Government Property Agency

Annual Report and Accounts 2021-22

(For the year ending 31 March 2022)

HC 393

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(For the year ending 31 March 2022)

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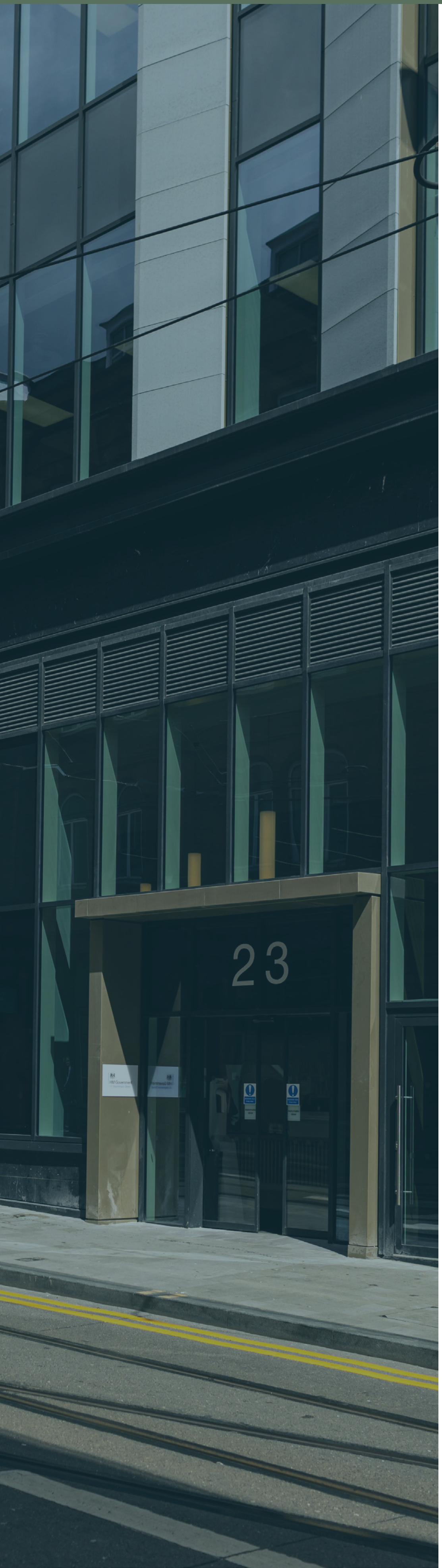
Foreword

We have continued to grow the estate under our management



PAT RITCHIE CBE

CHAIR

Government Property Agency

It has been a challenging and successful year for the GPA. We have worked hard to keep our offices safe and secure throughout the COVID-19 pandemic and made progress on our 10-year strategy. We continue to grow our office estate to be the largest in Government, supporting productivity in every nation and region of the UK, shaping interventions for hybrid working and improving the experience of the workplace for Civil Servants and improving the sustainability and condition of our estate.

We have directly supported the Government's levelling up and efficiency policies by delivering new office space in Wolverhampton, interim space in Darlington to support HM Treasury relocation, and major Hubs in Croydon and Peterborough. We have undertaken a major programme of transformation with a greater focus on commercial skills and improving client satisfaction. We are putting customer service at the heart of everything we do and our Client Satisfaction Strategy will ensure we meet the needs of our customers through people focused workplace services.

We will continue to deliver what is important to clients, reduce carbon emissions and act commercially to deliver savings for the Government. I would like to thank my fellow board members, the chief executive and executive team, all my colleagues in the GPA and our partner agencies for their continued hard work as we look forward to delivering on our ambitious programmes in the year ahead.

I am extremely grateful for the hard work and commitment shown by all staff. They should be very proud of what they have achieved over the last 12 months.

STEVEN BOYD MBE

CEO

Government Property Agency

As Accounting Officer, I am pleased to present our Annual Report and Accounts, which provide a fair and robust overview of the 2021-22 reporting period.

We continued to be at the forefront of responding to COVID-19 and I am particularly proud of the way we managed the safe operation of the GPA managed buildings throughout the year. We continued to support our clients with a return to the workplace and continued to help departments reach Smarter Working maturity, with a total of 14 mature departments to date.

In the first year of delivering against our 10 year strategy, we have continued to deliver on our strategic objectives and we have grown our property assets from £872m to £1.9bn. This equates to c700,000 m2 in which we have restricted vacant space to 0.61 per cent.

We have continued to deliver great spaces for civil servants. We have found space for 4,300 people in existing Government property in the regions avoiding extra running costs, opened new offices in Wolverhampton and Birmingham and we have also continued to progress Hub projects at Darlington, Croydon and Peterborough. In London, we closed 13 Central London offices making a total of 31 closures since April 2017. Over the last year we have invested more in improving the condition of our estate and will continue to invest in Net Zero interventions to deliver against the Government's target of 50 per cent carbon reduction in its offices by 2032. The impact of these interventions has resulted in over 1,200 tCO2e per annum and over £560k in annual utility savings.

We used our commercial acumen to keep building the benefits delivered to Government which has included the procurement of a third Party Logistics contractor to store Personal Protective Equipment (PPE). During this period we launched our procurement for a strategic property partner and as a result, in May 2022, we awarded the contract to BNP Paribas Real Estate.

We have also established cross-Government standards for Property Technology, deployed Gov Pass (a common, cross Government access pass) to over 17,000 civil servants, and rolled out our Occupancy Monitoring methodology to 23 of our buildings.

We have created a GPA Data Warehouse, centralising our data in a repository that collects many different data sets from across the GPA and will provide access to this data in the form of reports and dashboards to all our staff enabling improvements in the way in which we work.

We have continued to grow and develop as an organisation building capability including through the introduction of our Core Skills framework to further strengthen our skills base. Despite all the challenges, we have continued to build our culture and way of doing things; we have supported each other, and continued our extensive and regular staff engagement. 100 per cent of our people completed our People Survey for the second year in a row.

There has been real progress over the last 12 months. We recognise that there is still more to do and my thanks go out to the team for their hard work commitment and dedication. We can be proud of what we have achieved so far and we will continue to build on this over the next year.

Closures include the GPA in its shadow form between 2017-18.

Introduction

Our vision is to create…

A transformed, shared, sustainable and value for money Government estate supporting civil servants to work productively in every nation and region of the UK.

The GPA is a public sector property holding company creating great places to work for civil servants.

- We define the strategy, and deliver outcomes, for the Government's office and warehouse portfolios.
- We act as the single landlord for our Government department clients.
- We provide workplace services to our clients, where required.
- Using our civil service know-how and commercial expertise, we are transforming the estate to be shared, sustainable and value for money.

We are a key enabler of the Government's Levelling Up agenda

We are delivering the Government Hubs Programme, enabling the move of 22,000 roles out of London by 2030. This programme is a key enabler of the Governments Levelling Up agenda. We have continued to increase our office portfolio (37 per cent of all Government offices), on-boarded more departments and increased the value of property assets (£1.9bn) up by 79 per cent. We have also continued to provide COVID-19 support to our clients across Government.

In the regions, we are: supporting Places for Growth by providing space to relocate roles from London into clusters of similar skills; consolidating fragmented, poor-quality holdings into high-quality, digitally-enabled properties in 'campuses' made up of 'hubs' in cities and 'spokes' in small towns; requiring our suppliers to support skills and small and medium sized enterprises; and working with local authorities to regenerate brownfield sites.

Our 10-year strategy was approved by Ministers in 2020: Our vision is by 2030 to create a transformed, shared, sustainable, value for money Government estate supporting civil servants to work productively in every nation and region of the UK.

Considerable progress has been made towards this vision. We are replacing and upgrading the office estate; removing the barriers preventing departments from sharing space; reducing carbon emissions; and delivering impressive savings.

As we enter our second year of delivering on our 10 year strategy, we have substantially increased the space we own and manage for departments from just over 300,000 sq m at 31 March 2021 to over 700,000 sq m at 31 March 2022 as well as enabling significant changes through our continued response

2021-22

We are committed to building a highly skilled team

We are leading the largest commercial office programme in the UK

to the pandemic, creating great spaces for civil servants, and supporting increased productivity.

We are also transforming our organisation: putting customer service at the heart of what we do; implementing our client satisfaction strategy; and enabling improvements through capability and technology. We will continue to deliver what is important to clients and drive further improvements in Client Satisfaction.

We are working with departments on four transformational programmes: Smarter Working; Whitehall Campus; Government Hubs and the Net Zero Programme. We have made significant progress with GovPass which has so far been deployed to over 17,000 Civil Servants and Interoperability products have been deployed into over 85,000 square metres. We have also deployed our occupancy monitoring methodology in 23 of our properties.

The first full year of the Net Zero Programme has delivered over 43 projects in carbon saving schemes to support the public sector's Net Zero targets which have saved over 1,200 tCO_2e per annum and over £560k in annual utility savings. The programme has also upgraded over 20,000 light fittings to more energy efficient LEDs. The first phase of the Whitehall District Heat System decarbonisation has been completed which will reduce Scope 1 emissions for our central Whitehall Estate. We have also invested more in 2021-22 than 2020-21 on delivering lifecycle replacement projects and building up our knowledge of the condition of our estate. The projects have replaced and upgraded a variety of poor condition assets - prioritising health & safety and security issues - that are at the end of their life, which is contributing to an improved workplace for civil servants and reducing the likelihood for reactive maintenance and down-time of facilities. The associated programme of condition surveys is providing a clearer picture to allow smarter investment decisions going forward.

We have continued to deliver better value through our Onboarding Programme. Increasing our control of the government estate has allowed us to deliver better value for money through cost savings that will ultimately result in a better level of service for our clients. Our Executive Committee agreed on a plan for 2022-23 to improve Client Satisfaction and we have established our partnership with Leesman to develop workplace experience insight and developed our own customer satisfaction survey to enhance these insights. We are building a client service culture at the GPA, putting our clients and customer needs at the centre of everything we do.

Our Core Skills programme is a key element to building our capability and professional expertise within the organisation. We pride ourselves in operating as a commercial property company within Government, and the skills, knowledge, and expertise we bring to the table play a fundamental part in meeting and exceeding our clients' and customers' expectations.

We are committed to enabling our people to develop the core skills they need through a combination of informal and formal learning opportunities. Developed by subject matter experts within the GPA, the core skills framework enables us to transform our skill sets and capabilities and will be used as the focus for learning and development across the business. The framework will also empower each of us to take control and develop the necessary skills for our own career and professional development.

As we continue to grow and evolve, it's important that our brand reflects our ambitions and behaviours, and the role we play in bringing it to life. So this year, we have refreshed our brand: we've created six brand principles; responsible, expert, future focused, commercial, people-centred and partnership. These are what all our customers and stakeholders should recognise when they interact with us.

Finally, we have continued to grow our capacity and capability. We have redefined our operating model to deliver a simple transparent organisation and carried out restructuring to align with this model and prepare us for the future. We have introduced core skills into our recruitment processes as we continue to rebalance our workforce mix (public v. private sector). We have focussed on our talent management and succession planning to ensure we develop all the GPA staff talent and careers. We have also recruited four Directors' to strengthen our Executive team.

The GPA Key Achievements

FY 2021-22

Over the last 12 months we delivered a programme of activity in order to deliver against our business plan and strategic objectives in line with government priorities. In doing so, we have achieved the following:

Kept our offices safe and secure throughout the COVID-19 pandemic.

Grown our office estate to be the largest in Government (c700,000 sq m).

Grown our balance sheet to £1.9bn assets under management.

The first full year of our Net Zero Offices Programme has completed 43 projects saving over 1,200 tCO_2e per annum and saved over £560,000 in annual utility costs.

Over 20,000 light fittings have been upgraded to more energy efficient LEDs.

Secured early vacant possession of London, Fleetbank House to enable the construction of a new flagship court and police station specifically designed to tackle cybercrime, fraud, and economic crime.

Progressed major projects at Darlington, Croydon and Peterborough to time and cost.

Agreed a strategic partner charter to enable the GPA and its key partners to work in a more collaborative way for implementation throughout 2022-23.

Exited an additional 13 Whitehall offices (63,200 sq m) - making a total of 31 since Apr 2017.

Deployed GovPass to over 17,000 civil servants.

Strengthened our position as thought leaders in hybrid working and workplace design.

Introduced a Core Skills framework to further strengthen our skills base.

Invited tenders for a new Property Partner.

Delivered new office space in Wolverhampton and created Hubs in London and Birmingham.

Performance Report

The GPA results at a glance FY 2021-22

Metric	Result (incl. % change since last FY if applicable)
Client satisfaction score 6.6 (out of 10)	5.4 (out of 10) from 3.4 to 5.4 (a 60% increase) from the start of the year. It is a priority to improve the score
Measure impacts on customer productivity, health, wellbeing and inclusivity before and after the move to at least two hubs- achieve Leesman Index score (Lmi) of 65	Pre-occupancy Leesman surveys undertaken for 4 hubs. Post occupancy surveys for London, Old Admiralty Building and Birmingham, 23 Stephenson Street due in FY22/23. COVID-19 impacted the full occupation of both and as a result the Leesman post occupancy surveys have been delayed until May (London, Old Admiralty Building) & November (Birmingham, 23 Stephenson Street) 2022 We have deployed a GPA customer satisfaction survey and piloted at three GPA buildings scoring average of 6.8 Post occupancy experience score for Birmingham, 23SS - 8.2
Health and Safety reporting (RIDDOR) - Zero reportable incidents	There were no reportable incidents to Health and Safety Executive
95% of charges to be paid without Client query	New metric for 2021-22. 92%
Percentage of queries raised that lead to an amended charge should be less than 2%	New metric for 2021-22. 1%
95% of client/customer queries to be acknowledged within 2 working days	New metric for 2021-22. 96.7%
95% of Horizon data errors to be rectified within 3 working days of being logged on a error tracker to avoid the issue recurring	99.1%
Assure the accuracy of key data fields within the Horizon system monthly with a target of 98%	99.6%
40% of gov estate onboarded by end FY 21-22	37% against a target of 40%, an increase of 14% from 2021-22
Carbon and energy reduction estimated Year 1 savings of c16(GWh) and c2m tC02e	4.8 GwH, 1,218 tCO2e and £560k in utility savings. This deliverable has been impacted by supply chain issues specifically for photovoltaic panels
Less than 1% void on the GPA managed portfolio	0.61%
50% of workforce with or working towards gold standard qualifications	47%
Staff engagement score - 66% (Civil Service average)	61% (1 percentage point lower than 2020-21) maintaining score despite major organisational change within the GPA
50% of women in SCS cadre	39%
Number of cases of bullying, harassment and discrimination reported	2 cases (Positive movement on our People Survey scores as BHD scores reduced by 3 percentage points to 11%)

Performance overview

This section is designed to contextualise the above performance analysis, including detail on our organisational purpose, objectives and performance. The impact of and management of key risks are set out in the Governance Statement.

Our strategic objectives

Our 10 Year Strategy and annual Business Plan set out the four strategic objectives against which we measure our delivery. We deliver our strategic objectives through a number of inter-related programmes: Hubs and Whitehall Campus programme, Smarter Working, Life Cycle Replacement, Net Zero and Workplace Services Transformation programme. Our three year Spending review settlement will enable us to progress this.

We believe that they are already making a real difference to people and places:

Delivering our strategic objectives

Customers are at the heart of everything we do

Growth across the UK

We are committed to helping the Government 'Level up' across the UK and supporting economic recovery post-COVID-19, providing a catalyst for growth and delivering social value across the UK. We successfully secured the funding we need to progress regional hubs, in support of Places for Growth, and to continue to shrink the London estate into a smaller number of better quality buildings.

In the regions, we are supporting Places for Growth by providing space to relocate roles from London into clusters of similar skills; consolidating fragmented, poor-quality holdings into high-quality, digitally-enabled properties in 'campuses' made up of 'hubs' in cities and 'spokes' in small towns; requiring our suppliers to support skills and small and medium sized enterprises; and working with local authorities to regenerate brownfield sites. To drive this change in the regions and to deliver savings, we are releasing space in London, which is generally more expensive to run than property in the regions, creating a modern, interoperable Whitehall Campus, and making best use of cheaper space in Outer London.

We created Hubs at London, Old Admiralty Building and Birmingham, 23 Stephenson St providing 35,000m2 of modern, interoperable, grade A office accommodation. We also created new office space in Wolverhampton and delivered interim space in Darlington. Outside of London we identified space in existing public sector buildings, meeting Places for Growth relocation requirements for 4,300 people.

We have launched a Net Zero Programme making good progress in the first year

We have continued to improve our engagement with local authorities to maximise social value and whole Government benefits across all Places for Growth strategic locations, helping to deliver best client value in great locations, coupled with contributing to wider regional regeneration beyond big cities.

Next year we will continue to deliver Government office space and Hubs across the UK, as well as continuing to exit Central London buildings responding to both the changes in working patterns post-COVID-19, and the recent announcement on a smaller Civil Service. We will strengthen our work with local authorities to maximise opportunities on place-based solutions and to contribute to regional regeneration.

Transform the Civil Service

We have a very clear vision to deliver for the Civil Service:

A transformed, shared, sustainable and value for money Government estate supporting civil servants to work productively in every nation and region of the United Kingdom.

In support of the Civil Service Reform agenda, we have made considerable progress delivering this vision by the innovation and change we have brought. We are responsible for delivering plans for the whole office estate in every part of the United Kingdom with central planning for new space, net zero interventions in existing buildings, and central decision making on the release of space no longer required.

Our approach is designed to enable the sharing of space and effective working across department boundaries providing consistent solutions across the estate. Our Workplace Design Guide continues to evolve and during the year we have revised it to take into account lessons learned from COVID-19 ensuring it supports hybrid working. We have also developed and begun to roll out new approaches for secure access to buildings, occupancy monitoring, and audio visual equipment to provide a common experience for our customers.

Over this past year we have continued to deliver Great Places to Work through quality refurbishments, setting new and improved design standards and continuing Hubs construction against a backdrop of these new requirements. As part of this, we have ensured that our customers are at the heart of everything we do - we use our data and insights to create workplaces that meet customer needs; we support our customers so they can be effective and productive in our smarter working office environments and we're driving a change in mindsets across government, ensuring that civil servants can access to the right workplaces and use the right working environments for a range of types of activity. Furthermore, through the successful adoption of smarter working we are starting to realise our revised 50 per cent - attendance planning assumption, enabling estate savings.

We have also made good progress in terms of our digital strategy. We have now set out a B2IM (Better Building Information Management) policy that starts with the customers in our buildings and works back to project handover, construction and design. To assist in cross government adoption of the B2IM methodology, we have agreed a memorandum of understanding (MoU) between the GPA, Defence Infrastructure Organisation (DIO) and RICS in the use and further development of B2IM.

Notable successes include:

- Managing the safe operation of the GPA managed buildings through COVID-19.
- Providing detailed guidance and advice on building safety, effective home working and technology.
- Resetting our planning assumptions for workplace attendance and reworked our Workplace Design Guide.
- Surveying the views of c8,000 civil servants (c34,000 to date) on their experience of working at home and hybrid approach, which positions us within the Civil Service as pathfinders and thought leaders in modern ways of working.
- Established cross-government standards for property technology.
- Supporting all 41 departments in their implementation of smarter working, 14 of which have now been assessed as smarter working mature, with the remainder undertaking assessments during 22/23.
- Ensuring the smarter working programme is fully embedded as a partner programme to Civil Service Modernisation and Reform.

We have also made some important changes to the Government Workplace Design Guide. The Government Workplace Design Guide is one of a suite of guidance documents and standards setting out the aspirations for our workplaces. They not only provide guidance on how our workplaces should look but they also determine the experience we have when working in them. The latest version of the Government Workplace Design Guide provides greater clarity and detail on flexible

Our work on smarter working and property technology supports the Government's Reform Declaration

space types to support the tasks people are undertaking based on feedback, lessons learnt and experience on live projects.

We will continue this work next year, expanding the roll out of our proven design solutions and property technology. We will expand the data we gather, always starting with the customer view, to help us make better decisions, and to support Civil Service productivity.

Contribution to Carbon Net Zero

We have continued to make great progress in reducing carbon emissions and achieving the Government's statutory obligation of a 75 per cent reduction in CO2 emissions by 2037. From the design of our new Government Hubs to large scale refurbishments, we are building sustainability into our designs to deliver sustainable offices for civil servants, ensuring that we deliver workplace solutions that meet our customers' needs.

We have developed a detailed Sustainability Plan which sets our ambition in all areas of our work from embodied carbon in construction to reducing energy use in operations, and supporting our clients' green travel plans. We are fully compliant with the Government Buying Standards (GBS) minimum requirements of BREEAM Excellent for new builds and Very Good for refurbishment. We are improving upon the Government requirements by exploring, among other things, NABERS UK accreditation by working toward NABERS 5 at Ruskin Square in Croydon. As well as improving the performance of our own district heat system in Whitehall, we are exploring opportunities to connect with other systems, including Bristol.

We achieved a significant milestone by securing a renewable, green energy business tariff for our buildings. Securing this renewable electricity tariff - exceeding our target for 2021-22 to move 90 per cent of electricity consumption to renewable sources.

We are making great progress by replacing old lights with LEDs to produce impressive savings, for example, by swapping out old lighting for new, innovative solutions - for example 'microwave' proximity sensors - at Cheylesmore House in Coventry, making impressive energy and carbon savings of more than 60 per cent, and new wifi-controlled LED system at Titchfield. We have also created opportunities around the UK by collaborating with the local supply chain for equipment manufacture and supporting jobs throughout the pandemic.

This year we have created a centralised, evidenced-based investment programme for condition improvement and sustainability interventions. We have also reduced emissions through LED lighting upgrades, Heating, Ventilation & Air Conditioning (HVAC) / Building Management System (BMS) projects and Photo-voltaic (PV) projects and we saved over 1,200 tCO2e pa (£560,000 pa on utilities) realised to date. Progress in PV delivery has been slower than anticipated as we paused projects having identified a risk of modern slavery in the supply chain.

Next year we will continue setting high standards and making interventions with a particular focus on reducing utility costs.

Better value

Everyone at the GPA has a critical role to support growth and regional regeneration across the UK, and delivering better value for our clients and the UK's tax payers. As an organisation that is growing in confidence and expertise, we are making a difference and changing the way that business is done across Government. Clearly, this is easier for us to do as our portfolio grows, but we are already making some major impacts. We are providing increased value to client departments through economies of scale and a strategic approach to estate planning as the

The Workplace Design Guide sets aspirations for our workplaces

size of our portfolio grows, allowing departments to focus on their core business outputs.

Since April 2017, we have continued to deliver not only improvements to the estate but also significant financial benefits. To date we have booked £903m in benefits on a 20 year Net Present Value basis, of which £821m is cashable and £82m is non-cashable largely driven by social value.

This year we grew the GPA managed estate to c700,000 m2, 37 per cent of government office portfolio has now onboarded to the GPA together with the growth of net property assets - increased by 304 per cent, by onboarding high-value buildings such as London, 2 Marsham Street, London, 1 Horse Guards Rd and London 100 Parliament Street together with freeholds such as Newport, Concept House.

We have also restricted vacant space to 0.61 per cent by income, reduced the need for maintenance through focussed Lifecycle Replacement and procured a third Party Logistics contractor to store Personal Protective Equipment (PPE) for an element of the Department of Health & Social Care. The contract will save the Government at least £7m, it also marks the beginning of our move into warehousing: an area of development for the future.

