



Cabinet Office



# Annual Report and Accounts 2019-20

HC 607





Cabinet Office

# ANNUAL REPORT AND ACCOUNTS 2019-20

(for period ended 31 March 2020)

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

Annual Report presented to the House of Commons by Command of Her Majesty

Ordered by the House of Commons to be printed on 21 July 2020

**HC 607**

*This is part of a series of Departmental publications which, along with the Main Estimates 2020-21 and the document Public Expenditure: Statistical Analyses 2019, present the Government's outturn for 2019-20 and planned expenditure for 2020-21.*



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# Contents

## DIRECTORS' REPORT

6



Foreword

7



Ministers and Board Members

10



Permanent Secretary's perspective

11



Lead Non-Executive's report

## PERFORMANCE REPORT

14



Overview

17



Trends

19



Objectives

Support

## ACCOUNTABILITY REPORT

32



Governance report

39



Remuneration and Staff report

59



Statement of Parliamentary Supply

69



Parliamentary Accountability

## FINANCIAL STATEMENTS

76



Financial Statements

83



Notes to the Financial Statements

131



Annexes

## Cover Photo



70 Whitehall



# DIRECTORS' REPORT



### Foreword



#### Rt Hon. Michael Gove MP

Chancellor of the Duchy of Lancaster

In these uniquely difficult times for the country, the Cabinet Office can be proud of its performance in a vital role supporting the Prime Minister and helping the public.

At a pivotal period for the United Kingdom now that we have left the European Union, the important work undertaken during the last financial year (2019-2020) which is set out in these pages carries on today with energy and focus.

Since the general election in December 2019 the Cabinet Office has been driving forward a new set of priorities that reflect the Prime Minister's ambitions of having the best Government, the best Civil Service and the best public services delivery in the world.

These included strengthening the integrity of the Union, embedding and enhancing our political and economic independence outside the EU, accelerating Government and public sector transformation, and strengthening our democracy, security and electoral law.

Now, alongside these core projects, we of course have an additional mission of unprecedented urgency: helping to coordinate the continuing national response to coronavirus as we move into a new phase of rebuilding the domestic economy through investment in schools, transport, broadband and other important infrastructure.

As the Prime Minister has said, we will remember 2020 as the year we were hit, along with nearly every other nation, by a previously unknown and remorseless foe. The challenges to our economy, people, jobs and our National Health Service are unprecedented.

Cabinet Office teams have been at the heart of the national response, assisting ministers and officials in making decisions – from supporting the Department of Health and Social Care on domestic ventilator production and sourcing personal protective equipment to working with partners to improve testing – that are key for the nation's future economic wellbeing and the smooth running of Government and our emergency measures.

I want to put on record here my admiration for Cabinet Office's resourceful and public-spirited staff, and their dedication to mitigating the effects of coronavirus.

Their exemplary response to the pandemic came at the end of an already busy financial year in 2019-2020, in which Cabinet Office teams were central to the Government's flagship policies.

Beginning under the dedicated work of my predecessor Sir David Lidington, the Department has been engrossed in preparing the country for life outside the EU – not only the Government and the Civil Service, but also the business world, the Third Sector and of course individual citizens. Our ministers and officials are overseeing the implementation of the Withdrawal Agreement and preparing businesses and people for the end of the Transition Period on 31 December 2020.

We continue to make sure that we will unleash and deliver opportunity across the whole of the United Kingdom, underpinning our commitment to levelling up the country.

And we are also stepping up our scrutiny of public services, to ensure every penny of taxpayers' money is spent as efficiently as possible.

I would like to thank Sir John Manzoni, who stepped down in April 2020 after over five years as Cabinet Office Permanent Secretary and Chief Executive of the Civil Service. I am hugely grateful for Sir John's support following my appointment as Chancellor of the Duchy of Lancaster [in July 2019] and look forward to building on his achievements with his successor, Alex Chisholm.

I also want to pay a personal tribute to Sir Mark Sedwill, who will be standing down as Cabinet Secretary and Head of the Civil Service, and as National Security Adviser, in September 2020. Sir Mark is a supremely dedicated and hugely accomplished public servant, and working alongside him in a number of Government Departments has been both a pleasure and a privilege. I know he will continue to contribute to the service of this country.

The challenges that we face now will not end quickly. Even as life returns to something closer to normal, there will be significant changes in how we all live. Cabinet Office will remain at the heart of delivering the Prime Minister's plans for the long-term good of the country.

