

EXPLANATORY MEMORANDUM TO
The County Court (Amendment) Rules (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 under Article 47 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 amends the County Court Rules (Northern Ireland) 1981 ("the Rules") to extend the county court scale costs to proceedings falling within the increased financial limits of the county court. The scales prescribe the legal costs generally recoverable between the parties in county court proceedings.
- 2.2. The County Courts (Financial Limits) Order (Northern Ireland) 2026 increased the general civil jurisdiction of the county court from £30,000 to £60,000, the financial limit for the civil jurisdiction exercisable by district judges from £10,000 to £20,000, and the jurisdiction of the county court in claims for libel or slander from £3,000 to £10,000.
- 2.3. The Statutory Rule introduces six additional scale-cost bands at £5,000 intervals for proceedings within the increased general civil jurisdiction, and three additional bands for claims in respect of libel or slander up to the new £10,000 limit.
- 2.4. The Statutory Rule also amends Order 55, rule 11(1)(ba) of the Rules to include specified lung diseases as categories of case in which a judge or district judge may enhance costs if satisfied that the issues are particularly complex.
- 2.5. The Statutory Rule has been made by the County Court Rules Committee and allowed by the Department of Justice after consultation with the Lady Chief Justice.

3. Background

- 3.1. The County Court Rules Committee is responsible for making rules governing practice and procedure in the county courts, including rules concerning costs. Under the existing county court scale costs, costs recoverable between the parties are generally determined by reference to the nature, value and outcome of the proceedings.
- 3.2. The financial limits of the county court are a matter for the Department of Justice. The County Courts (Financial Limits) Order (Northern Ireland) 2026 increased the general civil jurisdiction of the county court to £60,000, the financial limit for civil jurisdiction exercisable by district

judges to £20,000, and the jurisdiction for claims in respect of libel or slander to £10,000. The amendments made by this Statutory Rule are consequential to those increases.

- 3.3. Without corresponding amendments to the Rules, the existing County Court Scale Costs would not provide bands covering proceedings within the increased financial limits. The Rules Committee therefore considered how costs should be prescribed for those proceedings.

4. Consultation

- 4.1. The County Court Rules Committee conducted a public consultation between 15 May and 10 July 2026 on the manner in which costs should be prescribed for proceedings falling within the increased financial limits.
- 4.2. The consultation proposed retaining the existing value-based scale structure and introducing six additional bands at £5,000 intervals for proceedings within the increased general civil jurisdiction. In determining the amounts for the additional bands for the general civil jurisdiction, the Rules Committee considered the existing County Court Scale Costs, and the costs currently applicable to proceedings of comparable value in the High Court for both solicitor's costs and counsel's fees.
- 4.3. In relation to libel and slander, the Rules Committee proposed three additional bands for claims in respect of libel or slander up to the new £10,000 limit. It then calculated the average percentage increase across the existing successive bands and then applied that to the costs and fees within the new bands.
- 4.4. A previous inflationary uplift to scale costs in The County Court (Amendment) Rules (Northern Ireland) 2025 did not apply an inflationary uplift to the existing ceiling on a solicitor's 'refresher fee' which relates to an additional amount allowed for a solicitor's continued attendance when a hearing lasts beyond a day. The Rules Committee proposed that the inflationary uplift should now be applied, together with a further increase from a ceiling of £600 to £1,000, to take account the increased demands placed on legal practitioners in cases which may last more than one day following the increase in the civil jurisdiction of the county court.
- 4.5. Finally, the consultation also sought views on including specified lung diseases within the categories of case in which enhanced costs may be awarded where the issues are particularly complex.
- 4.6. Fourteen responses were received from a broad range of stakeholders, including members and representatives of the legal profession, the judiciary, insurers and representative bodies. The Rules Committee considered the responses before making the Statutory Rule.
- 4.7. In accordance with Article 47(4) of the 1980 Order, the Department consulted the Lady Chief Justice before allowing the Statutory Rule.

5. Equality Impact

- 5.1. The County Court Rules Committee carried out an equality screening and concluded that the proposals do not have significant implications for

equality of opportunity and that an equality impact assessment was not necessary.

6. Regulatory Impact

- 6.1. A Regulatory Impact Assessment was undertaken as part of the wider consultation carried out by the Department. The combined effect of the increased jurisdictional limits and the extension of the County Court Scale Costs may benefit businesses and other litigants by enabling more proceedings to be dealt with under the county court's more predictable costs arrangements.
- 6.2. The county court scale costs offer greater predictability for litigants as to the potential financial implications should they be unsuccessful in their claim, bearing in mind the 'loser pays' principle which means the losing party has to pay for their own legal costs, as well as that of the other side.
- 6.3. In the High Court, legal costs are not fixed and can vary, meaning it is sometimes unpredictable how much litigants will have to pay and, in some cases, that uncertainty may affect a prospective litigant's assessment of the financial risks of pursuing or defending proceedings. Costs can be assessed in a process known as 'taxing' by the Taxing Master in the High Court. In personal injury claims, many barristers and solicitors in Northern Ireland use non-statutory scales which ensure that their fees are proportionate to the value of a case which allows for some predictability of legal costs.

7. Financial Implications

- 7.1. The amendments concern the costs recoverable between the parties in county court proceedings and are not expected to have a direct impact on public expenditure.

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.