to other government departments. HMPPS receives income from the NHS in relation to healthcare funding and from the Home Office in relation to immigration removal centres. HMCTS receives funding from the Department for Work and Pensions and HM Revenue and Customs in respect of the operations of the First-tier Tribunal (Social Security and Child Support). The performance obligation is met, and the revenue recognised, at the time that the services are rendered or goods delivered.

Retail sales

Retail income is generated within HMPPS from retail sales in prison shops. Revenue is recognised at the point the goods are received by the prisoner.

Levy income of OLC and LSB

The Legal Services Act 2007 makes provision for the costs of OLC and LSB to be recovered through the imposition of a levy on the legal profession's approved regulators. In accounting for levy income, section 175 of the Act requires all levy income collected by OLC and LSB to be surrendered to the Consolidated Fund. In return, OLC and LSB receive grant-in-aid funding from the core department equal to the income surrendered. Accordingly, a notional transfer to the Consolidated Fund has been shown in the Consolidated Statement of Changes in Taxpayers' Equity and an equal amount is shown as a notional grant-in-aid receipt from MoJ as the sponsoring department.

LSB and OLC, in conjunction with the department and HM Treasury, are seeking to identify a suitable legislative vehicle to make an amendment to section 175 of the 2007 Act to enable them to retain the levy income and not surrender it in return for an equal grant.

Other income

European Social Fund and other European funding

Through HMPPS, the department receives a financial allocation for delivery of resettlement services to offenders. The funding is used to support offenders considered hard to reach, in both custody and community settings, to increase employability and provide opportunities to access mainstream services. Funding is matched to eligible expenditure on an accruals basis. The performance obligation is met and income recognised when expenditure is incurred that meets the funding payment criteria.

1.15 Grants payable and paid

Grant-in-aid financing to the department's NDPBs is reported on a cash basis in the period in which payments are made. Co-funding grants from other government departments are paid to NDPBs via the core department and are included as part of the grant-in-aid funding for the year. All grant-in-aid and supply funding made by the core department to its agencies and NDPBs is fully eliminated within the departmental group.

The department also makes a small number of grants to a variety of public sector, private sector and voluntary bodies. These grants are recognised at the point at which an authorised request is received from the recipient body, in accordance with the terms of the relevant financial memoranda.

1.16 Costs borne by the Consolidated Fund

The salary and social security costs of senior judges are included in these accounts as a cost and are funded from the Consolidated Fund. Senior judges also receive service award payments under an agreement with the department which are paid from the Consolidated Fund.

1.17 Notional costs

Notional costs comprise statutory auditors' remuneration, which represents the National Audit Office's cost for the audit of the department and executive agencies' accounts. Such notional costs are credited directly to the General Fund.

Costs for corporate overheads are also notionally recharged to business areas. The majority of the notional recharge costs relate to IT services, estates costs and shared services processing charges that are centrally managed on behalf of the group and are eliminated on consolidation.

1.18 Provisions

Provisions are recognised in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. Where the effect of discounting is material, provisions are measured at their present value using the current discount rates set by HM Treasury based on the underlying cash flows: 3.64%, 4.22% and 5.32% for short-term, medium-term and long-term cash flows, respectively.

Early departure and injury benefit provisions are discounted using the HM Treasury post-employment benefits real discount rate of 2.95% (2024-25: 2.40%).

1.19 Contingent liabilities

A contingent liability is disclosed when the likelihood of a payment is less than probable, but more than remote, or the obligation cannot be measured reliably. Where the time value of money is material, contingent liabilities required to be disclosed under IAS 37 Provisions, Contingent Liabilities and Contingent Assets are stated at discounted amounts.

A contingent asset is a potential asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of MoJ. A contingent asset is disclosed where an inflow of economic benefits is probable.

1.20 VAT

Most of MoJ's activities are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable, except as allowed by HM Treasury's Contracting Out Direction. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase costs of non-current assets, except leases (which are discussed in Note 1.11). Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

1.21 Third-party assets

MoJ holds, as custodian or trustee, certain assets belonging to third parties. In line with FReM requirements, these assets are not recognised in the CSoFP and are disclosed within Note 27 since neither the department nor the government has a direct beneficial interest in them.

1.22 Financial instruments

Recognition

Financial assets and financial liabilities, which arise from contracts for the purchase and sale of non-financial items (such as goods or services) and are entered into in accordance with MoJ's normal purchase, sale or usage requirements, are recognised when, and to the extent to which, performance occurs. All other financial assets and liabilities are recognised when MoJ becomes party to the contractual provisions to receive or make cash payments.

De-recognition

Financial assets are de-recognised when the contractual rights to receive future cash flows have expired or MoJ has transferred substantially all the risks and rewards of ownership to another entity. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and measurement of financial assets

In addition to cash and cash equivalents, MoJ has two categories of financial assets.

Financial assets at fair value through profit and loss

Fair value is equal to the market value at the reporting date, and the movement in the value of the assets is recognised immediately in the CSoCNE, as income or as an expense.

Receivables relating to LAA's statutory charge are measured at fair value in line with the requirements of IFRS 13 Fair Value Measurement as they are not solely payments of principal and interest and therefore do not meet the tests set out in IFRS 9. The practical application of IFRS 13 regarding LAA's assets applies the consideration of the three hierarchies set under the standard for determining fair value.

This is explained in further detail in LAA's annual report and accounts 2025-26, including detail regarding key assumptions which support the most significant fair value estimates.

MoJ, through HMPPS, holds share investments of £0.32 million (31 March 2025: £0.25 million) in milk companies due to the milk producing prison farms run by HMPPS at HMP Usk. They are held as financial assets at fair value through profit and loss. Fair value is equal to market value at the reporting date, and the movement in the value of assets is recognised immediately in the CSoCNE, as income or as an expense.

Financial assets at amortised cost

Cash and trade and other receivables are held at amortised cost. For assets at amortised cost, the amortised cost balance was reduced where appropriate by an allowance for amounts which were considered to be impaired or uncollectable.

MoJ recognises a provision for expected credit losses on financial assets measured at amortised cost. Any interest receivable or loss arising on impairment is recognised in the CSoCNE.

Trade receivables are generally due for settlement within 30 days and are therefore classed as current. A proportion of MoJ's receivables relate to other government departments and other public bodies. These bodies are funded by Parliament and there is historical evidence to show that this debt is collected. MoJ is therefore not exposed to significant credit risk on these balances.

Receivables that are not due from other public bodies are grouped together for the purpose of working out the expected credit loss. For trade receivables with no significant financing components, IFRS 9 Financial Instruments allows an entity to use a simplified method for calculating expected losses using historical default rates over the expected life of the trade receivables and adjusting for forward-looking estimates. Receivables are shown net of expected credit loss using this approach.

Impairment of financial assets

At the end of each reporting period, MoJ assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. If there is objective evidence that an impairment loss on such an asset has been incurred, MoJ recognises this in the CSoCNE as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Classification and measurement – financial liabilities

MoJ has financial liabilities, comprising finance lease liabilities, trade payables, other payables and accruals. All financial liabilities are recognised initially at fair value, net of any transaction costs incurred, and then measured at amortised cost using the effective interest rate method. Where the effect is material, the estimated cash flows of financial liabilities are discounted.

1.23 Cash and cash equivalents

Cash and cash equivalents recorded in the CSoFP and Consolidated Statement of Cash Flows include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less at inception, and bank overdrafts.

1b) Critical accounting estimates and judgements

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

Critical accounting estimates and assumptions

The preparation of the financial statements requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Revaluation and impairment of non-current assets

Subsequent to initial recognition, land and buildings (including dwellings) are recorded at current existing use value, as interpreted by the FreM. This is based on professional valuations which are conducted for each property at least once every five years by the Valuation Office Agency, who are independent of MoJ, in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual. The value of land and buildings fluctuates with changes in construction costs and the current market conditions.

The majority of operational buildings are specialised and are therefore valued at depreciated replacement cost to a modern equivalent basis. This modern equivalent is assumed to be in the same location with the same internal area as the existing property. All other buildings are measured at fair value determined from market-based evidence.

All assets other than land and buildings and assets under construction are revalued at each reporting date using the Producer Price Index prepared by the Office for National Statistics.

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

The carrying amounts of these assets are shown in Notes 12, 14 and 15.

Right-of-use assets

The cost model has been determined as a reasonable proxy for fair value in most cases because the rents payable are aligned to open market rates. In the case of longer leases where there are not regular rent reviews, there is a greater chance of divergence between cost and fair value, hence a professional revaluation is appropriate.

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

Net pension assets and liabilities

The present value of the net pension liability detailed in Note 24 depends on a number of actuarially derived assumptions about inflation, salary and pension trends, discount factors and mortality rates. The estimated net liability or asset is subject to fluctuation and uncertainty due to changes in these assumptions over time and differences between assumptions and actual events. Sensitivity analysis in relation to the key assumptions used in the calculation of the gross pension liability is provided in Note 24

The pension liabilities for 2025-26 reflect the appropriate assumptions. The discount rate at 31 March 2026 reflects the yield on high-quality corporate bonds. All assumptions are reviewed on an ongoing basis, and at least annually.

Provisions for liabilities and charges

The recognition and measurement of provisions rely on the application of professional judgement, historical experience and other factors expected to influence future events. Where the likelihood of a liability crystallising is deemed probable and can be measured with reasonable certainty, a provision is recognised. Provision balances which contain regular, homogeneous transactions are often derived from complex financial models. Estimates and assumptions applied in these models are continually evaluated and reviewed. Further information is set out in Note 19.

Cyber-attack litigation

A provision has been recognised for the first time in 2025-26 for legal claims relating to the criminal cyber-attack identified in April 2025, and a contingent liability in respect of potential legal claims. No liability has been established or accepted.

Due to the considerable uncertainties (explained in notes 19 and 25), particularly given the litigation is at such an early stage, there is a significant risk that a highly material amount from the contingent liability will crystallise and be recognised within the provision balance in future financial years.

The estimates will continue to be refined in the future as more information becomes available. It is not possible to determine a reliable estimate for the potential legal claims due to the significant uncertainty associated with them.

LAA financial assets

LAA recognises an impairment for expected credit losses on financial assets measured at amortised cost under IFRS 9 Financial Instruments. This includes receivables from legal aid providers and clients who are not subject to the statutory charge. Subsequent to initial recognition, at fair value, these assets are carried at amortised cost using the effective interest rate method, less any impairment. Any interest receivable or loss arising on impairment is recognised in the CSoCNE.

LAA de-recognises a financial asset only when the contractual rights to the cash flows for the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

For assets held at amortised cost, IFRS 9 requires LAA to recognise at amortised cost and to then recognise expected credit losses based on historic experience and adjusted for reasonable and supportable forward-looking information such as management's assessment of likely recoveries. This assessment may be of individual assets (individual impairment) or of a portfolio of assets (collective impairment). An assessment of collective impairment is made of financial assets with similar risk characteristics. For these assets, LAA's previous experience of losses in each portfolio is used to estimate the degree of impairment on that asset class.

Where such an estimate is made, impairment provisions are made to reduce the carrying value of financial assets accordingly. LAA applies the 'simplified model' and recognises lifetime expected credit losses.

The measurement of expected credit loss involves complexity and judgement. Further detail on the valuation model used to generate this estimate and the actual impairments against LAA's receivables is included in Note 23 to these financial statements.

Default is determined by reference to one or more missed contractual payments but also includes arrangements in place to pay less than contractual payments, fraud and bankruptcy or other indicators. The key areas in which management make estimations and assumptions are trade and other receivables (Note 16 and Note 23), and provisions for liabilities and charges (Note 19).

Critical judgements in applying accounting policies

LAA financial assets

The estimates and associated assumptions included within the financial statements are based on data held by LAA, historical experience and various other factors. These are believed to provide a reasonable basis on which the carrying values of assets and liabilities that are not readily apparent from other sources can be estimated.

The key areas in which management make estimations and assumptions are trade and other receivables (Note 16 and Note 23) and provisions for liabilities and charges (Note 19).

SCAs

The classification of arrangements as SCAs requires MoJ to determine, based on an evaluation of the terms and conditions of the arrangements, whether it controls the infrastructure. Where MoJ is judged to control the infrastructure, the contract assets are reflected in the CSoFP.

2. Revenue from contracts with customers

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Fines receipts	390,660	390,660	379,769	379,769
Fee income	1,006,771	1,006,771	966,467	966,467
Victim surcharge	74,013	74,013	74,948	74,948
Legal aid – civil representation recoveries	6,560	6,560	14,777	14,777
Legal aid – criminal cases recoveries	30,236	30,236	38,134	38,134
Remand income	33,565	33,565	37,027	37,027
Income from NHS and other healthcare providers	67,509	67,509	75,886	75,886
Recoveries from other government departments	109,872	109,012	106,659	105,555
CICA income from the Scottish Government	21,110	21,110	18,663	18,663
External sales	16,459	16,459	18,235	18,235
Retail prison shop income	84,024	84,024	82,623	82,623
In-cell TV income	1,936	1,936	1,855	1,855
Training	1,453	1,511	2,328	2,420
Compensation	6,963	6,633	5,921	5,688
Miscellaneous income[145]	36,628	36,875	21,324	21,881
Revenue within MoJ's ambit	**1,887,759**	**1,886,874**	**1,844,616**	**1,843,928**
CFER receipts	25,423	25,423	22,864	22,864
Total	**1,913,182**	**1,912,297**	**1,867,480**	**1,866,792**

145 Income from internal customers (2024-25: core and agencies £2,222,000, group £2,222,000) has been reclassified and is now included in miscellaneous income.

3. Other operating income

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Rental income	18,086	17,939	19,626	19,522
European Social Fund and other European funding	39,177	39,177	44,918	44,918
Miscellaneous income	-	540	-	637
Total	**57,263**	**57,656**	**64,544**	**65,077**

4. Staff and judiciary costs

Staff costs

				2025-26	2024-25
	Permanently employed staff	Other	Ministers	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	3,911,114	239,618	343	4,151,075	3,913,286
Social security costs	534,908	2,664	48	537,620	403,089
Other pension costs	903,120	75	-	903,195	894,131
Sub-total	**5,349,142**	**242,357**	**391**	**5,591,890**	**5,210,506**
Early departure costs	32,089	-	-	32,089	32,690
Early departure provisions	738	-	-	738	(32)
Add inward secondments	5,241	2,907		8,148	7,695
Less recoveries in respect of outward secondments	(11,422)	-	-	(11,422)	(12,556)
Total net costs	**5,375,788**	**245,264**	**391**	**5,621,443**	**5,238,303**
Of which:					
Core department and agencies	5,116,399	197,858	391	5,314,648	4,955,266
NDPBs	259,389	47,406	-	306,795	283,037
Total	**5,375,788**	**245,264**	**391**	**5,621,443**	**5,238,303**

Judiciary costs

				2025-26	2024-25
	Senior judicial salaries	Other judicial salaries	Fee-paid judiciary	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	180,053	137,179	174,177	491,409	467,554
Social security costs	26,987	20,524	23,095	70,606	57,771
Other pension costs	111,653	85,484	80,757	277,894	262,519
Total	**318,693**	**243,187**	**278,029**	**839,909**	**787,844**

All judiciary costs are within the core department and agencies.

Staff and judiciary numbers and further details of related costs, including exit packages, are reported in the remuneration and staff report within the accountability section.

5. Purchase of goods and services

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Lease/service concession charges:				
PFI service charges	666,777	666,777	624,266	624,266
Other service concession charges	183,354	183,354	169,572	169,572
Rentals under operating leases	18,224	18,277	18,847	18,895
Other services:				
Accommodation, maintenance and utilities	1,237,424	1,036,478	1,151,511	969,029
Communications, office supplies and services	94,863	96,678	69,700	71,556
Travel and subsistence	67,592	73,130	68,778	73,912
Training and other staff-related costs	67,585	72,589	66,005	70,912
IT services and telecommunications (non-SCAs)	569,928	578,617	541,628	549,392
Professional services	113,064	119,631	108,163	114,755
Other contracted out services	177,823	186,336	172,510	182,624
Auditors' remuneration and expenses	-	689	-	630
Non-cash services:				
Auditors' remuneration and expenses	2,459	2,459	2,332	2,332
Total	**3,199,093**	**3,035,015**	**2,993,312**	**2,847,875**

Non-cash external auditors' remuneration and expenses represent the statutory audit fees of the core department and agencies. Refer to page 113 in the governance statement for details of total statutory audit fees for the group.

6. Depreciation, amortisation and impairment charges

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Depreciation	784,317	789,594	789,556	794,092
Amortisation	131,507	133,294	134,381	137,763
Impairment of:				
Property, plant and equipment	147,803	149,394	226,330	226,330
Intangible assets	11,321	11,321	8,452	8,452
Right-of-use assets	175	175	14,278	14,278
Assets held for sale	(1)	(1)	-	-
Increase in receivables impairment	(9,845)	(9,850)	6,768	6,756
Total	**1,065,277**	**1,073,927**	**1,179,765**	**1,187,671**

7. Provision expense

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Provisions provided in-year net of release	408,026	408,662	283,847	283,814
Civil legal help and representation – solicitors' charges, counsel fees and disbursements	1,041,114	1,041,114	989,468	989,468
Criminal cases – solicitors' charges, counsel fees and disbursements	1,152,991	1,152,991	1,239,918	1,239,918
Total	**2,602,131**	**2,602,767**	**2,513,233**	**2,513,200**

Not included in the provisions expense note are employment tribunal refunds, which are charged against income, and dilapidations provisions which have been capitalised and added to right-of-use assets.