Securing early vacant possession of London, Fleetbank House enabled the construction of a new flagship court and police station specifically designed to tackle cybercrime, fraud, and economic crime which will reinforce the UK's reputation as a world-leading legal centre.

Value for our clients is a key part of what we do. We regularly assess how we are performing in supporting them and, whilst we know we have more to do, we have made progress in the right direction. In our Client Satisfaction Survey when we asked if we provide solutions to deliver better value, our results improved from 3.4 to 5.4 out of 10, a 60 per cent increase from the start of the year.

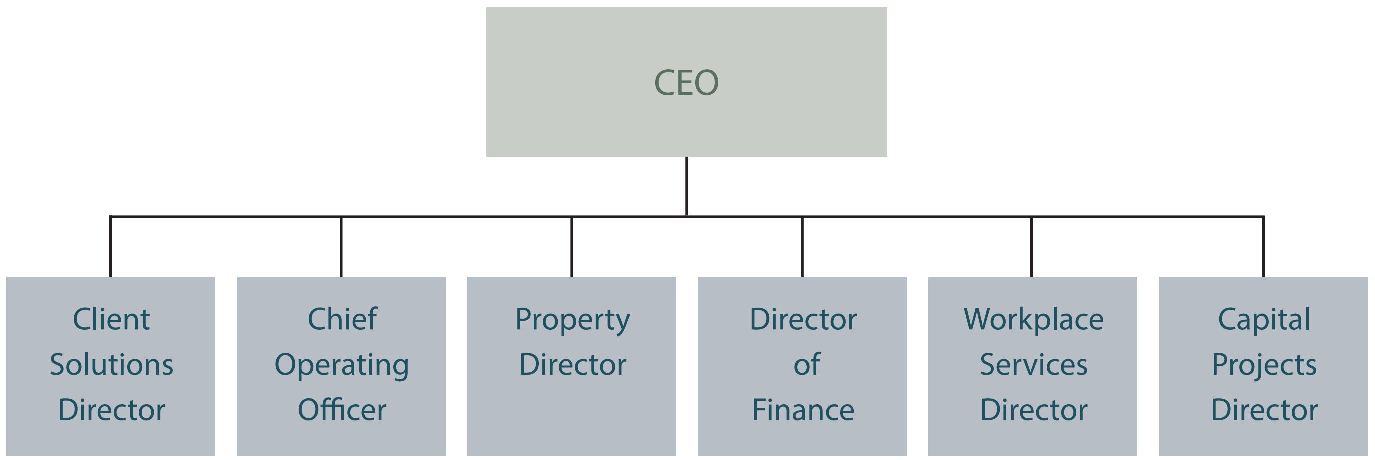
We also introduced a new Client Investment Approvals Process for departments who have not yet transferred their assets to the Agency. These departments are now required to seek approval for any investment in their office buildings over £500,000, to ensure that, unless essential, money is not invested in buildings the Government may not keep longer term.

To ensure high levels of client satisfaction are delivered we ensured that the specification for our new Property Partner focusses on this and we will work in partnership with our appointed strategic delivery partner to deliver improvements over the coming year.

Building our capability

We have great people with the skills to deliver for our clients including property, commercial and financial professionals. Strategic partners support us in managing our property assets, are key elements of our design and construction team, and work with us to deliver day-to-day workplace services. As the size of our estate has grown and we ramp up to deliver our major commercial office programme, headcount has grown from 244 to 385.[1] This number includes contingent labour and loans into the GPA since last year with staff across 10 locations. Our structure is detailed in the diagram below:

- Client Solutions: leads all client-related and business development activity. Our focus is to build relationships, ensure excellent client satisfaction in our services, and help our clients shape estates strategies and manage occupancy to match their workforce plans.
- Property: manages our property portfolio and undertakes transactions at best value, using the Government Covenant to meet client needs.
- Workplace Services: supports customers in moving to, and using, our workplaces in a way that is both popular with customers and enhances client satisfaction.
- Capital Projects: delivers our office development and optimisation programme, generating growth in every nation and region of the UK, through investment in a transformed, sustainable and value for money estate for civil servants.



[1] Headcount data as at 31 March 2022.

- Chief Operating Office: enables the GPA to deliver its outcomes, coordinating performance and providing support in commercial, legal, data & technology, security, HR and marketing & communications.
- Finance: responsible for the GPA stakeholder financial reporting & planning, accounting policy, financial transaction processing including that outsourced to the Property Partner, commercial input including leading on investment appraisals, all finance business systems, external audit and the GPA financial control framework.

We are continually looking to make improvements to the way we operate. Based on a clear target operating model, we have restructured our teams to ensure each has clear responsibilities and is ready to deliver for the future. We have adopted a regional approach, to ensure that our work is joined up by place, and as we roll out our future contracts, they will follow the same approach reinforcing local responsibility.

Running throughout the year, the GPA Transformation Programme has helped us build for the future. Since the start of last year, there has been significant progress made across all six workstreams including:

- Clients and Customers – A customer insight strategy has been developed that sets out how we will capture and use customer feedback to ensure we are delivering the best possible solutions for Civil Servants. We have also developed a Client engagement charter; piloted several Client Satisfaction training initiatives and improved client reporting. A new Marketing and Communications strategy has been developed which has facilitated engagement with our clients and customers.

- Commercial Partners – contract management training has been reviewed and relaunched with c.50 managers on course to become Government Commercial Function accredited at either Foundation, Practitioner or Expert level. Strategic Supplier methodology has been introduced into the GPA, by way of a strategic partner charter, which will improve the management of key supplier relationships. Transformational KPIs focussed on the GPA's high level objectives, have also been introduced and are being utilised as part of our procurements for new contracts.

- Future Organisation – Our target operating model has been defined and recruitment plans have been underway to fill critical roles. Phase 1 saw the Chief Operating Officer Directorate created which supports Directorates across the GPA through its enabling functions. Phase 2 of our restructure focused on workplace services and capital project Directorates which will be completed in June 2022.

- Culture and Capability – Initiatives established from the 'Speak Up' campaign have been introduced to help colleagues raise concerns if they feel something does not look or feel right. Improved processes for performance management are in place with more robust mechanisms in managing performance across the GPA. Core skills have been introduced and used for all recruitment to increase capability. Learning and development initiatives have also been designed to facilitate skills gaps identified by the introduction of the core skills.

- The GPA Way – A centralised process for creating policies has been established applying consistency in policy making and applying robust governance. The GPA Way document which sets out what is important to us and what is important to our clients and customers has been utilised for development of the GPA intranet.

- Data, Digital and Automation – Occupancy monitoring methodology has been rolled out to 23 GPA buildings including London, Old Admiralty Building and Birmingham, 23 Stephenson Street. This has helped to monitor the number of people using various workspaces. We also have Govpass in place for over 17,000 civil servants. The data warehouse has been introduced with a dashboard available for staff, providing data which can be utilised with clients. This continues to be developed as more data becomes available.

Our Commercial Partners

The GPA is an intentionally lean organisation that relies heavily on our supply chain to deliver with us. We have two types of contractor: strategic partners and suppliers. Our strategic partners are carefully selected, on attitude as much as capability, and we work with them very closely.

We currently have only four strategic partners: Atkins, AECOM, Montagu Evans and JLL. We do not expect the number of partners to grow to more than six. Our strategic partners are part of our GPA community, we do not treat them differently to our own staff and expect them to work with us in partnership.

In February 2022, following wide consultation with our partners our Executive Committee agreed on a Strategic Partner Charter. The charter has 10 areas which set out how the GPA will work together with its partners and the standards for how the GPA and its partners interact effectively with each other. The first partners to sign up to the new charter were Atkins and AECOM in May 2022. We also awarded our strategic Property Partner contract to BNP Paribas in May 2022. We included the charter in our Property Partner procurement launched in February 2022 and will be used in future similar contracts.

Strategic partners support us in managing our property assets

Our data

We have initiated a strategic change programme across our data and systems capabilities with the following initiatives in place:

DataHub: The GPA DataHub is a central data warehouse repository that over time will collect many different data sets from across the GPA and provide access to this data in the form of reports and dashboards to all our staff. In the future, we will also offer access to partners and clients. At present the DataHub contains the following data:

- Property data extracted from our property database, Horizon on a monthly basis.
- Departmental workforce data provided to us quarterly by Civil Service HR.
- Property level occupancy data and trends for a number of the GPA properties.
- Other property data from EPIMS (Government property system) that we extract on a monthly basis.

We are now able to access specific reports, critical dates and occupancy, through the DataHub.

Customer Relationship Management (CRM): We have defined our requirement for a CRM system to improve our services to clients through better consolidation of client data and automation of client facing processes. The intention is to deliver the first outputs from this project later in FY 22/23.

Integrated Workplace Management Systems (IWMS): To support our Workplace Services Transformation Programme we launched procurement to deliver an IWMS system that will transform the way we hold and process our workforce services data and monitor the performance of our workplace services across the UK.

Finance Systems: To improve our financial data management we have completed a number of improvements in FY21/22 to existing financial processing systems and have further plans for changes that will deliver new system capabilities in FY 22/23 that will supplement our existing property and financial systems platforms.

Property Management Systems: We have delivered a set of improvement activities to modernise our existing property management systems to make sure this central master data set meets our future needs and acts as a master data source for our other data and system developments.

The work that we have completed on our data systems this year will be transformational across our data and processes. We are ensuring the GPA has the right data in the right place at the right time across all of its business units and processes so we can improve our decision making and improve the information we can offer to our clients. Our new systems and data platforms are ensuring the GPA can scale up through automation and continually improve its services and value through high quality, accessible data.

Our finances

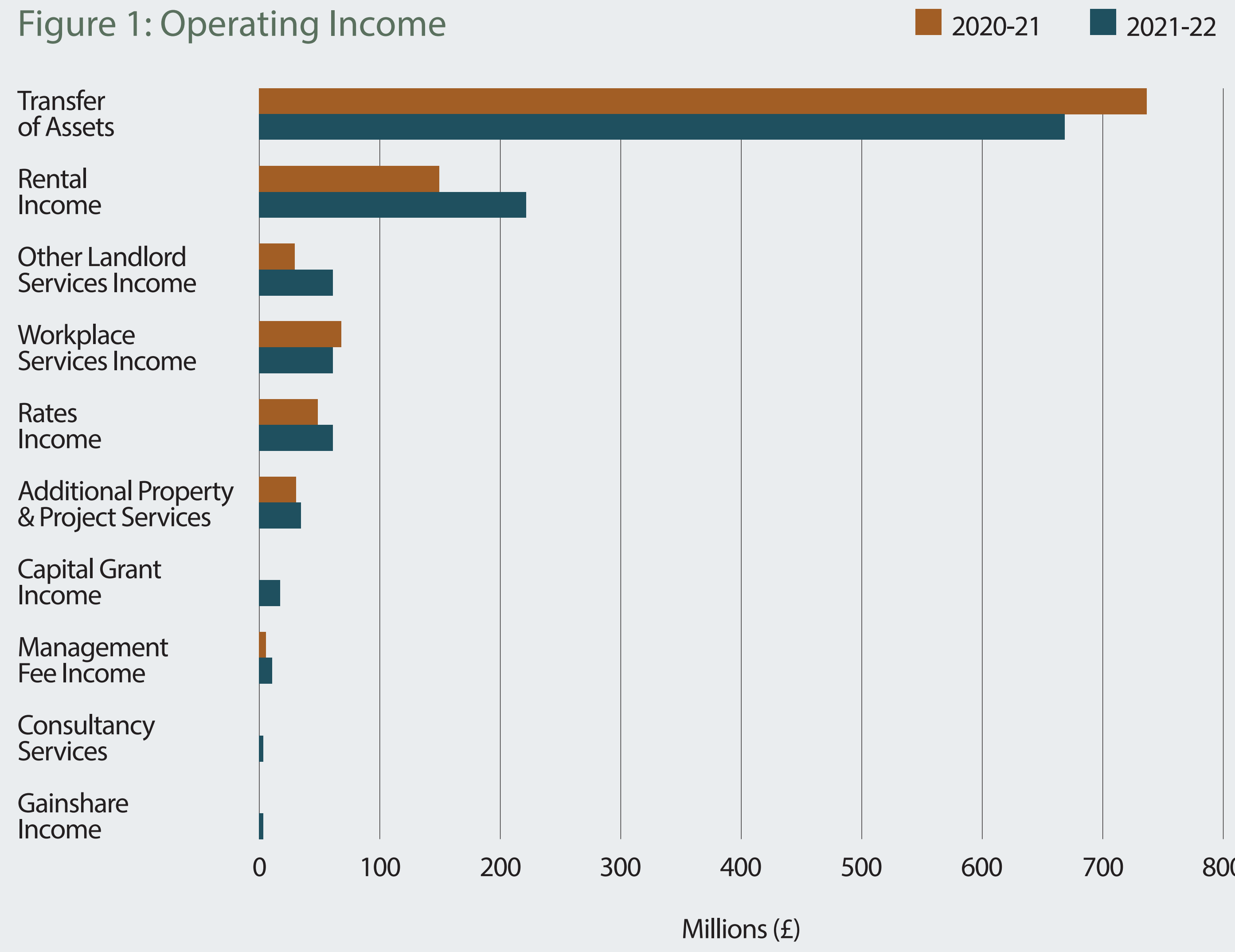
We have made significant progress in ensuring we have a strong grip on our finances while continuing to invest in our key priorities. In 2021-22, we have managed our out-turn within budget for all control totals. This section will include:

- A review of our operating income and expenditure.
- A summary of our approach to investment including details of the main investments we have made throughout 2021-22.
- A review of our property asset growth since the GPA was formed.
- An overview of our financial plan for 2022-23.

Income

Total operating income has increased by £164.5m this financial year to £1.2bn as

Figure 1: Operating Income



shown in figure 1 below. Income includes the value of assets transferred to the GPA through the onboarding process. The largest increase to income has been rental income (£63m), other landlord services income (£33.2m), rates income (£13.5m), gainshare income (£3.5m) and management fee income (£3.1m). These increases have all been volume driven and caused by the GPA managing a growing estate.

The most notable newly onboarded properties were the three London properties which had been originally built or refurbished through the Private Finance Initiative (PFI) method. The benefits of the PFI contracts novating to the GPA include cost savings for government clients, simplified billing and improved efficiencies from shared workplace services. Other less material income increases include capital grant income (£7.9m), additional property and project services (£3.3m) and consultancy services (£3.2m). These increases have been due to the increased demand for project work from clients as Civil Servants returned to the office after the COVID-19 pandemic.

Expenditure

Total expenditure has increased by £578m this financial year to £1.1bn. as shown in figure 2 below. The largest increase to expenditure has been to non cash items (£497.9m) largely due to PFI's onboarding and the associated finance liability transferring to the GPA. The increase to landlord services expenditure (£70.1m) mirrors the increase to rental income and reflects the additional expenditure caused by managing a growing estate. Other operating expenditure has increased by £11m predominantly due to higher professional services costs. This has helped enable the GPA to deliver on its capital investment during 2021-22. Staff costs have increased by £6m - this investment in our people has been critical to meet our key priorities and deliver for our clients. This significantly smaller increase in staff costs, compared to asset and related expenditure growth, demonstrates the ability of the GPA to operate more efficiently as its area under management increases.

Capital investment

The GPA continues to focus on capital investment which increased more than fivefold from £19.8m in 2020-21 to £101.8m in 2021-22, as shown in figure 3 below. Main areas of investment are Lifecycle replacement (£46.2m), Net Zero (£19.2m), Capital Projects (£27.8m) and ICT (£5.8m). Lifecycle replacement, net zero and ICT are new investments for 21-22 and reflect the GPA's priority of making office space greener with improved hardware and technological equipment. These investments which include interoperability will support long-term productivity, and enable more effective working in our offices.

Figure 3: Capital expenditure by Financial Year

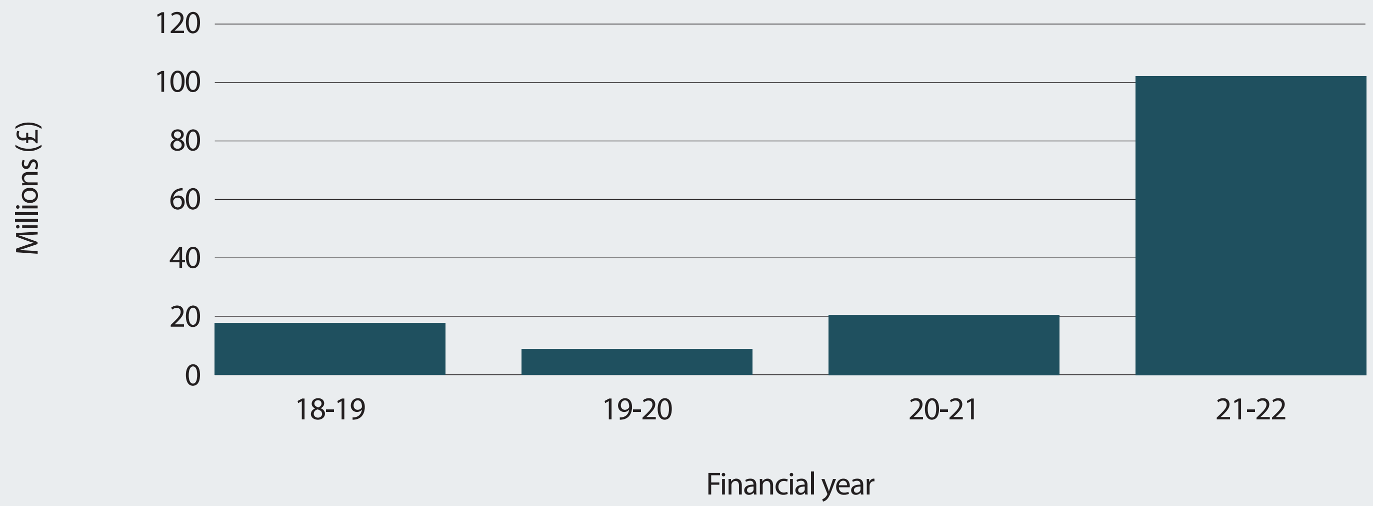
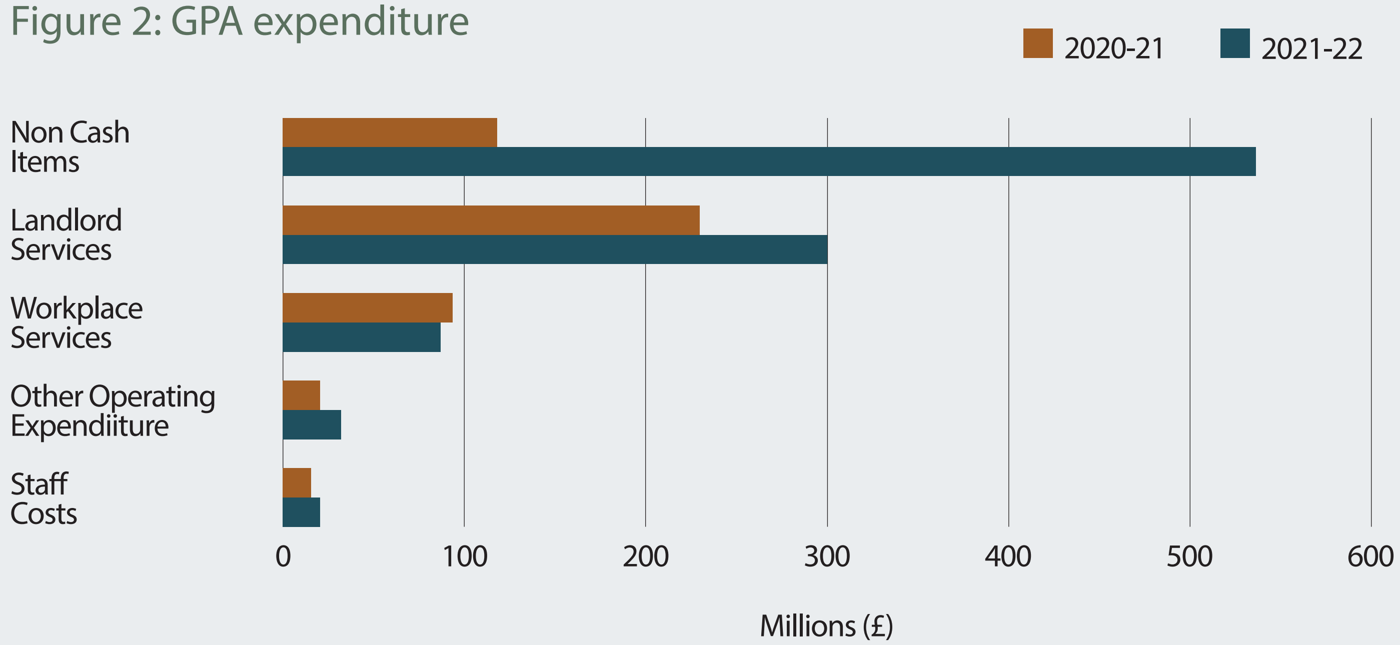


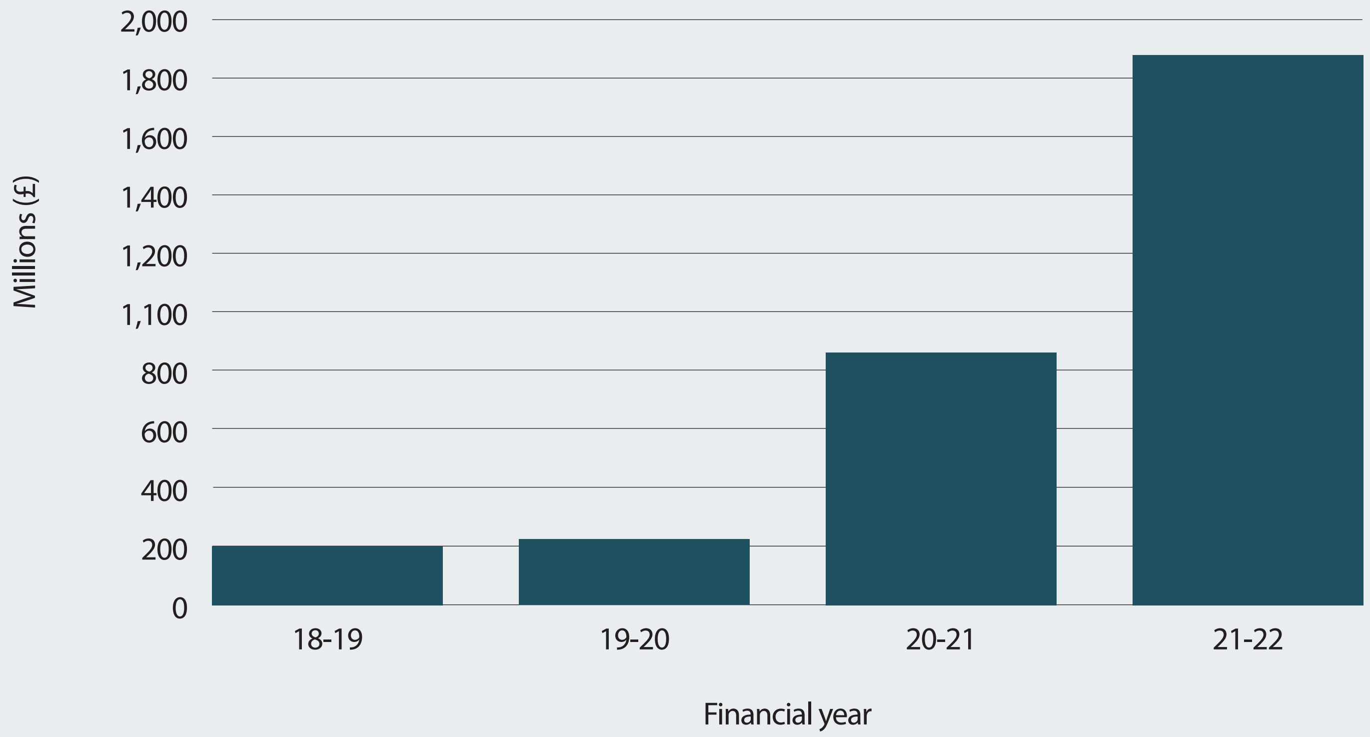
Figure 2: GPA expenditure



Property Assets

The Statement of Financial Position as at 31 March 2022 shows the GPA with property assets to the value of £1.9bn. See figure 4 below. The increase of £1bn is due to the onboarding of 3 PFI properties, 7 freehold properties and 17 leaseholds during the year as well as the increased capital expenditure which has resulted in more assets under construction.