Cabinet Office will support this agenda and also continue its vital work on its other priorities relating to the Union and public sector reform. It is a huge responsibility but I am confident we are well placed to maintain the high quality of our support for the Prime Minister, the Government and of course the people.

## Ministers

### Cabinet Office Ministers as at 31 March 2020



**The Rt Hon. Boris Johnson MP**  
Prime Minister, First Lord of the Treasury, Minister for the Civil Service and Minister for the Union  
(paid by HM Treasury)



**The Rt Hon. Michael Gove MP**  
Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office



**The Rt Hon. Amanda Milling MP**  
Co-Chairman of the Conservative Party and Minister without Portfolio  
(unpaid)



**The Rt Hon. Penny Mordaunt MP**  
Paymaster General



**Chloe Smith MP**  
Minister of State for the Constitution and Devolution



**The Rt Hon. Lord True CBE**  
Minister of State for the Cabinet Office



**The Lord Agnew of Oulton DL**  
Minister of State for the Cabinet Office and HM Treasury  
(Unpaid)



**Johnny Mercer MP**  
Parliamentary Under-Secretary of State for Defence People and Veterans  
(paid by Ministry of Defence)



**Julia Lopez MP**  
Parliamentary Secretary at the Cabinet Office



**The Rt Hon. Jacob Rees-Mogg MP**  
Leader of the House of Commons and Lord President of the Council



**The Rt Hon. Baroness Evans of Bowes Park**  
Leader of the House of Lords and Lord Keeper of the Privy Seal



**The Rt Hon. Earl Howe**  
Deputy Leader of the House of Lords  
(Unpaid)



**The Rt Hon. Mark Spencer MP**  
Parliamentary Secretary to the Treasury and Chief Whip  
(paid by HM Treasury)



**The Rt Hon. Lord Ashton of Hyde**  
Chief Whip in the House of Lords and Captain of the Honourable Corps of Gentlemen-at-Arms  
(paid by HM Treasury)

#### The following ministers left the Cabinet Office during 2019-20:

The **Rt Hon. Andrea Leadsom MP**, Leader of the House of Commons and Lord President of the Council left the Cabinet Office on 22 May 2019.

The **Rt Hon. Theresa May MP**, First Lord of the Treasury, Minister for the Civil Service and Prime Minister left the Cabinet Office on 24 July 2019.

The **Rt Hon. David Lidington CBE MP**, Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office left the Cabinet Office on 24 July 2019.

The **Rt Hon. Brandon Lewis MP**, Chairman of the Conservative Party and Minister without Portfolio left the Cabinet Office on 24 July 2019 and took office as Minister of State for Security.

The **Rt Hon. Mel Stride MP**, Leader of the House of Commons and Lord President of the Council left the Cabinet Office on 24 July 2019.

The **Rt Hon. Julian Smith MP**, Chief Whip and Parliamentary Secretary to the Treasury left the Cabinet Office on 24 July 2019 and took office as Secretary of State for Northern Ireland.

The **Rt Hon. Lord Taylor of Holbeach CBE**, Lords Chief Whip and Captain of the Honourable Corps of Gentlemen at Arms left the Cabinet Office on 24 July 2019.

The **Rt Hon. Lord Young of Cookham CH**, Government Spokesman in the House of Lords, left the Cabinet Office on 29 August 2019.

**Kevin Foster MP**, Parliamentary Secretary, Minister for the Constitution (paid by HM Treasury), left the Cabinet Office on 28 October 2019 and continued as Parliamentary Under Secretary of State in the Wales Office.

**Simon Hart MP**, Parliamentary Secretary, Minister for Implementation, left the Cabinet Office on 16 December 2019 and took office as Secretary of State for Wales.

The **Rt Hon. Oliver Dowden CBE MP**, Minister for the Cabinet Office and Paymaster General left the Cabinet Office on 13 February 2020 and took office as the Culture Secretary.

The **Rt Hon. James Cleverly MP**, Co-Chairman of the Conservative Party and Minister without Portfolio left the Cabinet Office on 13 February 2020 and took office as the Minister of State for Middle East, Africa and International Development.

**Jeremy Quin MP**, Parliamentary Secretary, Minister for Implementation left the Cabinet Office on 13 February 2020 and took office as the Minister of State for Defence Procurement.