8. Net (gain)/loss on disposal of assets

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Property, plant and equipment	(1,608)	(1,608)	8,681	8,939
Intangible assets	85	87	2	51
Right-of-use assets	-	-	-	1
Assets held for sale	(2,816)	(2,816)	(7,599)	(7,599)
Total	**(4,339)**	**(4,337)**	**1,084**	**1,392**

9. Revaluation of non-current and financial assets charged to CSoCNE

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
(Increase)/decrease in the valuation of:				
Property, plant and equipment	(11,719)	(11,719)	(7,934)	(7,934)
Assets held for sale	222	222	-	-
Investments	(69)	(69)	(12)	(12)
Total	**(11,566)**	**(11,566)**	**(7,946)**	**(7,946)**

10. Other operating expenditure

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Current grants	216,593	311,059	215,917	308,847
Criminal justice costs:				
Offender-related costs	843,039	843,039	815,319	815,319
Youth offender costs	62,347	62,347	57,713	57,713
Contracted probation services	93,854	93,854	99,219	99,219
Judicial and juror costs	65,954	65,954	66,093	66,093
Cost of legal services and disbursements (civil)	7,613	7,613	8,756	8,756
Cost of legal services and disbursements (crime)	6,851	6,851	6,765	6,765
Cost from Central Funds	24,172	24,172	20,542	20,542
Compensation payments	24,721	24,721	25,140	25,140
Other administrative expenditure	16,881	17,401	13,550	14,175
Other programme costs	124,526	243,002	107,070	217,768
Grant-in-aid to NDPBs	374,241	-	353,736	-
Non-cash operating expense:				
Corporate notional overhead charge	(3,731)	-	(2,978)	-
Other pension costs	1,058	1,539	784	784
Other non-cash	4,482	4,461	8,309	7,831
Total	**1,862,601**	**1,706,013**	**1,795,935**	**1,648,952**

11. Finance expense

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Finance charges on leases and SCAs	32,771	33,034	32,627	32,782
Local authority loan interest	1,202	1,202	657	657
Non-cash finance expense:				
Net interest on pension schemes	21,456	22,116	21,885	21,606
Total	**55,429**	**56,352**	**55,169**	**55,045**

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

12. Property, plant and equipment

Departmental group 2025-26

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2025	**1,781,994**	**11,424,440**	**32,773**	**645,169**	**609,183**	**47,849**	**2,090,604**	**16,632,012**
Additions	12,146	22,109	-	78,767	29,100	399	1,933,718	2,076,239
Disposals	-	(7,834)	-	(71,424)	(62,248)	(1,003)	(626)	(143,135)
Reclassifications	(2,261)	765,080	2,131	29,243	6,887	68	(813,457)	(12,309)
Revaluations	43,928	(133,103)	(627)	48,256	68,998	6,034	-	33,486
Transfers	-	-	-	-	91	-	-	91
Impairments	(39,569)	(91,285)	-	-	-	-	(16,949)	(147,803)
At 31 March 2026	**1,796,238**	**11,979,407**	**34,277**	**730,011**	**652,011**	**53,347**	**3,193,290**	**18,438,581**
Depreciation								
At 1 April 2025	**-**	**(2,804)**	**(11)**	**(395,005)**	**(446,320)**	**(37,344)**	**-**	**(881,484)**
Charged in-year	(707)	(524,470)	(981)	(87,961)	(44,931)	(2,385)	-	(661,435)
Disposals	-	7,413	-	71,420	61,678	975	-	141,486
Reclassifications	-	(102)	-	-	-	31	-	(71)
Revaluations	707	516,971	991	(31,366)	(54,505)	(4,971)	-	427,827
Transfers	-	-	-	-	(91)	-	-	(91)
Impairments	-	(1,591)	-	-	-	-	-	(1,591)
At 31 March 2026	**-**	**(4,583)**	**(1)**	**(442,912)**	**(484,169)**	**(43,694)**	**-**	**(975,359)**
Carrying amount at 31 March 2026	**1,796,238**	**11,974,824**	**34,276**	**287,099**	**167,842**	**9,653**	**3,193,290**	**17,463,222**
Carrying amount at 1 April 2025	**1,781,994**	**11,421,636**	**32,762**	**250,164**	**162,863**	**10,505**	**2,090,604**	**15,750,528**

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Asset financing								
Owned	1,623,370	9,477,447	34,276	287,099	144,753	9,653	3,193,290	14,769,888
Finance leased	-	-	-	-	-	-	-	-
On-balance sheet PFI and other SCAs	172,868	2,497,377	-	-	23,089	-	-	2,693,334
Carrying amount at 31 March 2026	**1,796,238**	**11,974,824**	**34,276**	**287,099**	**167,842**	**9,653**	**3,193,290**	**17,463,222**
Of the total								
Core department and agencies	1,792,288	11,949,628	34,276	283,898	167,527	8,343	3,189,794	17,425,754
NDPBs	3,950	25,196	-	3,201	315	1,310	3,496	37,468
Carrying amount at 31 March 2026	**1,796,238**	**11,974,824**	**34,276**	**287,099**	**167,842**	**9,653**	**3,193,290**	**17,463,222**

Seven prisons are run by private sector operators under manage and maintain contracts. Assets covered by these contracts are reported as 'on-balance sheet PFI and other SCAs' in accordance with IFRIC 12 Service Concession Arrangements. Further details relating to these SCAs are disclosed in Note 20.

Per Note 1b, the split of property value at 31 March 2026 by valuation basis is shown in the table below.

Property values at 31 March 2026	**£000**
Property values at depreciated replacement cost	12,614,160
Property values at existing use value	927,702
Leasehold improvements (not professionally valued)	222,597
Land attached to buildings within assets under construction	7,702
Surplus assets (not professionally valued)	12,772
Other assets (not professionally valued)	20,405
Total	**13,805,338**
Costs included within property, plant and equipment note	
Land excluding dwellings	1,796,238
Buildings excluding dwellings	11,974,824
Dwellings	34,276
Total	**13,805,338**

Assets under construction will not be valued until ready to be made live and are therefore excluded from the analysis by valuation type.

Departmental group 2024-25

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2024	**1,749,766**	**10,964,694**	**45,702**	**590,437**	**601,949**	**47,758**	**1,979,415**	**15,979,721**
Additions	700	4,320	-	88,851	21,583	74	1,309,606	1,425,134
Disposals	(1,409)	(656)	(885)	(65,789)	(21,942)	(824)	(45)	(91,550)
Reclassifications	435	1,117,308	(12,770)	33,190	10,668	841	(1,167,038)	(17,366)
Revaluations	34,561	(470,724)	748	320	31	-	-	(435,064)
Transfers	-	4,047	-	(505)	(96)	-	(3,513)	(67)
Impairments	(2,059)	(194,549)	(22)	(1,335)	(3,010)	-	(27,821)	(228,796)
At 31 March 2025	**1,781,994**	**11,424,440**	**32,773**	**645,169**	**609,183**	**47,849**	**2,090,604**	**16,632,012**
Depreciation								
At 1 April 2024	**-**	**(1,984)**	**(6)**	**(372,118)**	**(424,268)**	**(35,931)**	**-**	**(834,307)**
Charged in-year	(623)	(515,086)	(887)	(88,465)	(45,953)	(2,236)	-	(653,250)
Disposals	-	74	-	65,417	21,493	823	-	87,807
Reclassifications	-	32	2	2	157	-	-	193
Revaluations	623	514,094	880	(50)	(6)	-	-	515,541
Transfers	-	66	-	-	-	-	-	66
Impairments	-	-	-	209	2,257	-	-	2,466
At 31 March 2025	**-**	**(2,804)**	**(11)**	**(395,005)**	**(446,320)**	**(37,344)**	**-**	**(881,484)**
Carrying amount at 31 March 2025	**1,781,994**	**11,421,636**	**32,762**	**250,164**	**162,863**	**10,505**	**2,090,604**	**15,750,528**
Carrying amount at 1 April 2024	**1,749,766**	**10,962,710**	**45,696**	**218,319**	**177,681**	**11,827**	**1,979,415**	**15,145,414**

	Land	Buildings	Dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Asset financing								
Owned	1,617,424	9,497,090	32,762	250,164	116,592	10,505	2,090,604	13,615,141
Finance leased	-	-	-	-	46,271	-	-	46,271
On-balance sheet PFI and other SCAs	164,570	1,924,546	-	-	-	-	-	2,089,116
Carrying amount at 31 March 2025	**1,781,994**	**11,421,636**	**32,762**	**250,164**	**162,863**	**10,505**	**2,090,604**	**15,750,528**
Of the total								
Core department and agencies	1,778,044	11,395,187	32,762	248,000	162,858	9,119	2,088,480	15,714,450
NDPBs	3,950	26,449	-	2,164	5	1,386	2,124	36,078
Carrying amount at 31 March 2025	**1,781,994**	**11,421,636**	**32,762**	**250,164**	**162,863**	**10,505**	**2,090,604**	**15,750,528**

Property values at 31 March 2025	**£000**
Property values at depreciated replacement cost	12,128,231
Property values at existing use value	778,700
Leasehold improvements (not professionally valued)	235,074
Land attached to buildings within assets under construction	60,982
Surplus assets (not professionally valued)	5,943
Other assets (not professionally valued)	27,462
Total	**13,236,392**

Property values at 31 March 2025	**£000**
Costs included within property, plant and equipment note	
Land excluding dwellings	1,781,994
Buildings excluding dwellings	11,421,636
Dwellings	32,762
Total	**13,236,392**

Assets under construction are not valued until ready to be made live and are therefore excluded from the analysis by valuation type.

13. Right-of-use leased assets

Departmental group 2025-26

	Land and buildings	Information technology	Plant and equipment	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 April 2025	**1,656,834**	**7,088**	**10,101**	**1,674,023**
Additions	32,477	-	-	32,477
Disposals	(18,702)	-	-	(18,702)
Reclassifications	4,348	-	-	4,348
Remeasurements	(321)	-	-	(321)
Revaluations	11,420	-	-	11,420
Impairments	(175)	-	-	(175)
At 31 March 2026	**1,685,881**	**7,088**	**10,101**	**1,703,070**
Depreciation				
At 1 April 2025	**(496,002)**	**(3,103)**	**(2,144)**	**(501,249)**
Charged in-year	(124,223)	(1,501)	(2,435)	(128,159)
Disposals	18,668	-	-	18,668
Reclassifications	1	-	-	1
Revaluations	4,815	-	-	4,815
At 31 March 2026	**(596,741)**	**(4,604)**	**(4,579)**	**(605,924)**
Carrying amount at 31 March 2026	**1,089,140**	**2,484**	**5,522**	**1,097,146**
Carrying amount at 1 April 2025	**1,160,832**	**3,985**	**7,957**	**1,172,774**
Of the total				
Core department and agencies	1,076,229	1,977	5,522	1,083,728
NDPBs	12,911	507	-	13,418
Carrying amount at 31 March 2026	**1,089,140**	**2,484**	**5,522**	**1,097,146**

A maturity analysis of lease liabilities is given within Note 18.

Departmental group 2024-25

	Land and buildings	Dwellings	Information technology	Plant and equipment	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2024	**1,709,324**	**3,943**	**4,749**	**-**	**1,718,016**
Additions	772	-	4	6,158	6,934
Disposals	(25,192)	-	-	-	(25,192)
Reclassifications	(946)	(3,943)	2,335	3,943	1,389
Remeasurements	49	-	-	-	49
Revaluations	(12,895)	-	-	-	(12,895)
Impairments	(14,278)	-	-	-	(14,278)
At 31 March 2025	**1,656,834**	**-**	**7,088**	**10,101**	**1,674,023**
Depreciation					
At 1 April 2024	**(390,476)**	**(246)**	**(402)**	**-**	**(391,124)**
Charged in-year	(137,757)	(-)	(1,187)	(1,898)	(140,842)
Disposals	25,191	-	-	-	25,191
Reclassifications	(115)	246	(1,514)	(246)	(1,629)
Revaluations	7,155	-	-	-	7,155
At 31 March 2025	**(496,002)**	**-**	**(3,103)**	**(2,144)**	**(501,249)**
Carrying amount at 31 March 2025	**1,160,832**	**-**	**3,985**	**7,957**	**1,172,774**
Carrying amount at 1 April 2024	**1,318,848**	**3,697**	**4,347**	**-**	**1,326,892**
Of the total					
Core department and agencies	1,147,300	-	3,164	7,957	1,158,421
NDPBs	13,532	-	821	-	14,353
Carrying amount at 31 March 2025	**1,160,832**	**-**	**3,985**	**7,957**	**1,172,774**

Amounts recognised in the Statement of Comprehensive Net Expenditure

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Depreciation	125,302	127,535	136,959	139,126
Interest expense	19,248	19,491	18,188	18,316
Low-value and short-term leases	368	1,198	1,046	2,496
Non-recoverable VAT	40	40	24	24
Total	**144,958**	**148,264**	**156,217**	**159,962**

Amounts recognised in the Statement of Cash Flows

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Right-of-use assets	-	15	-	(12)
Interest expense	19,248	19,491	18,190	18,318
Repayment of principal on leases	130,237	132,652	154,001	155,378
Total	**149,485**	**152,158**	**172,191**	**173,684**

14. Intangible assets

Departmental group 2025-26

	Software licences	Information technology	Payments on account and assets under construction	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 April 2025	**52,043**	**1,284,593**	**100,821**	**1,437,457**
Additions	394	4,400	111,780	116,574
Disposals	(8,848)	(181,566)	-	(190,414)
Reclassifications	-	49,732	(45,269)	4,463
Revaluations	-	41	-	41
Impairments	-	(1,534)	(10,658)	(12,192)
At 31 March 2026	**43,589**	**1,155,666**	**156,674**	**1,355,929**
Amortisation				
At 1 April 2025	**(45,264)**	**(748,214)**	**-**	**(793,478)**
Charged in-year	(2,347)	(130,947)	-	(133,294)
Disposals	8,999	181,479	-	190,478
Revaluations	-	6	-	6
Impairments	-	871	-	871
At 31 March 2026	**(38,612)**	**(696,805)**	**-**	**(735,417)**
Carrying amount at 31 March 2026	**4,977**	**458,861**	**156,674**	**620,512**
Carrying amount at 1 April 2025	**6,779**	**536,379**	**100,821**	**643,979**
Asset financing				
Owned	4,977	458,861	156,674	620,512
Carrying amount at 31 March 2026	**4,977**	**458,861**	**156,674**	**620,512**
Of the total				
Core department and agencies	4,589	455,778	156,509	616,876
NDPBs	388	3,083	165	3,636
Carrying amount at 31 March 2026	**4,977**	**458,861**	**156,674**	**620,512**

Departmental group 2024-25

	Software licences	Information technology	Internally generated software	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2024	**61,468**	**333,867**	**1,031,740**	**149,483**	**1,576,558**
Additions	136	8,737	5,675	82,903	97,451
Disposals	(10,605)	(14,972)	(189,638)	-	(215,215)
Reclassifications	316	34,254	102,074	(133,946)	2,698
Revaluations	-	290	122	132	544
Transfers	728	1,960	(9,745)	7,786	729
Impairments	-	-	(19,771)	(5,537)	(25,308)
At 31 March 2025	**52,043**	**364,136**	**920,457**	**100,821**	**1,437,457**
Amortisation					
At 1 April 2024	**(51,670)**	**(262,959)**	**(573,654)**	**-**	**(888,283)**
Charged in-year	(3,536)	(21,568)	(112,659)	-	(137,763)
Disposals	10,605	14,921	189,638	-	215,164
Reclassifications	65	1,447	-	-	1,512
Revaluations	-	(15)	(136)	-	(151)
Transfers	(728)	-	-	-	(728)
Impairments	-	-	16,771	-	16,771
At 31 March 2025	**(45,264)**	**(268,174)**	**(480,040)**	**-**	**(793,478)**
Carrying amount at 31 March 2025	**6,779**	**95,962**	**440,417**	**100,821**	**643,979**
Carrying amount at 1 April 2024	**9,798**	**70,908**	**458,086**	**149,483**	**688,275**
Asset financing					
Owned	6,779	95,962	440,417	100,821	643,979
Carrying amount at 31 March 2025	**6,779**	**95,962**	**440,417**	**100,821**	**643,979**
Of the total					
Core department and agencies	6,339	94,728	437,807	100,821	639,695
NDPBs	440	1,234	2,610	-	4,284
Carrying amount at 31 March 2025	**6,779**	**95,962**	**440,417**	**100,821**	**643,979**

At 31 March 2026 and 31 March 2025, there were no individually material intangible assets.

15. Assets held for sale

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Balance at 1 April	**9,898**	**9,898**	**2,715**	**2,715**
Reclassifications	3,568	3,568	13,203	13,203
Disposals	(2,347)	(2,347)	(5,441)	(5,441)
Revaluations	(2,450)	(2,450)	(579)	(579)
Impairments	1	1	-	-
Balance at 31 March	**8,670**	**8,670**	**9,898**	**9,898**

HMCTS and HMPPS have committed to a plan to sell surplus properties for commercial use and domestic dwellings. These sites have a combined value of £8.7 million (2024-25: £9.9 million).

16. Trade and other receivables

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Amounts falling due within one year				
Trade receivables	52,466	52,750	49,712	49,820
Other receivables	154,597	155,268	136,081	136,727
Contributions due from funded clients	280	280	330	330
Statutory charge and interest	7,942	7,942	8,233	8,233
Amounts due from service providers	141,210	141,210	21,590	21,590
VAT receivables	86,938	87,148	72,378	72,425
Deposits and advances	376	391	386	405
Prepayments and accrued income	124,731	130,194	138,273	141,596
Intra-departmental receivables	562	-	1,064	-
Current total	**569,102**	**575,183**	**428,047**	**431,126**
Amounts falling due after more than one year				
Other receivables	38,114	38,114	34,172	34,172
Prepayments and accrued income	2,511	2,515	190	190
Contributions due from funded clients	1,017	1,017	1,219	1,219
Statutory charge and interest	78,316	78,316	83,501	83,501
Non-current total	**119,958**	**119,962**	**119,082**	**119,082**
Total	**689,060**	**695,145**	**547,129**	**550,208**

The above includes a receivables impairment provision of £247.1 million (2024-25: £254.7 million) for LAA comprising £164.7 million against recovery of defence costs, £39.0 million against statutory charge and interest, £30.0 million amounts due from service providers, £7.9 million against contributions due from funded clients and £5.5 million against other lines. For further detail regarding the LAA impairment provision, refer to Note 23.

Other receivables include £103.2 million (2024-25: £83.9 million) from HMCTS in respect of fines and penalties imposed by the criminal justice system, as disclosed in the HMCTS Trust Statement.

