

EXPLANATORY MEMORANDUM TO
The County Courts (Financial Limits) Order (Northern Ireland) 2026

S.R. 2026 No. XX

1. Introduction

- 1.1. This Explanatory Memorandum has been prepared by the Department of Justice to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under Article 22(1) of the County Courts (Northern Ireland) Order 1980 ("the Order") and is subject to the negative resolution procedure.

2. Purpose

- 2.1. The Statutory Rule will amend Articles 10 (paragraphs 1 and 2) and 30 (paragraph 1) of the Order to increase the jurisdictional limit of the county court from £30,000 to £60,000, increase its jurisdiction to hear actions in respect of libel and slander from £3,000 to £10,000, and increase the civil jurisdiction exercisable by district judges from £10,000 to £20,000.
- 2.2. The increases are intended to ensure that civil proceedings are heard at a court tier proportionate to their value and complexity and to support the effective use of judicial and administrative resources.

3. Background

- 3.1. The general civil jurisdiction of the county court and the financial limit for civil jurisdiction exercisable by district judges were last increased in 2013, from £15,000 to £30,000 and from £5,000 to £10,000 respectively. The limit for claims in respect of libel or slander has remained at £3,000 since 1993.
- 3.2. Since 2013, two reviews of the justice system in Northern Ireland have considered the allocation of civil business between the High Court and county court. A Strategy for Access to Justice: The Report of Access to Justice II ("the Stutt Review"), published in 2015, and the Review Group's Report on Civil Justice ("the Gillen Review"), published in 2017, recommended increases in county court jurisdiction as part of wider measures to improve access to justice and make proportionate use of court and judicial resources.
- 3.3. The existing financial limits have also reduced in real terms since they were last increased. As a result, proceedings that might previously have fallen within the jurisdiction of the county court may now exceed the existing limits, notwithstanding that their value or complexity may not warrant determination in the High Court. Increasing the limits is intended to restore a more proportionate distribution of civil business between the court tiers and to allow a greater number of cases to be heard in local county courts.

4. Consultation

- 4.1. The Department conducted a public consultation between 4 February and 30 April 2021 on proposals to improve the efficient disposal of civil proceedings. The consultation sought views on increases to the general civil jurisdiction of the county court and the financial limit for civil jurisdiction exercisable by district judges. It also sought views on related matters, including the jurisdiction of the small claims court, clinical-negligence claims, removal of proceedings from the county court to the High Court and the limit for claims in respect of libel or slander.
- 4.2. Eighteen responses were received from representatives of the legal profession, the judiciary, insurers, public-sector organisations and other interested parties. A summary of consultation responses and the Department's proposed next steps was published in November 2021.
- 4.3. Fifteen respondents expressed a view on the proposed increases to the general civil and district judge jurisdictions. Nine supported increases to £60,000 and £20,000 respectively. Four responses favoured another option (a substantial increase to £100,000 and £35,000), while two preferred to maintain the current position. The Department decided to proceed with increases to £60,000 and £20,000, which were supported by the largest number of respondents and were consistent with the recommendation made by the Gillen Review.
- 4.4. Seven respondents expressed a view on increasing the jurisdiction of the county court in claims for libel or slander. Five supported an increase to £10,000 and two opposed the proposal.
- 4.5. In accordance with Article 22(1) of the 1980 Order, the Department also consulted the Lady Chief Justice on the proposed increases.

5. Equality Impact

- 5.1. The policy to which this Statutory Rule gives effect has been screened for any possible impact on equality of opportunity affecting the groups listed in section 75 of the Northern Ireland Act 1998 and no adverse or differential aspects were identified. The equality screening exercise found proposals are likely to have a positive impact, particularly on those with mobility or dependency issues, as changes will improve access to justice by ensuring a greater number of cases be heard in convenient local courts.

6. Regulatory Impact

- 6.1. A Regulatory Impact Assessment was undertaken as part of the 2021 consultation. A subsequent business case appraisal considered the likely costs, benefits and operational effects of increasing the general civil jurisdiction and the financial limit for civil jurisdiction exercisable by district judges.
- 6.2. The measure is expected to support a more proportionate distribution of civil business between the High Court and county court. It may also provide greater certainty for businesses and other litigants in relation to recoverable legal costs, as county court proceedings are generally subject to prescribed scale costs, whereas the High Court does not operate an equivalent scale.

7. Financial Implications

- 7.1. The business case identified an estimated modest net additional cost of approximately £91,000 over four years. This reflects the combined effect of additional fee-paid judicial resources and an initial reduction in court-fee income.
- 7.2. The redistribution of civil business is expected to reduce some demand on High Court and county court judges while increasing the caseload falling within the jurisdiction exercisable by district judges. The appraisal concluded that this would not require the appointment of an additional full-time salaried district judge. However, provision may be required for fee-paid deputy district judges or deputy statutory officers, at an estimated recurring cost of £15,000 to £16,000 per year.
- 7.3. Court-fee income is initially expected to reduce by approximately £14,000 per year because the fees payable in the county court are generally lower than those payable in the High Court. The Northern Ireland Courts and Tribunals Service intends to review court fees after a bedding-in period to ensure that they appropriately reflect the administrative and judicial work required to process and dispose of proceedings.
- 7.4. The redistribution of cases is also expected to release judicial capacity with an estimated resource value of approximately £10,000 per year. This will not be realised as a cash saving but may allow judicial resources to be directed to other priorities.

8. Section 24 of the Northern Ireland Act 1998

- 8.1. The Department has considered its obligations under section 24 of the Northern Ireland Act 1998 and is satisfied that this Statutory Rule is compliant.

9. EU Implications

- 9.1. Not applicable.

10. Parity or Replicatory Measure

- 10.1. Not applicable.

11. Additional Information

- 11.1. Not applicable.