Figure 4: Property assets growth



GPA's financial plan for 2022-23

■ Growth across the UK – invest in supporting economic development post COVID-19 to Build Back Better, improving efficiency and effectiveness and the quality of office accommodation.

■ Transform the civil service – invest in interoperable technology, Smarter Working and Workplace Service Transformation to encourage modern, flexible ways of working, improving productivity and wellbeing for clients and customers.

■ Contribute to Net Zero – invest in net zero interventions to deliver against the Government's target of 50 per cent carbon reduction in its offices by 2032.

■ Achieve better value - We will continue to grow the GPA business in 2022-23, onboarding additional assets and increasing turnover. To support improved productivity and wellbeing we will also invest in Lifecycle Replacement across the GPA managed estate.

Working in the context of COVID-19, this financial plan delivers the next steps in the GPA's 10-year Strategy which will realise the New Property Model benefits target of savings over 10 years (to Mar 2027).

Health and Safety

The GPA takes the health and safety of all those who work in and on its estate very seriously. We monitor safety and assurance and report against the RIDDOR framework monthly to the Executive Committee.

Our Health and Safety Committees meet regularly; there is a Health and Safety Committee including union representation, supported by sub-committees dealing with the GPA's people and construction work. There have been no significant incidents during the year.

The GPA is responsible for its estate under the Health and Safety at Work etc, Act 1974 (HSWA 1974), primarily sections 3 and 4, but also section 2 for its employees. The GPA sets out the responsibilities with clients under Managed Service Agreements and site-specific Terms of Occupation Agreement or Memorandum Of Terms Of Occupation. The GPA Landlords and Service Providers also have in place contractual responsibilities clearly identified for the estate facilities management and under the HSWA 1974.

Sustainability

With the built environment contributing 40 per cent of the UK's total carbon footprint, one of the GPA's strategic objectives is to ensure the Government Office estate has an improved environment performance which actively contributes to the wider ambitions on Net Zero.

The GPA has the following ambitious sustainability targets:

■ To cut direct emissions [Scope 1] from offices by 50 per cent by 2027 ahead of the 2032 government target.

■ To cut direct emissions [Scope 1] from offices by 78 per cent by 2035 ahead of the 75 per cent by 2037 government Net Zero Strategy target.

■ To reduce overall office emissions to reach Net Zero ahead of the 2050 government target.

From the design of our new Government Hubs to large scale refurbishments, we are building sustainability into our design options to deliver sustainable offices for civil servants.

The GPA has adopted the Government Buying Standard (GBS) as the minimum acceptable standard across the Government Hubs programme. GBS requires buildings to meet the following Building Research Establishment Environmental Assessment Method (BREEAM) ratings:

■ BREEAM New Construction 2018 at 70 per cent or Excellent rating, or

■ BREEAM Non-Domestic Refurbishment and Fit-Out 2014 at 55 per cent or Very Good rating.

BREEAM also ensures performance against fundamental environmental issues is not overlooked in pursuit of a particular rating by setting minimum standards of performance in key areas, for example: energy, water, waste etc.

In 2020 we published our Sustainability Plan. This set out the long-term targets to achieve Net Zero and the medium-term areas to address construction and operational carbon emissions and other environmental

impacts. By focusing on the medium term areas the GPA have aligned with the RIBA Sustainable Outcomes Guide, and prioritises decarbonisation BREEAM credits as part of a continuing Net Zero journey.

Energy Performance Certificate (EPC) ratings are a useful measure of the performance of buildings. The Government Hubs programme has target EPC ratings for new construction of A and for refurbishments of B.

This year the GPA has also been working to improve their sustainability reporting for clients to help them report against their commitments in this area. Quarterly Greening Government commitments and financial year end sustainability reporting are now in place and we have been working with others to develop a wider and more comprehensive service.

The GPA are also in discussion with their newly onboarded clients to ensure that the service in respect of sustainability meets their needs as they join the GPA.

The GPA has established a Sustainability Committee (SusCo) with representatives from delivery partners, independent experts and functional leads. SusCo is integral to our governance and will report to our Executive Committee (ExCo) to:

- Advise ExCo and senior management on matters of environmental and sustainability policy, structure and communications.
- Recommend actions necessary to minimise the environmental impact and sustainably operate the onboarded estate.
- Make decisions on implementing our Sustainability Plan's initiatives, resources, budgets and escalations.

The GPA has a commitment that its cross-government Sustainability Committee will review and examine all policies to ensure they do not disadvantage rural areas.

In 2021 the GPA became a Corporate Member of the Institute of Environmental Measurement and Assessment (IEMA). This year the GPA are working with IEMA to:

- Become an IEMA Training Centre.
- Introduce in-house IEMA accredited sustainability training at induction (for all), foundation (sustainability related roles), management (senior leaders) levels.
- Put in place continuous professional development to the Chartered Environmentalist gold standard for sustainability staff.

GPA is actively exploring opportunities to undertake biodiversity actions within the office spaces occupied. We will be working with clients (including the Joint Nature Conservation Committee) interested in undertaking any initiatives in this area in the coming year to discuss potential options.

During 2021-22 GPA has undertaken a series of cross functional discussions on climate change adaptation and will be undertaking further assessment in the next few months in order to refine any further detailed action plans. We will share the findings with clients as the work progresses in order to inform any departmental climate change adaptation action plan work.

Finally, we have plans in place to develop a GPA Environmental Management System (EMS) and continue to improve our sustainability reporting for clients. Across the portfolio we will no longer deliver new buildings with gas-fuelled plant and deliver new buildings to at least BREEAM Excellent and refurb to at least BREEAM Very Good.

Table 1 below shows the Greenhouse gas emissions for the GPA's main office locations. The data only includes those in scope for reporting and has been extrapolated from full building data and is based on estimates of space occupied. Estimates of data have been applied where not available.

Table 1

Greenhouse gas (GHG) emissions			2021-22
Non-financial indicators (tCO_2e)	Total Gross Scope 1 (Direct) GHG emissions		22.20
	Total Gross Scope 2 (Energy indirect) emissions		36.38
	Total Gross Scope 3 (Official business travel) emissions		25.27
	Total emissions - Scope 1, 2 & 3		83.85
Non-financial indicators (MWh)	Electricity: non-renewable		171.34
	Electricity: renewable		-
	Gas		121.20
	Gas oil		-
	Steam		-
	Diesel		-
	Total energy		292.54
Financial indicators (£000)	Expenditure on official business travel		309.56
ULEVs			**2021-22**
Non-financial indicators - Ultra Low Emission Vehicles (ULEVs)	Total fleet (and non-fleet within scope of ULEV reporting)		1
	Percentage of fleet and qualifying non-fleet that are ULEV)		Vehicle details not known
Waste			**2021-22**
Non-financial indicators (tonnes)	Non-hazardous waste	Landfill	0.29
		Reused/recycled	3.02
		Composted	0.15
	ICT waste	Reused	-
		Recycled	-
	Incinerated with energy from waste		1.01
	Total waste (tonnes)		4.48
Water			**2021-22**
Non-financial indicators (m3)	Total water consumption (m3)		330.12

Waste is monitored as follows:

- Total waste = waste incinerated (with or without energy recovery) + waste sent to landfill.

- Recycled = Items re-used (with and without refurbishment) or composted.

The target for the government office portfolio is to reduce waste sent to landfill to less than 10% of the total. We are continuing to work to engage with suppliers on the reduction of the use of avoidable consumer single use plastics, and consider options available, and to explore re-use of items within projects.

GPA's own ICT is provided by the Cabinet Office who are responsible for managing environmental impacts.

GPA does not currently hold data on paper usage.

Table 2

Travel	Kilometres Travelled	CO2e (tonned)
Rail	408,640	149.52
Car (Hire/Personal)	7,739	1.35
Taxis	1,508	0.22
Bus	68	0.007
Air (domestic)	45,426	11,52
Air (international)	1,284	0.17

Table 2 shows the GPA's travel distances and related CO2 emissions. Train distances are based on an estimated direct line between departure location and destination. Car journeys where exact distance was missing was based on an average of the known journeys. Bus and taxi distance was based on the price paid and a comparison to the average UK price per km for such journeys.

Ethical Behaviour

The GPA is committed to behaving ethically and we have an aspiration to be the best across Government. How we behave and present ourselves is the single most important element of how we achieve success. We have committed to transparency, fairness and ethical behaviour as part of our seven behaviours.

The GPA has a zero tolerance approach towards inappropriate behaviour at work. As an organisation, we are committed to:

- Eradicating all instances of unacceptable behaviours.
- Ensuring when there is an instance of inappropriate behaviour, that it is reported.
- Ensuring everyone feels confident and able to speak up.

The GPA's has also produced a Bullying, Harassment and Discrimination toolkit which provides further information on the above and a range of additional services, assistance and training available for our people. We have also introduced, as part of the speak up campaign, a confidential mailbox that is managed by our Chief Operating Officer. This is a mechanism in which colleagues can raise concerns about behaviours in a safe place.

COVID-19 pandemic

The GPA's 10 year strategy was developed to transform the way the Government estate supports public service delivery. As a result, the GPA was able to respond to the changes in ways of working being accelerated as a result of responses to COVID-19. The GPA was well positioned to successfully manage the safe operation of the GPA managed buildings through COVID-19 and similarly able to capitalise on smarter working and technology interoperability to help transform the Civil Service during COVID-19. Responding to the challenges and lessons of COVID-19, the GPA was able to lead on consolidating the Government's central London estate and create great places to work in large, multi-occupier hubs across the UK.

EU Exit

There has been no impact on the GPA.

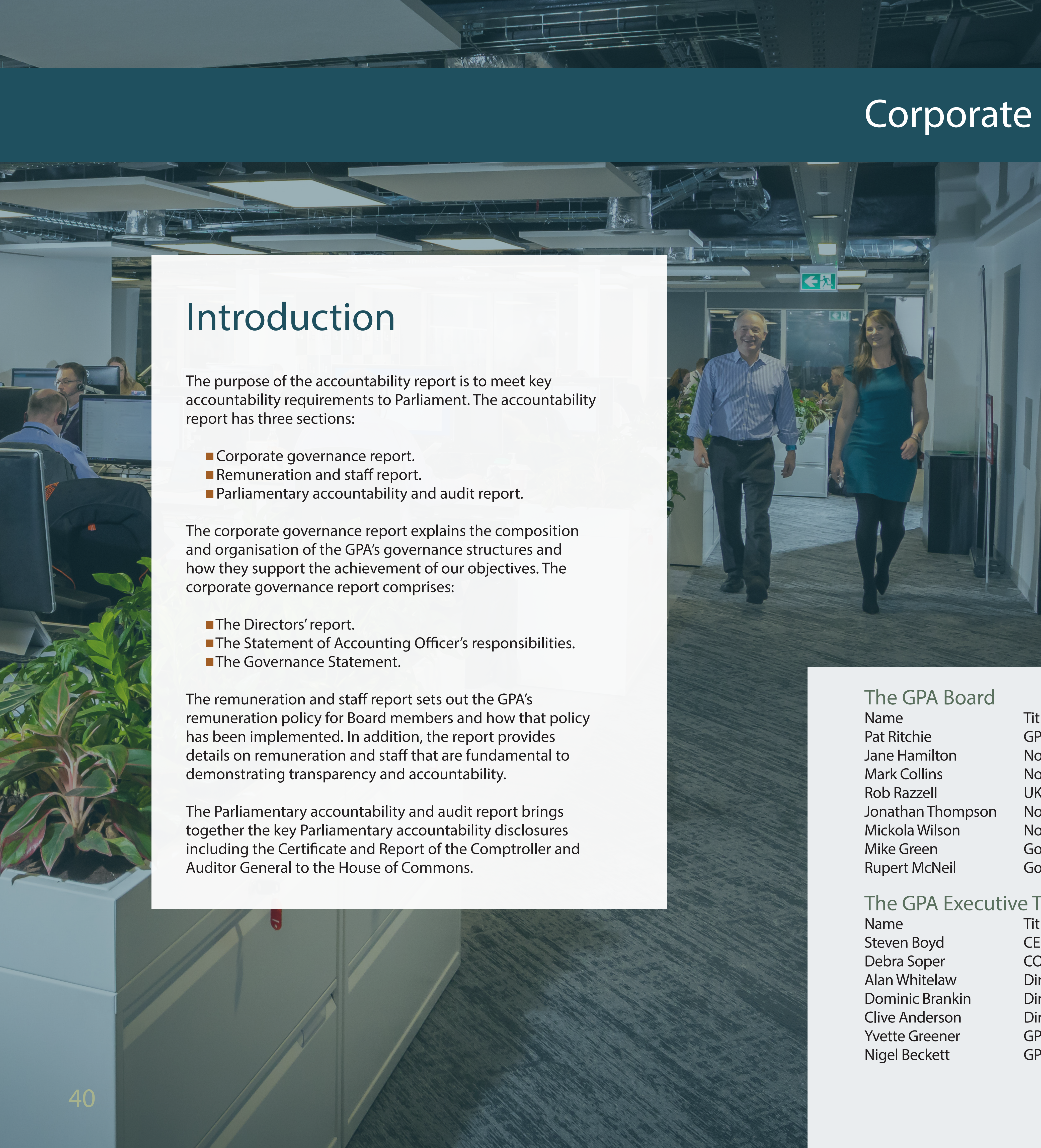
Conclusion

It has been another successful year for the GPA. We have achieved this despite the on-going challenges of the COVID-19 pandemic and economic climate. We are committed to delivering on our key Government objectives and supporting our clients and customers. We kept Government offices open and safe during the pandemic; led the development of policies to seize the opportunities and lessons presented by COVID-19; drove forward plans for the move of Civil Service roles from London to the regions; and begun to improve the condition of the estate and to roll out modern property technology.

Next year we will continue to contribute to growth across the UK by supporting the Places for Growth relocation agenda by opening regional hubs and completing London building exits, whilst simultaneously improving our service to our clients and customers.

Steven Boyd MBE
Chief Executive Officer and Accounting Officer
18 July 2022

Accountability Report



Corporate governance report

Introduction

The purpose of the accountability report is to meet key accountability requirements to Parliament. The accountability report has three sections:

- Corporate governance report.
- Remuneration and staff report.
- Parliamentary accountability and audit report.

The corporate governance report explains the composition and organisation of the GPA's governance structures and how they support the achievement of our objectives. The corporate governance report comprises:

- The Directors' report.
- The Statement of Accounting Officer's responsibilities.
- The Governance Statement.

The remuneration and staff report sets out the GPA's remuneration policy for Board members and how that policy has been implemented. In addition, the report provides details on remuneration and staff that are fundamental to demonstrating transparency and accountability.

The Parliamentary accountability and audit report brings together the key Parliamentary accountability disclosures including the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

Directors' report

Composition of Board

The GPA is led by the Chief Executive Officer (CEO) who has also been designated as Accounting Officer. This position is filled by Steven Boyd, who took up this post on 10 June 2019.

The GPA is governed by the GPA Board which is made up of three internal government Non-Executive Directors', one of whom is the UKGI shareholder representative, as well as four external independent Non-Executive Directors', one of whom is the Agency's Chair. All were appointed by the Minister for Implementation in April 2018 with the exception of the chair Pat Ritchie who was appointed on 1 January 2020, Mike Green who was appointed in February 2021 to replace Sarah Harrison who stepped down in July 2020 and Jonathan Thompson who was appointed in August 2021.

Board Members also include the GPA CEO and Finance Director.

The GPA Board

Name	Title	Start Date	End Date
Pat Ritchie	GPA Chair	1 January 2020	31 December 2023
Jane Hamilton	Non-Government GPA NED	27 April 2018	30 April 2023
Mark Collins	Non-Government GPA NED	27 April 2018	30 April 2023
Rob Razzell	UK Government Investments CFO	27 April 2018	30 April 2023
Jonathan Thompson	Non-Government GPA NED	01 June 2021	31 May 2025
Mickola Wilson	Non-Government GPA NED	27 April 2018	31 July 2021
Mike Green	Government GPA NED	1 February 2021	31 March 2022
Rupert McNeil	Government Chief People Officer	27 April 2018	17 March 2022

The GPA Executive Team

Name	Title	Start Date
Steven Boyd	CEO	10 June 2019
Debra Soper	COO	4 May 2021
Alan Whitelaw	Director Property	18 June 2018
Dominic Brankin	Director Workplace Services	14 January 2019
Clive Anderson	Director Capital Projects	1 December 2021
Yvette Greener	GPA Director Client Solutions	1 December 2021
Nigel Beckett	GPA Director Finance	1 October 2021

Management of interests and business appointments

All the GPA staff are bound by the Cabinet Office conflicts of interest and business appointment rules, including those pertaining to Civil Servants leaving Crown Service. In compliance with Business Appointment rules, we are transparent in the advice given to individual applications for senior staff, including special advisers, as dictated by the Cabinet Office. This advice is published on the Cabinet Office's Business Appointment Rules page found here:

www. gov.uk/government/publications/cabinet-officebusiness-appointment-rules-advice

We assure ourselves that former employees leaving the Civil Service comply with these Business Appointment rules by working with the Business Appointments team. Due diligence is carried out for each leaver to understand what safeguards need to be put in place, depending on where the individual is moving to. For example, mechanisms such as Non-Disclosure Agreements would be put in place should there be a move to a supplier or competitor.

At Board level, all members are required to complete a conflicts of interest form, and this is reviewed on an annual basis to ensure it remains up to date.

A Board member register is also maintained and formal minuting of any new conflicts are taken at the start of each Board meeting. The Board member conflicts of interest register is published on our GOV.UK pages and can be found in its entirety here:

https://www.gov.uk/government/publications/government-property-agency-register-of-board-members-interests

Over this reporting period there has been no recorded conflicts of interest.

Data loss

There have been no records of personal data losses since the launch of the agency in April 2018 that required it to be reported to the Information Commissioner's Office.

Statement of Accounting Officer's responsibilities

Responsibilities

Under the Government Resources and Accounts Act 2000 (the GRAA), HM Treasury has directed the GPA to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Agency and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, compliance is required with the requirements of the Government Financial Reporting Manual (FReM) 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.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts.
- Prepare the accounts on a going concern basis.
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The GPA accounts have been prepared on a statutory basis in accordance with the requirements of HM Treasury and are designed to comply with generic Accounts Directions issued to agencies by HM Treasury under section 7 (1 and 2) of the GRAA.

HM Treasury has appointed the Principal Accounting Officer of the Cabinet Office as Accounting Officer of the GPA. The Principal Accounting Officer of the Cabinet Office has sub-delegated his Accounting Officer responsibilities for the GPA to the GPA Chief Executive Officer and Accounting Officer. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the GPA's assets, are set out in Managing Public Money published by the HM Treasury.

The financial statements are audited by the Comptroller and Auditor General, who is appointed under statute and reports to Parliament on the audit examination.

As the 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 the GPA'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.

Governance statement

Overview

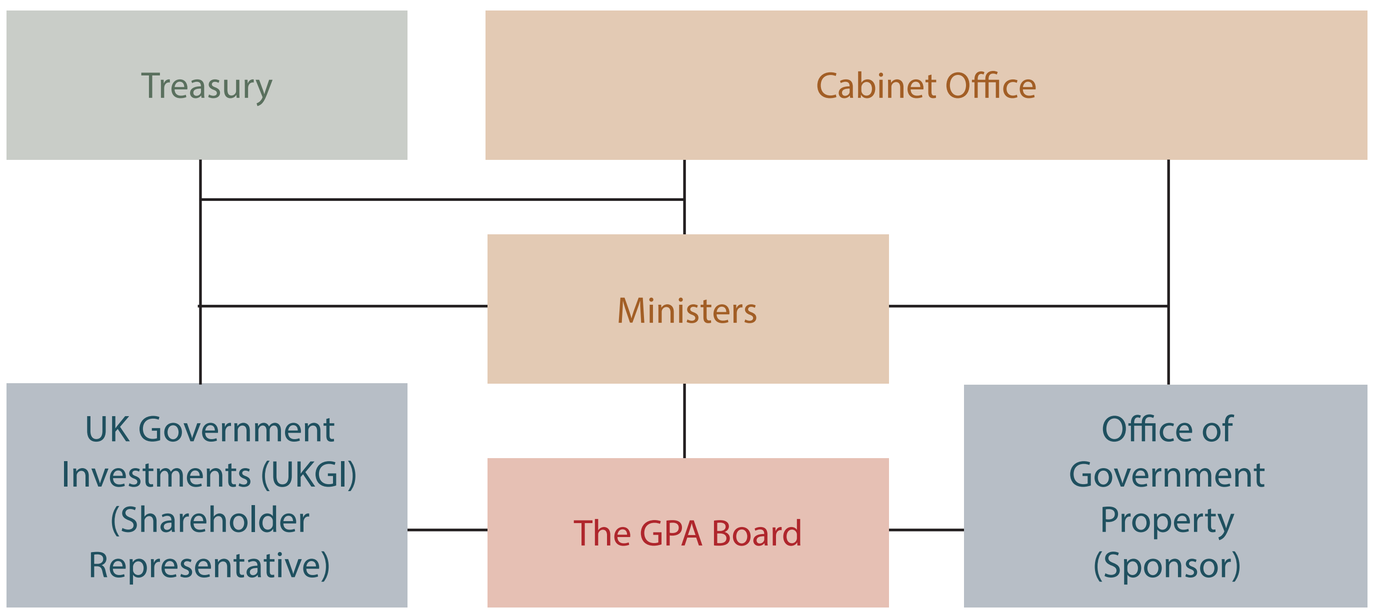
As Accounting Officer, the CEO of the Government Property Agency ensures that he adheres to the principles and standards set out in HM Treasury's 'Managing Public Money' guidance, including in terms of governance, decision-making and financial management. This governance statement sets out frameworks, processes and supporting evidence to provide assurance on how we have managed risks and complied with good corporate governance.

Governance and framework

The GPA has a robust system of governance that is continuing to develop and strengthen.

The GPA is an Executive Agency of the Cabinet Office and reports to Cabinet Office Ministers through the Chair of the Board. The Director General Government Property in the Office of Government Property (OGP) is the Senior Sponsor and has oversight of the policy objectives that the GPA is required to deliver. UK Government Investments (UKGI) undertakes the role of Shareholder Representative on behalf of the Cabinet Office, with the Chief Financial Officer of UKGI as a member of the GPA Board. UKGI is responsible for promoting corporate governance and financial best practice. Additionally, to ensure transparency, Cabinet Office Finance representatives sit on our Investment Committee and the Finance Committee, with an independent finance representative, from the Home Office, sitting on our Audit and Risk Committee. The GPA also adheres to Treasury guidance on Managing Public Money, Risk Management, Internal Audit, Remuneration and Financial Delegation.