17. Cash and cash equivalents

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Balance at 1 April	**303,706**	**351,525**	**336,463**	**378,584**
Net change in cash and cash equivalents	35,203	38,790	(32,757)	(27,059)
Balance at 31 March	**338,909**	**390,315**	**303,706**	**351,525**
Of which:				
Government Banking Service	314,629	344,629	285,072	317,600
Commercial banks and cash in hand	24,280	45,686	18,634	33,925
Total	**338,909**	**390,315**	**303,706**	**351,525**

18. Trade payables and other financial liabilities

18.1 Payables

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Amounts falling due within one year				
Trade payables	128,288	139,270	128,495	140,812
Taxation and social security	113,932	120,437	97,464	102,310
Capital payables	272,915	273,019	181,889	181,996
Other payables	137,461	142,226	130,592	134,492
Accruals	854,539	876,199	669,275	684,227
Deferred income	69,037	70,823	107,313	109,359
Amounts due to solicitors, counsel and advice agencies	164,201	164,201	121,661	121,661
Contribution refunds to funded clients	3,106	3,106	2,995	2,995
Amounts issued from the Consolidated Fund for supply but not spent at year end	313,147	313,147	280,696	280,696
CFERs due to be paid to the Consolidated Fund:				
- Received	25,762	25,762	23,010	23,010
Intra-departmental payables	27,369	-	26,326	(70)
Current total	**2,109,757**	**2,128,190**	**1,769,716**	**1,781,488**
Amounts falling due after more than one year				
Local authority loan balances	15,374	15,374	18,085	18,085
Other payables	11,945	11,980	13,648	13,648
Non-current total	**27,319**	**27,354**	**31,733**	**31,733**
Total	**2,137,076**	**2,155,544**	**1,801,449**	**1,813,221**

18.2 Other financial liabilities

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Amounts falling due within one year				
Lease incentive creditors	-	-	87	87
Lease liabilities	122,898	125,707	132,243	134,954
Imputed finance lease element of on-balance sheet PFI contracts	30,451	30,451	33,320	33,320
Current total	**153,349**	**156,158**	**165,650**	**168,361**
Amounts falling due after more than one year				
Lease liabilities	1,047,349	1,058,851	1,142,455	1,155,209
Imputed finance lease element of on-balance sheet PFI contracts	140,139	140,139	167,321	167,321
Non-current total	**1,187,488**	**1,198,990**	**1,309,776**	**1,322,530**
Total	**1,340,837**	**1,355,148**	**1,475,426**	**1,490,891**

18.3 Reconciliation of liabilities arising from financing activities

IAS 7 requires an entity to provide disclosures that enabled users of the financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. The table below provides a breakdown of movements in liabilities arising from financing activities.

Departmental group

		Cash flows			Non-cash changes			
	Opening liabilities at 1 April 2025	Cash flows (out)/in	Interest charged	Capital repayment	Interest paid	Lease additions	CSoCNE	Other adjustments	Closing liabilities at 31 March 2026
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Capital element of finance leases and on-balance sheet PFI contracts		(164,573)	-	164,573	-				
Repayment of local authority loans		(2,711)	-	2,711	-				
Interest paid – right of use		(27,053)	27,053	-	(27,053)				
Total cash flows associated with financing activities		**(194,337)**	**27,053**	**167,284**	**(27,053)**				
Long-term borrowings	18,085		1,202	(2,711)	(1,202)	-	-	-	15,374
Lease liabilities	1,290,163		19,533	(134,522)	(19,533)	31,894	-	(2,977)	1,184,558
PFI and SCA liabilities	200,641		6,318	(30,051)	(6,318)	-	-	-	170,590
Total liabilities from financing activities	**1,508,889**		**27,053**	**(167,284)**	**(27,053)**	**31,894**	**-**	**(2,977)**	**1,370,522**

Departmental group

		Cash flows			Non-cash changes			
	Opening liabilities at 1 April 2024	Cash flows (out)/in	Interest charged	Capital repayment	Interest paid	Lease additions	CSoCNE	Other adjustments	Closing liabilities at 31 March 2025
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Capital element of finance leases and on-balance sheet PFI contracts		(191,072)	-	191,072	-				
Repayment of local authority loans		(792)	-	792	-				
Interest paid – right of use		(33,380)	33,380	-	(33,380)				
Total cash flows associated with financing activities		**(225,244)**	**33,380**	**191,864**	**(33,380)**				
Long-term borrowings	18,877		657	(792)	(657)	-	-	-	18,085
Lease liabilities	1,426,754		18,341	(156,494)	(18,341)	19,706	(555)	752	1,290,163
PFI and SCA liabilities	235,220		14,382	(34,578)	(14,382)	-	-	(1)	200,641
Total liabilities from financing activities	**1,680,851**		**33,380**	**(191,864)**	**(33,380)**	**19,706**	**(555)**	**751**	**1,508,889**

19. Provisions for liabilities and charges

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Balance at 1 April	**2,138,861**	**2,144,802**	**2,026,257**	**2,033,161**
Provided in the year	2,632,366	2,635,677	2,589,054	2,592,111
Provisions not required written back	(26,924)	(29,582)	(82,391)	(85,193)
Provisions utilised in the year	(2,494,942)	(2,496,005)	(2,405,339)	(2,406,557)
Borrowing costs (unwinding of discount)	17,739	17,739	11,280	11,280
Balance at 31 March	**2,267,100**	**2,272,631**	**2,138,861**	**2,144,802**
Analysis of expected timing of discounted cash flows				
Not later than one year	1,197,928	1,201,260	1,335,513	1,339,437
Later than one year but not later than five years	834,761	836,678	600,442	602,192
Later than five years	234,411	234,693	202,906	203,173
Balance at 31 March	**2,267,100**	**2,272,631**	**2,138,861**	**2,144,802**

Provisions by type

										2025-26
	Judicial Service Award	Injury Benefit Scheme	Early departure costs	Costs from Central Funds	Legal claims	CICA tariff scheme	Leasehold dilapidations	LAA outstanding balances on funded cases	Other[146]	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2025	**117,839**	**105,932**	**50,822**	**25,245**	**365,032**	**364,538**	**87,284**	**1,007,400**	**20,710**	**2,144,802**
Provided in the year	6,812	2,393	1,067	48,871	154,286	218,237	4,907	2,194,105	4,999	2,635,677
Not required and written back	-	(2,037)	(7,047)	-	(12,693)	(541)	(5,646)	-	(1,618)	(29,582)
Utilised in the year	(15,052)	(6,886)	(4,378)	(44,819)	(25,285)	(157,916)	(1,993)	(2,235,752)	(3,924)	(2,496,005)
Borrowing costs (unwinding of discount)	6,300	-	2,335	-	251	8,853	-	-	-	17,739
Balance at 31 March 2026	**115,899**	**99,402**	**42,799**	**29,297**	**481,591**	**433,171**	**84,552**	**965,753**	**20,167**	**2,272,631**
Analysis of expected timing of discounted cash flows										
Not later than one year	13,699	6,751	5,183	29,297	32,889	121,632	17,864	965,753	8,192	1,201,260
Later than one year but not later than five years	36,200	24,300	13,542	-	436,841	301,735	19,190	-	4,870	836,678
Later than five years	66,000	68,351	24,074	-	11,861	9,804	47,498	-	7,105	234,693
Balance at 31 March 2026	**115,899**	**99,402**	**42,799**	**29,297**	**481,591**	**433,171**	**84,552**	**965,753**	**20,167**	**2,272,631**

146 Other provisions total includes the CICA pre-tariff scheme provision (31 March 2026: £788,000).

Judicial Service Award and fee-paid judicial claims

The Judicial Service Award was created to equalise the tax position of judicial pensions affected by the provisions of the Finance Act 2004. Following the introduction of the Fee-Paid JPS on 1 April 2017, the provision held for the Judicial Service Award covers the liability to both salaried and fee-paid judges. The provision is calculated by the Government Actuary's Department, taking into account the number of reckonable years served by the existing judiciary and the projected final salaries or fee earnings of existing members. Judicial Service Award benefits ceased to accrue on 31 March 2022, as a result of the introduction of the reformed 2022 JPS. Awards accrued before that date remain the liability of MoJ and where members continue in active service remain linked to salaries or fee-rates at retirement.

The Judicial Service Award provision takes into account liabilities arising from recent litigation. In November 2018, the Court of Justice of the European Union extended the period of service to be taken into account in calculating pensions for eligible fee-paid judges. In December 2019, the UK Supreme Court ruled that the time limit to make a pension claim ran from three months from the date of retirement rather than from the end of fee-paid service, thereby extending the number of potential eligible claimants.

In June 2019, the Supreme Court refused the government permission to appeal the McCloud and Sergeant cases, which decided that the transitional protection provisions in the Judicial Pension Scheme 2015 Regulations were unlawful on grounds of age discrimination.

In 2025-26, the valuation of the Judicial Service Award liability reflects updated membership data as at 31 March 2024, including the benefit elections made by eligible members in respect of the McCloud remedy. As a result of this enhanced data, the impact of the remedy for transitional protection is now fully incorporated within the liabilities for salaried and fee-paid judicial office holders.

The Judicial Service Award provision of £115.9 million can be analysed as follows:

	£million
Salaried judicial office holders	**72.4**
Fee-paid judicial office holders	33.7
Length of service protection	9.8
Total	**115.9**

Sensitivity analysis

A sensitivity analysis for the Judicial Service Award provision was undertaken by the Government Actuary's Department to identify the impact of changes in the assumptions used to calculate the liability as at 31 March 2026. Each change is shown separately to illustrate the impact that an adjustment would have on the accounts. The following assumptions are used in the calculation of this provision.

1. Discount rate: The liability is accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets and uses the general provisions discount rate as published by HM Treasury. The discount rate is used to calculate the present value of expected future cash flows. The sensitivity analysis shows the impact of a +0.5% change in the discount rate for the short term, medium term and long term. A +0.5% change in the rate would result in a reduction in the liability of 1.5% or £1.6 million.

2. (Long-term) salary increase: A long-term salary increase of CPI +0.75% per year is used to calculate the provision. This is in keeping with the JPS resource accounts. The sensitivity analysis shows the impact of a +0.5% change in the earning assumptions which would result in an increase in the liability of 2.0% or £2.2 million.

3. Post-employment rates: This sensitivity shows the impact of calculating the provision using the post-employment benefits discount rate of 5.15% rather than the general provision rates. This would increase the liability by 0.5% or £0.6 million.

4. Retirement age: This is the unweighted average age at which members are assumed to retire on grounds other than ill health in each of the JPS. A one-year increase in the retirement age assumption would decrease the liability by 0.5% or £0.6 million.

5. Inflation: A service award is paid when a member retires and is dependent on the earnings assumptions but not inflation.

	Approximate effect on total liability	
Change in assumption	**Percentage**	**£million**
1. Discount rate: +0.5% per year	-1.5	-£1.6
2. (Long-term) salary increase: +0.5% per year	+2.0	+£2.2
3. Post-employment benefits discount rate	+0.5	+£0.6
4. Retirement age: all members retire one year later	0.5	-£0.6
5. Inflation: +0.5% per year	Nil	Nil

MoJ was required to compensate eligible retired fee-paid judges for the additional pension benefits due, including interest where applicable, until the JPS was amended by legislation to allow full benefits to be paid from the scheme. The scheme was amended on 1 April 2023 and the remaining payments will be made by the JPS. MoJ has retained a provision of £1.6 million for compensation of an interest-like nature which is not payable by the JPS. This is included within the total for 'other provisions'.

Injury Benefit Scheme

HMPPS meets the costs of the Civil Service Injury Benefit Scheme for payments granted under the scheme after 1 April 1998. The scheme pays benefits to any PCSPS member who suffers disease or injury which is wholly or partially attributable to the nature of their duty, or who suffers an attack or similar act which is directly attributable to employment within the service. Benefits are paid only in respect of loss of earning capacity, and a provision is made for expected future costs. The Government Actuary's Department provides HMPPS with annuity rates each year covering whole of life (for total liability value), one year, and one to five years (for cash flow values). These assumptions take the time value of money into account.

Early departure costs

The department meets the additional costs of benefits beyond normal PCSPS benefits for employees who retire early. This involves paying amounts determined by the pension administrator annually to PCSPS over the period between early departure and normal retirement date. The department provides for this in full when the early retirement programme becomes binding on the department by establishing a provision for the estimated payments discounted at the HM Treasury nominal rate of 5.15% (2024-25: 5.10%).

Costs from Central Funds

Under the terms of the Prosecution of Offences Act 1985, acquitted defendants who have applied for legal aid and been found ineligible may, in limited circumstances, obtain an order from the Crown Court to recover their costs. LAA estimates the value of unbilled costs to arrive at the amount disclosed in the accounts as a provision. The amount is an estimate of the expenditure required to settle any obligation at the reporting period end date.

Legal claims

Provision has been made for all known claims where legal advice indicates that it is more likely than not that the claim will be successful, and the amount of the claim can be reliably estimated. The figures represent the best estimate of the amount payable.

In MoJ, legal claims include a provision of £320 million for judicial claims. The value of the provision represents the best estimate of the amounts payable. However, as they are ongoing claims, there remains uncertainty about the timing and amount of any potential outflows.

In LAA, legal claims include a provision for claims relating to the cyber-attack identified in April 2025. This litigation is at an early stage and is subject to significant estimation uncertainty. The estimate, and the potential ranges indicated below, are based on existing claims and an assessment of potential damages and claimant costs, although liability has not been established and is not accepted.

A number of assumptions have been applied in determining the provision, including primary uncertainties relating to the proportion of cases expected to fall within different categories of claim and their potential values. The estimate also reflects an assessment that a proportion of cases may not ultimately proceed and there is uncertainty regarding the likely outcome or timing of claims that do proceed.

These accounts recognise a provision of £74.3 million for the cyber-attack related litigation, being the point estimate on our assessment of potential damages and claimant costs. Subject to the significant estimation uncertainty we have noted and the fact that liability is not established or accepted, based on a range of possible outcomes, including claim value ranges and the flexing of sensitivities within our current modelling assumptions, the total costs could be in the range £39.8 million to £180.3 million for existing claims.

Given the inherent uncertainty, the estimate will continue to be refined in the future as more information becomes available. The provision has not been discounted, as the impact of discounting is not material. A related contingent liability has also been disclosed. As we gain more certainty about these estimates, the effect of the contingent liability crystallising may be material in future financial years.

Legal claims which are likely to succeed with a lesser degree of certainty or cannot be estimated reliably are disclosed as contingent liabilities in Note 25.

CICA tariff schemes

The provision for tariff schemes is reflective of CICA's liabilities under the 1996, 2001, 2008 and 2012 schemes. CICA recognises liabilities that are based on an evaluation of total applications that are currently known and received by CICA but have not yet been processed through to award. These are referred to as claims reported but not completed. The overall liability for the tariff scheme is £478.2 million with £433.2 million included in this provisions note and £45.0 million included as a tariff scheme accrual within Note 18 (31 March 2025: £364.5 million and £38.0 million). Where an event has occurred on or before the reporting date, but an application has not yet been made, CICA recognises this as an unquantifiable contingent liability. This is because no legal obligation as a result of a past event exists. It is only where an application for compensation has been received that an obligation is recognised in relation to the scheme.

The provision model for tariff schemes estimates a provision for three different categories of case.

- Not decided: these are cases which are still under assessment by CICA and therefore a potential monetary value has not yet been determined. In order to estimate a provision for these cases, the model builds historical profiles of average award values, aggregated by tariff band and case age, which are then applied to the population of outstanding cases. A further adjustment is made to account for the fact that a subset of the live case population will be 'nil-assessed' – that is, will not attract a monetary award. The proportion of such cases is determined based on an assessment of the historical proportion of nil-assessed cases within each tariff band.
- Decided: these are live cases that have been sufficiently assessed to determine their potential monetary value, but where a decision letter has not been issued to the applicant. Until a decision letter is issued, the monetary value may be subject to revision arising from changes in the circumstances of the applicant, checks by CICA resulting in the identification of error or a change in value determined by the timing at which an offer is made to the applicant. Additionally, until the decision letter is issued, there is uncertainty over the timing of discharge of the liability. Where a decision letter has been sent to the applicant, the award is classified as 'on offer' and accrued for, rather than included in the tariff provision.
- On offer not accrued: once an offer is made, the award value is accrued and therefore no provision is required. However, in a small proportion of such cases the applicant does not accept the compensation offered and an adjustment is made to account for this. The proportion is removed from the total 'on offer' accrual and added back into the value of the provision. The percentage is determined based on an assessment of the historical level of the proportion of cases where this occurs.

Since applications are determined under the scheme in force at the date of application, the tariff provision model calculates the provision for pre-2012 schemes (1996, 2001 and 2008) and the current 2012 scheme separately.

The following assumptions are new or amended at 31 March 2026 as a result of revisions to the provision model.

1. Tariff price profiling: in 2024-25, two price profiles (0 to 12 months and over 12 months) were applied to isolated provision cases within historic resolved data. As the historic provision cases dataset has grown in 2025-26, it has been possible to add an extra age bracket to the price profiles to represent cases in the provision that are already 24 months or more.

The following key assumptions are unchanged since 31 March 2025.

1. Banding: resolved bandings are predicted based on historic data showing how cases move across different bands over time, including how unbanded cases eventually resolve. Banding analysis continued during 2024-25 and was expanded to include every position of a case during its lifetime, enabling more detailed insight into tariff migration over time.
2. Senior decision-maker (SDM) caseload: SDM cases are the more complex cases in the caseload and, therefore, typically of higher value. A dataset of SDM cases was created during 2024-25 and has been incorporated into the provision model in order to assign a more accurate value to these types of cases. Where there is sufficient information available on an SDM case, this information will be used to estimate a case value instead of modelling it the same way as a general provision case.
3. Average value: average value profiles for both tariff bands and case age are derived from historical case data.
4. Percentage nil value: the proportion of cases which will be assessed at nil value is derived from historical case data.

5. Decided to offer: the calculation assumes that decided cases will be paid out at 100% of their decided value.
6. Timing: the expected timing in which the liability is discharged is calculated on the basis of operational capacity.
7. Discounting: the liabilities are discounted, based on the expected timing of discharge, at HM Treasury's nominal discount rate. The real rate is not used, as tariff scheme compensation payments are not subject to inflationary pressures. The discount is unwound over the life of the provision, with the unwinding disclosed as a finance charge in the CSoCNE.
8. Tariff age profiling: profiles for cases under 12 months old are created using an overall average of the last four provisions (live case) population profiles.

HM Treasury discount rates for general provisions are used are as follows:

	31 March 2026	31 March 2025
Years	**%**	**%**
1 to 5	3.64	4.03
6 to 10	4.22	4.07
Over 11	5.32	4.81

CICA does not hold any assets in respect of tariff scheme liabilities. Compensation will be paid from parliamentary funding in the year of settlement.

Tariff schemes sensitivity analysis

A sensitivity analysis for the tariff provision has been undertaken to identify the impact of any changes to key assumptions. Each assumption within the provision model has been recognised, a reasonable change identified and the impact on the overall financial liability calculated. These changes include flexing historical data trends to show the potential impact on the provision. For each assumption which is being analysed for sensitivity, only that assumption is changed. If two or more assumptions are changed at one time, the actual sensitivity of a change in assumption may be obscured because of the potential interrelation of the assumptions.