The **Rt Hon. Jake Berry MP** Minister of State for the Northern Powerhouse and Local Growth (paid by Ministry of Housing, Communities and Local Government) left the Cabinet Office on 13 February 2020.

## Department for Exiting the European Union Ministers as at 31 January 2020



**The Rt Hon. Stephen Barclay MP**  
Secretary of State for Exiting the European Union (until 31 January 2020)



**The Lord Callanan**  
Minister of State for Exiting the European Union (until 31 January 2020)



**James Duddridge MP**  
Parliamentary Under-Secretary of State for Exiting the European Union (until 31 January 2020)

### The following ministers left the Department for Exiting the European Union during 2019-20:

**Chris Heaton-Harris MP**, Parliamentary Under-Secretary of State for Exiting the European Union left the Department for Exiting the European Union on 3 April 2019.

The **Rt Hon. Kwasi Kwarteng MP**, Parliamentary Under-Secretary of State for Exiting the European Union left the Department for Exiting the European Union on 24 July 2019 and took office as Minister of State for Business, Energy and Clean Growth.

The **Rt Hon. James Cleverly MP**, Parliamentary Under-Secretary of State for Exiting the European Union left the Department for Exiting the European Union on 24 July 2019 and took office as Co-Chairman of the Conservative Party and Minister without Portfolio at the Cabinet Office.

**Robin Walker MP**, Parliamentary Under-Secretary of State for Exiting the European Union left the Department for Exiting the European Union on 26 July 2019 and took office as Minister of State for Northern Ireland.

## Cabinet Office Board Members as at 31 March 2020 (unless stated)

### Official Board Members



**Alex Chisholm**  
Civil Service Chief Operating  
Officer and Cabinet Office  
Permanent Secretary  
(from 14 April 2020)



**Sir John Manzoni KCB**  
Chief Executive of the Civil  
Service and Cabinet Office  
Permanent Secretary  
(until 13 April 2020)



**Sir Mark Sedwill KCMG**  
Head of the Civil Service,  
Cabinet Secretary and  
National Security Advisor



**Mike Parsons**  
Chief Operating Officer



**Elizabeth Gardiner**  
CB QC (Hon)  
First Parliamentary Counsel



**Tracey Waltho**  
Director General,  
Civil Service Group



**Richard Hornby**  
Chief Financial Officer  
(from 1 January 2020)



**Guy Lester**  
Finance Director  
(until 10 January 2020)

### Non-Executive Board Members



**Sir Ian Cheshire**  
Government Lead Non-  
Executive and Cabinet  
Office Lead Non-Executive  
(Until 31 March 2020)



**Mike Ashley**  
Non-Executive Board  
Member and Chair of the  
Audit and Risk Committee



**Anand Aithal**  
Non-Executive Board  
Member



**Karen Blackett OBE**  
Non-Executive Board  
Member



**Catherine Brown**  
Non-Executive Board  
Member  
(until 31 March 2020)



**Paula Vennells CBE**  
Non-Executive Board  
Member  
(until 5 March 2020)

### Non-Executive Board Members appointed on 12 May 2020



**Rt Hon. Gisela Stuart**  
Non-Executive Board  
Member



**Henry de Zoete**  
Non-Executive Board  
Member



**Baroness Finn,  
of Swansea**  
Non-Executive Board  
Member



**Lord Hogan-Howe, of  
Sheffield**  
Non-Executive Board  
Member

## Permanent Secretary's perspective on performance



### Alex Chisholm

Civil Service Chief Operating Officer,  
Cabinet Office Permanent Secretary  
and Principal Accounting Officer

I joined the Cabinet Office at one of the most challenging times in our nation's history. Throughout 2019-20 the UK Government held a general election, formally withdrew its membership from the European Union and stood up the response to the COVID-19 pandemic.

In our role at the centre of Government, we are used to tackling the big national issues. It's written into our purpose and lived in our daily experience as public servants. The Department and the people that make it have shown how effectively they are able to rise to those big challenges, particularly this year.

The Department supported the successful delivery of the General Election within six weeks on 12 December 2019. We supported the Government in delivering the UK's withdrawal from the European Union and are continuing to support the Government with the delivery of its key priorities.

Supporting EU Exit activity remained a priority for the Cabinet Office over 2019-20. The EU Exit Implementation Unit continued to provide functional input to priority projects and the Cabinet Secretariat has continued to support collective decision-making for some of the most complex issues.