These relationships are formally articulated within a Framework Document that is reviewed every three years to ensure that it properly represents high level arrangements. UKGI is undertaking a comprehensive review of this document to ensure that it reflects new arrangements and current cross government guidance. It is anticipated that Ministerial approval will be sought in June 2022.



[1] https://www.gov.uk/government/organisations/government-property-agency/about/terms-of-reference

Internal governance

The Board and its sub-committees are our top level of governance and provide an important link to our ministers. The Board sets strategic direction for the Agency and over the past year has input to critical areas of work; in particular the development of the GPA's Spending Review bid, its annual Business Plan, and its Transformation Programme.

Board sub-committees are: an Investment Committee, an Audit & Risk Committee, and a Nominations Committee. Each is chaired by a GPA Board Independent Non-Executive Director.

The Investment Committee meets monthly and is chaired by an independent Non-Executive Director. This Committee ensures that the projects and programmes that are delivered are aligned with Ministerial priorities, meet regularity and propriety requirements, are affordable and sustainable. It also oversees all contract and procurement activity for the Agency. Over the past year, alongside leases for new space and lease re-gears, this Committee has approved business cases for workplaces services transformation and reprocurement of a new Property Partner. It has also approved capital projects supporting Places for Growth such as the Darlington Economic Campus, and interoperability products such as Gov pass and Gov wifi. The GPA's Spending Review 2021 settlement will enable significant estate improvements, HMT front-loaded capital funding, and provide sufficient RDEL to progress all the projects funded with capital.

The Audit & Risk Committee supports the Board by ensuring that governance, risk management, internal controls and financial accounts are comprehensive and fit for purpose. Representatives from both the National Audit Office (NAO) and Government Internal Audit (GIAA) are attendees of this Committee. The NAO undertakes an external audit of the financial statements. GIAA conducts a programme of audits each year informed by key Agency risks. This Committee is chaired by an independent

Non-Executive Director, Jonathan Thompson, who meets yearly with the Cabinet Office Audit and Risk Committee Chair as well as attending one or two of their meetings per year to ensure that Agency risks that might impact on the Cabinet Office are managed effectively. This year, alongside standard risk and financial scrutiny, this Committee has carried out a major review of the Agency's asset valuations policy and shaped how this will be undertaken moving forward.

The Nominations Committee meets twice yearly and is led by the Agency's Chair to give independent scrutiny to Executive and senior staff performance management and succession planning. Two further Non-Executive Directors' are on the Committee with the Agency's Head of HR and CEO in attendance as appropriate. Reports from this Committee this year have included external assurance against Executive and Senior Civil Servant performance and talent evaluations set by the GPA, as well as thoughts on the recruitment of a new Board member.

Our Executive Committee (ExCo) provides a link between the strategic direction provided by the Board and the day to day management of the Agency. ExCo has sub-committees too, each chaired by a Director which are described in more detail below.

- Portfolio Committee: attended by a Non-Executive Director, develops high-level plans for the Government estate by region and locality. Work over the past year includes re-baselining of regional Portfolio Plans in light of changing client requirements due to the pandemic to ensure that they remain viable.

- Asset Management Committees: integrate approaches from across the GPA to the management of its buildings. The Committee sits for each of the four GPA regions: North, Centre, South and London and has this year focused on asset data quality.

- Data & Technology Committee manages the development and implementation of the GPA's Data and Technology strategies. It currently operates as two entities; Data Design Authority and Technology Design Authority; that we aspire to combine into one Committee. This year work on the establishment of a GPA Data Warehouse, occupancy monitoring pilots and further improvement of interoperability products have been a focus.

- Client Committee: keeps the GPA clients (government departments) informed and is used to seek their views in shaping cross-departmental property related plans. This Committee has provided input to work to strengthen client and customer service and associated reporting.

- Finance Committee: attended by one Non-Executive Director and a Cabinet Office representative, carries out a detailed review of the GPA's financial position, balance sheet, cash flow and benefits. This year's focus has been on more granular scrutiny of financials for each area of the business ahead of submission to the Board and Audit and Risk Committee.

- Health & Safety Committee: attended by Trade Union representatives, ensures that the GPA is protecting its people, commercial partners and customers in their buildings. Focus has been given to support clients as well as the maintenance of Health and Safety compliance within this new ways of working through the pandemic.

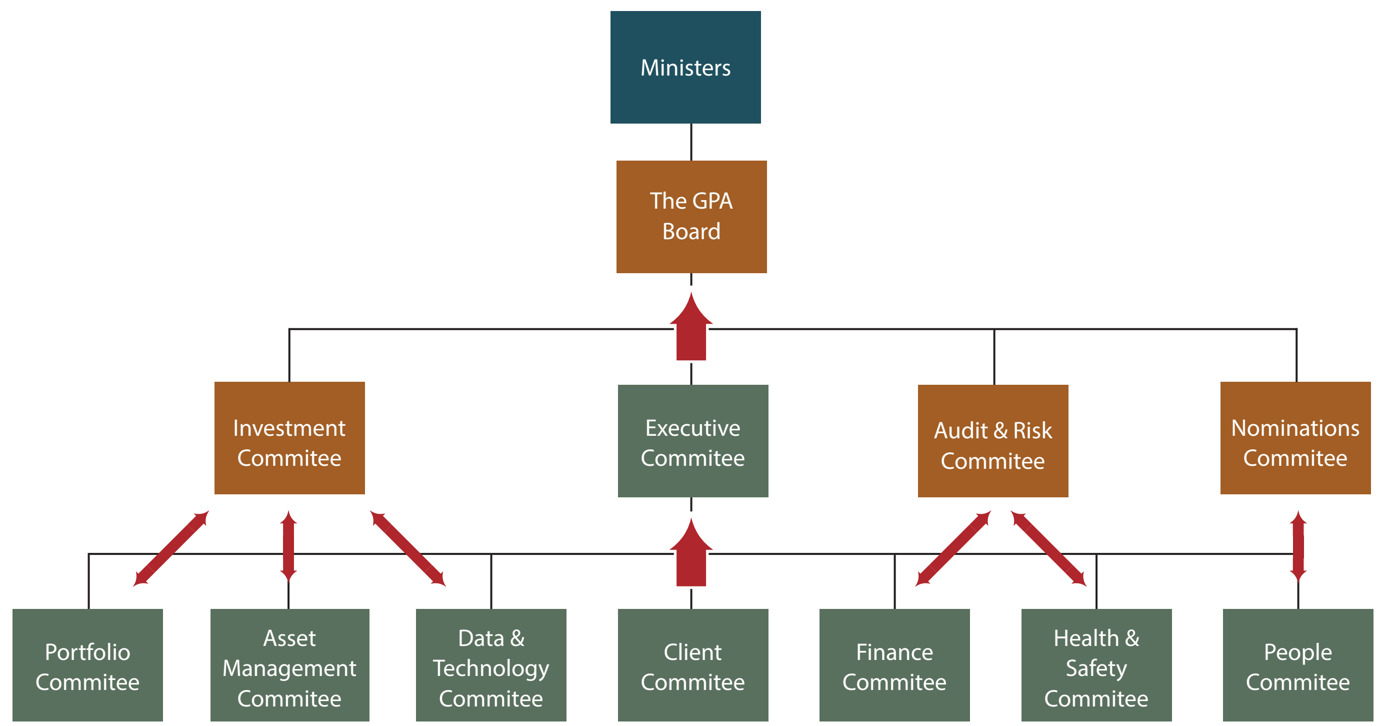
- People Committee: assists the Executive Committee in ensuring that the GPA's people are supported. Following the arrival of the GPA's Chief Operating Officer, the People Committee was established and meets monthly. This year the focus has been on the development of the GPA core skills analysis, the learning and development offer, Diversity and Inclusion and the GPA's people survey.

These Board and Executive Committee subcommittees are supported by programme, contract management and union engagement structures.

- Programme and Project Boards: set the direction for, and manage, the programmes and projects that drive change and delivery.

- Contract Management: ensures each of our contracts has a named contract manager who meets monthly with contractor representatives to assess performance, manage routine issues and review payment. All contracts also have a quarterly strategic review, attended by more senior staff, to test relationships, align strategies and plan for the future.

- Union Engagement: we have regular engagement with unions both at a national level to discuss issues across our portfolio, and at the GPA level to discuss issues relating to our own people.



Board and sub-committee membership and attendance

The table below lists the Board members and their attendance at Board and Board sub-committee meetings over the 2021-22 reporting period. Mickola Wilson's tenure ended in July 2021 and she was replaced by Jonathan Thompson who is an independent Non-Executive Director from the private sector.

There have been four Finance Directors' (FD) in post this year. Steve Blake was FD from 1 April 2021 to 30 April 2021, followed by Ian Kenyon from 1 May 2021 to 31 July 2021. Nick Longhurst was acting FD from 1 August 2021 to 30 September 2021, followed by Nigel Beckett from 1 October 2021 who is the current Interim Finance Director. In June 2021 Andrew Pattison, a qualified accountant from the Home Office, took up a role in the Audit and Risk Committee to provide an additional independent perspective.

The GPA non-Executive Directors' (NED) 2021-22

Board Member	Role	GPA Board	Nominations Commitee	Audit and Risk Committee	Investment comittee	Exec Sub Committees Attended
Pat Ritchie	Chair, GPA	6/6	1/1	1/1	N/A	N/A
Steven Boyd	Chief Executive, GPA	6/6	1/1	6/6	11/12	Finance 4/4 Client 3/3
Nigel Beckett	Finance Director, GPA	3/3	N/A	3/3	6/8	Finance 2/2 Client 2/2
Jane Hamilton	Independent Non- 6/6 Executive Director (Private Sector)	1/1	N/A	10/12	N/A	
Mark Collins	Independent Non-Executive Director (Private Sector)	5/6	N/A	N/A	11/12	N/A
Mickola Wilson	Independent Non-Executive Director	2/2	N/A	2/2	N/A	Finance 1/1
Jonathan Thompson	Independent Non-Executive Director (Private Sector)	4/4	N/A	4/4	N/A	N/A
Rupert McNeil	Non-Executive Director (Cabinet Office)	5/6	N/A	N/A	N/A	N/A
Robert Razzell	Non-Executive Director (UKGI)	6/6	N/A	6/6	N/A	Finance 3/4
Mike Green	Non-Executive Director (Department for Education)	2/6	N/A	N/A	N/A	N/A
Andrew Pattison	Independent	N/A	N/A	3/4	N/A	N/A
Debra Soper (Observer)	Chief Operating Officer, GPA	5/6	1/1	2/5	3/3	Finance 2/3

Governance effectiveness reviews

Departmental review

Following the Tailored Review that was carried out in December 2020, a number of recommendations were made relating to the GPA's governance including systems for finance, funding and approaches to managing the Agency's growing portfolio. An action plan to implement all actions required to address the recommendations from this departmental review was developed and was actively monitored by both the Executive Committee and Board, in conjunction with the sponsor, to ensure completion.

An action plan to track progress against the report's recommendations by the Executive Committee and the Board was established. Good progress has been made against these recommendations leading to a formal review by the Tailored Review Team Leader in November 2021 concluding that this additional layer of scrutiny is no longer required, and the remaining actions should be tracked by UKGI.

At the end of the financial year, all recommendations needing the GPA action have been completed, including the introduction of our core skills framework. This enables all appointments made to have the necessary skills in place to undertake the role on joining. In addition, analysis of the current workforce has also been undertaken to identify skills gaps. A learning and development solution is in place focusing on outcomes at all skills levels.

Annual Board effectiveness review

In April 2021, the GPA Chair commissioned an independent, external review of the Board and its sub-committees. The fact-finding interviews and Board observation took place in May and June 2021 with the delivery of the report in July 2021. The objectives of the review were to:

- Provide an opportunity for the Board to reflect on current performance and identify improvements in its capability and ways of working across the whole governance system to ensure it meets the current and future demands placed on it.
- Give confidence to the GPA Board's stakeholders that the current Board (and sub-committee) governance meets best practice as specified by the UK Corporate Governance Code and the GPA Framework Document.
- Enable the Board to consider how it can add more value to the development of the GPA business.

The recommendations of the review complement both planned improvements and the action plan that followed the recent Tailored Review and in summary include the following:

- Invest more of the Board's attention on the strategic development of the GPA which includes the development of a GPA roadmap, building capacity and capability within the GPA, develop scrutiny and focus on more strategic risk.
- Develop the effectiveness and efficiency of the governance system through a set of tactical changes such as the development of NED capability, develop the secretariat and mature the Executive and Non Executive relationship.
- Build stakeholder relationships and enhance the profile and impact of the Board by clarifying roles and responsibilities with OGP, enhance board visibility and prioritise effective stakeholder management.

The review considered the GPA Board to take its responsibilities seriously and operates in a professional manner compliant with the principles of the Code. It found that the Board provides effective governance of the organisation and is actively engaged in making improvements to the governance system.

In addition to the above, the Chair carries out regular appraisals of board member performance.

Board information provision

In order for the Board to fulfil its role of setting strategic direction and provision of oversight for the GPA, key reporting and information is provided in advance of each meeting. This includes a performance dashboard detailing monthly reporting on standing Board discussions such as health and safety, risk and financial management. It also reports on client satisfaction, and provides people, programme and commercial information, all of which has been scrutinised by the Executive Committee ahead of Board meetings. This is tangible data that can be used by the Board to support decision making and allows this forum to challenge the Agency's performance against targets set.

Alongside the above, a CEO report reviewing the key work of the Agency is provided together with updates on decisions taken by Board committees. Strategic 'deep dive' discussions on critical areas to give the Board an opportunity to discuss and provide risk strategic guidance take place at each meeting.
All Board and committee terms of reference documents undergo regular scrutiny to ensure they remain fit for purpose and contain up to date information. These are in a standardised format to ensure consistency.

Compliance with Corporate Governance guidance

The GPA follows best practice for corporate governance, in line with the Cabinet Office 'Code of Conduct for Board Members of Public Bodies' and Cabinet Office and HM Treasury 'Corporate Governance in Central Government Departments: Code of Good Practice' guidance. The Agency's Board composition was designed in line with this code. This has allowed for the appointment of a mixture of Non-Executives with substantial experience in the public sector as well as independent members with strong private sector property, real estate and commercial expertise. These areas of expertise are used collaboratively to set the Agency's strategic direction; drawing on experience from both sectors to capitalise on opportunities whilst managing risks and holding the Agency to account for delivery against set targets.

The Board also has a clear Committee structure, including an Investment Committee, Audit & Risk Committee and Nominations Committee. Mechanisms for reporting decision making upwards and escalating where appropriate into the Board, Sponsor team, and Cabinet Office through the Shareholder Representative are in place and detailed in a Framework Document. Additionally, all members follow the 'Seven Principles of Public Life which are included in the terms of reference for the Board and all Committees. Finally, the Board conducts an annual effectiveness review to ensure that it remains fit for purpose and continues to develop.

Risk management framework

The GPA follows risk management best practice as set out in the Government's 'orange book;' to ensure compliance with

Government's Corporate Governance code. Risks within the Agency are managed and documented within teams, with significant risks escalated to the GPA's Strategic Risk Register. Directors' are responsible for ensuring that risks are updated ahead of each review point by the Executive Committee, the Audit & Risk Committee and the Board. Strategic risks are reported in the monthly performance pack at Executive level before onward submission to the Audit & Risk Committee and the Board.

The Audit & Risk Committee reviews the Strategic Risk Register at scheduled meetings, the Board reviews at least twice a year, and these risk areas inform the selection of deep dive discussions at both of those meetings. Risk appetite is reviewed annually.

Overall responsibility for management of this control is held by the Agency's Audit and Risk Committee on behalf of the Board.

The most recent review considered whether the risks that were set out in the Register were still appropriate, and whether the vulnerabilities and impact are up to date and representative of the risk involved, that there were adequate and appropriate controls in place and considered if any new risks should be added to the Register. As a result of this review, the risk register was updated.

The key risks facing the Agency and associated mitigations are summarised below:

People:

- Top Team: There is a risk that the GPA cannot attract and retain a strong top team leading to lack of stability, poor leadership and loss of staff and client confidence.

- Capability & Capacity: There is a risk that the GPA cannot build capability and capacity fast enough to deliver on expectations leading to loss of client confidence and loss of support from senior leaders, caused by the inability to recruit, train and retain high calibre staff.

Ways of Working:

- Portfolio Controlling Mind: If the GPA makes property decisions in a disjointed way by failing to create a controlling mind for the Government's property there is a risk of confusion and missed opportunities.

- Property/delivery Partners: If the GPA is adversely impacted by the failure of a delivery Partner due to their inability to deliver high quality services there will be a loss of client satisfaction.

- Property Risk: If the GPA is not able to create the lease flexibility and financial reserves required to manage vacant space risk it could lead to financial failures.

Financial:

- Financial Model: If the GPA Financial Model is not able to generate sufficient income to cover costs, is unable to meet financial targets and does not have adequate tools and processes in place, the GPA could generate a loss resulting in the GPA being heavily reliant on HMT funding.

- Client Finance: If the GPA cannot deliver timely and accurate basic financial services (client financial forecasts and billing) to its clients it will lead to loss of client confidence with reputational consequences.

- Inflation: There is a risk that inflation runs ahead of forecast and the GPA's major programmes become unaffordable.

Performance:

- Political Demands: If the GPA cannot satisfy the demands of leading politicians or Ministers it will lead to a loss of support

Effectiveness of risk management

The GPA's risk management approach is to identify and act to deal effectively with events that either threaten our performance or give us an opportunity to improve it.

The environment we operate in is constantly changing so it's crucial that we're flexible in our approach to risk management and develop innovative solutions.

Everyone at the GPA has a role to play in identifying and managing risks. Emerging risks can be something we are either unaware of, or are unaware of the effect on our business. These can come from something we do such as changing a work practice, or from external factors. We therefore identify risks using a combination of external information combined with internal expertise to spot potential new risks which we then manage using our risk process.

Effective risk management is about ensuring we understand and address, through mitigation, all relevant risks as part of normal management practices to increase the probability of successful outcomes, while protecting the values, reputation and sustainability of the GPA.

We constantly seek to continually improve the process. For the coming year, we are focussed on firmly embedding a risk culture across all the GPA and ensure we continue to develop our 3 lines of assurance for risk management. This includes the review of our Strategic risks on a monthly basis by the Executive Committee at its monthly meeting. During these sessions, two of the highest scoring risks are part of a Deep Dive review. Consideration is given to the description of the risk, the mitigating actions required and a review of the risk status. The results from these sessions are shared with the Audit and Risk Committee.

Our Risk Management Framework is aligned with Government best practice, in particular The Orange Book. To help us decide which risks we should and shouldn't be taking, we use our risk appetite statement.
During April 2022, we secured a dedicated Risk and Assurance Manager for the GPA who will continue to embed risk management into our culture enabling risk to form part of the GPA's

decision making.

Risk appetite

Our risk appetite is the amount of risk we are willing to seek or accept in the pursuit of our objectives. Consideration of risk appetite improves the quality of risk conversations and enables us to prioritise our risks and manage them in an efficient manner. The GPA Board has set a risk appetite for the Agency. Utilising a matrix with five options of 'averse,' 'minimalist,' 'cautious,' 'open' and 'hungry', risks have been rated against these five options in each of five risk categories: reputation and credibility, operational and policy delivery, financial/value for money, compliance-legal/regulatory and financial challenge. This risk appetite matrix was reviewed at the October 2021 Board meeting as part of a wider Risk Management process update and review. Our risk appetite framework is reviewed annually to reflect any change to the organisation's objectives and the external risk landscape.

Statement of internal control

The GPA follows HM Treasury guidance on internal control, intended to provide reasonable assurance and maintain propriety and regularity of expenditure. This is a proportionate approach and not intended to eliminate all risk of failure, so the Accounting Officer can only provide reasonable, not absolute, assurance. Our internal control processes are designed to:

- Identify and prioritise the risks affecting our business aims and objectives.
- Evaluate the likelihood of those risks happening and their likely impact.
- Manage those risks efficiently and effectively.

Other controls include: Investment decisions over £250,000 require Investment Committee approval. Since October 2021, the Minister of State for the Cabinet Office, and subsequently the Minister of State for Brexit and Government Efficiency has had sight of investment decisions over £1m to enable his approval and further questions if required. This additional ministerial engagement is temporary due to be in place until Summer 2022.

External assurers

The National Audit Office (NAO) provides an audit opinion on the financial statements through annual financial audit. The GPA works closely with NAO representatives throughout the year and representatives attend all of the Agency's Audit and Risk Committee meetings. Each year NAO produces a Management Letter listing key areas of improvement and associated actions to be completed that are tracked by ExCo members and the Audit and Risk Committee.

The GPA has utilised the services of its property partner Montagu Evans for property valuations (excluding year end audit valuations) to provide external scrutiny in line with guidance on how to do so as stated within the government's financial reporting manual. Their contract comprises some core elements such as property management and onboarding due diligence (which are charged on a fixed fee basis), as well as a suite of other services such as transactional support and valuations (which are charged on a call off basis in line with pre-agreed contract and framework rates).

As such, Montagu Evans is currently considered the preferred supplier of choice for all of the GPA's property needs (excluding year end audit valuations), as by carrying out the majority of the Agency's call off work, they gain a deeper understanding of the estate which enables them to provide more strategic advice across the business. We now recognise that it is advised to change valuers or rotate partners every seven years and to have some segregation between the valuers and managing agents functions. We intend to consider this approach for next year.

The GPA has retained Jones Lang LaSalle to provide year-end property valuations to support the annual audit process. Jones Lang LaSalle works closely with the NAO's own valuation consultants to provide an independent assurance of the GPA's property portfolio. The number of properties valued and the type of valuation undertaken is agreed in conjunction with the NAO prior to each year's audit.

Audit assurance

Representatives from the National Audit Office (NAO) and Government Internal Audit Agency (GIAA) attend the GPA Audit & Risk Committee meetings. During the year GIAA conducted six internal audits to consider areas of risk and/or concern identified by the Executive Committee including Onboarding of three PFIs into the GPA, Client Service Culture, Management of Vacant Property Space, Client Financial Information Debt Management, Skills Review and Data Quality. Audit reports and their recommendations have been considered by the Executive and the Audit & Risk Committee.

The implementation of actions required to address these recommendations is monitored by the Audit & Risk Committee. The Head of Internal Audit provides an independent opinion on the adequacy and effectiveness of the Agency's governance, risk and internal control arrangements annually. The internal audits conducted during the year contribute to that opinion.

For 2021-22, GIAA's opinion is moderate and they observed several improvements needing to be made to the governance, risk management and control environment during the year, particularly in respect of financial management and client services. GIAA also noted improvement in the management of change through our assurance work on the GPA Transformation Programme and the innovative approach applied in developing a core skills framework to address skills gaps in the Agency. GIAA is satisfied that the GPA's governance, risk management and control arrangements remain within this rating.

This year, there has been an improvement overall in the individual report ratings, with

a higher number of assurance engagements of moderate opinion, raising the level of confidence over the operation of the control environment. The challenge for 2022-23 will be to embed the control improvements made in 2021-22 and continue to manage change effectively.