The following tables show the impact of adjusting the key assumptions. The ranges of the sensitivity tests shown are based on the variability of past data. They do not represent the maxima or minima of past observed values, nor the full range of possible outcomes, but they do capture future values that could plausibly occur. The 'low profile' sensitivity assumes a weighting in the case mix towards younger, less complex cases, while the 'high profile' sensitivity assumes a weighting towards older, more complex cases. Each change is shown separately but in practice, combinations are possible as different assumptions can be correlated.

		Pre-2012 change	2012 change	Total change
	Assumption	**£000**	**£000**	**£000**
Age parameter		-	2,366	2,366
Average value	Low profile	11	(44,882)	(44,871)
Average value	High profile	(11)	48,100	48,089
Percentage nil value	+7.5%	(9)	40,716	40,707
Percentage nil value	-7.5%	11	(40,813)	(40,802)
Decided to offer	-5%	-	(138)	(138)
Decided to offer	+5%	-	138	138
Tariff profiles	Low profile	13	(56,939)	(56,926)
Tariff profiles	High profile	(10)	44,124	44,114
Senior decision maker	No	5	(19,076)	(19,071)
Senior decision maker	Low profile	5	(17,669)	(17,664)
Senior decision maker	High profile	(4)	17,668	17,664
Legacy	Average decided	624	(35)	589
Legacy	Legacy alternate	(914)	52	(862)
Timing	Low - 25% realised in first three years	(11)	(2,635)	(2,646)
Timing	High - 100% realised in first three years	64	15,510	15,574
Timing	Even over five years	(30)	(7,291)	(7,321)
KPI %	High profile	(3)	(672)	(675)
KPI %	Low profile	3	802	805
KPI value	High profile	(12)	(2875)	(2,887)
KPI value	Low profile	11	2,690	2,701

Leasehold dilapidations

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

LAA outstanding balances on funded cases

LAA funds legal aid across four main schemes: civil representation, legal help, crime higher and crime lower. Provisions for work in progress on funded cases, by scheme category, are as follows:

Balance at 31 March 2026	£000
Civil representation	263,707
Legal help	57,884
Crime lower	23,874
Crime higher	620,288
Total	**965,753**

At any point in time there will be unbilled costs for each of these schemes, pertaining to live cases. The value of unbilled work and costs is estimated each year using complex models and based on the latest data available. The resulting work-in-progress provisions are estimates of the expenditure required to settle any obligation in existence at the end of the reporting period. As per **IAS 37 Provisions, Contingent Liabilities and Contingent Assets**, work-in-progress liabilities are recognised as provisions, rather than as payables, due to the measurement uncertainty.

As all liabilities for funded cases are expected to be settled within the next 12 months, no discounting of provisions for the time value of money is applied.

In recognition of the uncertainty inherent in estimates, a sensitivity analysis is performed for each major class of funded work-in-progress provision. Reasonable changes are made to the key assumptions in the models and the impact on the final work-in-progress balance calculated. Assumptions have been changed to either represent those that would have been used by the model based on historical data trends or flexed by a percentage that is considered appropriate by management to show the impact on the provision. For each assumption that is being analysed for sensitivity, only that assumption is changed. If two or more assumptions are changed at one time, the actual sensitivity of a change in assumption is obscured because of the potential interaction between the assumptions.

Overarching assumptions

Underlying the estimates of liabilities for unbilled work across all of the legal aid funding schemes and Central Funds is the modelling assumption that costs accrue at a constant rate throughout the lifetime of cases. This is a simplifying modelling assumption. In reality, it is accepted that costs are generally concentrated towards the beginning and the end of legal matters. However, LAA has demonstrated that over a sufficiently large population of cases, this concentration of costs averages out to be equivalent to the assumption used within the modelling, that costs accrue at a constant rate.

Further information on the assumptions for the civil representation and crime higher provisions, which are material to the MoJ financial statements, is provided below. Equivalent information for the legal help and crime lower provisions is available in LAA's annual report and accounts, along with details of the valuation methodology used to calculate the provision for each scheme.

Civil representation provision: sensitivity analysis

The civil representation work-in-progress provision is calculated on a case-by-case basis using past patterns of activity, with multiple potential duration and cost outcomes. The calculations are segmented between the different expenditure streams and between different milestones in a case's lifecycle. The model estimates activity to the next financial event in each expenditure stream, reflecting the business realities of billing timing.

Due to data issues following the system outage from the criminal cyber-attack against LAA's digital systems, the core data for the model only exists up to March 2025. Data from this point to the provision date has been estimated based on non-LAA data from the wider court system.

The reasonable alternative assumptions below have been arrived at by observing the maximum historical high and low points within the actual source data of the respective models, adjusted for projected future trends.

The impact of the following reasonable alternatives to these inputs has been quantified:

	Increase in net financial liability		(Decrease) in net financial liability	
Assumptions tested	**Assumption**	**£million**	**Assumption**	**£million**
Duration profile[147]	Max duration +1 year	18.9	Max duration -1 year	(18.9)
Final billing duration[148]	+15 days	0.9	-15 days	(0.9)
Average final bill value	+10%	28.2	-10%	(28.2)
Profile variance[149]	-10%	17.4	+10%	(18.3)
System outage assumptions[150]		45.8		(64.4)
Uplift	-50%	0.7	+50.0%	(0.6)

The above inputs are case data-driven, with an overlay of management judgement, for example choosing the number of years' historical case data to use in creating historical profiles. It should be noted the inherent sensitivity of the civil representation work-in-progress provision is such that relatively small percentage movements in the above inputs could lead to the estimate crystallising at a materially different amount. All assumptions are reviewed periodically to ensure they remain appropriate.

147 Duration profile: in order to estimate the provision, profiles outlining the timing and magnitude of costs on civil representation cases are calculated. There is a degree of uncertainty in the calculation of these profiles, particularly due to the inherent time lag. LAA therefore makes the assumption that the level of variance could be equal to the variance if this year's profile was extended by one year. LAA has assumed this degree of variance can be seen in either direction.

148 Final billing duration: it can take some time for legal aid providers to compile and submit their bills to LAA once work has completed on a case. The estimate of the provision assumes that the average delay will be equivalent to that seen in the preceding quarter, but this does vary to a small degree over time. LAA therefore makes the assumption that this delay could vary by up to 15 days in either direction.

149 Profile variance: in estimating the provision, LAA has made an adjustment to calculated billing profiles to account for recent changes in value and billing duration. These adjustments are based on emerging trends and therefore are subject to some uncertainty, which this variance represents.

150 System outage assumptions: civil representation has been the scheme most impacted by the system issues, with limited data over the period that the contingency scheme has been in place. This generates several new unknown factors to the modelling that require assumptions. This includes the volume of civil representation certificates issued, final bills and pricing, all of which are flexed to test their impacts.

Using these reasonable alternative assumptions, the fair value of the financial liabilities at 31 March 2026 could be higher by up to +29.1% (£111.3 million) or lower by up to -34.2% (-£130.7 million).

Crime higher: sensitivity analysis

Below are the reasonable alternative scenarios modelled. These relate to the flexing of certain assumptions, such as the number of cases expected to close or the amount of time a case takes to go through the system.

	Increase in net financial liability		(Decrease) in net financial liability	
Assumptions tested	**Assumption**	**£million**	**Assumption**	**£million**
Price profiles[151]	+10.0%	54.6	-9.0%	(54.6)
Completion rates[152]	+2.5%	45.7	-6.6%	(39.8)
Case durations[153]	-10.0%	33.6	+10.0%	(36.3)
Transfers[154]	-20.0%	8.9	+20.0%	8.9
System outage assumptions[155]	-	2.0	-	-
Uplift	-50%	0.7	+50.0%	(0.6)

Using these reasonable alternative assumptions, the fair value of the financial liabilities at 31 March 2025 could be higher by up to +24.0% (£145.5 million) or lower by up to -23.2% (-£140.3 million).

Other provisions

Other provisions include a provision for an onerous lease of undeveloped land of £7.0 million (2024-25: £8.0 million). The decrease of £1.0 million relates to a change in the discount rate used to calculate the onerous lease provision.

151 Price profiles: there is a degree of uncertainty in assuming that future prices will follow historical patterns, as prices vary to a small degree over time. The sensitivity analysis considers that prices could vary by as much as 10% in either direction.

152 Completion rates: a number of representation orders never attract a bill, and so do not close. The model uses historical data to determine the likely proportion that these cases represent of the live case population. There is inherent uncertainty in assuming that the proportion will be similar to that seen historically, which this sensitivity represents. The proportion is flexed by 2.5% in either direction, representing the variance that is seen in the proportion over time.

153 Case durations: the estimate of the provision assumes that average case durations will be consistent with those seen in recent prior periods, but durations do vary to a small degree over time. LAA therefore makes the assumption that durations could vary by up to 10% in either direction.

154 Transfers: an adjustment has been applied to the provision model at the end of the year to account for the fact that a proportion of subsequent payments relate to transferred cases, rather than redeterminations. This sensitivity assumes that the proportion of subsequent claims that fall into this category could vary by as much as 20% from historical levels.

155 The crime higher model has been relatively unimpacted by the systems outage. However, there is believed to be a minor impact in the start dates on some cases. This is accounted for in the central work-in-progress estimate, but a flex on this assumption is applied as a sensitivity.

20. Commitments under PFI and SCAs

20.1 Arrangements not recognised on the CSoFP

As at 31 March 2026, there are no off-balance sheet PFI commitments.

20.2 Arrangements recognised on the CSoFP

Project name	Contract start date	Duration (years)	Description
PFI contracts: HMCTS			
Exeter	November 2002	32	Provision of a courthouse comprising four criminal courts, one civil court and four District Judge hearing rooms. At the end of the contract term, the building will revert to HMCTS at no cost.
East Anglia	October 2002	25	Provision of Crown Court centres in Ipswich (five criminal courtrooms) and Cambridge (three criminal courtrooms). At the end of the contract term, the buildings in Ipswich and Cambridge will revert to HMCTS at no cost.
Sheffield	November 2002	27	Provision of a family hearing centre in Sheffield. At the end of the contract term, HMCTS has the option of acquiring the under lease at the lower of its open market value or £2 million.
Derbyshire Magistrates' Courts	August 2001	27	Provision of serviced accommodation for magistrates' courts at New Mills, Chesterfield and Derby. The contract term can be extended (subject to agreement of mutually acceptable terms) by up to five years. At the end of the contract term, the buildings shall revert to HMCTS at no cost.
Manchester Magistrates' Court	March 2001	28	Provision of serviced accommodation at Manchester Magistrates' Court at Spinningfields in Manchester. The contract term can be extended by mutual agreement by up to 10 years. At the end of the contract term, the building shall revert to HMCTS at no cost.
Humberside Magistrates' Courts	November 2001	25	Provision of serviced magistrates' courthouses in Hull, Beverley and Bridlington. On expiry, HMCTS has the option of taking the assets back for a nominal amount of £3 million.
Avon and Somerset Magistrates' Court	August 2004	27	Provision of serviced accommodation at Bristol Magistrates' Court, North Somerset Magistrates' Court and Avon and Somerset Probation HQ and Training Centre, both at Worle. The contract term can be extended by mutual agreement by up to five years. At the end of the contract term, the buildings shall revert to HMCTS at no cost.

Project name	Contract start date	Duration (years)	Description
PFI contracts: HMPPS			
HMP Rye Hill	January 2001	27	Design, build, finance and operate a 600-place category B prison HMP Rye Hill at Onley, near Rugby. The original 25-year contract has been extended by two years until 20 January 2028.
HMP Dovegate	July 2001	25	Design, build, finance and operate a 1,060-place category B prison and therapeutic community facility at HMP Dovegate, Marchington.
HMP Bronzefield	June 2004	25	Design, build, finance and operate a 500-place category B prison at Ashford in Middlesex.
HMP Peterborough	March 2005	25	Design, build, finance and operate an 840-place category B prison at Peterborough in Cambridgeshire.
HMP Thameside	March 2012	25	Design, build, finance and operate a 900-place category B prison at Woolwich in London.
Oakhill Secure Training Centre	May 2004	25	Design, construct and manage a secure training centre, located in Oakhill, Milton Keynes.
Prisoner Escort Custody Service	August 2020	10	The supply and running of the prison vans and escorts.
Other SCAs: HMPPS			
HMP Doncaster	October 2011	15	Manage and maintain a 1,145-place category B prison at Doncaster in South Yorkshire.
HMP Oakwood	April 2012	15	Manage and maintain a 2,100-place category C prison at Featherstone in the West Midlands.
HMP Northumberland	December 2013	15	Manage and maintain a 1,348-place category C prison at Morpeth in Northumberland.
HMP Five Wells	February 2022	10	Manage and maintain a 1,680-place category C prison at Wellingborough in Northampton.
HMP and YOI Parc	December 2022	10	Manage and maintain a 1,652-place category B prison and 60-place young offender institution at Bridgend in South Wales.
HMP Fosse Way	May 2023	10	Manage and maintain a 1,715-place category C prison at HMP Fosse Way in Leicester.
HMP Altcourse	June 2023	10	Manage and maintain an 800-place category B prison at HMP Altcourse – mobilisation stage until May 2023.
HMP Ashfield	November 2024	10	Manage and maintain a 400-place category B prison at Pucklechurch in South Gloucestershire.

Project name	Contract start date	Duration (years)	Description
HMP Millsike	April 2025	10	Manage and maintain a 1,468-place category C prison at Full Sutton near York.
HMP Forest Bank	January 2026	10	Manage and maintain a 1,460-place category B prison located in Salford, Greater Manchester.

The total amount charged in the CSoCNE in respect of the service element of on-balance sheet (CSoFP) PFI or other service concession transactions was £850.1 million (2024-25: £808.7 million).

10 prisons are run by private sector operators under manage and maintain contracts. Assets covered by these contracts are classified as 'on-balance sheet (CSoFP) PFI and other SCA contracts' in accordance with IFRIC 12 Service Concession Arrangements.

Details of the imputed finance lease charges under SCAs recognised on the CSoFP are given in the table below for each of the following periods:

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Rentals due not later than one year	38,990	38,990	43,184	43,184
Rentals due later than one year but not later than five years	115,298	115,298	121,806	121,806
Rentals due later than five years	63,485	63,485	94,774	94,774
	217,773	**217,773**	**259,764**	**259,764**
Less: interest element	(47,183)	(47,183)	(59,123)	(59,123)
Present value of obligations	**170,590**	**170,590**	**200,641**	**200,641**

The present value of liabilities under SCAs recognised on the CSoFP are given in the table below for each of the following periods:

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Rentals due not later than one year	30,451	30,451	33,320	33,320
Rentals due later than one year but not later than five years	90,109	90,109	104,024	104,024
Rentals due later than five years	50,030	50,030	63,297	63,297
Present value of obligations	**170,590**	**170,590**	**200,641**	**200,641**

Details of the minimum service charge under SCAs recognised on the CSoFP are given in the table below for each of the following periods:

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Service charge due within one year	812,798	812,798	834,443	834,443
Service charge due later than one year but not later than five years	1,756,045	1,756,045	2,169,403	2,169,403
Service charge due later than five years	288,212	288,212	394,644	394,644
Total	**2,857,055**	**2,857,055**	**3,398,490**	**3,398,490**

Future commitments are estimates based on assumptions, using the best information available. The SCA for HMP Dovegate commenced in July 2026. While it is not included as such in the table at 20.2, the future service charges are included in the table above.

21. Capital commitments

Capital expenditure contracted for at the end of the reporting period but not included in these financial statements is as follows:

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Property, plant and equipment	2,432,497	2,432,497	1,734,197	1,734,197
Intangible assets	10,453	10,453	10,898	10,898
Total	**2,442,950**	**2,442,950**	**1,745,095**	**1,745,095**

22. Other financial commitments

MoJ has entered into non-cancellable contracts (which are not leases or PFI contracts) for the provision of services including the management of prisons and other contracted out services.

The payments to which MoJ is committed are as follows:

	2025-26		2024-25	
	Core department and agencies	Departmental group	Core department and agencies	Departmental group
	£000	£000	£000	£000
Not later than one year	198,514	201,177	79,636	82,424
Later than one year but not later than five years	124,626	127,207	32,156	32,450
Total	**323,140**	**328,384**	**111,792**	**114,874**

23. Financial instruments

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

As the cash requirements of MoJ are met through the parliamentary Supply Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. MoJ's exposure to financial risk is mainly in respect of credit risk in relation to LAA's receivables.

LAA receivables

LAA is exposed to minimal market, liquidity or interest rate risk: exposure to financial risk is mainly in respect of credit risk in relation to receivables.

Under the Legal Aid Act 1974, the Legal Aid Act 1988, the Access to Justice Act 1999 and the LASPO Act 2012, where funded clients have recovered or preserved property rather than obtaining damages, recoverable costs may be secured by a charge against the property. Under the Community Legal Service (Financial) Regulations 2000, as amended by the Community Legal Service (Financial) (Amendment) Regulations 2005 and the Civil Legal Aid (Statutory Charge) Regulations 2013, some of these debts are interest bearing debts that have interest due on the outstanding balance at 8% per year.

The income for statutory charge, statutory charge interest, contributions due from funded clients and recovery of defence costs are initially recognised under **IFRS 15 Revenue from Contracts with Customers**.

LAA receivables risk identification and management

LAA has an inherent risk within trade and other receivables, as these are not predisposed to straightforward cash collections. LAA recognises this risk and mitigates it in the case of statutory charge debts, where enforcement of the debt may be deferred, by securing land charges and using active credit management policies to recover unsecured debts. In some cases, the debt collection activities are outsourced to commercial debt collectors.

The size of the risk is reflected in the receivables impairment provision and cumulative fair value losses that total £247.1 million (31 March 2025: £254.7 million).

The majority of LAA's trade and other receivables are the result of a statutory charge: £85.0 million (31 March 2025: £90.5 million) out of a total receivables balance after impairment of £165.1 million (31 March 2025: £156.5 million).

A high proportion of these are secured on property and settlement is deferred until the property is sold. Secured statutory charge debt is measured under IFRS 13 and reductions in carrying value are classed as fair value adjustments rather than impairments.

LAA provides for impairment of receivables based on historical cash collection experience and management assessment of likely recoveries, for each category of debt. This analysis is also used to inform the expected cash flows for trade and other receivables which are measured at fair value. This assumes that future performance will be reflective of past performance and there will be no significant change in the payment profile or recovery rates within each identified group of receivables. To address the risk that this assumption is incorrect, LAA undertakes a rollback review to compare previous estimated repayment profiles with the actual experience in subsequent years and to assess the accuracy of the profile and resulting impairment, adjusting assumptions where required. There have been no material adjustments to the assumptions as a result of this review at 31 March 2026.