Following the departure of the UK from the EU on 31 January 2020, the Department for Exiting the European Union (DExEU), with support from Cabinet Office, was closed. I would like to thank DExEU colleagues for the tremendous contribution they have made since DExEU was set up after the 2016 referendum.

This year we have welcomed the Government Equalities Office, Equalities and Human Rights Commission as an arm's length body, and the Office for Disabilities into the Department, strengthening the Government's commitment to tackling inequality.

The functions have continued their excellent work supporting the Cabinet Office and the wider Civil Service in delivering professionalism and driving efficiencies.

The HR Functional Standard was published this year setting expectations for leadership and management of human resources across government. Furthering our digital journey the Government Digital Service (GDS) and the Office for Artificial Intelligence published the Government Technology Innovation Strategy setting out how the Government will prepare to use emerging technologies to build better public services.

In the past year the Civil Service Group (CSG) has strengthened the Government's delivery capability, working closely with HM Treasury to increase the focus on outcomes in the upcoming Spending Review. It has also led the design and implementation of the Strategic Framework to improve delivery of cross cutting policy areas through increased collaboration.

In our response to COVID-19 we have had to think and act differently to respond to the issues faced. The Department has responded to this with expertise and pace, working across traditional boundaries and under increased pressure.

We have rapidly set up new digital services to support vulnerable people, supported the procurement of essential goods and services and ensured that the public have the information and messages they need to keep safe. Within Cabinet Office itself, corporate services have responded to the needs of the Department with innovation and resilience, ensuring we could respond to changes in working arrangements at short notice.

The way the Department has responded to the challenges of 2019-20 has shown our potential for reform and how we can work more flexibly to achieve our goals. It has also shown us what we can do using technology and data, how we can take new approaches and engage with the public.

I am proud of the professionalism and dedication Cabinet Office staff have demonstrated and am hugely grateful for the contribution of all my colleagues at every level of the organisation. Finally, I would like to thank my predecessor Sir John Manzoni for his contribution to the Cabinet Office and wider Government over the past six years. As Chief Executive, Sir John Manzoni led wide-ranging reforms to the Civil Service from the Cabinet Office. These have made the Government more efficient, more resilient, more transparent and increased skills and capability across government.

## Cabinet Office Lead Non-Executive's Report



### Mike Ashley

Non-Executive Board Member and Chair of the Cabinet Office Audit and Risk Committee

#### 2019-20 overview

The Cabinet Office's work continued to be largely dominated by EU Exit throughout the year, with the Department playing a central role in facilitating the UK's departure from the EU in December 2019. Alongside this historic work, the Cabinet Office has continued to deliver the Government's wider agenda, through strengthening efficiencies and capabilities in commercial delivery, project management, property services, security, digital and people across government, and by coordinating the Government's response to issues of national security.

#### Board Membership

The Cabinet Office Board leadership and membership changed substantially over 2019-20, reflecting changes at a national level. On the Ministerial side, the Rt Hon. David Lidington MP stood down from his role as the Chancellor of the Duchy of Lancaster and the Minister for the Cabinet Office in July 2019. That month the Rt Hon. Michael Gove MP was appointed the Chancellor of the Duchy of Lancaster and the Rt Hon. Oliver Dowden CBE MP, who had been Minister for Implementation, was appointed Minister for the Cabinet Office and Chair of the Board. While Chloe Smith MP, Minister for the Constitution, was on maternity leave her ministerial cover, Kevin Foster MP, attended the Board between May to October 2019. The Rt Hon. Simon Hart MP was appointed as Minister for Implementation in July 2019, and attended Board until his departure from the Department in February 2020. That same month the Rt Hon. Michael Gove MP was appointed Minister for the Cabinet Office and Chair of the Board.

On the Non-Executive side, three Non Executives stood down from the Board in March 2020: Sir Ian Cheshire, who stood down as both the Cabinet Office Lead Non Executive and the Government Lead Non Executive, Catherine Brown and Paula Vennells CBE. I would like to take this opportunity to thank each of them for dedicating so much of their time and expertise to the Cabinet Office and the Government.