Whistleblowing

The GPA adheres to the whistleblowing policy that is applicable to all Civil Servants, including adherence to the Civil Service Code. Information regarding this policy is available for all staff on the Agency's intranet site. The Audit & Risk Committee is informed at the start of every meeting if any whistleblowing cases have been raised. In 2021-22 there were no such cases, comparable to 2020-21.

Fraud

The GPA adheres to Cabinet Office policy regarding fraud, which requires staff at all times to act honestly, with integrity, and to safeguard the public resources for which they are responsible at all times. All staff must complete mandatory Civil Service e-learning on this topic each year. There were no cases of fraud identified in 2021-22, comparable to 2020-21.

Remuneration and staff report

Overview

This report sets out the remuneration policy and provides details on remuneration and staff that Parliament considers key to accountability. The following sections are subject to audit:

- Remuneration (salary, benefits in kind and pensions) of officials who are Board members.
- Fair pay disclosure.
- Fees paid to Non-Executive Board members.
- Pension benefits of official Board members.
- Staff costs.
- Average number of persons employed.
- Reporting of compensation schemes and exit packages.

Remuneration report

Remuneration policy

The pay of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries (SSRB).

The SSRB takes a variety of factors into consideration when formulating its recommendations. These include:

- The need to recruit, retain and motivate suitably able and qualified people.
- 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 departmental expenditure limits.
- The Government's inflation target.

- The evidence it receives about wider economic considerations and the affordability of its recommendations.

The SSRB website[3] contains further information about its work.

The performance management system for senior civil servants is common across all government departments. Pay awards are made in two parts:

- Non-consolidated variable payments, which are used to reward members of staff who demonstrate exceptional performance.
- Base pay progression, to reward growth in competence.

Non-consolidated payments are paid one year in arrears, so those paid to the GPA staff in 2021-22 relate to their performance during 2020-21 year.

The Cabinet Office end of year bonus scheme for senior civil servants is applicable to those within the GPA Awards of up to £5,250 can be made for exceptional contributions. An additional cross-government in-year bonus scheme for senior civil servants is also available to recognise corporate values and behaviours, with rewards of up to £1,000 available for senior civil servants under this scheme.

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.

[3] https://www.gov.uk/government/organisations/review-body-on-senior-salaries

The GPA non-Executive Directors' (NED) 2021-22

Name	Type	NED Contract End Date
Pat Ritchie (Chair)	Non-Government	31 December 2023
Mark Collins	Non-Government	30 April 2023
Jonathan Thompson	Non-Government	31 May 2025
Jane Hamilton	Non-Government	30 April 2023
Robert Razzell	Government	30 April 2023
Mike Green	Government	31 March 2022
Mickola Wilson*	Government	31 July 2021
Rupert McNeil*	Government	17 March 2022

* Exited the Board mid year.

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

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the most senior officials (i.e. Board members) of the agency. In accordance with HM Treasury guidance all entities are required to prepare a remuneration report containing certain information about the Directors' remuneration. Directors, in this context, mean persons in senior positions having authority or responsibility for directing or controlling the major activities of the entity. This means those who influence the decisions of the entity as a whole rather than the decisions of individual Directorates or sections within the entity. The Accounting Officer and the Audit and Risk Committee have decided that this requirement encompasses the two posts shown below (CEO and CFO), whose emoluments and pension details are disclosed. The GPA considers that no other key management staff details need to be disclosed under this guidance for 2021-22.

Remuneration of officials who are Board members

Board member officials	Single total figure of remuneration									
	Salary (£'000)		Non-consolidated payments (£'000)		Benefits in kind (to nearest £100)		Pensions benefits* (to nearest £1,000)		Total (£'000)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Steven Boyd	145-150	140-145	-	-	-	-	0[1]	56,000	145-150	195-200
Steve Blake[2]	5-10 (105-110 FTE)	105-110	-	-	-	-	2,000	40,000	10-15	145-150
Ian Kenyon[3]	-	-	-	-	-	-	-	-	-	-
Nick Longhurst[4]	10-15 (80-85 FTE)	-	-	-	-	-	19,000	-	30-35	-
Nigel Beckett[5]	60-65 (120-125 FTE)	-	-	-	-	-	50,000	-	110-115	-

* 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 increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

[1] Ceased to be a member of the Civil Service Pension Scheme from 1 April 2021.

[2] On loan to NHS Test and Trace from 30 April 2021.

[3] FD between 1 May 2021 and 30 July 2021. Ian was loaned into the GPA but did not join the GPA payroll as he was being paid by the Home Office.

[4] Acting FD between 31 July 2021 and 3 October 2021.

[5] Interim FD from 4 October 2021.

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.

Benefits in kind

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

The disclosed benefits in kind include income tax and national insurance liabilities that are met by the GPA.

Non-consolidated payments

Non-consolidated payments are based on performance levels attained and are made as part of the appraisal process. They are not accrued or provided for at 31 March, because the appraisal process is not complete until the summer and entitlement is not agreed until after the appraisal process is complete. As a result, the payments reported in 2021-22 relate to performance in 2020-21 and may include where entitlement arose for performance in transferring departments.

Fair pay disclosure

	2021-22	2020-21
Band of highest paid Directors' total remuneration* (£'000)	145-150	140-145
25th percentile remuneration of the workforce (£)	37,300	-
Ratio of highest paid Directors' total remuneration to 25th percentile of workforce	3.95	-
Median remuneration of the workforce (£)	54,700	49,933
Ratio of highest paid Directors' total remuneration to median of workforce	2.70	2.85
75th percentile remuneration of the workforce (£)	66,435	-
Ratio of highest paid Directors' total remuneration to 75th percentile of workforce	2.22	-

	2021-22
Band of highest paid Directors' salary (£'000)	145-150
25th percentile salary of the workforce (£)	37,300
Ratio of highest paid Directors' salary to 25th percentile of workforce	3.95
Median salary of the workforce (£)	49,700
Ratio of highest paid Directors' salary to median of workforce	2.97
75th percentile salary of the workforce (£)	64,500
Ratio of highest paid Directors' salary to 75th percentile of workforce	2.29

* For the fair pay disclosures 'total remuneration' includes salary, non-consolidated performance-related pay and benefits-in-kind allowances but excludes pension figures.

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. From 2021-22 both the ratio between the remuneration of the highest paid Director and the 25th percentile remuneration of the workforce as well as the ratio between the remuneration of the highest paid Director and the 75th percentile remuneration of the workforce are also required. The same median, percentiles and ratios are also required for basic salary only. At the GPA the highest paid Director is the CEO.

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

The banded remuneration of the highest paid Director in the GPA in the financial year 2021-22 was £145,000-£150,000 (2020-21 £140,000-£145,000). This was 2.70 (2020-21 2.85) times the median remuneration of the workforce, which was £54,700 (2020-21 £49,933). This change in the pay ratio was caused in part by the inclusion of agency staff covering vacancies in the 2021-22 figures whereas they were excluded in 2020-21.

The annualised remuneration of the GPA employees, including agency vacancy cover, ranged from £20,000-£25,000 to £185,000-£190,000 (2020-21: £20,000-£25,000 to £140,000-£145,000), In 2021-22, there were 14 agency workers covering vacancies whose annualised remuneration would have been in excess of the highest paid Director. However, there were no directly employed GPA staff members in 2021-22 who received remuneration in excess of the highest-paid Director (2020-21, nil).

Fair pay disclosure

Highest paid Director and all staff average	% change from previous year
Highest paid Directors' salary and allowances	1.57
All staff average salary and allowances	16.84
Highest paid Directors' PRP and bonuses	0.00
All staff average PRP and bonuses	-6.47

The average salary and allowances percentage change from last year has been caused by the inclusion of agency workers covering vacancies in 2021-22. Due to the pay pause for 2021-22 there has been relatively little change in average salaries, allowances, PRP or bonuses for directly employed GPA staff in the last year. For staff on Grades AO-G6 GPA made the decision to only award bonus payments to employees who were marked as 'High Performing' or 'Exceeded'. The bonus payments were also fixed amounts, rather than being a percentage of salary. Both of these factors contributed to the percentage decrease from the previous year.

Fees paid to non-executive board members

Non-executive board members	Annual fee entitlement (£)	Fees paid 2021-22 (£)	Fees paid 2020-21 (£)
Pat Ritchie	37,500[1]	27,950	20,000
Jane Hamilton	15,000	15,000	15,000
Mark Collins	15,000	15,000	15,000
Mickola Wilson	15,000	5,000[2]	15,000
Jonathan Thompson	15,000	10,000[3]	-
Rupert McNeil	-	-	-
Robert Razzell	-	-	-
Mike Green	-	-	-

[1] Pat Ritchie was employed by Newcastle City Council and her fee split between the council and her, with Pat receiving £20,000 p.a. and Newcastle City Council receiving £17,500. Pat left Newcastle City Council on 15 October 2021 at which point Newcastle City Council stopped receiving a portion of her fees

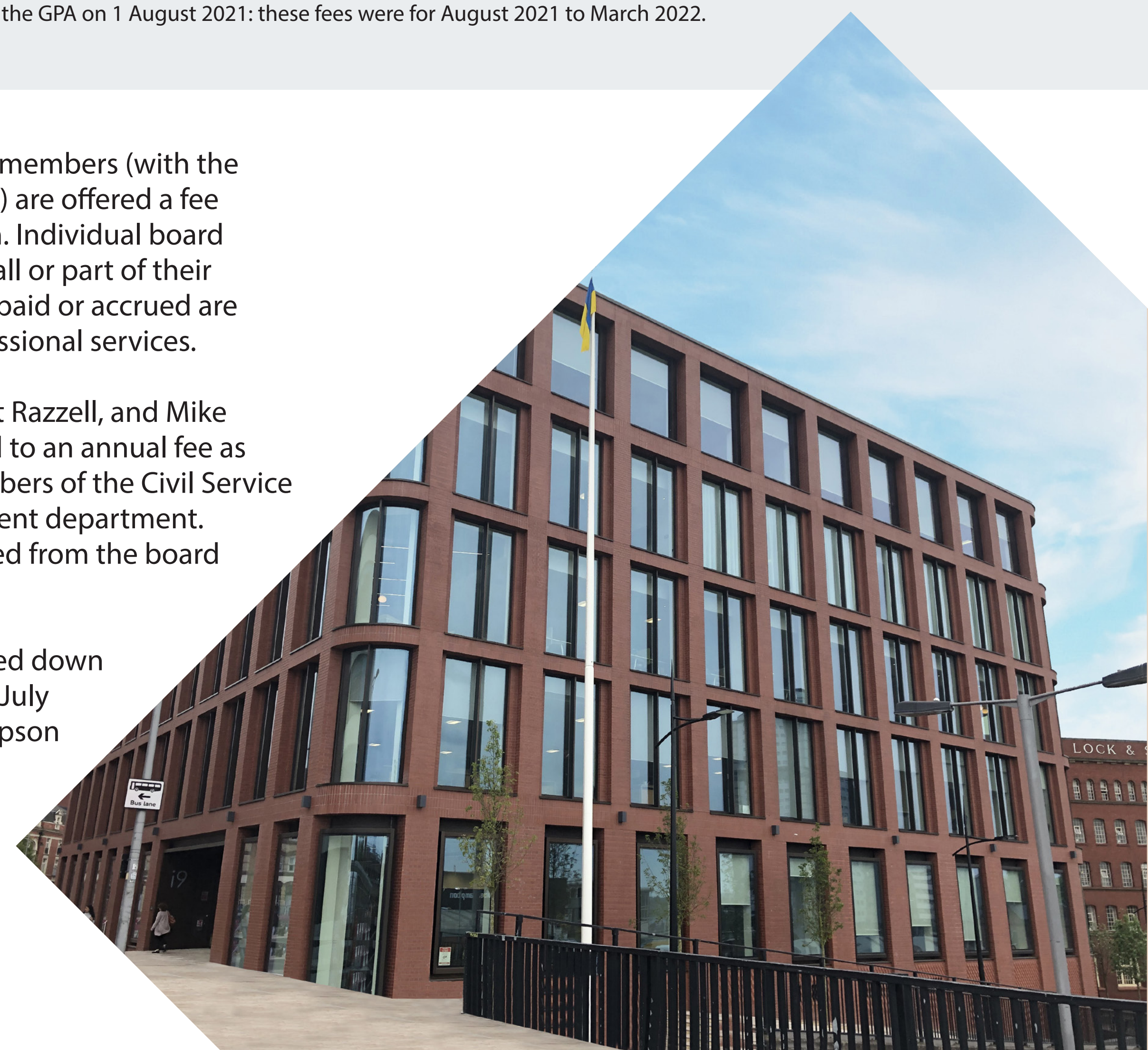
[2] Mickola Wilson left the GPA on 31 July 2021: these fees were for April 2021 to July 2021.

[3] Jonathan Thompson joined the GPA on 1 August 2021: these fees were for August 2021 to March 2022.

Non-executive board members (with the exception of the chair) are offered a fee of £15,000 per annum. Individual board members may waive all or part of their fee entitlement. Fees paid or accrued are included within professional services.

Rupert McNeil, Robert Razzell, and Mike Green are not entitled to an annual fee as they are already members of the Civil Service and paid by their current department. Rupert McNeil resigned from the board on 17 March 2022.

Mickola Wilson stepped down from the Board on 31 July 2021. Jonathan Thompson joined the GPA on 1 August 2021. All other Board members were engaged for the full financial year.



Pension benefits of official board members

Board member official	Accrued pension at pension age as at 31 March 2022 and related lump sum £'000s	Real increase in pension and related lump sum at pension age £'000s	CETV at 31 March 2022 (£'000)	CETV at 31 March 2021 (£'000)	Real increase in CETV (£'000)
Steven Boyd	15 - 20	0	239	242	-
Steve Blake	30 - 35 plus a lump sum of 50 - 55	0 - 2.5 plus a lump sum of 0	556	541	1
Ian Kenyon	-	-	-	-	-
Nick Longhurst	45 - 50 plus a lump sum of 90 - 95	0 - 2.5 plus a lump sum of 0 - 2.5	894	875	14
Nigel Beckett	20 - 25	2.5 - 5	278	242	32

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. 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 with a normal pension age equal to the member's State Pension Age. From that date all newly appointed Civil Servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on career average earnings (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between ten years and 13 years and five months from their normal pension age on 1 April 2012 switched into alpha between 1 June 2015 and 1 February 2022. All members who switched to alpha have 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 pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes). Members joining since October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution scheme with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6 per cent and 8.05 per cent for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during his period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3 per cent of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32 per cent. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8 per cent and 14.75 per cent (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. 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 quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes,

but note that part of that pension may be payable from different ages).

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2021-22 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

PCSPS and alpha are unfunded multi-employer defined benefit schemes but the GPA is unable to identify its share of the underlying assets and liabilities. Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Cash equivalent transfer value (CETV)

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

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

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

Staff report

Staff costs

The classifications in the staff costs table have been revised to more accurately reflect the nature of the expenditure. Prior year comparatives have been restated to ensure comparability across years. The total is unchanged.

	2021-22 £'000	Restated 2020-21 £'000
Wages, salaries and fees*	12,973	9,581
Social security costs	1,490	1,091
Apprenticeship levy	57	58
Other pension costs	3,411	2,540
Untaken annual leave	229	166
Agency staff	5,559	4,283
Sub total	23,719	17,719
Inward secondments**	2,316	1,480
Total	26,035	19,199
Less:		
Recoveries in respect of outward secondments	87	(87)
Total staff costs	26,122	19,112
Less:		
Staff engaged on capitalised projects	(2,771)	(1,748)
Total net staff costs	23,351	17,364

* This includes the following: salaries, allowances, bonuses, overtime, Statutory Sick Pay, Statutory Maternity Pay and Child-care Vouchers.

** This includes GCO staff.

Staff pensions

For 2021-22, employers' contributions of £3.4m were payable to the PCSPS and alpha (2020-21: £2.5m) at one of four rates in the range of 26.6 per cent to 30.3 per cent of pensionable earnings, based on salary bands.

Contributions paid to the partnership pension providers between 1 April 2021 and 31 March 2022 were £61,340. Contributions prepaid at that date were zero. Contributions due to the partnership pension providers that were paid on 31 March 2022 were £4,498.

There were no early retirements on ill-health grounds in 2021-22.

Average number of persons employed

	2021-22			2020-21		
	Permanent	Temporary	Total	Permanent	Temporary*	Total
Directly employed	228.00[1]	11.50[2]	239.50	171.5[1]	7.5[2]	179.0
Others	12.50[3]	36.00[4]	48.50	9.5[3]	19.5[4]	29.0
Staff engaged on capitalised projects[5]	26.00	5.50	31.50	5.5	-	5.5
Total	266.50	53.00	319.50	186.5	27.0	213.5

[1] Those employed on the Government Property Agency payroll.

[2] Those on loan or fixed term appointments with the Government Property Agency.

[3] Those employed permanently through the Government Commercial Organisation.

[4] Contingent labour.

[5] The 2020-21 figures represent staff who were 100% engaged on capital projects, the 2021-22 figures represent average number of staff who were engaged on capitalised projects.

Senior civil servants

The table below shows the number of senior civil servants (SCS) employed by the GPA as of 31 March 2022. There has been an overall increase in the number of SCS at payband 1 which reflects the growth of the organisation.

	Headcount	
	2021-22	2020-21
Chief Executive, Director General (SCS3)	1	1
Director (SCS2)	5	3
Senior Commercial Specialist (SCS2)	1	2
Deputy Director (SCS1)	17	13*
Commercial Specialist (SCS1)	2	3
Total Senior Civil Servants working in the GPA	26	22

* One of these was on a fixed term appointment and one was on loan in.

Staff composition - Gender Diversity

The below tables provide a breakdown, by gender, of all the staff employed by the GPA as of 31 March 2022.

	2021-22			2020-21		
	Male headcount	Female headcount	Total	Male headcount	Female headcount	Total
Board members*	2	-	2	2	-	2
Senior civil servants	17	9	26	15	5	20
All other staff	170	133	303	127	92	219
Total	189	142	331	144	97	241

*Refers to the Executive Directors' only (excludes NEDs).

	2021-22		2020-21	
	Male %	Female %	Male %	Female %
Board members	100	-	100	-
Senior civil servants	65	35	75	25
All other staff	56	44	58	42

Staff numbers increased during the year as the GPA continued to grow the business and on-board more clients. Compared to 2020-21, it is encouraging to see an increase in the number of female employees at SCS grades in 2021-22.

Sickness absence

The sickness absence figure for the rolling 12 months to 31 March 2022 was 3.12 (2020-21: 3.36) average working days lost per member of staff.

Staff turnover

The staff turnover figure for the rolling 12 months to 31 March 2022 was 11 per cent (2020-21: 6 per cent). The reasons for the number of employees who have left the GPA and the Civil Service are too low to report individually, but include resignation, retirement and end of temporary appointments.

People Survey engagement score

In 2021 the GPA achieved a response rate of 100 per cent on the People Survey which is the highest of all participating organisations in the Civil Service. In spite of living through the effects of the pandemic, we have also been able to maintain both our Proxy Stress Index and PERMA scores from 2020 at 28 per cent and 74 per cent respectively. However the staff engagement score dropped slightly from the previous year from 62 per cent to 60 per cent.

Employment, training and advancement of disabled persons

The GPA applies the Recruitment Principles of the Civil Service Commission, appointing candidates based on merit through fair and open competition. Recruitment and selection training, which has a core focus of raising awareness of unconscious bias, is offered to all chairs of the GPA recruitment panels.

The GPA mandates training for all staff on inclusion in the workplace, which includes avoiding unconscious bias. The Becoming Disability Confident training is also recommended for all staff.

The GPA promotes a number of cross-government talent schemes to staff. This includes Civil Service-wide talent schemes such as the Future Leaders Scheme (aimed at staff in Grades 6 and 7) and the Senior Leaders Scheme (aimed at staff in Senior Civil Service pay band 1). There is an additional programme in the Future Leaders Scheme that is specifically aimed at those with a disability or long-term health condition.

Monitoring spending on consultancy and temporary staff

Expenditure on consultancy and temporary staff not included within staff costs was £797k in 2021-22 (2020-21: £1,337k).]

Expenditure on consultancy and the need for temporary staff within the GPA is largely

[4] Staff composition relates to staff employed by Government Property Agency at 31 March 2022 and on payroll, including GCO staff. It excludes Contingent Labour.

dependent on the nature of the projects being undertaken and the expertise required.

Reporting of off-payroll appointments

The GPA provides information about appointments of consultants or staff that last longer than six months and where the individuals earn more than £245 per day, where we pay by invoice rather than through the payroll. We only utilise these arrangements where we cannot avoid them and minimise their use.

All off-payroll engagements as of 31 March 2022, for more than £245 per day, that last longer than six months		
Number of existing engagements as of 31 March 2022	47	
Of which…		
Number existing for less than one year as of 31 March 2022		38
Number existing for between one and two years as of 31 March 2022	8	
Number existing for between two and three years as of 31 March 2022	1	
Number existing for between three and four years as of 31 March 2022	0	
Number existing for four or more years as of 31 March 2022		0

New off-payroll working rules for public sector organisations called 'IR35' were put in place from April 2017 to make sure that where an individual would have been an employee if they were providing their services directly, they pay broadly the same tax as an employee, with the requirement for the employer to deduct tax at source.

All new off-payroll engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022, for more than £245 per day, that last for longer than six months		
Number of new engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022		33
Of which…		
Number where off payroll legislation does not apply		1
Number assessed as caught by IR35		31
Number assessed as not caught by IR35		1
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	0	
Number of engagements reassessed for consistency/assurance purposes during the year	0	
Number of engagements that saw a change to IR35 status following the consistency review	0	

Any off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 1 April 2021 and 31 March 2022		
Number of off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, during the financial year	0	
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.		13

Reporting of compensation schemes and exit packages

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in this section. In cases where the employee has accepted the offer made by the department, the cost of termination benefit is accrued within wages, salaries and fees.

There were no costs incurred relating to compensation schemes or exit packages in 2021-22 as the GPA had no exits of this nature (2020-21: nil).

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. These regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation.

The GPA has a Recognition Agreement with PCS, Prospect and the FDA for the purpose of negotiation and consultation. No facilitation time was required for the period between 1 April 2021 and 31 March 2022 as the representatives are currently full time Trade Union officials rather than the GPA employees.

Parliamentary accountability and audit report

Overview

This section contributes to the agency's accountability to Parliament and is subject to audit. Regularity of expenditure reports losses and special payments. Regularity refers to the principle that all consumption of resources should be made in accordance with the legislation authorising them, any applicable delegated authority and the principles set out in Managing Public Money. Disclosures on fees and charges and remote contingent liabilities are required by Managing Public Money.

In his certificate and report to the House of Commons, the Comptroller and Auditor General provides his opinion on regularity and whether the Remuneration and Staff Report and Parliamentary Accountability Disclosures have been properly prepared and are consistent with the financial statements, and whether the information given in the Performance Report and Accountability Report is consistent with the financial statements. The following sections are subject to audit:

- Regularity of expenditure
- Fees and Charges
- Remote Contingent Liabilities

Regularity of expenditure

Where they occur, the Statement of Comprehensive Net Income includes losses, such as write-offs of irrecoverable debts and fruitless payments. The Statement of Comprehensive Net Income also includes extra contractual special payments where they occur.

The GPA had no reportable losses or special payments in 2021-22 (2020-21: nil).
The Statement of Comprehensive Net Income includes constructive losses:

	2021-22	2020-21
Total number of losses	9	-
Total value of losses (£000)	1,029	-

The GPA incurred constructive losses for sunk costs relating to the cessation of various Hub and Whitehall Campus projects. The decision was made to terminate the projects after a review identified that they no longer aligned with strategic requirements.