There is no adjustment in the impairment of LAA's receivables at 31 March 2026 to reflect the potential future impact of current levels of inflation. Based on the experience from previous recessions, we do not consider this will have a material impact on the fair value of receivables, and in particular secured debt, recognised in these accounts. The impact of a recession has historically resulted in a delay in the cash receipts on secured debt, due to the impact on the property market and delays to property sales which result in the repayment of the debt.

LAA receivables sensitivity analysis

LAA's receivables impairment models use historical recovery profiles by debt category to estimate the provision required against debt balances. The impairment model is underpinned by specific assumptions including: the life of debt, the expected remittance profiles and the discount rates below.

The impact of the following reasonable possible alternatives to these assumptions has been considered:

- cash received evenly throughout the year rather than at the end of the year
- predicted cash receipts used to calculate the impairment provision cash flows +/-10%
- discount rate +/-1%

Increase/(decrease) in net financial assets

		31 March 2026	31 March 2025
	Assumption	**£million**	**£million**
Income received	Evenly through the year	0.9	0.9
Expected cash inflows based on historic repayment profiles	+10%	6.5	8.7
Expected cash inflows based on historic repayment profiles	-10%	(12.0)	(9.4)
Discount rate	+1%	(10.8)	(10.5)
Discount rate	-1%	10.8	12.1
Highest change		**18.2**	**21.7**
Lowest change		**(22.8)**	**(19.9)**

These assumptions are reviewed annually and changed if management believes alternative assumptions are a better reflection of the underlying trends.

Other credit risks

Credit risk related to fines and penalties collection and banking activities is explained in the HMCTS Trust Statement.

The department is exposed to minimal credit risk in respect of other financial assets. The maximum exposure to credit risk is equal to the carrying amount of outstanding receivable balances. The department manages its credit risk by undertaking background and credit checks before establishing a debtor relationship.

The IFRS 9 approach to impairment provisioning is a forward-looking 'expected loss' approach. Expected losses on the department's financial assets are not considered to be material.

Fair values

In accordance with IFRS 9, each financial asset is classified at initial recognition, or at the point of first adoption of IFRS 9, into one of three categories:

- financial assets at fair value through other comprehensive income (FVOCI)
- financial assets at fair value through profit and loss (FVTPL)
- financial assets at amortised cost

For assets at amortised cost, the amortised cost balance was reduced where appropriate by an allowance for amounts which were considered to be impaired or uncollectible.

Financial liabilities are classified into one of two categories:

- financial liabilities at FVTPL
- financial liabilities at amortised cost

Categories of financial assets and financial liabilities: carrying value compared to fair value

The following tables summarise the carrying amounts and fair values of financial assets and liabilities.

				31 March 2026
	Assets at FVOCI	Assets at FVTPL	Assets at amortised cost	Total
Financial assets:	**£000**	**£000**	**£000**	**£000**
Cash at bank and in hand	-	-	390,315	390,315
Trade and other receivables	-	85,012	451,725	536,737
Other financial assets	-	320	-	320
Total financial assets	**-**	**85,332**	**842,040**	**927,372**
		Liabilities at FVTPL	**Liabilities at amortised cost**	**Total**
Financial liabilities:		**£000**	**£000**	**£000**
Trade and other payables		-	1,525,809	1,525,809
Other financial liabilities		-	1,355,148	1,355,148
Total financial liabilities		**-**	**2,880,957**	**2,880,957**

31 March 2025

	Assets at FVOCI	Assets at FVTPL	Assets at amortised cost	Total
Financial assets:	**£'000**	**£'000**	**£'000**	**£'000**
Cash at bank and in hand	-	-	351,525	351,525
Trade and other receivables	-	90,481	329,352	419,833
Other financial assets	-	251	-	251
Total financial assets	**-**	**90,732**	**680,877**	**771,609**

	Liabilities at FVTPL	Liabilities at amortised cost	Total
Financial liabilities:	**£000**	**£000**	**£000**
Trade and other payables	-	1,203,871	1,203,871
Other financial liabilities	-	1,490,891	1,490,891
Total financial liabilities	**-**	**2,694,762**	**2,694,762**

MoJ considers that the carrying amounts for cash and cash equivalents, trade payables and other liabilities approximate to their fair value due to the short-term maturities of these instruments.

Fair value hierarchy

MoJ uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

All of the financial assets and liabilities measured at fair value fall within level 3.

24. Pension costs

Reconciliation of net pension (liability)/asset 2025-26

		31 March 2026				31 March 2025			
		Present value of obligation	Fair value of plan assets	Impact of asset ceiling adjustment	Net (liability)/ asset	Present value of obligation	Fair value of plan assets	Impact of asset ceiling adjustment	Net (liability)/ asset
	Note	£000	£000	£000	£000	£000	£000	£000	£000
Funded schemes									
HMPPS (probation)	25.1	(4,569,904)	6,524,766	(1,978,712)	(23,850)	(4,188,973)	5,898,595	(2,181,867)	(472,245)
Cafcass	25.3	(648,901)	873,544	(224,643)	-	(613,929)	772,427	(175,874)	(17,376)
Legal Services Commission	25.4	(223,572)	265,251	-	41,679	(219,512)	265,209	-	45,697
Oasis Restore Trust	25.5	(2,532)	4,001	(1,469)	-	(1,143)	1,484	(341)	-
Balance of funded schemes at 31 March		**(5,444,909)**	**7,667,562**	**(2,204,824)**	**17,829**	**(5,023,557)**	**6,937,715**	**(2,358,082)**	**(443,924)**
By-analogy schemes									
HMCTS					(859)				(1,013)
CCRC					(4,110)				(4,303)
Total for by-analogy schemes at 31 March					**(4,969)**				**(5,316)**

		31 March 2026				31 March 2025			
		Present value of obligation	Fair value of plan assets	Impact of asset ceiling adjustment	Net (liability)/ asset	Present value of obligation	Fair value of plan assets	Impact of asset ceiling adjustment	Net (liability)/ asset
	Note	£000	£000	£000	£000	£000	£000	£000	£000
Pension schemes with net asset balances:									
Core department and agencies					41,679				45,697
NDPBs					-				-
Total pension schemes with net asset balances					**41,679**				**45,697**
Pension schemes with net liability balances:									
Core department and agencies					(24,709)				(473,258)
NDPBs					(4,110)				(21,679)
Total pension schemes with net liability balances					**(28,819)**				**(494,937)**

24.1 Probation pension scheme: movements in the LGPS defined benefit obligation

	31 March 2026				31 March 2025			
	Present value of obligation	Fair value of plan assets	Impact of asset ceiling adjustment	Net (liability/ asset	Present value of obligation	Fair value of plan assets	Impact of asset ceiling adjustment	Net (liability)/ asset
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April	**(4,188,973)**	**5,898,595**	**(2,181,867)**	**(472,245)**	**(4,787,131)**	**5,618,264**	**(1,360,638)**	**(529,505)**
Current service cost	(90,355)	-	-	(90,355)	(123,523)	-	-	(123,523)
Past service cost	(454)	-	-	(454)	(4,147)	-	-	(4,147)
Net interest (cost)/income	(240,439)	342,844	(126,459)	(24,054)	(231,604)	273,527	(65,991)	(24,068)
Total recognised in the CSoCNE	**(331,248)**	**342,844**	**(126,459)**	**(114,863)**	**(359,274)**	**273,527**	**(65,991)**	**(151,738)**
Scheme participant contributions	(47,800)	47,800	-	-	(45,994)	45,994	-	-
Employer contributions	-	204,189	-	204,189	-	196,201	-	196,201
Benefits paid after net transfers	229,332	(229,332)	-	-	190,746	(190,746)	-	-
Total cash flows	**181,532**	**22,657**	**-**	**204,189**	**144,752**	**51,449**	**-**	**196,201**
Actuarial gains/(losses): changes in demographic assumptions	4,929	-	-	4,929	8,395	-	-	8,395
Changes in financial assumptions	80,272	-	-	80,272	758,309	-	-	758,309
Experience gains/(losses)	(315,075)	(15,860)	-	(330,935)	45,976	-	-	45,976
Return on assets excluding amounts included in net interest	-	275,203	-	275,203	-	(44,645)	-	(44,645)
Gain/(loss) due to effects of asset ceiling under IFRIC 14	-	-	329,614	329,614	-	-	(755,238)	(755,238)
Remeasurements through other comprehensive net expenditure	**(229,874)**	**259,343**	**329,614**	**359,083**	**812,680**	**(44,645)**	**(755,238)**	**12,797**
Effect of business combinations	(1,341)	1,327	-	(14)	-	-	-	-
Balance at 31 March	**(4,569,904)**	**6,524,766**	**(1,978,712)**	**(23,850)**	**(4,188,973)**	**5,898,595**	**(2,181,867)**	**(472,245)**

The assumptions used by the actuaries were:

	2025-26	2024-25
	Percentage	Percentage
Rate of increase in salaries	4.50	3.55
Pension increase rate	3.00	2.75
Discount rate	6.20	5.80

The major categories of scheme assets were:

	31 March 2026				31 March 2025			
	Quoted	Unquoted	Total	Value as a percentage of total scheme assets	Quoted	Unquoted	Total	Value as a percentage of total scheme assets
	£000	£000	£000	Percentage	£000	£000	£000	Percentage
Equities	2,490,855	-	2,490,855	38	2,236,454	-	2,236,454	38
Corporate bonds	690,991	-	690,991	11	691,947	-	691,947	12
Property	-	391,205	391,205	6	-	307,784	307,784	5
Cash and cash equivalents	221,646	-	221,646	3	179,715	-	179,715	3
Investment funds and unit trusts	1,092,752	1,286,063	2,378,815	37	850,980	1,260,351	2,111,331	36
Private equity	-	351,254	351,254	5	-	371,364	371,364	6
Total	**4,496,244**	**2,028,522**	**6,524,766**	**100**	**3,959,096**	**1,939,499**	**5,898,595**	**100**

HMPPS offers retirement benefits within the LGPS to probation staff working within the probation service.

Past employees of the probation trusts, and LGPS probation staff who transferred to community rehabilitation service providers, to the former community rehabilitation companies and to HMPPS National Probation Service, are covered by the provisions of the LGPS via one pension fund, GMPF, administered by Tameside Metropolitan Borough Council. The assets and liabilities from the former probation trusts' own pension funds were transferred to GMPF. The total pension obligation will continue to be the responsibility of HMPPS and will be reported in the HMPPS annual report and accounts.

The LGPS is a statutory scheme primarily governed by the LGPS Regulations 2013 and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014. These are subject to amendment over time. The LGPS is a funded, multi-employer defined benefit scheme. An LGPS pension scheme position is recognised in these accounts in accordance with IAS 19. A liability arises as employees earn their future entitlement to payments when they retire. The pension fund is subject to an independent triennial actuarial valuation to determine each employer's contribution rate. The contribution rates reflect benefits as they are accrued and reflect the past experience of the schemes.

The LGPS provides benefits on a 'final salary' basis, up to 31 March 2014, at a normal retirement age of 65. For pensionable service up to 31 March 2008, benefits accrued at the rate of one-eightieth of pensionable salary for each year of service. In addition, a lump sum equivalent to three-eightieths of final pay for every year of total membership is payable on retirement. Benefits accrued at the rate of one-sixtieth of pensionable salary for service from 1 April 2008 to 31 March 2014 with no automatic lump sum.

From 1 April 2014, the scheme provides benefits on a career average revalued earnings basis. Benefits accrue at the rate of one-forty-ninth of pensionable salary for each year of service. The scheme permits employees to take a lump sum payment on retirement in exchange for a reduction in their future annual pension. Members pay contributions of between 5.5% and 12.5% of pensionable earnings. Member contributions changed from 1 April 2014 and benefits accrued from this date are on a career average revalued earnings basis, with protections in place for those members in the scheme before the changes took effect.

Following the 2025 triennial valuation, the employer contribution rates for financial year 2026-27 through to the financial year 2028-29 is 18.5%. For 2025-26, HMPPS paid employer contributions of £200.9 million to GMPF, relating to current probation staff, at 26.5% (2024-25: £192.9 million at 26.5%).

The pension position as at 31 March 2026, as detailed in Note 24.1, is based on the actuarial report from Hymans Robertson LLP, the independent actuary for GMPF, in compliance with IAS 19. There were no plan curtailments or settlements during the year.

Full details of GMPF's investment strategy statement, including its annual report and financial statements, and responsibilities of its management panel, can be found on the GMPF website at www.gmpf.org.uk.

A number of assumptions are made as part of the actuarial valuation process and the major assumptions are set out in the table above. The assumptions underlying the calculation of the net liability as at 31 March 2026 are used for accounting purposes as required under IAS 19.

Risks associated with the fund in relation to accounting

The net pension position for 2025-26 is shown in the disclosure above. This reflects the appropriate assumptions, and all assumptions remain subject to annual review. As the economic climate changes and more information becomes available, assumptions will be updated to reflect this.

HMPPS is only liable for the pension obligations due to GMPF relating to probation service employees (and ultimately the community rehabilitation service employees under the Secretary of State for Justice Pension Guarantee). HMPPS is not liable for pension obligations of other employers that participate in the LGPS with GMPF.

If HMPPS moves to another pension fund or pension scheme, any exit payment to cover the pension liability due would be determined by GMPF and their actuary. However, there are no plans to move to another pension fund or pension scheme.

Discount rate

The discount rate is the most significant financial assumption for assessing pension obligations. An increase in the discount rate results in a decrease in the value of the pension liability for accounting purposes and vice versa. The discount rate used in these financial statements, as required by IAS 19, is based on the market yields on high-quality corporate bonds valued as at the reporting date of 31 March. Hymans' corporate bond yield curve is based on the constituents of the iBoxx AA corporate bond index. The discount rate assumptions set by the actuary are considered appropriate. The increase in discount rate compared to last year has resulted in a significant reduction in the pension obligations, the impact of which is discussed further below in 'Accounting for a net pension surplus and asset ceiling restriction'.

Inflation

The inflation assumption is the second most significant financial assumption for assessing pension obligations and, typically, drives the assumption for salary growth and pension increases (to the extent they are inflation linked). A higher inflation assumption will lead to an increase in pension liabilities. The government announced that the measure of the Retail Price Index will change from 2030 to be in line with CPI including owner occupiers' housing costs. This has been allowed for when deriving the inflation assumption. Market derived CPI inflation has risen over the year, which has led to a 0.25% increase in this assumption for 2025-26.

Mortality

The baseline mortality assumptions are based on analysis carried out by longevity experts Club Vita. Future life expectancy predictions use their continuous mortality investigation model. For 2025-26, the continuous mortality investigation 2023 model has been used, which uses more up-to-date longevity data. This has resulted in a reduction in obligations.

Risk mitigation strategies

The GMPF management panel carries out a similar role to the trustees of a pension scheme. They are key decision makers for:

- investment strategy
- monitoring investment activity and performance
- overseeing administrative activities
- guidance to officers in exercising delegated powers
- reviewing governance arrangements

Each local authority within Greater Manchester is represented on the management panel, along with the department. There have been no concerns raised by MoJ to date on GMPF's investment or funding strategy or asset performance.

McCloud judgement (impact on LGPS)

The December 2018 McCloud judgement found that transitional arrangements put in place during the reform of firefighters' and judges' pension schemes were discriminatory on grounds of age. The government has confirmed this ruling also applies to the LPGS. For the 2022 valuation, McCloud liabilities were included as set out in the Department for Levelling Up, Housing and Communities 2022 valuation letter.

A further government response was made on 6 April 2023 in relation to McCloud: 'Amendments to the LGPS statutory underpin: government response' can be found on GOV.UK. The actuary has advised that no further adjustment to the cost in the pension obligation is required for 2025-26. Further information on the McCloud judgement can be found at: www.lgpsmember.org/mccloud-remedy.

Sensitivity analysis: change in assumptions relative to 31 March 2026 actuarial assumptions for probation pension liabilities (based on the change in liabilities)

	Actuarial value of liabilities on 31 March 2026	Actuarial value of liabilities on 31 March 2025
	£000	£000
Base case	4,569,904	4,188,973
0.1% decrease in real discount rate	4,642,629	4,262,958
One-year decrease member life expectancy	4,752,904	4,379,973
0.1% increase in the salary increase rate	4,573,078	4,192,117
0.1% increase in pension increase rate (CPI)	4,639,365	4,261,870

The principal demographic assumption is the mortality assumption (member life expectancy). For sensitivity purposes, we estimate that a one-year increase in life expectancy would approximately increase the employer's defined benefit obligation by around 3% to 5%. In practice, the actual cost of a one-year increase in life expectancy will depend on the structure of the revised assumption (improvements to survival rates predominantly apply at younger or older ages). For 2025-26, a one-year increase in member life expectancy would increase the liability by 4% or £183 million.

24.2 Accounting for a net pension surplus and asset ceiling restriction

The net probation pension scheme position at 31 March 2026 was a net surplus of £1,955 million, before any adjustment for the asset ceiling restriction (2024-25: £1,710 million surplus).

The Cafcass pension scheme also had a net surplus of £224 million (2024-25: £158 million surplus) – see Note 24.3.

IAS 19 requires that the discount rate is determined by reference to market yields at the end of the reporting period, on high-quality AA corporate bonds of a currency and duration consistent with the currency and duration of the benefit obligations. The discount rate at 31 March 2026 is higher compared to the previous year, reflecting a higher yield on high-quality corporate bonds and reducing the pension obligation.

Under the requirements of IFRIC 14: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, HMPPS is required to consider whether it is appropriate to limit the amount of net pension surplus in the financial statements which was determined under IAS 19 if the full economic benefit cannot be obtained. IAS 19 defines an asset ceiling for these purposes as the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan, with the lower of the surplus and the asset ceiling being recognised. IFRIC 14 provides further guidance on calculating figures for an asset ceiling with reference to minimum funding requirements.

A refund would only be available to the employer on exiting the scheme. However, participation in the current pension scheme is dictated by statute, meaning an exit would rely on the occurrence of an uncertain future event not wholly within the employer's control (an act of Parliament). Therefore, the employer does not have an unconditional right to a refund of the surplus.