#### Board Effectiveness

The Board met three times during 2019-20, where it discussed EU Exit preparation and implementation, strategic risk management, departmental performance and culture and approved the annual Single Departmental Plan. The Audit and Risk Committee, which I chair, met six times during the year, where it conducted regular risk deep dives into functional areas, tested preparation plans for major machinery of Government changes and oversaw the work of the internal and external auditors.

Non Executives also attended executive subcommittees to share their expertise and insight: Catherine Brown attended the subcommittee on People, while Anand Aithal attends the subcommittee on Performance and Risk.

Due to the leadership and membership changes to the Board in the final quarter of the year, plus the need to prioritise the Department's response to Coronavirus, it was decided to postpone this year's Board effectiveness evaluation. Following the new leadership at Ministerial and Senior Official level, a thorough non-executive and executive governance reform programme is planned to take place during 2020-21. The overall governance of the Department will be reviewed after the reforms have been embedded, as part of the Cabinet Office's ongoing commitment to good governance practices.

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# PERFORMANCE REPORT



## Cabinet Office Purpose 2019-20

The Cabinet Office has a unique and growing role at the heart of government, ensuring all Departments are able to deliver on the Prime Minister's ambition of building a country that works for everyone. In addition to our role supporting the Prime Minister and Cabinet, we play a wider role in coordinating the efficiency and reform agenda across government to ensure we can deliver world-class public services that offer maximum value for the taxpayer.

Our purpose is achieved through our objectives set out in the Single Departmental Plan.

## Cabinet Office Strategic Objectives



1. Maintain the integrity of the Union, coordinate the security of the realm and sustain a flourishing democracy



2. Support the design and implementation of HM Government's policies and the Prime Minister's priorities



3. Ensure delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of the government



4. Work with other departments to prepare for and deliver an orderly exit from the European Union



5. Deliver excellent corporate services, make Cabinet Office a great place to work, and create a department that better represents the people and places it serves

## Our Values

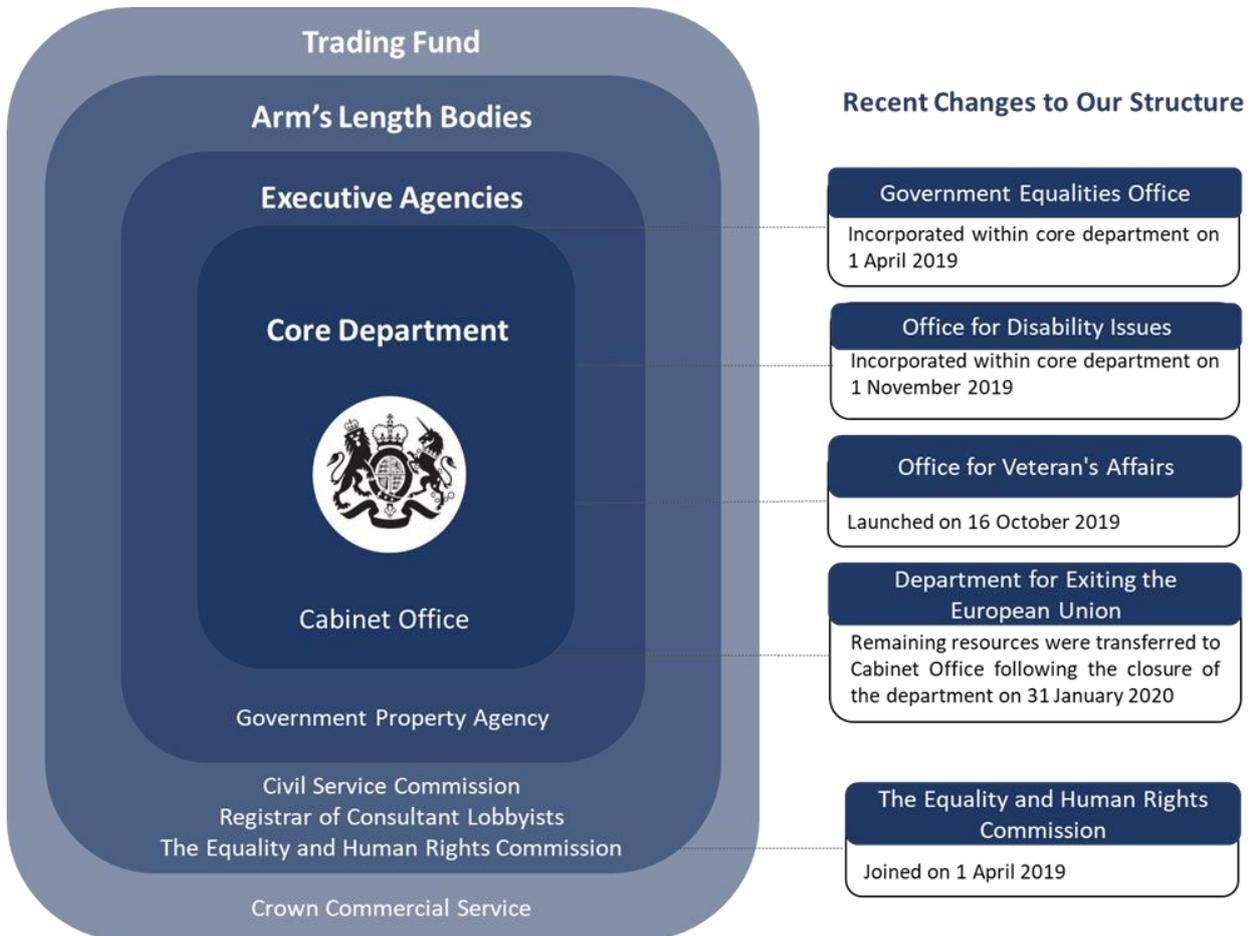
In October 2019 we launched a set of Cabinet Office values to support the delivery of the Cabinet Office purpose and work on some of government's most complex and challenging issues. The values of Respect, Trust and Collaborate are about how we work together and treat one another, as we strive to create a great place to work. They ensure the people and teams that make up the Department have a shared approach to delivering our objectives and creating opportunities to achieve better outcomes.