The GPA incurred constructive losses for onerous lease expenditure arising from shortfalls in rent. The liability for shortfalls in rent is addressed in the individual Managed Service Agreements (MSAs) agreed between the GPA and its clients. The liability remains with the on-boarding client for an introductory period which for certain departments ended on 31 March 2021. More information on how risks are managed can be found in Note 11 Financial Instruments on page 107.

The table above includes the below losses over £300,000.

	2021-22	2020-21
Constructive losses incurred on London, 10 South Colonnade onerous lease	357	-

A loss of £357,000 relates to an onerous lease at London, 10 South Colonnade. The costs to GPA of this property have increased in line with inflation, whereas the income recovered under subleases is partially capped, leading to a shortfall. GPA is pursuing asset management strategies to reduce the level of any future losses at this property.

Fees and charges

The GPA has been established to support better utilisation of the government estate.

As part of its ordinary course of business, the GPA charges fees to other government bodies to recover its costs. Details are included within the segmental analysis in note 4 to the accounts. Our charging arrangements for 2021-22 are structured as follows:

- Landlord Services – our approach is to let space at Market Level Rent which is the rate that a client would have expected to pay for a property of the same quality for the same term had they sourced that property from the open market. We pass through the costs of rates, head lease service charge, insurance and utility costs for the space occupied and any agreed vacant space, plus a management fee at a set rate per occupation above 200sqm and for below 200sqm.

- Workplace Services – we pass through the costs of facilities management and operational security service contracts. The rate of fees to cover the GPA management costs is based on the area of space occupied. For Workplace ICT services on hubs we charge using a fixed rate per square metre which varies by property.

- Portfolio Services – we charge a flat rate per occupation for managing our onboarded clients' assets as a single portfolio.

- Additional property and project services – we pass through contract costs with a percentage fee added to cover putting these contracts in place and managing them. We also charge for the time the GPA team spends on this work. There are discounts for clients who have onboarded to recognise that our closer working relationship allows us to plan ahead and avoid extra costs.

The GPA's charging policy is subject to ongoing review to ensure cost recovery and compliance with Managing Public Money.

Remote contingent liabilities

There are no remote contingent liabilities that require disclosure and reporting to HM Treasury in the Annual Report and Accounts (2020-21: nil).

Steven Boyd MBE
Chief Executive Officer and Accounting Officer
18 July 2022

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 Government Property Agency for the year ended 31 March 2022 under the Government Resources and Accounts Act 2000.

The financial statements comprise the Government Property Agency's:

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

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

In my opinion, the financial statements:

- give a true and fair view of the state of the Government Property Agency's affairs as at 31 March 2022 and its net income for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Entities in the United Kingdom*. 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 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Government Property Agency in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report.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.

In connection with my audit of the financial statements, 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 subject to audit has been properly prepared in accordance with HM Treasury directions made 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 made 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 Government Property Agency and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the Government Property Agency or returns adequate for my audit have not been received from branches not visited by my staff; 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 subject to audit 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;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the Government Property Agency'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 Government Property Agency 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, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the Government Property Agency's accounting policies.
- Inquiring of management, the Government Property Agency's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Government Property Agency's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Government Property Agency's controls relating to the Government Property Agency's compliance with the Government Resources and Accounts Act 2000 and Managing Public Money;
- discussing among the engagement team and involving relevant internal and external specialists, including 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 Government Property Agency 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 also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Government Property Agency's framework of authority as well as other legal and regulatory frameworks in which the Government Property Agency operates, focusing 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 Government Property Agency. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, employment law, pensions legislation and tax legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing 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;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting 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 also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including specialists 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 evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions 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 that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies 19 July 2022
Comptroller and Auditor General

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

Financial Statements

For the financial year ended 31 March 2022

Statement of comprehensive net income
For the year ended 31 March 2022

	Note	2021-22 £'000	2020-21 £'000
Operating income	2	(450,386)	(332,871)
Grants	2	(8,678)	(811)
Capital Grant In Kind	17	(774,905)	(735,808)
Total operating income		(1,233,969)	(1,069,490)
Staff costs	3a	23,351	17,364
Other operating costs	3b	418,896	344,733
Non-cash costs	3c	618,182	120,285
Total operating expenditure		1,060,429	482,382
Net operating income		(173,540)	(587,108)
Net income for the year		(173,540)	(587,108)
Other comprehensive income			
Net loss /(gain) on revaluation of property, plant and equipment (PPE) and intangibles	5, 6	(238,980)	7,469
Total comprehensive net income for the year		(412,520)	(579,639)

All income and expenditure relate to continuing operations.
The notes on pages 84 to 116 form part of these accounts.

Statement of financial position
As at 31 March 2022

	Note	31 March 2022 £'000	31 March 2021 £'000
Non-current assets			
Property, plant and equipment	5	1,876,275	871,881
Intangible assets	6	2,407	817
Trade and other receivables	8a	124,641	93,303
Total non-current assets		2,003,323	966,001
Current assets			
Assets classified as held for sale	7	1,000	1,300
Trade and other receivables	8a	164,438	129,513
Cash and cash equivalents	9	52,815	105,318
Total current assets		218,253	236,131
Total assets		2,221,576	1,202,132
Current liabilities			
Trade and other payables	10	(138,928)	(85,375)
Finance Lease element of PFI Contract	16	(16,448)	-
Provisions	12a	(8,434)	(14,518)
Total current liabilities		(163,810)	(99,893)
Non-current assets less net current liabilities		2,057,766	1,102,239
Non-current liabilities			
Trade and other payables	10	(64,975)	(45,318)
Finance Lease element of PFI Contract	16	(476,671)	-
Provisions	12a	(94,532)	(78,244)
Total non-current liabilities		(636,178)	(123,562)
Total assets less liabilities		1,421,588	978,677
Taxpayers' equity and other reserves			
General fund	SoCTE	534,041	631,792
Revaluation reserve	SoCTE	887,547	346,885
Total equity		1,421,588	978,677

The notes on pages 84 to 116 form part of these accounts.

Steven Boyd MBE
Chief Executive Officer and Accounting Officer
18 July 2022

Statement of cash flows
For the period ended 31 March 2022

	Note	2021-22 £'000	2020-21 £'000
Cash flows from operating activities			
Net operating income	SoCNI	173,540	587,108
Adjustment for non-cash items			
Adjustments for non-cash income	18	(774,905)	(735,808)
(Increase)/decrease in trade and other receivables	18	(47,919)	14,395
Increase/(decrease) in trade and other payables	18	73,210	52,470
Adjustments for non-cash expenditure	18	618,182	115,603
Movement in capital accruals		(7,802)	(10,405)
Net cash inflow from operating activities		34,306	23,363
Cash flows from investing activities			
Purchase of Property, plant and equipment & Intangible assets	5, 6	(117,152)	(28,819)
Movements from capital accruals		7,802	10,405
Net cash outflow from investing activities		(109,350)	(18,414)
Cash flows from financing activities			
Cabinet Office funding	SoCTE	30,179	85,938
Capital element of payments in respect of PFI contracts		(7,638)	-
Net cash inflow from financing activities		22,541	85,938
Net increase/(decrease) in cash in the period			
Net increase/ (decrease) in cash in year		(52,503)	90,887
Cash and cash equivalents at the beginning of the period	SoFP	105,318	14,431
Cash and cash equivalents at the end of the period		52,815	105,318

The notes on pages 84 to 116 form part of these accounts.

Statement of changes in taxpayers' equity
For the period ended 31 March 2022

	Note	General Fund £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 1 April 2020		274,394	38,511	312,905
Cabinet Office funding	SoCF	85,938	-	85,938
Net (expenditure)/income for the year	SoCNI	587,108	-	587,108
Non-cash adjustments				
Auditor's remuneration	3c	195	-	195
Movements in reserves				
Revaluation gain	5	-	(7,469)	(7,469)
Net gain/(loss) on revaluation of intangible assets	3c,6	-	-	-
Other reserves movements including transfers		(315,843)	315,843	-
Balance at 31 March 2021		631,792	346,885	978,677
Cabinet Office funding	SoCF	30,179	-	30,179
Net (expenditure)/income for the year	SoCNI	173,540	-	173,540
Non-cash adjustments				
Auditor's remuneration	3c	212	-	212
Movements in reserves				
Revaluation gain	5	-	238,980	238,980
Other reserves movements including transfers		(301,682)	301,682	-
Balance at 31 March 2022		534,041	887,547	1,421,588

The notes on pages 84 to 116 form part of these accounts.

1. Statement of accounting policies

1.1 Statement of compliance

These accounts have been prepared under the Government Resources and Accounts Act 2000 and in accordance with the 2021-22 Government Financial Reporting Manual (FReM) issued by HM Treasury (HMT). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. The accounts have been prepared under an accounts direction issued by HMT. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the GPA for the purpose of giving a true and fair view has been selected. The particular policies adopted by the GPA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.2 Basis of preparation

These accounts have been prepared on an accruals basis under the historical cost convention modified to account for the revaluation of Property, Plant and Equipment (PPE). The GPA was created to hold, manage and get the best out of the government's general purpose accommodation and has not been established with a profit motive. The GPA has grown through 2020-21 and 2021-22 by the transfer in of assets from other government departments as part of its programme of on-boarding activities, which will continue over the next two to three years. The GPA's Financial Statements and results, as an Executive Agency of Cabinet Office, are consolidated within the Cabinet Office Group. The GPA has no subsidiaries.

1.3 Going concern

The accounts for the GPA have been prepared on the basis that the GPA is a going concern.

Parliament has authorised spending for 2022-23 in the Central Government Main Supply Estimates 2022-23 (HC 53). In addition to the receipt of funding from the Cabinet Office, the GPA invoices property costs to the tenant occupiers. The budget for 2022-23 has been agreed by the Minister in the annual business plan.

1.4 Judgements and key sources of estimation uncertainty

The preparation of accounts requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Accounting Date and amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In the process of applying the GPA's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the accounts.

a) Transfer of assets and liabilities from other Government departments
The transfer of assets and liabilities to the GPA has been assessed in accordance with the FReM and other frameworks covering all such transfers.

Where individual assets have been transferred without a function, these have been transferred at fair value from the date of transfer with an equal and opposite operating Capital Grant-in-Kind (CGiK) to the Statement of Comprehensive Net Income. This treatment aligns with that applied under International Accounting Standard (IAS) 20 Accounting for Government Grants and Disclosure of Government Assistance to assets funded by way of grant, and where assets transferred for nil consideration they are considered to be donated assets in kind.

Where individual liabilities have been transferred without a function, these have been transferred at fair value from the date of transfer with an equal and opposite operating loss on acquisition in the Statement of Comprehensive Net Income.

Freehold properties on boarded from other Government entities are subject to measured surveys and valuations by professional valuers following guidance set by RICS and agreed with the transferring department with the transfer being at fair value in accordance with the FReM.

b) IAS 16 treatment for Property, Plant and Equipment
IAS 16 Property, Plant and Equipment has been applied to all of the Property, plant and equipment held by the GPA. Under IAS 16, Property, Plant and Equipment assets are initially measured at cost, subsequently measured using the revaluation model as allowable under the FReM, and depreciated so that the depreciable amount is allocated on a systematic basis over the useful life.

The prime objective of the GPA is to facilitate the efficient use of Government estate assets and these assets are therefore not ordinarily held to generate a return or for capital appreciation. The adoption of IAS 40 Investment Property is therefore not considered appropriate where the dominant use of an asset is occupation by governmental bodies for operational purposes. The budgeting consequences of adopting IAS 16 will be no different than if properties had remained on individual department's books. On this basis, HMT has agreed to the GPA adopting IAS 16 in these circumstances.

c) Determining whether an arrangement contains a lease
The GPA follows IAS 17 Leases and IFRIC 4 Determining Whether an Arrangement Contains a Lease. The GPA makes judgement about the classification of long-term arrangements as containing a lease based on an evaluation of the terms and conditions of each arrangement, whether the arrangement depends on a specific asset or assets and whether the arrangement conveys a right to use the asset.

d) The GPA as a lessee
The GPA determines, based on an evaluation of the terms and conditions of each arrangement, whether it retains or acquires the significant risks and rewards of ownership of the assets and whether it meets the criteria for recognition as a finance or operating lease in accordance with IAS 17 Leases.

The GPA uses the following criteria to determine if the lease is finance or operating in nature:

- Whether the lease transfers ownership of the asset to the lessee by the end of the lease term.
- Whether the lessee has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised.
- Whether the lease term is for the major part of the economic life of the asset even if title is not transferred.
- Whether the leased assets are of such a specialised nature that only the lessee can use them without major modifications.
- Whether at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset.

e) The GPA as a lessor
The GPA makes judgement as to who in substance should recognise the asset under the provisos of IAS 17. For a tenant to recognise the asset they would be substantially consuming the full economic benefit of the asset over the majority of the useful life of the asset. To assist with the judgement the following criteria are considered in addition to the criteria as a lessee:

- Whether the signed Terms of Occupation Agreements (TOA) are of a similar length to the useful economic life of the asset.
- Whether the building is multi-tenanted or just occupied by the prior "owner".
- Whether the asset is shared or is in use for one particular tenant.

There is a materiality of £1m for considering assets as standalone for the purposes of the above considerations; where an individual item falls below this threshold, they will be grouped together as appropriate with assets within the same GPA occupation (where possible).

f) Leasehold improvement asset recognition
Where leasehold improvements have taken place, a review of the head lease and the TOA in relation to the property is undertaken by the GPA. If the majority of the property improvements are to space occupied by a single tenant and the occupant's tenancy is for the life of the head lease then the tenant is deemed to be in receipt of economic benefit and therefore the asset is recognised by the tenant rather than the GPA. Where the improvements are deemed to be for the benefit of all tenants and/or the life of those improvements extends past individual tenancies, the GPA recognises the leasehold improvements within property, plant and equipment.

g) Property valuations
Freehold and finance leased properties held by the GPA are shown at fair value as calculated by independent qualified valuation experts. Valuations are based on a number of key assumptions including the market rent for each property and an appropriate yield. These are derived based on an analysis of comparable property transactions and in accordance with relevant RICS guidance.
Specialised properties are carried at depreciated replacement cost (DRC) to a modern equivalent basis in accordance with the Red Book, adjusted for functional obsolescence. A property is considered specialised if it is rarely, if ever, sold in the market due to the uniqueness arising from its specialised nature and design, its configuration, size, location or otherwise.

Valuations are prepared based on level 2 inputs - inputs that can be corroborated by observable market data - as per the IFRS 13 Fair Value Measurement hierarchy of inputs. In preparing these valuations, consideration is given also to some level 3 unobservable inputs; rent free periods and other inducements and interpretation of observable rents and yields which can be applied to the subject property.

Property valuations are derived from independent professional valuers' estimates of market rental values and expected yields for each property. While holding all other assumptions constant, if the average market rental value was 10 per cent higher (lower), the value of the Agency's land and buildings assets would increase (decrease) by £164,123,000.

h) Impairment of assets
Impairments of trade and other receivables stem from doubtful debt provisions and bad debt write offs. A credit loss is recognised in the SoCNI and a loss allowance is established against specific debts by reference to payment history against settlement terms and the expectancy of future payments. Where the credit risk increased significantly and the risk is no longer considered low the full lifetime expected credit losses are recognised in the SoCNI.

IFRS 9 Financial Instruments requires recognition of 'expected' losses rather than 'incurred' losses.

An allowance for expected credit loss is determined for all financial assets in the context of forecast future economic conditions. IFRS 9 introduces a 3-stage Expected Credit Loss (ECL) impairment model which requires different levels of provision based on relative changes in the credit risk of a debt instrument since its initial recognition.

An adaptation to the FReM allows that balances with core central Government Departments (including their executive agencies) are excluded from recognising stage 1 and stage 2 impairments. Arms Length Bodies (ALBs) are excluded from this exemption.

Stage 1 – Credit risk has not increased significantly since initial recognition of the asset. Provision is held for an expected credit loss resulting from possible default events over the next 12 months.

Stage 2 – Credit risk has significantly increased since initial recognition of the asset. Provision is held for expected credit losses from possible default events over the expected life of the asset.

Stage 3 – Objective evidence of impairment exists. Provision is held for full impairment.

The GPA takes the 'simplified' approach permitted under the standard which eliminates the need to calculate a 12 month ECL and to assess when a significant increase in credit risk has occurred.

The GPA estimates ECL by classifying categories of trade and other receivables by risk and applying an impairment based on judgement on expectancy of future payments, historic experience of write-offs and age of the debt. Market information is considered where available.

i) Dilapidation provisions
Provisions for dilapidation charges are based on the best estimate of the amount required to settle the obligation following an assessment of risks and uncertainties, terms of legal agreements, and where appropriate, independent professional valuation reports.

A provision is made for estimated costs based on valuations where the likelihood of settlement is material and imminent or via the use of industry standard calculations/methodologies. Where a corresponding receivable is due from the occupier under a sublease, this is calculated on the same basis and also recognised in the SoFP, with any difference from the established liability arising from voids being recognised in the SoCNI.

Landlord intentions are a significant source of uncertainty when estimating these provisions. The final amount settled can vary significantly depending on a landlord's future intentions for the property and whether they actually serve a dilapidations claim. As these future intentions are commercially sensitive and rarely publicised in advance, the Agency adopts a prudent approach in the assessment of its probable obligations.

j) PFI Service concessions
The Agency is party to private finance initiatives (PFIs). The classification of such arrangements as service concession arrangements requires the Agency to determine, based on an evaluation of the terms and conditions of the arrangements, whether it controls the infrastructure. This evaluation represents a significant source of estimation uncertainty for the Agency. See note 1.24.

1.5 Operating segments

Operating segments are based on the main areas of business activity and align with performance reporting. They are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and in assessing performance. The CODM has been identified as the Accounting Officer supported by the Board.

1.6 Employee benefits

Short-term benefits
Where an employee has rendered service to the GPA during the financial year, the GPA recognises as an expense the undiscounted amount of short-term employee benefits expected to be paid wholly in exchange for that service before 12 months after the end of the reporting period.

Annual leave earned but not taken by year-end is recognised on an accruals basis. Performance non-consolidated payments are recognised when the appraisal process has been finalised.

1.7 Revenue

Revenue is the gross inflow of economic benefits arising from the ordinary operating activities of the GPA.

Rental income
Rental income, including fixed rental uplifts, is recognised in accordance with IAS 17 on a straight-line basis over the term of the lease which is considered to be the date of the lease commencement to the earliest termination date. A rent adjustment based on open market estimated rental value is recognised from the rent review date in relation to unsettled rent reviews. Lease incentives, such as rent-free periods and contributions towards tenant costs are recognised evenly over the lease term.

Incentives for the agreement of a new or renewed operating lease given to tenants are recognised as a reduction of the rental income over the lease term, irrespective of the incentive's nature or form, or the timing of payments.

Other income
Other income relates to capital grant income and non-rental income, which have been recognised in accordance with IFRS 15 Revenue from Contracts with Customers. Service charge and utilities recharge revenue is recognised in accordance with IFRS 15. This income arises from tenant leases, which provide for the recovery of all or a portion of the operating expenses incurred by the GPA. The non-rental element of the contract is separated from the lease rental element and assessed by reference to the operating costs incurred in relation to each lease and rental space. Non-rental income is recognised in the same period as the expenses are incurred. This income is recognised when it is received or when the right to receive payment is established by the contract.

Non-rental income includes fees for commercial advisory work such as lease term renegotiation, whereby the GPA receives a share of any savings achieved (gain share) compared to the terms of the existing lease arrangement.

On occasion this share of savings is given as an additional budget via a budget transfer. In this instance, the gain share is recognised through funding.

1.8 Taxation

Some of the activities of the GPA are outside the scope of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT. The net amount due from/to HM Revenue and Customs (HMRC) in respect of VAT is included within receivables and payables in the SoFP as appropriate.

The GPA, being a Crown body, is not subject to corporation, income, stamp duty land tax or capital gains taxes.

1.9 Property, plant and equipment

Property, plant and equipment is recognised initially at cost and thereafter carried at fair value less depreciation and impairment charged subsequent to the date of revaluation, except for art and antiques which are treated as Heritage Assets which are non-depreciating. Cost comprises the value of the donated asset or the amount of cash paid to acquire the asset and includes any costs necessary to bring the asset into working condition for its intended use. The capitalisation threshold for expenditure on property, plant and equipment is £5,000. Some heritage assets have been transferred to the GPA. The value of these is immaterial and, on this basis, they are neither revalued, depreciated nor indexed.

Any revaluation surplus is credited to the revaluation reserve except to the extent that it reverses a decrease in the carrying value of the same asset previously recognised in the SoCNI, in which case the increase is recognised in the SoCNI.

A revaluation deficit is recognised in the SoCNI, except to the extent of any existing surplus in respect of that asset in the revaluation reserve. Impairment losses that arise from a clear consumption of economic benefit are taken to the SoCNI.

1.10 Depreciation and impairment on property, plant and equipment

Property, plant and equipment are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Useful lives and residual values are reviewed annually and, where adjustments are required, these are made prospectively. Asset lives are in the following ranges:

Freehold buildings, including dwellings	10 to 50 years
Leasehold building improvements	over the remaining term of the lease
Information technology and office equipment	2 to 14 years
Plant and machinery	3 to 25 years
Furniture and fittings	3 to 14 years

Assets in the course of construction are not depreciated until the assets are available for use. No depreciation is provided on freehold land and heritage assets since they have unlimited or very long estimated useful lives, nor on non-current assets held for sale which meet IFRS 5 Non-current Assets Held for Resale and Discontinued Operations criteria. Assets continue to depreciate until they are derecognised, even if during that period they are idle.

The carrying values of Property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. If an asset is determined to be impaired, the asset is written down immediately to its recoverable amount.

Where there is no reasonable certainty that the GPA will obtain ownership at the end of the lease – the asset is depreciated over the shorter of the lease term or the life of the asset.

1.11 Revaluation of property, plant and equipment

Land, buildings and dwellings are revalued to fair value every five years using professional valuations prepared in accordance with current Royal Institution of Chartered Surveyors (RICS) valuation standards. Each property is revalued on a rotational basis on a five-year cycle. In the interim years annual indexation is applied at a rate deemed to be appropriate by the independent valuers.

Properties are valued primarily using Existing Use Value (EUV) approach and estimated using the investment method with key inputs and assumptions being the floor areas, estimated market rent and yield.

The impact of COVID-19 on commercial property activity and office usage since 2020 has the potential to have materially affected the value of the GPA's land, building and dwelling assets as at the reporting date. Other emerging factors which may have materially affected the value of these assets at the reporting date include price inflation, climate change and the economic impact of the conflict in Ukraine.

The impact of COVID-19 and these other factors on the office property market have been reflected in key inputs into the physical valuations conducted this year (i.e. rent and yields). It is expected that COVID-19 will continue to affect the office property market and consequently valuations of the GPA properties over the coming years. All properties not subject to physical inspection (full valuation) during 2021-22 have been indexed using appropriate indices which factor in the prevailing market conditions at the reporting date.

Leasehold improvements, plant and machinery, IT hardware, and fixtures and fittings assets are all revalued each year using relevant indices including BCIS and ONS indices.

1.12 Donated assets

Donated assets which are held for their service potential are capitalised at current value in existing use.