Adjustments to the funded pension schemes

The appropriate method is therefore to consider the economic benefit available as a contribution reduction. HMPPS has concluded that primary contributions to the scheme (2026-27: 17.2%, 2025-26: 18.1%) and those related to ill health retirement (2026-27: 2.5%, 2025-26: 4.3%), and the negative secondary contribution rate of -1.2% due to be being fully funded following the 2025 valuation (2025-26: no negative rate), establish a minimum funding requirement for future contributions under IFRIC 14.

HMPPS considers it appropriate to restrict the net asset relative to funding obligations by use of the asset ceiling. This means that the asset ceiling is applied to the net surplus, excluding the unfunded liabilities figure of £23.9 million. These unfunded liabilities are then added back to the closing liability position.

Having applied IFRIC 14 in line with the above facts and judgements, based on the present value of expected reductions in future contributions to the plan, the IAS 19 funded probation pension surplus of £1,955 million was reduced to a liability of nil (2024-25: liability of £447 million). The closing position, including unfunded liabilities, is therefore £23.9 million.

Further details of judgements made by HMPPS in determining the effect of the asset ceiling are available in HMPPS' annual report and accounts 2025-26.

The Cafcass pension surplus has been reduced by £17 million to a liability of nil (2024-25: a liability of £17 million).

24.3 Cafcass pension scheme: movements in the LGPS defined benefit obligation

	31 March 2026				31 March 2025			
	Present value of obligation	Fair value of plan assets	Impact of asset ceiling adjustment	Net (liability/ asset	Present value of obligation	Fair value of plan assets	Impact of asset ceiling adjustment	Net (liability)/ asset
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April	**(613,929)**	**772,427**	**(175,874)**	**(17,376)**	**(705,972)**	**754,047**	**(46,030)**	**2,045**
Current service cost	(11,448)	-	-	(11,448)	(16,252)	-	-	(16,252)
Past service cost	(936)	-	-	(936)	(90)	-	-	(90)
Net interest (cost)/income	(34,821)	44,530	(10,201)	(492)	(33,236)	35,628	-	2,392
Total recognised in the CSoCNE	**(47,205)**	**44,530**	**(10,201)**	**(12,876)**	**(49,578)**	**35,628**	**-**	**(13,950)**
Scheme participant contributions	(6,838)	6,838	-	-	(6,384)	6,384	-	-
Employer contributions	-	18,038	-	18,038	-	17,464	-	17,464
Benefits paid after net transfers	34,844	(34,844)	-	-	30,445	(30,445)	-	-
Total cash flows	**28,006**	**(9,968)**	**-**	**18,038**	**24,061**	**(6,597)**	**-**	**17,464**
Actuarial gains/(losses): changes in demographic assumptions	(3,860)	-	-	(3,860)	4,840	-	-	4,840
Changes in financial assumptions	8,236	-	-	8,236	113,862	-	-	113,862
Experience gains/(losses)	(20,149)	-	-	(20,149)	(1,142)	-	-	(1,142)
Return on assets excluding amounts included in net interest	-	66,555	-	66,555	-	(10,651)	-	(10,651)
Gain/(loss) due to effects of asset ceiling under IFRIC 14	-	-	(38,568)	(38,568)	-	-	(129,844)	(129,844)
Remeasurements through other comprehensive net expenditure	**(15,773)**	**66,555**	**(38,568)**	**12,214**	**117,560**	**(10,651)**	**(129,844)**	**(22,935)**
Balance at 31 March	**(648,901)**	**873,544**	**(224,643)**	**-**	**(613,929)**	**772,427**	**(175,874)**	**(17,376)**

The assumptions used by the actuaries were:

	2025-26	2024-25
	Percentage	Percentage
Rate of increase in salaries	4.05	3.75
Pension increase rate	2.80	2.50
Discount rate	6.20	5.80
Pension accounts revaluation rate	2.80	2.50

The major categories of scheme assets for 2025-26 were:

	31 March 2026				31 March 2025			
	Quoted	Unquoted	Total	Value as a percentage of total scheme assets	Quoted	Unquoted	Total	Value as a percentage of total scheme assets
	£000	£000	£000	Percentage	£000	£000	£000	Percentage
Equities	538,977	130,158	669,135	76.6	497,443	115,092	612,535	79
Gilts	107,446	-	107,446	12.3	69,518	-	69,518	9
Corporate bonds	24,459	-	24,459	2.8	30,897	-	30,897	4
Property	4,368	26,206	30,574	3.5	6,179	15,449	21,628	3
Cash and cash equivalents	-	23,586	23,586	2.7	-	20,083	20,083	3
Other	873	17,471	18,344	2.1	773	16,993	17,766	2
Total	**676,123**	**197,421**	**873,544**	**100**	**604,810**	**167,617**	**772,427**	**100**

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2026 is set out below.

Sensitivity analysis: change in assumptions relative to 31 March 2026 actuarial assumptions for probation pension liabilities (based on the change in liabilities)

	Actuarial value of liabilities on 31 March 2026	Actuarial value of liabilities on 31 March 2025
	£000	£000
Base figure	648,901	613,929
0.1% decrease in real discount rate	657,986	623,138
One-year decrease in member life expectancy	663,177	626,435
0.1% increase in salary increase rate	649,550	614,543
0.1% increase in pension increase rate	657,337	622,524

Employees of Cafcass are members of the LGPS through the West Yorkshire Pension Fund. The scheme provides funded defined benefits based on pensionable salary. The assets of the scheme are held separately from those of Cafcass and are invested in managed funds. Employer contribution rates are determined by a qualified actuary and on the basis of triennial valuations.

The scheme assets are measured at fair value. Scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. The pension scheme surplus (to the extent that it is considered recoverable) or deficit is recognised in full on the face of the CSoFP. The movement in the scheme surplus and deficit is split between operating charges (within staff costs) and reserves in the case of actuarial gains and losses.

Funding and governance arrangements of the LGPS

The funded nature of the LGPS requires participating employers and their employees to pay contributions into the fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the fund's funding strategy statement. The total employer contribution rate for 2025-26 was 18.1%.

The actuarial valuation dated 31 March 2022 set out, in the fund's rates and adjustment certificate, that the contribution rate for 2025-26 was 18.1%. A subsequent valuation at 31 March 2025 set out the total contributions payable by employers from 1 April 2026 to 31 March 2029 at 13.7%.

The fund administering authority, City of Bradford Metropolitan District Council, is responsible for the governance of the fund.

Assets

The assets allocated to the employer in the fund are notional and are assumed to be invested in line with the investments of the fund for the purposes of calculating the return over the accounting period. The fund holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from the fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the fund as a whole (based on data supplied by the fund administering authority) is shown in the disclosures.

The fund administering authority may invest a small proportion of the fund's investments in the assets of some of the employers participating in the fund if it forms part of their balanced investment strategy.

Risks associated with the fund in relation to accounting

Asset volatility

The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield, it will create a deficit in the accounts. The fund holds a significant proportion of growth assets which, while expected to outperform corporate bonds in the long term, creates volatility and risk in the short term in relation to the accounting figures.

Changes in bond yield

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes. However, this will be marginally offset by the increase in the assets as a result (to the extent the fund invests in corporate bonds).

Inflation risk

The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are not perfectly correlated with inflation, meaning that an increase in inflation will increase the deficit.

Life expectancy

The majority of the fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

Exiting employers

Employers who leave the fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment, the liability may in certain circumstances fall on other employers in the fund.

24.4 LSCPS – closed

	31 March 2026			31 March 2025		
	Present value of obligation	Fair value of plan assets	Net (liability/ asset	Present value of obligation	Fair value of plan assets	Net (liability)/ asset
	£000	£000	£000	£000	£000	£000
Balance at 1 April	**(219,512)**	**265,209**	**45,697**	**(249,980)**	**296,878**	**46,898**
Administration costs met by the scheme	(1,058)	-	(1,058)	(784)	-	(784)
Net interest (cost)/income	(12,274)	14,872	2,598	(11,718)	13,950	2,232
Total recognised in the CSoCNE	**(13,332)**	**14,872**	**1,540**	**(12,502)**	**13,950**	**1,448**
Benefits paid after net transfers	13,650	(13,650)	-	12,475	(12,475)	-
Total cash flows	**13,650**	**(13,650)**	**-**	**12,475**	**(12,475)**	**-**
Actuarial gains/(losses): changes in demographic assumptions	(2,267)	-	(2,267)	354	-	354
Changes in financial assumptions	5,667	-	5,667	29,950	-	29,950
Experience gains/(losses)	(7,778)	-	(7,778)	191	-	191
Return on assets excluding amounts included in net interest	-	(1,180)	(1,180)	-	(33,144)	(33,144)
Remeasurements through other comprehensive net expenditure	**(4,378)**	**(1,180)**	**(5,558)**	**30,495**	**(33,144)**	**(2,649)**
Balance at 31 March	**(223,572)**	**265,251**	**41,679**	**(219,512)**	**265,209**	**45,697**

The assumptions used by the actuaries were:

	2025-26	2024-25
	Percentage	Percentage
Inflation assumption	3.00	**2.75**
Pension increase rate	3.05	**2.85**
Discount rate	6.15	**5.75**

The major categories of scheme assets for 2025-26 were:

	31 March 2026				31 March 2025			
	Quoted	Unquoted	Total	Value as a percentage of total scheme assets	Quoted	Unquoted	Total	Value as a percentage of total scheme assets
	£000	£000	£000	Percentage	£000	£000	£000	Percentage
Equities	26,649	-	26,649	10	33,655	-	33,655	13
Gilts	153,941	-	153,941	58	154,440	-	154,440	58
Corporate bonds	54,411	-	54,411	20	63,154	-	63,154	24
Cash and cash equivalents	28,124	-	28,124	11	11,278	-	11,278	4
Other	-	2,126	2,126	1	-	2,682	2,682	1
Total	**263,125**	**2,126**	**265,251**	**100.0**	**262,527**	**2,682**	**265,209**	**100.0**

On 1 April 2013, under the Legal Aid, Sentencing and Punishment of Offenders Act, the Legal Services Commission was abolished and replaced by an executive agency of the department, LAA.

Nature of benefits, regulatory framework and other entities' responsibilities for governance of the LSCPS

The LSCPS is a registered defined benefit final salary scheme. The average duration of the LSCPS scheme liabilities as at 31 March 2026 was 12.4 years. It has a crown guarantee, with the department as the sponsoring employer, but in effect retains most of the UK regulatory framework for pensions, including 'scheme-specific funding'. The LSCPS is operated under trust. As such, the trustees of the scheme are responsible for operating it and have a statutory responsibility to act in accordance with its 'Trust deed and rules', in the interests of the beneficiaries of the LSCPS and UK legislation (including trust law). Any contributions that are paid to the LSCPS are defined by a funding arrangement between the trustees and the department.

Risks to which the LSCPS exposes the department

The nature of the LSCPS exposes the department to the risk of paying unanticipated contributions to the scheme in times of adverse experience. The most financially significant risks are likely to be:

- members living for longer than expected
- higher than expected actual inflation
- lower than expected investment returns
- the risk that movements in the value of the scheme's liabilities are not met by corresponding movements in the value of the scheme's assets
- the LSCPS hedges 90% of its interest rate and inflation exposure as assessed on a gilts basis using index-linked and fixed-interest gilts
- the LSCPS also holds a historical buy-in policy (approximatively 1% of scheme accounts) which fully matches benefits covered by the policy

The trustees of the LSCPS maintain a risk register which they use to determine appropriate responses to mitigate the risks identified. These include maintaining a high level of hedging for interest rate and inflation changes and a prudent approach when setting future longevity assumptions.

Expected contributions over the next accounting period and future funding arrangements

The department does expect to contribute to the LSCPS for the year to 31 March 2026. The schedule of contributions dated 2 November 2016 sets out the current contributions payable by the department to the scheme. Future contributions depend on the scheme's funding position at each formal valuation and are set out in the scheme's funding framework.

The funding arrangements and asset ceiling are set out in section 18 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012. Where the value of the scheme assets is more than 105% of the value of the scheme's technical provisions on the effective date of an actuarial valuation, this constitutes a refundable surplus. The department can request payment of amounts not exceeding the refundable surplus.

The scheme would be required to make payment unless advised by the actuary that, because of events subsequent to the date of the actuarial valuation, payment would reduce the value of the assets of the scheme to less than 105% of the value of the scheme's technical provisions.

Sensitivity analysis: change in assumptions relative to 31 March 2026 actuarial assumptions for the Legal Services Commission pension liabilities (based on total liabilities)

	Actuarial value of liabilities on 31 March 2026	Actuarial value of liabilities on 31 March 2025
	£000	£000
Base case	223,573	219,512
0.5% decrease in discount rate	237,224	233,686
One-year increase in life expectancy	232,516	228,292
0.5% per year increase in inflation	235,831	230,825

24.5 Oasis Restore Trust pension scheme

	31 March 2026				31 March 2025			
	Present value of obligation	Fair value of plan assets	Impact of asset ceiling adjustment	Net (liability/ asset	Present value of obligation	Fair value of plan assets	Impact of asset ceiling adjustment	Net (liability)/ asset
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April	**(1,143)**	**1,484**	**(341)**	**-**	**(115)**	**131**	**(16)**	**-**
Current service cost	(479)	-	-	(479)	(682)	-	-	(682)
Administrative expenses	-	(2)	-	(2)	-	-	-	-
Net interest (cost)/income	(79)	125	-	46	(20)	35	(1)	14
Total recognised in the CSoCNE	**(558)**	**123**	**-**	**(435)**	**(702)**	**35**	**(1)**	**(668)**
Scheme participant contributions	(347)	347	-	-	(292)	292	-	-
Employer contributions	-	885	-	885	-	571	-	571
Benefits paid after net transfers	(34)	34	-	-	(308)	308	-	-
Total cash flows	**(381)**	**1,266**	**-**	**885**	**(600)**	**1,171**	**-**	**571**
Actuarial gains/(losses): changes in demographic assumptions	(6)	-	-	(6)	3	-	-	3
Changes in financial assumptions	212	-	-	212	440	-	-	440
Experience gains/(losses)	(656)	-	-	(656)	(169)	-	-	(169)
Other actuarial gains/(losses)	-	1,015	-	1,015	-	158	-	158
Return on assets excluding amounts included in net interest	-	113	-	113	-	(11)	-	(11)
Gain/(loss) due to effects of asset ceiling under IFRIC 14	-	-	(1,128)	(1,128)	-	-	(324)	(324)
Remeasurements through other comprehensive net expenditure	**(450)**	**1,128**	**(1,128)**	**(450)**	**274**	**147**	**(324)**	**97**
Balance at 31 March	**(2,532)**	**4,001**	**(1,469)**	**-**	**(1,143)**	**1,484**	**(341)**	**-**

The assumptions used by the actuaries were:

	2025-26	2024-25
	Percentage	Percentage
Inflation assumption	3.25	3.05
Rate of increase in salaries	3.95	3.85
Pension increase rate	2.95	2.85
Discount rate	6.30	5.95

The major categories of scheme assets for 2025-26 were:

	31 March 2026		31 March 2025	
	Total	Value as a percentage of total scheme assets	Total	Value as a percentage of total scheme assets
	£000	Percentage	£000	Percentage
Equities	2,345	59	844	57
Gilts	221	5	88	6
Corporate bonds	559	14	221	15
Property	391	10	122	8
Cash and cash equivalents	110	3	59	4
Other	375	9	150	10
Total	**4,001**	**100**	**1,484**	**100**

Non-teaching employees of Oasis Restore Trust are members of the defined benefit LGPS, administered in accordance with the Local Government Pension Scheme Regulations 2013, through the Kent Pension Fund. The fund administering authority, Kent County Council, is responsible for the governance of the fund. The LGPS provides benefits based on career average revalued earnings. The last actuarial triennial valuation was at 31 March 2025. The minimum employer contribution rate for 2025-26 was 13.2% to 30 April 2025 then 17.8% from 1 May 2025 onwards.

Sensitivity analysis: change in assumptions relative to 31 March 2026 actuarial assumptions for Oasis Restore Trust pension liabilities (based on total liabilities)

	Actuarial value of liabilities on 31 March 2026	Actuarial value of liabilities on 31 March 2025
	£000	£000
Base case	2,532	1,143
0.5% decrease in discount rate	2,951	1,331
0.5% increase in long term salary increase	2,550	1,148
+0.5% adjustment to pension increases	2,905	1,331
One-year increase in life expectancy	2,585	1,169

25. Contingent assets and liabilities

Contingent liabilities disclosed under IAS 37

MoJ has contingent liabilities as defined within IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Quantified contingent liabilities

	31 March 2026	31 March 2025
	£million	£million
HQ employment tribunals including judicial claims The department is currently defending several employment tribunal claims	2.3	2.0
HQ other legal claims There are several outstanding legal claims against the department's HQ, some of which involve possible financial liabilities	1.2	5.0
HQ judicial review	0.4	0.1
HMPPS litigation claims Claims against HMPPS by staff, prisoners and third parties, where the likelihood of a liability arising is deemed possible but not likely, or not reliably measurable	66.4	69.1
HMCTS fee refunds HMCTS operates a refund scheme for fees charged for certain proceedings in the Court of Protection, the magistrates' courts, insolvency proceedings and fees charged for High Court judges sitting as arbitrators	-	3.4
HMCTS legal cases HMCTS is involved in various legal cases dealing with ex gratia, compensation and other claims	0.9	0.3
OPG Employment tribunal claims at various stages	0.3	0.3
CICA Offers of compensation not accepted within time limits	1.9	-
Gov Facility Services Limited Recognised a contingent liability in relation to payments that may become due to certain employees as part of an employee retention scheme, implemented following MoJ's decision to initiate the Property Transformation Programme	0.7	-
Total	**74.1**	**80.2**

Unquantified contingent liabilities

CICA: Incidents incurred but not yet received. this is an unquantifiable contingent liability in respect of a possible future obligation to individuals who have been victims of violent crime as at the end of the reporting period. This liability depends on uncertain future events occurring and an application being submitted which meets the criteria set out in the relevant scheme.

LAA: A provision has been recognised for litigation relating to the cyber-attack on legal aid systems, identified in April 2025 (Note 19), although liability has not been established and is not accepted. The provision is based on existing claims. However, there is considerable uncertainty around the total number of claims that may eventually be received, leading to the recognition of a related unquantified contingent liability.

The unknown potential claimant population is further complicated as the exfiltrated data is fragmented and contains overlapping populations, meaning a consolidated count overstates the number of impacted individuals. The extent of unknowns when compounded with the uncertainty about the merit, likely case outcomes, timing and potential claim values mean that an assessment of the possible outcomes or quantum cannot be reliably estimated and remains unquantified at the date of this disclosure. While unquantified, this contingent liability is potentially highly material. As we gain more certainty about these estimates, the effect of the contingent liability crystallising may have a significant impact on the related provision balance in future financial years.