<b>RESPECT</b>	<b>TRUST</b>	<b>COLLABORATE</b>
		
<b>Treat Everyone With Respect.</b>	<b>Build Trust.</b>	<b>Actively Collaborate.</b>
Actively promote inclusion, give everyone a voice and value all contributions.	Actively promote inclusion, give everyone a voice and value all contributions.	Build strong relationships and partner across boundaries

## Our Structure

The Cabinet Office works closely with three arm's length bodies and two executive agencies, who each publish separate annual reports and accounts. Overall the Department works with 22 agencies and public bodies. Further detail on Cabinet Office's structure can be found on the GOV.UK website.

15

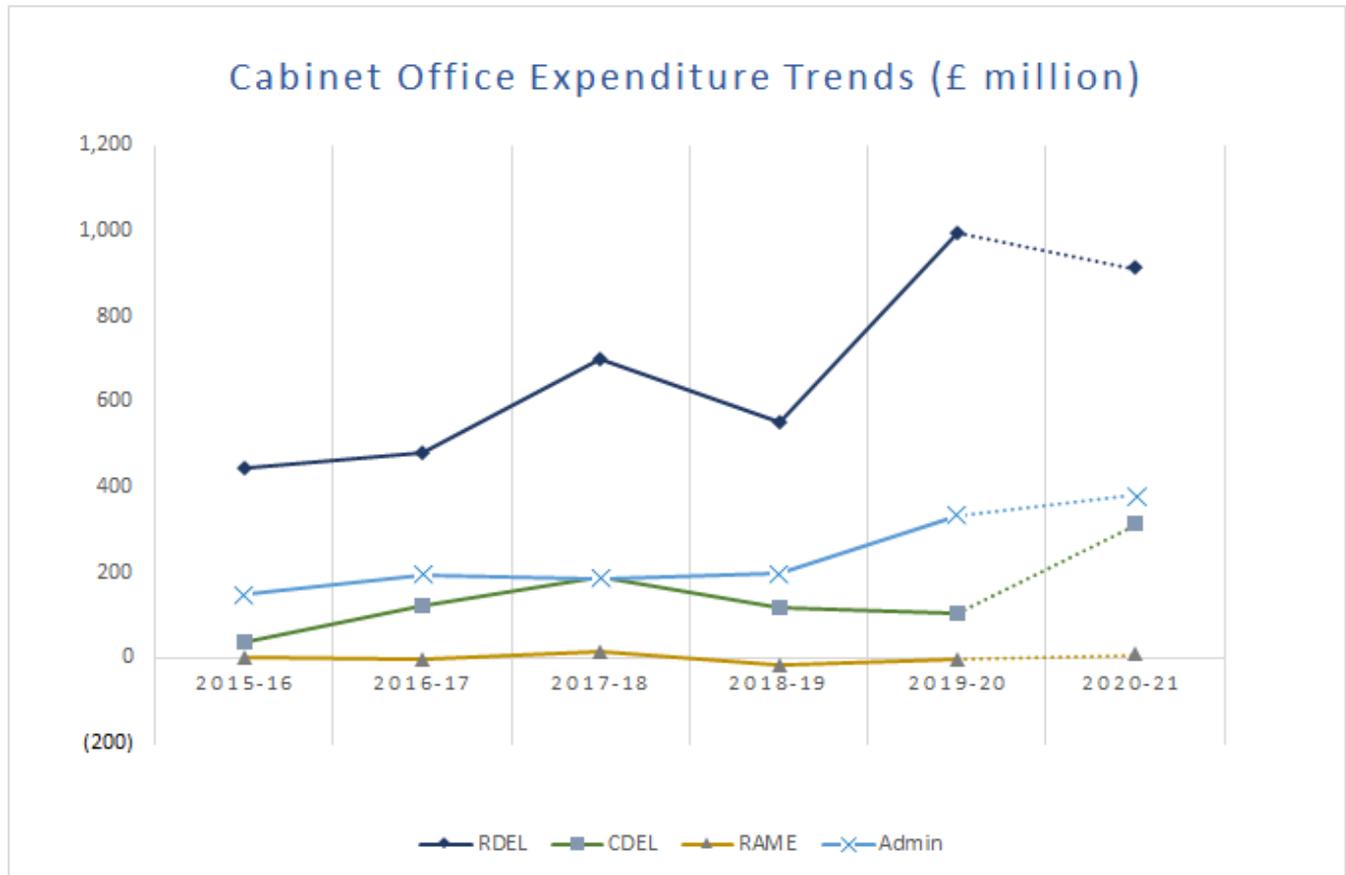


## How our Core Department is organised:



## Long-term expenditure trends

Trends over the chart below show overall spending trends for the last five years



A detailed breakdown can be found in Annex A

17

### Budget Framework

HM Treasury sets the overall budgetary framework for government spending. The total amount the Department spends is referred to as its Total Managed Expenditure (TME). Budgets are classified as either Annually Managed Expenditure (AME); or Departmental Expenditure Limit (DEL).

HM Treasury set DEL limits through spending reviews, normally held every three to five years, however DEL budgets can also be changed during Main and Supplementary Estimates for a number of reasons. For example, to support delivery of a critical project or a Machinery of Government Transfer between Departments.

DEL budgets are divided into RDEL: resource spend and CDEL: capital spend. The RDEL budget is further split into:

- Programme budgets for direct frontline service provision,
- Administration budgets for the running costs of the Department.