The value of donated assets is recognised as capital grant-in-kind income. Any subsequent revaluation surplus is credited to the revaluation reserve except to the extent that it reverses a decrease in the carrying value of the same asset previously recognised in the SoCNI, in which case the increase is recognised in the SoCNI. A revaluation deficit is recognised in the SoCNI, except to the extent of any existing surplus in respect of that asset in the revaluation reserve.

1.13 Intangible assets

Intangible assets are defined as identifiable non-monetary assets without physical substance. Intangible assets are measured on initial recognition at cost. The capitalisation threshold for expenditure on intangible assets for the agency is £5,000.

Following initial recognition, where an active market exists, intangible assets are carried at fair value in the SoFP. Where no active market exists, the Agency uses published indices to assess the depreciated replacement cost. Expenditure that does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred.

Development expenditure is recognised as an intangible asset when the Agency can demonstrate: the technical feasibility of completing the intangible asset so that it will be available for use; its intention to complete and its ability to use the asset; how the asset will generate future economic benefits; the availability of resources to complete the asset; and the ability to measure reliably the expenditure during development.

Research costs are expensed as incurred. Following initial recognition of development expenditure as an asset, where an active market exists, the asset is subsequently measured at fair value. Where no active market exists, the asset is carried at amortised replacement cost, indexed for relevant price increases, as a proxy for fair value.

1.14 Amortisation of intangible assets

Intangible assets are currently assessed to have a finite life of between three and five years and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Assets in the course of construction are not amortised until the assets are brought into use. Externally acquired computer software licences are amortised over the shorter of the term of the licence and the useful economic life of three to six years.

1.15 Assets classified as held for sale

Assets held for sale are assets where the carrying amount will be recovered principally through a sale transaction rather than through continuing use.

For an asset to be classified as held for sale, it must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets; its sale must be highly probable; and it must genuinely be expected to be sold, not abandoned. Items of property, plant and equipment that are classified as held for sale are written down to fair value less costs to sell if lower than their carrying value, and are not depreciated further.

1.16 Finance leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

Finance leases are recorded as an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments.

Finance lease payments are apportioned between the finance interest charge and the reduction of the outstanding lease liability.

1.17 Operating leases

Operating leases are charged to the SoCNI on a straight-line basis over the lease term.

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis. The aggregate costs of incentives provided by lessors are recognised as a reduction of rental expenditure over the lease term on a straight-line basis.

1.18 Financial assets

IFRS 9 Financial Instruments reflects the business model in which assets are managed and their cash flow characteristics and contains three principal classification categories for financial assets: measured at amortised cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit and Loss (FVTPL) or net operating expenditure as interpreted by the FReM.

Trade receivables
Trade and other receivables are recognised in line with IFRS 9 initially at fair value and recoverable amount and subsequently measured at amortised cost.

Impairments of trade and other receivables stem from doubtful debt provisions and the write off of bad debt. A credit loss is recognised in the SoCNI and a loss allowance is established against specific debts by reference to payment history against settlement terms and the expectancy of future payments.

1.19 Cash and cash equivalents

Cash in the SoFP comprises cash at bank and in hand. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash at bank only. The GPA is funded by Parliamentary Funding drawn down through the Cabinet Office as part of the Supply process - the GPA draws down Funding from the Consolidated Fund via the Cabinet Office, up to the limits set and agreed as part of the Supply Estimates process.

1.20 Financial liabilities

Financial liabilities are held at amortised cost. Financial liabilities are derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Trade payables and accruals
Trade payables and accruals are recognised initially at cost, which is deemed to be materially the same as the fair value and subsequently measured at amortised cost.

1.21 Provisions

A provision is recognised when the Agency has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

For dilapidations, a provision is made for estimated costs based on valuations where the likelihood of settlement is material and imminent or via the use of industry standard calculations/methodologies.

HMT discount rates for general provisions are applied where appropriate.

1.22 Contingent liabilities and contingent assets

Contingent assets and liabilities are not recognised in the SoFP but are disclosed in the notes to the accounts in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.

A contingent liability is a possible obligation arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events, or present obligation arising from past events that is not recognised because either an outflow of economic benefit is not probable or the amount of the obligation cannot be reliably measured.

Where the time value of money is material, contingent liabilities, which are required to be disclosed under IAS 37, are stated at discounted amounts and the amount reported to Parliament separately noted. The Agency discloses a contingent asset where it is probable that there will be an inflow of economic benefits from an event whose outcome is uncertain. An estimate of the financial effect is indicated where possible.

1.23 PFI Service concessions

The Agency is party to private finance initiatives (PFIs). The classification of such arrangements as service concession arrangements requires the Agency to determine, based on an evaluation of the terms and conditions of the arrangements, whether it controls the Infrastructure.

This evaluation represents a significant source of estimation uncertainty for the Agency.

The Agency accounts for PFI transactions on a control approach based on the FReM, which uses IFRIC 12 Service Concession Arrangements to inform its treatment. The Agency is considered to control the infrastructure in a public-to-private service concession arrangement if:-

- The Agency controls or regulates the services that the operator must provide using the infrastructure, to whom it must provide them, and at what price.
- The Agency controls any significant residual interest in the property at the end of the concession term through ownership, beneficial entitlement or otherwise.

Where it is determined that such arrangements are not in scope of IFRIC 12, the Agency assesses such arrangements under IFRIC 4 Determining Whether an Arrangement Contains a Lease.

Where it is identified that the arrangement conveys a right to use an asset in return for a payment or series of payments, the lease element is accounted for as either an operating lease or finance lease in accordance with the risk and reward-based approach set out in the section of this note on Leases.

Where it is determined that arrangements are in scope of IFRIC 12, the Agency recognises the infrastructure as a non-current asset.

Where the contract is separable between the service element, the interest charge and the infrastructure asset, the asset is measured as under IAS 17, with the service element and the interest charge recognised as incurred over the term of the concession arrangement. Where there is a unitary payment stream that includes infrastructure and service elements that cannot be separated, the various elements will be separated using estimation techniques.

In determining the interest rate implicit in the contract, the Agency applies the risk-free market rate at the time the contract was signed. The rate is not changed unless the infrastructure element or the whole contract is renegotiated. The risk-free rate is determined by reference to the real rate set by HM Treasury.

The nominal rate is then calculated by adjusting this real term rate by the UK inflation rate.

The Agency recognises a liability for the capital value of the contract. That liability does not include the interest charge and service elements, which are expensed annually to the SoCNI.

On initial recognition of Public-Private partnership arrangements or PFI contracts under IFRS, the Agency measures the non-current asset in the same way as other non-current assets of that generic type. A liability is recognised for the capital value of the contract at its fair value at the period end, which will normally be the outstanding liability in respect of the asset (that is, excluding the interest and service elements), discounted by the interest rate implicit in the contract.

Assets are revalued in accordance with the revaluation policy for property, plant and equipment and intangible assets. Liabilities are measured using the appropriate discount rate.

Revenue received under any revenue sharing provision in the service concession arrangement is recognised when all the conditions set by IFRS 15 Revenue from Contracts with Customers have been satisfied.

1.24 Changes in accounting policy and disclosures

a) Changes in accounting policies
During 2021-22 the Agency has onboarded three private finance initiative (PFI) contracts which are classified as service concession arrangements. A new accounting policy for PFI Service concessions has been adopted. See 1.23.

b) New and amended standards adopted
There have been no new or amended standards adopted in the 2021-22.

c) Impending application of newly issued accounting standards not yet effective
The following standards and amendments are expected to be applied in future accounting periods as directed by the Financial Reporting Manual.

IFRS 16 Leases
IFRS 16 Leases is applicable to the Agency from 1 April 2022. The standard introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right of use asset and a lease liability at the lease commencement, except for short-term leases and leases of low value assets.

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Agency has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. The expense will be presented within other expenses in the SoCNI.

Impact on Lessee Accounting
For arrangements where the Agency is the lessee, IFRS 16 will result in almost all operating leases being introduced on to the Statement of Financial Position and classified as Right of Use Assets within Non-current assets, as the distinction between operating and finance leases is removed, and is replaced by a model where a right of use asset and a corresponding liability are recognised except for short term leases and leases of low value assets.

The right of use asset is initially measured at cost, which comprises the present value of unavoidable future lease payments, adjusted for any initial direct costs, prepayments or incentives and an estimate of any repair or restoration costs. The asset is subsequently measured at fair value, with cost being used as a proxy for fair value where appropriate and permissible under the FReM.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications. The classification of cash flows will also be impacted as operating lease payments under IAS 17 are presented in operating cash flows; whereas under the IFRS 16 model, the lease payments are split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

Under IFRS 16, right of use assets are tested for impairment in accordance with IAS 16 Impairment of Assets. This replaces the previous requirement to recognise a provision for onerous lease contracts.

The Agency will recognise depreciation expenditure on its right of use assets and interest expenditure on its lease liabilities.

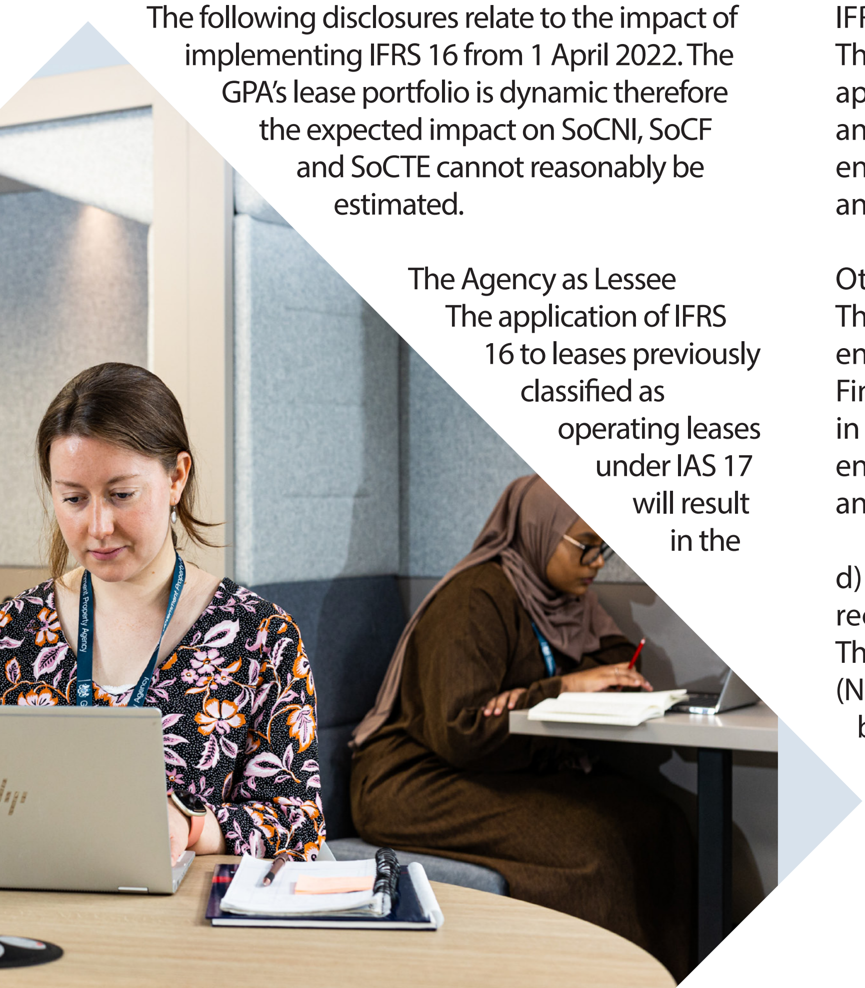
Impact on Lessor Accounting
The standard will also impact the Agency's financial position as a lessor, and it will assess whether the lease should be treated as finance lease or operating lease. Where it is determined that as lessor a finance lease is the appropriate treatment, the right of use asset (or in some cases freehold property asset) will be derecognised in favour of a lease receivable, which will be amortised in a similar manner to the lease liability as described above, but recognising interest as financing income. A gain or loss on disposal of the right of use or freehold property asset will be recognised in the SoCNI at the time of the recognition of the lease receivable.

The Agency will recognise lease interest income on its lease receivable assets.

The Agency will adopt the modified retrospective transition option provided by the standard which allows the right of use assets to be measured on transition at the amount of the lease liability on adoption calculated on the basis of prospective cash flows to the end of the lease.

The following disclosures relate to the impact of implementing IFRS 16 from 1 April 2022. The GPA's lease portfolio is dynamic therefore the expected impact on SoCNI, SoCF and SoCTE cannot reasonably be estimated.

The Agency as Lessee
The application of IFRS 16 to leases previously classified as operating leases under IAS 17 will result in the recognition of Non-current Assets (right of use assets) of £378,805,000 and lease liabilities of £781,754,000 at 1 April 2022.



Property, plant and equipment assets of £42,060,000 and lease incentive payables of £69,931,000 will be derecognised as they form part of the right of use asset values at 1 April 2022.

Prepayments of £19,242,000 and deposits and advances of £5,460,000 be derecognised as they form part of the lease liabilities values at 1 April 2022.

Provision of onerous lease contracts for approximately £3,623,000 required under IAS 37 will be derecognised, with the corresponding adjustment to the right of use assets treated as a proxy for impairment.

The Agency as Lessor
The Agency, as a lessor, will reclassify some of its sublease arrangements as finance leases. Lease receivable assets of £420,214,000 will be recognised at 1 April 2022. Deferred income of £7,085,000 and lease incentive receivables of £10,345,000 will be derecognised on 1 April 2022. A gain of £20,797,000 will be recognised in the General fund.

IFRS 17 Insurance
The following standard is expected to be applied in 2025-26 following EU adoption and consultation, IFRS 17 Insurance. It is not envisaged that the expected changes will have any impact on the Agency.

Other changes
The EU has postponed indefinitely the endorsement process of IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures. It is not envisaged that the expected changes will have any impact on the Agency.

d) Changes in presentation and reclassifications
The classifications in the operating income note (Note 2) and expenditure note (Note 3) have been revised to more accurately reflect the nature of the income and expenditure. Prior year comparatives have been restated to ensure comparability across years.

2. Operating income

The classifications in the operating income note have been revised to more accurately reflect the nature of the income. Prior year comparatives have been restated to ensure comparability across years. The total is unchanged.

	Note	2021-22 £'000	Restated 2020-21 £'000
Rental income		213,768	150,816
Rates Income		60,983	47,506
Other Landlord Services income		63,015	29,775
Workplace Services income		62,947	68,112
Management fee income		8,853	5,794
Additional Property & Project Services		34,137	30,866
Consultancy Services		3,175	2
Gainshare income		3,508	-
Capital grant income (recharges)		8,678	811
Capital grant-in-kind transfers of assets from other government departments	17	774,905	735,808
Total		1,233,969	1,069,490

3a. Staff expenditure

The classifications in the expenditure notes have been revised to more accurately reflect the nature of the expenditure. Prior year comparatives have been restated to ensure comparability across years. The total is unchanged.

	Note	2021-22 £'000	Restated 2020-21 £'000
Wages & salaries*		12,973	9,581
Agency staff		5,559	4,283
Untaken Annual leave		229	166
Other pension costs		3,411	2,540
Social security costs		1,490	1,091
Apprenticeship levy		57	58
Inward secondments		2,316	1,480
Recoveries in respect of outward secondments		87	(87)
Staff engaged in capital projects		(2,771)	(1,748)
Total		23,351	17,364

*Further detail is available in the Remuneration and staff report.

The capitalisation of staff engaged in capital projects and contractor costs is based on time spent directly attributable to capital projects. Staff may be full-time dedicated to a project or their time part-apportioned to a project.

3b. Operating expenditure

The classifications in the expenditure notes have been revised to more accurately reflect the nature of the expenditure. Prior year comparatives have been restated to ensure comparability across years. The total is unchanged.

	Note	2021-22 £'000	Restated 2020-21 £'000
Landlord Services			
Rent	137,330	148,315	
Rates		61,935	47,399
Head Lease Service charge		17,502	20,775
Insurance		2,034	937
Utilities		13,862	8,484
PFI Service Charge		30,219	-
PFI Interest Charges	16	29,660	-
Other property related costs		7,884	4,389
Workplace Services			
Fixed FM		32,842	45,801
Variable FM		17,293	7,039
Operational Security		12,616	11,968
Workplace ICT		2,825	508
Workplace Projects		18,595	27,488
Fixture & Fittings		338	510
Whitehall Systems Heating		2,815	943
Other Operating Expenditure			
Professional services		19,839	6,446
Other staff-related costs		1,366	427
IT costs		2,786	1,532
Supplies and services		2,154	586
Travel, subsistence and hospitality		420	88
Consultancy		797	1,337
Capital Grant Expenditure		3,784	9,761
Total		418,896	344,733

3c. Non-cash expenditure

	Note	2021-22 £'000	2020-21 £'000
Depreciation	5	39,566	13,563
PFI onboarding liability transfers	17	500,757	-
Movement in provisions		(8,680)	16,046
Auditor's remuneration		212	195
Amortisation	6	155	70
Impairment - property, plant and equipment	5	85,332	85,631
Impairment - trade receivables	8b	540	4,680
Asset held for sale - loss on change in fair value	7	300	100
Total		618,182	120,285

Auditor's remuneration
The costs of the audit performed by the National Audit Office on behalf of the Comptroller and Auditor General are recognised as a non-cash charge.

During the year, GPA did not purchase any non-audit services. The cost comprises £212,000 (2020–21: £195,000) for the audit of the GPA Annual Report and Accounts.

4. Segmental analysis

In accordance with IFRS 8 Operating segments, the GPA is required to report financial and descriptive information about its operating segments. These are components about which separate financial information is available. Financial information is required to be reported on the same basis as is used internally by the GPA decision makers. These are the Board and the Chief Executive Officer who evaluate performance regularly using operating segments. The GPA summarises its activities into three main segments as set out below.

Investment
Investment comprises the Capital Projects Directorate which is responsible for delivering The GPA's office development and optimisation programme through investment in a transformed, sustainable and value for money office estate for civil servants.

Operate
Operate comprises the Property and Workplace Services Directorates. The Property Directorate manages our property portfolio, in association with the Property Partner, while the Workplace Services Directorate supports customers in moving to and using our workplaces.

Support
Support comprises the Client Solutions, Chief Operating Officer and Finance Directorates. Client Solutions leads all client-related and business development activity. Chief Operating Officer coordinates performance and provides support in commercial, legal, data and technology, security, HR and marketing and communications. Finance is responsible for the GPA stakeholder financial reporting and planning, financial transaction processing and the financial control framework.

There are no significant transactions between the segments and where costs relate to more than one segment they are apportioned appropriately with reference to the underlying substance of the transaction.

Table 4a presents resource expenditure, which is reported to the Board by segment. Table 4b reconciles this total to the SoCNI, which also includes Annually Managed Expenditure (AME) and SoCNI expenditure which counts towards capital for budgeting purposes. The Board does not receive a SoFP analysed by operating segment and therefore such an analysis is not presented here.

4a Total net resource expenditure as reported to the Board in 2021-22

	Gross Expenditure £'000	Income £'000	2021-22 Net £'000
Investment	24,391	(11,550)	12,841
Operate	393,478	(436,164)	(42,686)
Support	21,592	(2,674)	18,918
Total	439,461	(450,388)	(10,927)

4b Reconciliation between operating segments and SoCNI in 2021-22

	Gross Expenditure £'000	Income £'000	2021-22 Net £'000
Total net expenditure by operating segment as reported to the Board	439,461	(450,388)	(10,927)
Capital Grant In Kind	-	(774,905)	(774,905)
Capital income and expenditure	3,784	(8,676)	(4,892)
Lease incentives	(785)	-	(785)
PFI onboarding liability transfers	500,757	-	500,757
Depreciation, amortisation and impairment	40,237	-	40,237
Accounting treatment of provisions and AME impairments	76,975	-	76,975
Total net expenditure per SoCNI	1,060,429	(1,233,969)	(173,540)

The format of the Board financial reporting has been revised in 2021-22 to reflect the GPA structure. 2020-21 out-turn has been restated in the revised format for comparability.

4c Total net resource expenditure as reported to the Board in 2020-21

	Gross Expenditure £'000	Income £'000	2020-21 Net £'000
Investment	6,701	(2,072)	4,629
Operate	335,351	(330,082)	5,269
Support	10,988	(711)	10,277
Total	353,040	(332,865)	20,175

4d Reconciliation between operating segments and SoCNI in 2020-21

	Gross Expenditure £'000	Income £'000	2020-21 Net £'000
Total net expenditure by operating segment as reported to the Board	353,040	(332,864)	20,176
Capital Grant In Kind	-	(735,808)	(735,808)
Capital income and expenditure	9,761	(812)	8,949
Lease incentives	(517)		(517)
Depreciation, amortisation and impairment	13,733	-	13,733
Accounting treatment of provisions and AME impairments	105,851		105,851
Other adjustments	514	(6)	508
Total net expenditure per SoCNI	482,382	(1,069,490)	(587,108)

Major Customers

The GPA's largest customer, excluding Capital Grant-in-kind, is the Department for Business, Energy and Industrial Strategy (BEIS). Income from BEIS totalled £50.5m (2020-21: £60.2m) for the year ended 31 March 2022. Other major customers of the GPA are: The Cabinet Office, Department for Levelling Up Housing and Communities (DLUHC), The Crown Prosecution Service, Foreign Commonwealth and Development Office (FCDO), Home Office and Department for Education (DFE).

5. Property, plant and equipment

	Land	Building excl. Dwellings	Dwellings	IT	Plant and Machinery	Leasehold Improvements	Furniture and Fittings	Heritage Assets	Assets under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation										
At 1 April 2021	328,302	412,491	6,920	5,779	8,598	103,061	5,478	58	30,936	901,623
Additions	-	1,967	-	-	-	-	-	-	113,819	115,786
Indexation	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(1,005)	-	-	-	(1,005)
Impairment	-	(86,091)	543	-	(194)	733	-	-	(329)	(85,338)
Reclassifications	-	2,753	4	4,665	34	20,514	5,766	-	(34,098)	(362)
Asset transfer from other government bodies	337,604	436,106	-	-	420	720	-	55	-	774,905
Transfer to assets held for sale	-	-	-	-	-	-	-	-	-	-
Revaluations	199,784	48,653	-	553	803	6,176	1,274	3	-	257,246
At 31 March 2022	865,690	815,879	7,467	10,997	9,661	130,199	12,518	116	110,328	1,962,855
Depreciation										
At 1 April 2021	-	101	-	2,041	444	25,238	1,918	-	-	29,742
Charged in year	-	24,037	174	1,256	851	11,732	1,516	-	-	39,566
Disposals	-	-	-	-	-	(1,005)	-	-	-	(1,005)
Impairment	-	-	-	-	(6)	-	-	-	-	(6)
Reclassifications	-	-	-	-	-	-	-	-	-	-
Revaluations	-	16,206	-	144	41	1,616	276	-	-	18,283
At 31 March 2022	-	40,344	174	3,441	1,330	37,581	3,710	-	-	86,580
Carrying amount										
Net book value at 31 March 2021	328,302	412,390	6,920	3,738	8,154	77,823	3,560	58	30,936	871,881
Net book value at 31 March 2022	865,690	775,535	7,293	7,556	8,331	92,618	8,808	116	110,328	1,876,275
Asset financing:										
Owned	865,690	563,425	7,293	7,556	8,325	92,618	8,808	116	110,328	1,664,159
Finance leased	-	42,060	-	-	-	-	-	-	-	42,060
PFI and other service concession arrangements	-	170,050	-	-	6	-	-	-	-	170,056
Net book value at 31 March 2022	865,690	775,535	7,293	7,556	8,331	92,618	8,808	116	110,328	1,876,275

Valuations of land, buildings and dwellings are completed by Montagu Evans LLP and Jones Lang LaSalle Ltd, in accordance with the RICS Appraisal and Valuation Manual and the FReM. The most recent valuations were carried out on 31 March 2022.