GFSL: GFSL has undertaken a review of the potential application of the UK transfer pricing legislation to arrangements with MoJ and HMPPS. While there is a risk that the legislation could apply, management's current view, having consulted with MoJ and the Tax Centre of Excellence, is that HM Revenue and Customs is likely to accept the company's existing tax treatment. Given the uncertainty surrounding the application of the legislation and the difficulty in determining whether any arm's length adjustment would arise, no provision has been recognised. Accordingly, the matter has been disclosed as a contingent liability.

Contingent assets

At 31 March 2026, MoJ had one contingent asset in LAA, in relation to costs orders from legal proceedings. While recovery continues to be pursued, due to the uncertainty over the recoverable value it is not considered practicable to quantify this asset (31 March 2025: one in LAA, with an unquantified value).

26. Related party transactions

Associated departments and other central government bodies

MoJ is the parent of LAA, HMCTS, HMPPS, CICA and OPG agencies and the sponsor of NDPBs as listed in Note 28. All of these bodies are regarded as related parties with which the department has had various material transactions during the year. In accordance with the requirements of the FReM, these transactions have not been reported.

In addition, the department had a number of transactions with other government departments and central government bodies, as well as with local authorities. The most significant of these transactions have been with HM Revenue and Customs, Home Office, PCSPS and HM Treasury.

Management personnel

The brother of Nick Goodwin, the Chief Executive Officer of HMCTS, is a partner at Ward Hadaway, a law firm offering legal representation for cases that fall within the provision of LAA. In 2025-26, LAA made payments totalling £1 million (2024-25: £1.5 million) to Ward Hadaway.

Other

Registry Trust Limited is a private company limited by guarantee with no share capital. It maintains the register of county court judgements 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 (2024-25: £0.2 million).

Other interests and related parties of ministers which do not concern the department are disclosed at: www.gov.uk/government/publications/list-of-ministers-interests.

Lisa Haythorne, MBE, a non-executive board member since 1 January 2026, is Senior Solicitor at Derbyshire Law Centre. Since 1 January 2026, LAA has processed legal aid bills from Derbyshire Law Centre for £26,000 (including VAT), with £8,000 unpaid at 31 March 2026.

During 2025-26, no other board members or related parties have undertaken any transactions with MoJ. Compensation paid to management, including taxable benefits, is disclosed in the remuneration and staff report.

27. Third-party assets

MoJ holds, as custodian or trustee, certain assets belonging to third parties. These assets are not recognised in the CSoFP and neither MoJ nor the government has a direct beneficial interest in them.

Funds in court

MoJ manages funds held in court on behalf of clients who may be involved in a civil legal action, patients who are under the Court of Protection because they are not able to manage their property and affairs, and children under the age of 18. Client assets held at year end comprised cash, an equity index tracker fund and securities.

Cash holdings represent funds invested by UK Debt Management Office on behalf of the Accountant General in the Court Funds Investment Account and foreign exchange balances held on behalf of clients.

	31 March 2026	31 March 2025
	£000	£000
Cash at bank and on deposit	4,658,107	4,286,089
Securities	92,927	79,436
Total	**4,751,034**	**4,365,525**

Other third-party assets

	Official Solicitor and Public Trustee (OSPT)	Criminal injuries awards (CICA)	Pending legal aid amounts (LAA)	Bail monies (HMCTS)	Prisoner monies (HMPPS)	Total
	£000	£000	£000	£000	£000	£000
Cash	4,617	84,928	32,160	53,943	13,529	189,177
Investments	60,942	-	-	-	-	60,942
Non-cash assets	9,973	-	-	-	-	9,973
At 31 March 2026	**75,532**	**84,928**	**32,160**	**53,943**	**13,529**	**260,092**
At 31 March 2025	**73,175**	**85,385**	**28,438**	**48,570**	**13,706**	**249,274**

The rationale for each principal holding of third-party assets is as follows.

- The Official Solicitor (OS) administers trusts and estates as administrator and trustee of last resort. The OS acts as a last resort litigation friend, and in some cases solicitor, for adults who lack mental capacity and children (other than those who are the subject of child welfare proceedings) in court proceedings because they lack decision-making capacity in relation to the proceedings. The Public Trustee (PT) acts as executor or trustee where they have been appointed under a will or a new settlement with the aim of providing an effective executor and trustee service of last resort. The figures above represent the most up-to-date information available about assets managed by the OS and PT on behalf of clients.
- CICA holds third-party compensation awards to minors. The purpose of this action is to ensure that the victim will be the sole beneficiary of the award (including accrued interest) when they reach their majority (18 years of age). Where appropriate, interim payments are made. Requests for these are assessed on a case-by-case basis.
- LAA holds funds in respect of damages awarded to legally aided civil law clients and contributions payable by legally aided defendants in Crown Court trials. The outcome of the case and final costs assessment determine whether these funds are retained by LAA or returned to the clients.
- HMCTS holds cash consisting of bail monies and monies held on behalf of court users while cases progress.
- HMPPS holds cash on behalf of offenders.

28. The departmental boundary

Entities within the departmental boundary

Entities within the departmental boundary comprise supply-financed agencies and those entities listed in the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2025, known as the Designation Order.[156]

The core department

These are entities that are accounted for within the core accounting boundary. They are managed independently of the department.

- Advisory Committees on Justices of the Peace in England and Wales
- Chief Coroner's Office
- Civil Justice Council
- Civil Procedure Rule Committee
- Criminal Procedure Rule Committee
- Family Justice Council
- Family Procedure Rule Committee
- Independent Advisory Panel on Deaths in Custody
- Independent Monitoring Boards of Prisons, Immigration Removal Centres and Short-Term Holding Facilities
- Judicial Appointments and Conduct Ombudsman
- Judicial College
- Judicial Conduct and Investigations Office
- Judicial Office
- Law Commission
- Office of the Assessor of Compensation for Miscarriages of Justice
- Office of the Commissioner for Victims and Witnesses
- Office of HM Inspectorate of Prisons
- Office of HM Inspectorate of Probation
- Office of the Judge Advocate General
- Office of the Official Solicitor
- Office of the Prisons and Probation Ombudsman for England and Wales
- Office of the Standing Advocate for Victims of Major Incidents
- Prison Service Pay Review Body
- Public Trustee
- Sentencing Council for England and Wales
- Tribunal Procedure Committee

Supply-financed agencies

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

156 The Government Resources and Accounts Act 2000 (Estimates and Accounts) (Amendment) Order 2018 established the Press Recognition Panel as part of the MoJ departmental boundary. This is an administrative action on behalf of government with no change to the Lord Chancellor's responsibilities as stated under the charter. The Department for Culture, Media and Sport remains the policy lead in relation to the Press Recognition Panel.

Other entities captured in the departmental group including executive NDPBs

- Children and Family Court Advisory and Support Service
- Criminal Cases Review Commission
- Gov Facility Services Limited
- Independent Monitoring Authority for the Citizens' Rights Agreements
- Judicial Appointments Commission
- Legal Services Board
- Oasis Restore Trust
- Office for Legal Complaints
- Parole Board for England and Wales
- Recognition Panel
- Youth Justice Board for England and Wales

The annual reports and accounts for the individual entities can be found at: www.gov.uk/official-documents

29. Events after the reporting period

In accordance with the requirements of IAS 10 Events After the Reporting Period, events are considered up to the date on which the accounts are authorised for issue. The date the accounts are authorised for issue is interpreted as the same date the accounts are certified by the Comptroller and Auditor General.

Subsequent to the reporting date, on 20 July 2026, the Rt Hon Alex Norris MP was appointed Lord Chancellor and Secretary of State for Justice. On the same date, the Rt Hon David Lammy left his roles as Deputy Prime Minister, Lord Chancellor and Secretary of State for Justice.

Annexes

Annex A: Other notes to the Statement of Parliamentary Supply

This section is subject to audit.

SOPS 3. Reconciliation of net resource outturn to net cash requirement

				2025-26
		Outturn	Estimate	Net total outturn compared with estimate: saving/ (excess)
	Note	£000	£000	£000
Net resource outturn	SOPS 1.1	12,961,593	13,767,107	805,514
Capital outturn	SOPS 1.2	2,222,049	2,322,842	100,793
Adjustments to remove non-cash items:				
Depreciation and amortisation		(915,824)	(1,420,362)	(504,538)
New provisions and adjustments to previous provisions		(2,623,181)	(1,883,740)	739,441
Other non-cash items		(19,834)	-	19,834
Adjustments for NDPBs:				
Remove voted resource and capital		(375,886)	(408,716)	(32,830)
Add cash grant-in-aid		374,241	376,453	2,212
Adjustments to reflect movements in working balances:				
Increase/(decrease) in receivables		141,931	-	(141,931)
Increase/(decrease) in inventories		(6,058)	-	6,058
(Increase)/decrease in payables		(335,627)	350,000	685,627
(Increase)/decrease in financial liabilities		134,589	-	(134,589)
Use of provisions		2,495,559	1,484,851	(1,010,708)
Removal of non-voted items:				
Consolidated Fund standing services		(211,426)	(215,993)	(4,567)
OLC and LSB non-voted levy income		25,423	-	(25,423)
Other adjustments		-	25,716	25,716
Net cash requirement		**13,867,549**	**14,398,158**	**530,609**

As noted in the introduction to the SOPS, outturn and the estimates are compiled against the budgeting framework, not on a cash basis. This reconciliation therefore bridges the resource and capital outturn to the net cash requirement. The net cash requirement calculation only applies to the core department and executive agencies.

SOPS 4. Income payable to the Consolidated Fund

SOPS 4.1 Analysis of income payable to the Consolidated Fund

In addition to income retained by the department, the following income relates to the department and is payable to the Consolidated Fund.

	Outturn 2025-26		Outturn 2024-25	
	Income	Receipts	Income	Receipts
	£000	£000	£000	£000
Levy income of OLC and LSB within the ambit of the estimate	25,423	25,423	22,864	22,864
Total income payable to the Consolidated Fund	**25,423**	**25,423**	**22,864**	**22,864**

The department also collects fines and penalties imposed by the judiciary and police. However, these are excluded from the income reported here and are reported separately in the HMCTS Trust Statement which can be found at: www.gov.uk/government/publications/hm-courts-tribunals-service-trust-statement-2025-to-2026.

SOPS 4.2 Consolidated Fund income

Consolidated Fund income shown in SOPS 4.1 does not include any amounts collected by the department where it was acting as agent for the Consolidated Fund rather than as principal. The amounts collected as agent for the Consolidated Fund (which are otherwise excluded from the group financial statements) are set out in the table below.

	Outturn 2025-26	Outturn 2024-25
	£000	£000
Item		
Funds in court unclaimed balances	616	39,628
Other receipts	562	881
Amount payable to the Consolidated Fund	**1,178**	**40,509**
Balance held at the start of the year	146	67
Payments into the Consolidated Fund	(985)	(40,430)
Balance held on trust at the end of the year	**339**	**146**

Legislation changes from 1 February 2024 were made within the Administration of Justice Act 1982 and Court Funds Rules 2011, allowing for funds reaching the 30-year dormancy threshold to be transferred to the Consolidated Fund, at which point the liability to the beneficiary would cease. Because the Office of the Accountant General has no direct means of surrendering to the Consolidated Fund, these amounts were transferred via MoJ.

The first surrender of dormant funds took place in 2024-25 when £39.6 million was surrendered, representing the cumulative balance of all cases over 30 years. In 2025-26, £0.6 million was surrendered to the Consolidated Fund. Further details can be found in the Funds in Court in England and Wales annual report and accounts 2025-26: www.gov.uk/government/publications/funds-in-court-in-england-and-wales-account-2025-to-2026.

Annex B: Public expenditure core financial tables

The core tables represent expenditure for resource and capital, set for each year in the Spending Review process (amended to incorporate transfers of functions to other government departments as they have arisen). These tables are not reported on the same basis as the financial statement disclosures, with differing categories and headings.

The core tables are produced automatically from the HM Treasury Online System for Central Accounting and Reporting (OSCAR), which is used by all central government departments to record their spending and plans. At 31 March 2026, OSCAR reflects the position agreed at the Budget 2025. This will not match the outturn in previous years' financial statements and some spending may also appear on different lines, which may frequently result in restatement of the previous years' core table figures.

Section headings are based on the 2025-26 Supplementary Estimate headings. An explanation of increases in expenditure and income relating to these tables can be found in the long-term expenditure trends section in the performance report.

Table 1: Total departmental spending (£000)

	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Outturn	2024-25 Outturn	2025-26 Outturn	2026-27 Plans
RDEL							
Policy, corporate services and associated offices	566,838	704,139	810,027	932,609	1,020,248	1,085,423	819,765
HM Prison and Probation Service	4,599,619	4,241,015	4,642,263	5,305,652	5,676,010	6,053,335	6,489,206
HM Courts and Tribunals Service	1,865,942	2,039,906	2,117,191	2,294,226	2,396,747	2,564,950	2,355,093
Legal Aid Agency	1,550,239	1,787,143	1,912,249	2,154,655	2,279,185	2,375,167	2,416,264
Criminal Injuries Compensation Authority	165,837	170,237	167,391	161,126	163,344	179,943	170,778
Office of the Public Guardian	1,512	(2,552)	(8,338)	(18,745)	(20,352)	(19,068)	(27,371)
Children and Family Court Advisory and Support Service (net)	130,013	139,784	143,070	154,088	156,994	167,501	165,906

	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Outturn	2024-25 Outturn	2025-26 Outturn	2026-27 Plans
Criminal Cases Review Commission (net)	6,392	6,972	7,361	8,501	9,362	9,966	10,878
Judicial Appointments Commission (net)	7,274	7,730	8,777	9,326	9,659	10,655	11,285
Legal Services Board (net)	3,906	4,099	4,255	4,550	5,220	5,693	5,792
Office for Legal Complaints (net)	13,151	13,757	15,056	16,484	17,447	19,488	21,598
Parole Board (net)	20,360	21,507	23,139	28,239	31,782	33,682	33,801
Youth Justice Board (net)	86,312	93,804	100,884	105,243	103,925	106,549	12,637
Gov Facility Services Limited	(692)	(360)	(162)	485	508	221	1
Independent Monitoring Authority for the Citizens' Rights Agreements (net)	1,964	4,011	4,826	5,622	5,077	5,358	5,955
Oasis Restore Trust (net)	-	-	-	3,434	12,275	14,071	15,591
Higher judiciary judicial salaries	163,898	163,084	171,601	185,724	198,362	211,426	214,070
Office for Legal Complaints/Legal Services Board levy CFER	(17,067)	(17,804)	(19,390)	(21,101)	(22,864)	(25,423)	(28,100)
Total RDEL	**9,165,498**	**9,376,472**	**10,100,200**	**11,330,118**	**12,042,929**	**12,798,937**	**12,693,149**[157]
Of which:							
Staff costs	4,398,670	4,785,069	5,231,542	5,683,799	6,055,463	6,490,935	6,994,404
Purchase of goods and services	4,855,394	5,051,442	5,197,272	5,718,539	2,224,873	2,374,540	4,658,644
Income from sales of goods and services	(69,287)	(72,237)	(79,242)	(90,677)	(91,775)	(92,253)	(1,650,877)
Other income	(563,625)	(637,542)	(670,354)	(726,604)	(818,665)	(826,176)	(440,311)

157 Planned total RDEL, agreed as part of the Spending Review 2025: 2027-28 £12,927 million and 2028-29 £13,179 million.

	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Outturn	2024-25 Outturn	2025-26 Outturn	2026-27 Plans
Current grants to local government (net)	182,388	198,162	234,042	249,158	254,024	248,249	327,214
Current grants to persons and non-profit bodies (net)	43,135	49,970	57,106	59,082	54,823	62,255	-
Rentals	754,638	665,780	724,915	771,679	812,888	868,463	1,202,604
Depreciation[158,159]	598,957	717,143	803,968	943,151	1,162,511	1,048,077	-
Other resource	(1,034,772)	(1,381,315)	(1,399,049)	(1,278,009)	2,388,787	2,624,847	1,601,471
RAME							
Policy, corporate services and associated offices	(34,865)	119,815	33,780	345,854	117,403	(36,215)	2,016,977
HM Prison and Probation Service	63,648	104,637	13,654	(31,522)	(21,909)	(35,584)	137,277
HM Courts and Tribunals Service	23,678	69,436	(97,907)	7,349	2,789	129,955	482,700
Legal Aid Agency	89,133	39,570	122,684	102,673	87,403	43,157	134,743
Criminal Injuries Compensation Authority	(4,544)	(10,613)	4,506	81,150	114,236	67,147	43,636
Office of the Public Guardian	4,418	(29)	(838)	(733)	(548)	(160)	7,400
Children and Family Court Advisory and Support Service (net)	16,271	26,925	25,375	(409)	(1,678)	(5,939)	28,853
Criminal Cases Review Commission (net)	117	(73)	304	1,006	(762)	214	750
Judicial Appointments Commission (net)	-	10	(4)	(6)	(10)	36	88
Legal Services Board (net)	74	(74)	-	-	-	(24)	21

158 Includes amortisation and impairments.

159 Consolidated Budgeting Guidance has been updated from 2026-27. The update removed the RDEL ringfence and moved the scoring of depreciation and impairments to RAME.

	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Outturn	2024-25 Outturn	2025-26 Outturn	2026-27 Plans
Office for Legal Complaints (net)	24	-	72	67	197	266	691
Parole Board (net)	(141)	31	167	383	248	441	136
Youth Justice Board (net)	100	(54)	(45)	(63)	-	-	1,251
Gov Facility Services Limited	730	360	162	(485)	(508)	(186)	1
Independent Monitoring Authority for the Citizens' Rights Agreements (net)	-	-	-	-	-	-	101
Oasis Restore Trust (net)	-	-	-	-	-	(452)	1
Total RAME	**158,643**	**349,941**	**101,910**	**505,264**	**296,861**	**162,656**	**2,854,626**
Of which:							
Net public service pensions[160]	-	-	-	-	(213,665)	(222,227)	-
Depreciation[161]	62,744	95,663	(12,231)	102,883	217,824	139,858	2,586,131
Take-up of provisions	1,740,200	2,045,971	2,010,847	2,717,181	2,524,448	2,621,288	1,868,927
Release of provision	(1,724,849)	(1,985,172)	(2,048,096)	(2,275,338)	(2,406,394)	(2,495,167)	(1,600,432)
Change in pension scheme liabilities	219,073	370,991	342,292	139,706	166,353	126,846	-
Other resource	(138,525)	(177,512)	(190,902)	(179,168)	8,295	(7,942)	-
Total resource budget	**9,324,141**	**9,726,413**	**10,202,110**	**11,835,382**	**12,339,790**	**12,961,593**	**15,547,775**
Of which:							

160 Pension schemes report under IAS 19 Employee Benefits accounting requirements. These figures therefore include cash payments made and contributions received, as well as certain non-cash items.