AME budgets are volatile or demand-led in a way that the Department cannot control. HM Treasury does not set firm AME budgets in spending reviews, but the Department monitors AME forecasts. A detailed breakdown of outturn and comparisons can be found in Annex A.

### Cabinet Office Expenditure Trends

Cabinet Office itself has changed over the spending review period. We now have over 8,000 people as a group compared with 2,364 in 2015-16, reflecting our position as the functional centre for government.

Alongside our traditional role in policy coordination, we continue to grow our portfolio of major delivery responsibilities. These changes have also been reflected in our budgets.

### Resource DEL has increased by £446.4 million from £619 million to £1,065.4 million since 2015-16

Since 2016-17 the functional agenda has led to significant growth in Cabinet Office's staff numbers and gross expenditure. In 2016-17, Civil Service Expert Service teams started to transfer into the Department as part of a Civil Service wide drive to increase flexibility and efficiency of HR services across government.

This transfer was finalised in 2017-18 with the transfer of Civil Service Resourcing who moved over from HMRC in 2017-18, including volume recruitment service and, the Fast-stream graduate programme.

The year 2017-18 also marked the beginning of over 400 commercial specialists transferring in from other Government Departments to form the Government Commercial Organisation (GCO), an arm of the Government Commercial Function that works to recruit, retain and develop senior commercial specialists across government. As with the Civil Service Expert Services and other direct services, GCO costs are fully recovered from Government Departments.