5. Property, plant and equipment (continued)

	Land	Building excl. Dwellings	Dwellings	IT	Plant and Machinery	Leasehold Improvements	Furniture and Fittings	Heritage Assets	Assets under Construction	Restated Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation										
At 1 April 2020	46,196	68,165	7,497	3,871	4,210	100,967	4,747	58	4,462	240,173
Additions	-	-	-	-	-	-	-	-	27,932	27,932
Disposals	-	-	-	-	-	(1,514)	-	-	-	(1,514)
Impairment	-	(84,569)	(103)	-	(157)	(757)	(45)	-	-	(85,631)
Reclassifications	-	1,345	1	13	(1)	103	-	-	(1,458)	3
Asset transfer from other government bodies	285,491	439,459	-	1,658	4,371	4,531	298	-	-	735,808
Transfer to assets held for sale	(500)	(900)	-	-	-	-	-	-	-	(1,400)
Revaluations	(2,885)	(11,009)	(475)	237	175	(269)	478	-	-	(13,748)
At 31 March 2021	328,302	412,491	6,920	5,779	8,598	103,061	5,478	58	30,936	901,623
Depreciation										
At 1 April 2020	-	3,569	312	1,683	230	17,091	1,086	-	-	23,971
Charged in year	-	2,239	163	240	195	10,072	654	-	-	13,563
Disposals	-	-	-	-	-	(1,514)	-	-	-	(1,514)
Reclassifications	-	48	-	1	(1)	(48)	1	-	-	1
Revaluations	-	(5,755)	(475)	117	20	(363)	177	-	-	(6,279)
At 31 March 2021	-	101	-	2,041	444	25,238	1,918	-	-	29,742
Carrying amount										
Net book value at 31 March 2020	46,196	64,596	7,185	2,188	3,980	83,876	3,661	58	4,462	216,202
Net book value at 31 March 2021	328,302	412,390	6,920	3,738	8,154	77,823	3,560	58	30,936	871,881
Asset financing:										
Owned	328,302	364,470	6,920	3,738	8,154	77,823	3,560	58	30,936	823,961
Finance leased	-	47,920	-	-	-	-	-	-	-	47,920
Net book value at 31 March 2021	328,302	412,390	6,920	3,738	8,154	77,823	3,560	58	30,936	871,881

The asset financing analysis at 31 March 2021 has been restated to classify £47,920,000 of assets from owned to finance leased.

6. Intangible assets

	Software licenses £'000	Assets under Construction £'000	Total £'000
Cost or valuation			
At 1 April 2021	330	557	887
Additions	-	1,366	1,366
Indexation	22	-	22
Reclassifications	409	(47)	362
Revaluations	-	-	-
As at 31 March 2022	761	1,876	2,637
Amortisation			
At 1 April 2021	70	-	70
Charged in year	155	-	155
Indexation	5	-	5
As at 31 March 2022	230	-	230
Carrying amount			
Net book value at 31 March 2021	260	557	817
As at 31 March 2022	531	1,876	2,407
Asset financing:			
Owned	531	1,876	2,407
Finance leased	-	-	-
As at 31 March 2022	531	1,876	2,407
Cost or valuation			
At 1 April 2020	-	-	-
Additions	-	887	887
Reclassifications	330	(330)	-
As at 31 March 2021	330	557	887
Amortisation			
At 1 April 2020	-	-	-
Charged in year	70	-	70
As at 31 March 2021	70	-	70
Carrying amount			
Net book value at 31 March 2020	-	-	-
As at 31 March 2021	260	557	817
Asset financing:			
Owned	260	557	817
Finance leased	-	-	-
As at 31 March 2021	260	557	817

7. Assets held for sale

	Note	31 March 2022 £'000	31 March 2021 £'000
Balance at 1 April 2021		1,300	-
Gain/Loss on change in fair value		(300)	(100)
Disposal		-	-
Transfer from property, plant and equipment	5	-	1,400
Balance as at 31 March 2022		1,000	1,300

The asset held for sale is a surplus freehold property. The property is available for sale in its present condition, is being actively marketed and is expected to be disposed of within twelve months of the reporting date. This asset was held as an asset for sale on 31 March 2021, but the sale did not complete within 12 months as had been previously expected. Its value has been adjusted as at 31 March 2022 in line with the latest expectation on sale proceeds.

8a. Trade and other receivables

	Note	31 March 2022 £'000	31 March 2021 £'000
Amounts falling due within one year			
Trade and other receivables		81,520	50,912
Prepayments		34,586	27,964
Lease incentive receivables		6,118	601
Accrued income		34,389	37,820
VAT		1,495	-
Deposits and advances		23	23
Amounts from OGDs to offset the GPA provisions		6,307	12,193
Total receivables within one year		164,438	129,513
Amounts falling due after one year			
Amounts from OGDs to offset the GPA provisions		89,114	64,344
Lease incentive receivables		30,090	23,499
Deposits and advances		5,437	5,460
Total receivables after one year		124,641	93,303
Total receivables		289,079	222,816

Trade receivables in respect of contracts with customers amounted to £61,614,000 (2020-21: £42,610,000).

Accrued income in respect of contracts with customers amounted to £34,195,000 (2020-21: £23,079,000).

The deposits and advances of £5,460,000 (2020-21 £5,483,000) relates to the amortisation of an operating lease premium on land at St Paul's Place, Sheffield.

The lease term is for 250 years starting in 2007 and expiring in 2257. This was on-boarded from

DfE in 2019-20 and is amortised annually over the term of the lease.

Trade Receivables are non-interest bearing and generally on 30 days' terms and are shown net of a provision for impairment.

Included in trade receivables is a provision for impairment of £5,220,000 (2020-21: £4,680,000) taken against receivables which are assessed annually for likelihood of recoverability and expected credit losses. See note 8b.

8b.Provision for expected credit loss

	Note	2021-22 £'000	2020-21 £'000
At 1 April		(4,680)	-
Provided in the year		(9,583)	(4,680)
Provisions utilised in the year		-	-
Not required written back		9,043	-
At 31 March 2022		(5,220)	(4,680)

An allowance for expected credit loss is determined by reference to payment history against settlement terms. The GPA has a policy of internally reviewing aged debt using specific criteria for write-off. Trade receivables are non-interest bearing and are generally on 30 days terms and are shown net of a provision for impairment. Movements in the provision for impairment of receivables is as above.

9. Cash and cash equivalents

	Note	31 March 2022 £'000	31 March 2021 £'000
Balance at 1 April 2021		105,318	14,431
Net change in cash and cash equivalent balances		(52,503)	90,887
Balance at 31 March 2022		52,815	105,318
The following balances were held at:			
Government Banking Service		52,815	105,318
Balance at 31 March 2022		52,815	105,318
The balance is held for use in respect of:			
Government Property Agency		52,815	105,318
Balance at 31 March 2022		52,815	105,318

10.Trade and other payables

	Note	31 March 2022 £'000	31 March 2021 £'000
Amounts falling due within one year			
Deferred income		26,711	13,279
Other payables		2,379	10,623
Trade payables		32,241	3,266
Lease incentive payables		5,017	1,991
Accruals		71,885	55,750
Accrual for untaken annual leave		695	466
Total payables within one year		138,928	85,375
Amounts falling due after more than one year			
Lease Incentive payables		64,975	45,318
Total payables after one year		64,975	45,318
Total payables		203,903	130,693

Trade payables in respect of contracts with customers amounted to £10,225,000 (2020-21: £2,883,000) and deferred income in respect of contracts with customers amounted to £10,261,000 (2020-21: £7,232,000).

11. Financial instruments

The GPA is not exposed to significant financial risk factors arising from financial instruments. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change by the risks facing the entity in undertaking its activities.

Fair value of financial instruments
The fair value of the financial instruments is equivalent to the carrying amount disclosed in the SoFP, Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, and trade and other payables. Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables and trade and other payables approximates their fair value.

Credit risk
Credit risk is the risk that a third party will default on its obligations causing the GPA to incur a loss.

In general, exposure to credit risk arises from cash held by banks and trade and other receivables. For each of these, the maximum credit exposure is best represented by the carrying amounts in the SoFP.

The GPA's cash assets are held within the Government Banking Service only and are therefore not exposed to significant credit risk.

Other government funded entities make up 99 per cent of the GPA's receivables and it has been assessed these are low risk due to being government funded. However, where there is doubt over the recoverability of debt, the GPA will recognise a provision for impairment of trade receivables.

Liquidity risk
Liquidity risk is the risk that the GPA will encounter difficulty in raising liquid funds to meet commitments as they fall due.

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding. The GPA mostly manages liquidity risk by continuously monitoring forecast cash flow requirements and reporting these to the Cabinet Office.

Market risk
Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk and other price risks.

The GPA's transactions are all undertaken in sterling so it is not exposed to foreign exchange risk. The Agency holds only cash balances and does not have any borrowings and as such operating cash flows are independent of changes in market interest rates.

The GPA is exposed to movements in the property market as the GPA's assets consist predominantly of land and buildings. The GPA is not exposed to significant market risk in relation to rents because rent costs are passed through to clients. The risks associated with vacant space and onboarded shortfalls are mitigated in a number of ways:

- Where a client's lease term is less than the head lease term, the GPA charges a rent premium to offset the void liability.
- Clients are obliged to provide at least 1 year's notice of termination which provides the opportunity to relet.
- Clients remain liable for the void cost as part of their occupation agreement if they exit early.
- Clients transferring properties to the GPA remain liable for voids and shortfalls until the earlier of:
  - The date the space is re-let.
  - The date the Spending Review period expires (31 March 2025).
  - The date that is three years after the date of the property transfer.
  - The date that the GPA disposes of the transferred property.

The GPA retains some of the risks for hubs and Whitehall Campus. The GPA expects to have a small level of vacant space during 2022-23. The expected vacant space mainly relates to properties where there is ongoing major transformation and refurbishment works which will deliver long term savings.

12a. Provisions

	Dilapidations 31 March 2022 £'000	Onerous Leases 31 March 2022 £'000	Total 31 March 2022 £'000	Total 31 March 2021 £'000
Balance at 1 April 2021	84,777	7,985	92,762	68,394
Provided in the year	24,094	3,144	27,238	28,415
Provisions not required written back	(6,612)	(7,012)	(13,624)	(4,047)
Provisions utilised in the year	(2,916)	(512)	(3,428)	-
Borrowing costs (unwinding of discounts)	-	18	18	-
Balance at 31 March 2022	99,343	3,623	102,966	92,762
Analysis of expected timings of discounted flows				
Not later than one year:			8,434	14,518
Later than one year but not later than five years:			25,276	23,500
Later than five years:			69,256	54,744
Balance at 31 March 2022			102,966	92,762
Receivable recognised in respect of provisions			31 March 2022 £'000	31 March 2021 £'000
Balance at 1 April 2021			76,537	68,216
Provided in the year			28,257	17,905
Provisions not required written back			(6,957)	(9,584)
Received in the year			(2,416)	-
Balance at 31 March 2022			95,421	76,537

Provisions relate to dilapidations for buildings managed by the GPA and occupied by tenants. An onerous lease provision is created where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Amounts recognised are subject to annual assessment and, where appropriate, valuation techniques to ensure amounts recognised are appropriate, adhere to the relevant standard and are supportable. Where appropriate, the charge is passed on to the occupying tenant and the GPA recognises a receivable balance in respect of these amounts as set out above, with the difference arising from voids being recognised in the SoCNI. The GPA considers these recharges to be virtually certain.

The agency's provision for dilapidations is mostly calculated based on an estimated rate per square metre of floor space for each property, with more detailed physical inspections carried out for leases close to expiry. The rates used are estimated based on historic settlements of dilapidations on expired occupations of similar properties. While holding all other assumptions constant, if the average rate per square metre of floor space was 10 per cent higher (lower), the agency's dilapidation provision would increase (decrease) by £9,934,000.

Reconciliation of provisions movement to the SOCNI

	31 March 2022 £'000	31 March 2021 £'000
Provided in the year	27,238	28,415
Provisions utilised in the year	(3,428)	-
Borrowing costs (unwinding of discounts)	18	-
Provisions not required written back	(13,624)	(4,047)
Provisions re-charged to clients	(18,884)	(8,322)
Balance at 31 March 2022	(8,680)	16,046

13. Capital commitments

Capital expenditure contracted for at the end of the reporting period but not included in these financial statements is as follows:

	31 March 2022 £'000	31 March 2021 £'000
Property, plant and equipment	36,615	8,558
Total capital commitments	36,615	8,558

The Agency has entered into non-cancellable contracts (which are not leases or PFI contracts) for capital goods and services. The commitments relate to property modernisation and IT projects.

14. Leasing

Operating leases with tenants

The GPA leases out all of its properties under operating leases for average lease terms of four years to expiry. The future aggregate minimum rentals excluding contingent rents receivable under non-cancellable leases are as follows:

	31 March 2022 £'000	Restated 31 March 2021 £'000
Less than one year	216,114	125,876
Between one and five years	611,509	419,421
More than five years	882,726	330,957
Total operating leases with tenants	1,710,349	876,254

Prior year operating leases with clients have been restated to include leases which were in a rent free period as well as considering the minimum lease term due to break clauses at 31 March 2021.

Operating leases where the GPA is lessee

The GPA has various operating leases under non-cancellable operating lease agreements. The average lease term is five years and the majority have the ability to renew at the end of the term at a market rate. The future aggregate minimum payments are as follows:

	31 March 2022 £'000	Restated 31 March 2021 £'000
Less than one year	115,146	114,617
Between one and five years	317,193	402,633
More than five years	402,554	560,544
Total operating leases with landlords	834,893	1,077,794

Prior year operating leases with landlords have been restated to include leases which were in a rent free period as well as considering the minimum lease term due to break clauses at 31 March 2021 and expired leases with rolling contract terms and minimum notice periods.

The GPA has arranged to lease a number of Hub buildings in the future. As these are under construction and the commitment is currently of uncertain amount and timing, no commitment amounts have been included in the tables above for these Hubs.

15. Other financial commitments

Commitments relate to facilities management in buildings owned or leased by the GPA. This excludes financial commitments generated where the GPA is acting as agent for an asset owner. The asset owner will record the financial commitment.

	31 March 2022 £'000	31 March 2021 £'000
Not later than one year	65,100	43,335
Later than one year and not later than five years	29,541	4,371
Total Other Financial Commitments	94,641	47,706

Facilities Management charges, where relating to properties occupied by clients, are recharged as appropriate to the underlying clients.

16a. On-balance sheet (SoFP) PFI contracts and other service concession arrangements (in progress)

Property	Onboarded date	Original contract start date	Duration (years)	Description
London, 2 Marsham Street	01/08/2021	March 2002	29	PFI contract covering construction and maintenance of 2 Marsham Street. The contract is for 29 years, expiring in 2032. At the end of the concession period (2032) GPA, will pay the lower of £137.5m (residual value) or the adjusted open market value to acquire the long lease.
London, 1 Horse Guards Road	01/10/2021	March 2000	35	PFI contract covering refurbishment and maintenance of 1HGR. Initial contract with HMT and PFI provider was signed in March 2000 for a 35 year term.
London, 100 Parliament Street	01/10/2021	December 2000	35	PFI contract covering refurbishment and maintenance of 100 Parliament Street. Initial contract with HMRC and PFI provider was signed in December 2000 for a 35 year term.

16b. Commitments under PFI and other service concession contracts

Details of the imputed finance lease charges under PFI service concession arrangements recognised on the SoFP are given in the table below for each of the following periods:

	31 March 2022 £'000	31 March 2021 £'000
Rentals due not later than one year	58,325	-
Rentals due later than one year but not later than five years 219,716	-	
Rentals due later than five years	584,844	-
	862,885	
Less interest element	(369,766)	-
Present value of obligations	493,119	-

The present value of liabilities under service concession arrangements recognised on the SoFP are given in the table below for each of the following periods:

	31 March 2022 £'000	31 March 2021 £'000
Rentals due not later than one year	16,448	-
Rentals due later than one year and not later than five years 64,822	-	
Rentals due later than five years	411,849	-
Present value of obligations	493,119	-

The increase in the present value of obligations is due to onboarding PFI liability transfers of £500,757,000 in the year. See note 17.

Details of the minimum service charge under service concession arrangements recognised on the SoFP are given in the table below for each of the following periods:

	31 March 2022 £'000	31 March 2021 £'000
Not later than one year	38,594	-
Later than one year but not later than five years	167,485	-
Later than five years	415,414	-
Total service element	621,493	-

Future commitments are estimates based on assumptions, using the best information available.

16c. Charge to the statement of comprehensive net income

The total amount charged in the SoCNI in respect of on-balance sheet (SoFP) PFI and other service concession arrangements transactions was £59.8m for the period to 31 March 2022 (31-Mar 2021: nil). Of this total the fixed and variable service charge element was £24.5m (2020-21: nil) and the interest charges were £29.7m (2020-21: nil).The remaining balance relates to non-contract specific costs.

17. Asset and liability transfers

	Note	31 March 2022 £'000	31 March 2021 £'000
Statement of Financial Position			
Increase in Non-current assets			
Property, plant and equipment	5		
Foreign, Commonwealth & Development Office (FCDO)		-	275,578
Department for Education (DfE)		-	214,000
Department of Health and Social Care (DHSC) - HQ		720	76,800
Land Registry		-	52,752
UK Research and Innovation (UKRI)		-	19,100
Department for International Trade (DIT)		-	17,650
Office for National Statistics (ONS)		30,215	-
Home Office		377,802	14,490
Department for Environment, Food & Rural Affairs (DEFRA)		-	14,005
Companies House		-	13,650
Department for Business, Energy & Industrial Strategy (BEIS)		-	9,500
The Wales Office		5,000	-
National Health Service (NHS BSA)		-	4,850
Ministry of Justice (MoJ)		-	4,574
Cabinet Office		-	4,050
Crown Prosecution Service (CPS)		-	3,882
National Health Service (NHS B&T)		-	2,750
Department of Health and Social Care (DHSC) - Retained Estate		-	2,590
National Savings and Investments (NS&I)		-	2,177
National Health Service (NHS Digital)		-	1,775
HM Revenue and Customs (HMRC)		207,424	-
HM Treasury (HMT)		150,528	-
Historic England		3,000	-
Other		216	1,635
Total increase in non-current assets		774,905	735,808
Recognition of these non-current assets is fully supported by Capital Grant in Kind Income recognised in the SoCNI			
Statement of Comprehensive Net Income			
Capital Grant in Kind Income	2	(774,905)	(735,808)
Total Capital Grant in Kind Income		(774,905)	(735,808)
Transfer of revaluations reserves through General Reserves			
General Reserve		308,370	316,196
Revaluation Reserve		(308,370)	(316,196)

	Note	31 March 2022 £'000	31 March 2021 £'000
Statement of Financial Position			
Increase in Liabilities			
Home Office		(228,385)	-
HM Revenue and Customs (HMRC)		(167,317)	-
HM Treasury (HMT)		(105,055)	-
Total increase in Liabilities	16	(500,757)	-
Statement of Comprehensive Net Expenditure			
PFI onboarding Liability transfers	3	500,757	-
Total PFI onboarding Liability transfers		500,757	-

During the year the GPA was donated assets to the gross value of £774,905,000 (2020-21: £735,808,000) before liabilities. No restrictions have been placed on these assets by the donors.

18. Cash flow reconciliations

	Note	2021-22 £'000	2020-21 £'000
Capital Grant in kind asset transfer	2 & 17	(774,905)	(735,808)
Total non-cash income		(774,905)	(735,808)
Movement in Short term receivable	8a	(34,925)	28,285
Movement in Long term receivable	8a	(31,338)	(22,212)
Deemed settlement of intragroup asset	SoCTE	-	-
Non cash movement in dilapidation provisions recharged to tenants (ST & LT)	12a	18,884	8,322
Non cash movement in trade receivables		(540)	-
Non cash movement on Asset transfer		-	-
Change in trade and other receivables		(47,919)	14,395
Movement in short term payables	10	53,553	7,152
Movement in long term payables	10	19,657	45,318
Non cash movements from transfers of function		-	-
Deemed settlement of the intragroup liability	SoCTE	-	-
Change in trade and other payables		73,210	52,470
Depreciation	5 & 6	39,721	13,633
Provisions	12a	(8,680)	16,046
Other non cash	3c	85,632	85,729
External auditor's remuneration	3c	212	195
Non cash movements from PFI's	16	500,757	-
Non Cash movement of Impairment - trade receivables	8b	540	-
Total non-cash expenditure		618,182	115,603

19. Related party transactions

The GPA is an executive agency of, and sponsored by the Cabinet Office, which is regarded as a related party. During the year, the GPA has had material transactions with the Cabinet Office and other entities for which the Cabinet Office is regarded as the parent Department including Crown Commercial Services, which is part of the Cabinet Office group.

In addition, the GPA has received transferred assets, rental income and non-rental income from onboarded clients. Assets have been transferred from a number of other Departments and Government bodies, the largest of these being the Home Office, HMRC and HM Treasury. The most significant income has been received from the Department for Business, Energy and Industrial Strategy (BEIS), The Cabinet Office, Department for Levelling Up Housing and Communities (DLUHC), The Crown Prosecution Service, Foreign Commonwealth and Development Office (FCDO), Home Office and Department for Education (DFE).

No guarantees were given or received from any of the outstanding balances.

Details of remuneration for Board members can be found in the Remuneration Report section of the Accountability Report. Non-Executive and Executive Board members must declare to the Accounting Officer and Board any personal or business interest which may, or may be perceived to, influence their judgement as a Board member.

As referred to in the Directors' report, the GPA holds a register of interests for Board members and each interest is assessed to determine whether this represents a conflict. During the year no Board member, key manager or other related parties, other than those mentioned, have undertaken any material transactions with the GPA.

Pat Ritchie, GPA Chair, was CEO of Newcastle City Council until stepping down in October 2021. Newcastle City Council is a GPA supplier within the government boundary.

Pat Ritchie is a Board member of Homes England from March 2022. Homes England is a client of the GPA within the government boundary.

Mike Green, who is a non-executive Director of GPA, is Chief Operating Officer at the Department for Education (DfE) and a member of its Board. DfE is a client and supplier of the GPA within the government boundary.

Jane Hamilton, who is a non-executive Director of GPA, is Chair of the Board of NHS Property Services Ltd. NHS Property Services Ltd is a client of GPA within the government boundary.

A close relative of Jane Hamilton is a Board member of the Crown Estate, which is a supplier to the GPA outside the government boundary. Total expenditure to the Crown Estate in the year amounted to £393,000 with a total payable balance as at 31 March 2022 of £3,000. At 31 March 2022 the GPA held lease commitments with the Crown Estate of £2,874,247.

20. Events after the reporting date

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue by the Accounting Officer. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.
Inter-departmental transfers for the following properties were issued in April 2022 with an effective transfer date of 1 April 2022.

Department	Building	Address	Net Book Value £'000s
Maritime and Coastguard Agency (MCA)	Spring Place	Southampton, 105 Commercial Road	10,500

In May 2022 the GPA signed a contract with BNP Paribas Real Estate as the strategic property partner.

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