161 Includes amortisation and impairments.

	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Outturn	2024-25 Outturn	2025-26 Outturn	2026-27 Plans
Depreciation[162]	661,702	812,806	791,737	1,046,034	1,380,335	1,187,935	2,586,131
CDEL							
Policy, corporate services and associated offices	272,558	426,544	350,777	252,708	363,724	485,413	208,903
HM Prison and Probation Service	502,217	496,903	784,489	949,945	999,118	1,492,551	1,839,978
HM Courts and Tribunals Service	287,920	483,338	210,191	228,269	166,742	227,911	308,980
Legal Aid Agency	491	3,416	3,443	(290)	(32)	448	300
Criminal Injuries Compensation Authority	1	104	57	5,290	62	(39)	1
Office of the Public Guardian	(47)	8,295	926	1,138	(89)	7,878	100
Children and Family Court Advisory and Support Service (net)	449	658	8,664	2,041	3,147	5,244	2,300
Criminal Cases Review Commission (net)	659	455	35	165	416	129	217
Judicial Appointments Commission (net)	513	117	-	-	-	-	1
Legal Services Board (net)	21	10	12	148	31	14	274
Office for Legal Complaints (net)	245	145	299	244	2,405	515	500
Parole Board (net)	421	235	246	42	500	492	500
Youth Justice Board (net)	729	598	637	109	1,104	484	610
Gov Facility Services Limited	401	-	-	1,071	1,850	-	1
Independent Monitoring Authority for the Citizens' Rights Agreements (net)	-	40	61	(61)	216	-	1

162 Includes amortisation and impairments.

	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Outturn	2024-25 Outturn	2025-26 Outturn	2026-27 Plans
Oasis Restore Trust (net)	-	-	-	17,593	1,185	1,420	1
Total CDEL	**1,066,578**	**1,420,858**	**1,359,837**	**1,458,412**	**1,540,379**	**2,222,460**	**2,362,667**[163]
Of which:							
Capital support for local government (net)	1,754	(1)	10,537	568	-	-	-
Purchase of assets	1,123,681	1,480,427	1,372,075	1,468,462	1,530,536	2,224,655	2,334,617
Income from sales of assets	(5,425)	(7,231)	(30,075)	(14,459)	(10,310)	(9,070)	(10,000)
Other capital	(53,432)	(52,337)	7,300	3,841	19,927	6,875	38,050
Transfers	-	-	-	-	226	-	-
CAME							
Policy, corporate services and associated offices	-	3,555	4,896	4,675	(854)	1,254	14,189
HM Prison and Probation Service	-	1,340	-	-	-	(1)	1
HM Courts and Tribunals Service	-	3,919	(270)	(601)	(364)	49	500
Legal Aid Agency	-	90	251	96	-	229	1
Criminal Injuries Compensation Authority	-	-	395	1,310	(213)	(789)	1
Office of the Public Guardian	-	1,222	336	1,013	188	(1,201)	1
Children and Family Court Advisory and Support Service (net)	-	393	-	784	50	17	300
Criminal Cases Review Commission	-	27	-	-	-	-	1

163 Planned CDEL, agreed as part of the Spending Review 2025: 2027-28 £2,340 million, 2028-29 £2,340 million and 2029-30 £1,990 million.

	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Outturn	2024-25 Outturn	2025-26 Outturn	2026-27 Plans
Legal Services Board (net)	-	-	-	-	-	-	1
Office for Legal Complaints (net)	-	-	-	194	238	31	1
Youth Justice Board (net)	-	-	-	-	-	-	1
Gov Facility Services Limited	-	-	-	-	-	-	1
Independent Monitoring Authority for the Citizens' Rights Agreements (net)	-	-	-	-	-	-	1
Oasis Restore Trust (net)	-	-	-	-	25	-	1
Total CAME	**-**	**10,546**	**5,608**	**7,471**	**(930)**	**(411)**	**15,000**
Total capital	**1,066,578**	**1,431,404**	**1,365,445**	**1,465,883**	**1,539,449**	**2,222,049**	**2,377,667**
Total departmental spending[164]	**9,729,017**	**10,345,011**	**10,775,818**	**12,255,231**	**12,498,904**	**13,995,707**	**15,339,311**
Of which:							
Total DEL[164]	9,633,118	10,080,187	10,656,069	11,845,379	12,420,797	13,973,320	15,055,816
Total AME[164]	95,899	264,824	119,749	409,852	78,107	22,387	283,495

164 Total departmental spending is the sum of resource and capital outturn less depreciation. Similarly, total DEL is the sum of the RDEL and CDEL less depreciation in DEL, and total AME is the sum of RAME and CAME less depreciation in AME.

Table 2: Administration costs (£000)

Section headings are based on 2025-26 Supplementary Estimate headings.

	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Outturn	2024-25 Outturn	2025-26 Outturn	2026-27 Plans
Policy, corporate services and associated offices	350,763	369,735	404,389	438,275	475,440	493,002	476,648
HM Prison and Probation Service	19,516	24,091	24,999	21,762	16,050	14,364	17,671
HM Courts and Tribunals Service	19,636	20,288	21,912	21,961	23,634	29,064	24,305
Legal Aid Agency	19,456	16,468	13,894	15,098	16,999	19,261	12,945
Criminal Injuries Compensation Authority	2,063	770	(685)	(446)	(326)	1,256	463
Office of the Public Guardian	63	67	74	81	84	105	-
Children and Family Court Advisory and Support Service (net)	5,295	5,192	5,412	5,820	7,700	5,699	6,152
Criminal Cases Review Commission (net)	751	715	778	946	974	1,023	882
Judicial Appointments Commission (net)	399	434	717	652	677	770	914
Legal Services Board (net)	-	1	-	-	-	-	-
Parole Board (net)	998	982	3,157	2,994	2,418	2,244	2,844
Youth Justice Board (net)	3,255	3,094	3,610	2,985	3,168	3,359	3,574
Independent Monitoring Authority for the Citizens' Rights Agreements (net)	1,362	2,542	2,963	3,544	2,734	2,874	2,892
Oasis Restore Trust (net)	-	-	-	3,434	-	-	-

	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Outturn	2024-25 Outturn	2025-26 Outturn	2026-27 Plans
Higher judiciary judicial salaries	76	89	109	99	92	77	-
Total administration	**423,633**	**444,468**	**481,329**	**517,205**	**549,644**	**573,098**	**549,290**[165]
Of which:							
Staff costs	284,053	312,538	349,749	373,009	403,170	411,949	394,047
Purchase of goods and services	133,292	137,186	149,547	146,408	136,420	143,472	152,266
Other income	(47,642)	(46,187)	(47,287)	(38,027)	(36,723)	(39,478)	(31,291)
Rentals	24,741	5,755	6,980	198	540	943	33,190
Depreciation[166]	27,189	33,629	32,506	36,363	36,735	35,660	-
Other resource	2,000	1,547	(10,166)	(746)	9,502	20,552	1,078

165 Total for 2026-27 is consistent with the published Main Estimates. Minor changes will be published in the Supplementary Estimates. Future planned administration spend, agreed as part of the Spending Review 2025, is 2027-28 £554 million and 2028-29 £527 million.

166 Includes amortisation and impairments.

Annex C: Information on arm's length bodies

The department is required to report total operating income, total operating expenditure and net expenditure for the year and staff numbers and costs for each component arm's length body. The table below includes the final consolidated figures in the department's accounts including adjustments and intragroup eliminations. As a result of adjustments on consolidation, the annexed figures may not agree directly to the published arm's length bodies' accounts.

				Permanently employed staff		Other staff	
	Total operating income	Total operating expenditure	Net expenditure for the year (including financing)	Number of employees	Staff costs	Number of employees	Staff costs
	£000	£000	£000		£000		£000
Children and Family Court Advisory and Support Service	(2,044)	163,606	161,562	2,030	128,552	98	9,695
Criminal Cases Review Commission	(6)	10,186	10,180	123	7,307	-	584
Judicial Appointments Commission	(26)	11,652	11,626	107	6,746	23	1,900
Legal Services Board	(2)	5,671	5,669	44	3,737	-	598
Office for Legal Complaints	(676)	20,430	19,754	297	15,476	7	404
Parole Board	-	35,195	35,195	231	11,131	1	18,129
Youth Justice Board	(105)	108,021	107,916	91	6,690	2	133
Gov Facility Services Limited	(207,186)	207,221	35	1,380	68,573	424	15,777
Independent Monitoring Authority for the Citizens' Rights Agreements	-	5,715	5,715	58	4,185	-	-
Oasis Restore Trust	(103)	13,722	13,619	143	7,407	-	186

All tabled information was correct and accurate at the approval date of the accompanying annual report and accounts.

Staff numbers are presented by the average number of full-time equivalent staff. The costs of board members, panel members and commissioners of arm's length bodies are included in other staff costs above, but there is no corresponding full-time equivalent figure assigned against these individuals because it would not be appropriate to do so.

Annex D: Report by the Secretary of State on the use of powers under section 70 of the Charities Act 2006 for the year 2025-26

Section 70 of the Charities Act 2006 sets out the powers for ministers to give financial assistance to charitable, benevolent or philanthropic institutions and requires that payments made under this power are reported.

During 2025-26, the department awarded grants totalling £7,714,144 under the provisions of the Act. This spending does not represent the total amount of grant funding provided to the voluntary and community sector, as many other grants have been paid to this sector under the powers conferred by alternative legislation.

The activities undertaken by various organisations which the department has funded are in line with the department's aims and objectives. The table below sets out the financial assistance provided by the Secretary of State under these powers for 2025-26.

Name of organisation (recipient)	Grant name (title)	Amount (£)
The Royal Courts of Justice and Islington Citizens Advice Bureaux	Miscarriages of justice	100,000
The Citizenship Foundation	Magistrates' court mock trial competition	25,000
Circles UK	Circles UK: Provision and development of circles of accountability	111,240
Reunite International Child Abduction Centre	Reunite International	122,000
National Association of Child Contact Centres	Supported child contact centres	450,000
National Association of Child Contact Centres	National Association of Child Contact Centres	192,000
Law for Life: The Foundation for Public Legal Education	Online support and advice grant	184,712
The Butler Trust	The Butler Trust	125,000
Access to Justice Foundation	Improving outcomes through legal support	6,096,000
Anawim and Black Country Women's Aid	Intensive supervision court women's centres	135,000
Advicenow	Online support and advice grant	173,192
Total		**7,714,144**

Annex E: Reconciliation between contingent liabilities reported in the Supply Estimate and those reported in the annual report and accounts

Table 1: Quantifiable contingent liabilities

		Supply Estimate*	Annual report and accounts	Variance
Description	**Entity**	**£million**	**£million**	**£million**
Employment tribunals	HQ	2.1	2.3	(0.2)
Judicial review	HQ	-	0.4	(0.4)
Legal claims	HQ	5.1	1.2	3.9
HMCTS refunds for council tax liability orders	HMCTS	3.4	-	3.4
Legal cases dealing with ex gratia, compensation and other claims	HMCTS	0.3	0.9	(0.6)
Personal injury claims by staff, prisoners and third parties	HMPPS	65.0	66.4	(1.4)
OPG employment tribunal claims	OPG	0.3	0.3	-
Offers of compensation not accepted within time limits	CICA	2.2	1.9	0.3
Employee retention scheme	GFSL	-	0.7	(0.7)

*Supplementary Estimate February 2026

Explanations for material variances

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.

Table 2: Unquantifiable contingent liabilities

Description	Entity	Supply Estimate*	Annual report and accounts
Incidents incurred but not yet received: in respect of individuals who have been victims of violent crime but have not yet applied to CICA	CICA	Yes	Yes
LAA: unquantified contingent liability in respect of legal claims	LAA	Yes	Yes
Legal claims for judges sitting in retirement	HMCTS	Yes	No
Tax on transfer pricing	GFSL	No	Yes

*Supplementary Estimate February 2026

Table 3: Remote (non-IAS 37) contingent liabilities

Description	Entity	Supply Estimate*	Annual report and accounts	£000
Quantified				
Heathrow Airport Holdings Limited and other third parties indemnity	HMPPS	No	Yes	-
Unquantified				
Privately managed prisons: HMPPS would be liable as underwriter of last resort to meet certain losses incurred by the privately managed prisons	HMPPS	No	Yes	
CICA: Compensation cases at appeal stage, under the jurisdiction of the First-tier Tribunal – Criminal Injuries Compensation which may proceed to judicial review	CICA	No	Yes	

Only contingent liabilities that meet the definition within IAS 37 Provisions, Contingent Liabilities and Contingent Assets are included in the Supply Estimates.

*Supplementary Estimate February 2026

Glossary

Accounting officer		A person appointed by HM Treasury or designated by a department to be accountable for the operations of an organisation and the preparation of its accounts. The appointee is usually the head of a department or other organisation, or the chief executive of a non-departmental public body.
Administration budget		An HM Treasury budgetary control that forms part of the resource departmental expenditure limit (DEL). It is normally spent on the running costs of the department and its agencies, including back office staff and accommodation.
Annually managed expenditure	AME	An HM Treasury budgetary control. AME is spending included in total managed expenditure, which does not fall within DEL. Expenditure in AME is generally less predictable and controllable than expenditure in DEL. AME is split between resource and capital expenditure.
Capital expenditure		Spending on assets and investment.
Cash losses		Physical losses of cash and its equivalents which we have recorded receipt of (such as cheques, vouchers, credit cards, and electronic transfers).
Cash equivalent transfer value	CETV	The overall value, as calculated by an actuary, of an individual's pension entitlement. This is the anticipated cost of providing the pension throughout retirement.
Claims abandoned		Losses that may arise if claims are waived or abandoned because, though properly made, it is decided not to present or pursue them.
Consolidated Fund		The government's current account, operated by HM Treasury.
Consolidated Fund extra receipt	CFER	Income, or related cash, received by a department that it is not authorised to retain and which are surrendered or paid over to the Consolidated Fund.
Constructive loss		A loss caused by a procurement action. For example, stores correctly ordered, delivered or provided, then paid for as correct. But later, perhaps because of a change of policy, they prove not to be needed or to be less useful than when the order was placed.
Departmental expenditure limit	DEL	An HM Treasury budgetary control. Annually voted expenditure which covers the day-to-day, planned and controllable departmental expenditure. DEL is split between resource (RDEL) and capital expenditure (CDEL).

Estimate (or Supply Estimate)		Supply Estimates are the means by which Parliament gives approval to (and grants resources for) departmental spending plans. The amount approved by Parliament is often termed 'the Vote'. The resources granted in the Vote are specifically for the set of departmental operations covered under the ambits. The Vote also includes the net cash requirement.
Executive agency		A public body which, while being a separate entity to its parent or sponsoring government department, is subject to significant control from the department and its ministers. Executive agencies usually have a narrow remit covering one policy area of the parent department.
Ex-gratia payments		Payments made when there is no legal obligation to do so. Ex-gratia payments go beyond statutory cover, legal liability or administrative rules.
Extra-contractual claims		Claims for damages for breach of contract, also known as common law claims.
Fees and charges		A department's income generated from services where it is permitted to charge recipients for the service.
Government Financial Reporting Manual	FReM	The HM Treasury technical guide to accounts preparation for government bodies. www.gov.uk/government/collections/government-financial-reporting-manual-frem
Fruitless payment		A payment that cannot be avoided because the recipient is entitled to it even though the department will receive nothing of use in return.
Grant-in-aid		Grant provided to a body by government for a specific purpose. Most NDPBs are grant-in-aid funded.
Inland Revenue off-payroll tax	IR35	The IR35 rules make sure that workers, who would have been employees if they were providing their services directly to the client, pay broadly the same income tax and national insurance contributions as employees.
International Financial Reporting Standards	IFRS	The set of financial reporting standards adopted by the government, as adapted by the FReM. IFRS comprises International Accounting Standards (IAS) and IFRS.
Managing Public Money		The HM Treasury guide for civil and other public servants containing the principles for dealing with public resources. www.gov.uk/government/publications/managing-public-money
Materiality		The threshold above which amounts in the financial statements affect the decisions of users of the accounts. The threshold is subject to judgement and may depend on value, nature (for example, senior staff salaries are low in value, but of significant interest to readers of the accounts) or context.

National Audit Office		Office of the Comptroller and Auditor General, which audits accounts of government bodies and carries out value for money inspections within the bodies it audits. www.nao.org.uk
Net cash requirement		The limit voted by Parliament reflecting the maximum amount of cash that can be released from the Consolidated Fund to a department in support of expenditure in its estimate.
Non-departmental public body	NDPB	A body which is not an integral part of a department, and which operates at arm's length from ministers (in contrast to an executive agency).
Other comprehensive income/expenditure		A section of the Consolidated Statement of Comprehensive Net Expenditure which contains gains and losses which are not yet recognised in profit and loss (such as revaluations of non-current assets).
Private finance initiative	PFI	A means of funding public infrastructure or services by collaboration between the public and private sectors. Typically, a private sector contractor will build and operate an asset, which the public sector entity will use to deliver services for which it pays an annual charge.
Programme budget or expenditure		A department's direct frontline delivery costs, including support costs directly associated with frontline service delivery.
Regularity		The principle that all consumption of resources should be made in accordance with the legislation authorising them, any applicable delegated authority and Managing Public Money.
Resource expenditure		The department's resource budget, as voted by Parliament. Resource expenditure reflects the consumption of resources in that year.
Service concession arrangement	SCA	An arrangement whereby a public sector body contracts with a private operator to develop (or upgrade), operate and maintain the grantor's infrastructure assets (such as prisons). The grantor controls or regulates what services the operator must provide.
Spending Review		A cross-government review of departmental aims and objectives and analysis of spending programmes which results in the allocation of multi-year budgetary limits.
Store losses		Losses of accountable stores through damage, obsolescence, fraud, theft, arson or any other causes.
Supply		The funds paid to the department by HM Treasury. The amount paid in the year is shown in the Consolidated Statement of Changes in Taxpayers' Equity.

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