In 2017-18, following the collapse of Carillion, the Government provided £150m working capital to ensure the Official Receiver had sufficient liquidity to maintain public service continuity when managing the liquidation and to underwrite the costs of the Official Receiver. This working capital was provided through Cabinet Office, leading to a significant increase in outturn for that year, and we continue to monitor the return of this funding through the sale of assets.

In addition to growth driven by the functional agenda, we have also seen a number of policy areas transferred to the Cabinet Office to provide leadership and focus to important areas such as Geospatial Commission in 2018-19 and the Government Equalities Office (GEO) and Office for Disability Issues in 2019-20. Outturn for the previous six years is restated when a Machinery of Government Transfer is received or transferred out of the Department.

Cabinet Office has also become home to an executive agency and an additional arm's length body, with the creation of Government Property Agency in 2018-19 and the GEO sponsored Equality and Human Rights Commission. Alongside this, the Department now houses the Infected Blood and Grenfell Tower independent inquiries.

The year 2019-20 saw some of the biggest increases to our RDEL budgets as we prepared for the UK's exit from the EU, administered the UK Parliamentary general election and closure of the Department for Exiting the European Union. These items attracted non-baselined increases to our outturn.

### Capital DEL has increased by £99.8 million from £15 million to £114.8 million

Cabinet Office started the Spending Review with a benefit to CDEL of £64.2 million resulting from the sale of Admiralty Arch in June 2015 on a long lease of 250 years. Over the remaining Spending Review period CDEL increased in line with plans in order to support key major projects.

The 2015 Spending Review provided funding to deliver a range of projects. Government as a platform is providing the foundations needed to deliver next-generation public services, GOV.UK Verify continues to ensure that users can create, use and reuse digital identities across public and private sector services and our cross-government secure IT system ensures that information can be shared across government up to Secret.

In 2017-18 the Government Property Agency started work on the first custom government hub, 10 South Colonnade, London E14. The hub programme will enable more than 6,000 full-time equivalent staff to move from their existing accommodation into an office environment that supports modern working practices and allows the Government to exit expensive leasehold properties in central London.

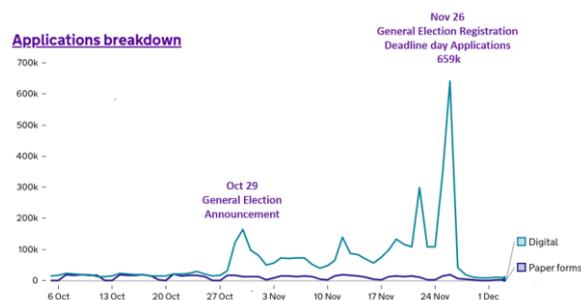
One of the largest single increases to CDEL came from the transfer of the Geospatial Commission Public Sector Mapping Agreement, an agreement that increases the location data available to the public sector across England and Wales.

## Maintain the integrity of the Union, coordinate the security of the realm and sustain a flourishing democracy

### Early Parliamentary Election Bill, Election Delivery and Registration of Voters

Following the General Election announcement, UK Governance Group supported the introduction of the Early Parliamentary General Election Bill in Parliament on 29 October. Receiving Royal Assent only two days later on 31 October 2019, the Bill provided for the General Election to take place on 12 December 2019. Despite the short notice and challenges posed by the time of the year, UK Governance Group worked closely with Returning Officers to effectively deliver the General Election within six weeks.

Between 29 October and the registration deadline on 26 November 2019 there were 3.85 million applications (91% online) submitted through the Individual Electoral Registration service, 1.3 million more than the same period for the General Election 2017. On deadline day alone over 659,000 applications were processed through the IER Digital Service, the highest number in a single day.



In addition to ensuring successful delivery of the General Election, UK Governance Group has continued to lead the Government's wider work to make democracy more accessible. In January 2020 the Police and Crime Commissioner Elections (Amendment) Order 2020 was introduced to exclude disability-related campaign expenses from candidates' spending limits. Making standing for election fairer for disabled candidates this amendment builds on the progress made by the Representation of the People (Election Expenses Exclusion) (Amendment) Order 2019.

### Electoral Franchise

Supporting the UK's exit from the EU, we have worked with colleagues from across government and EU Member States to support the delivery of bilateral agreements with Spain, Portugal, and Luxembourg that will secure the rights of UK nationals living in these respective Member States and EU citizens in these countries living in the UK, to stand and vote in local elections.

### Constitutional Settlements, Governance and Devolution

The UK Government continues to work to preserve and strengthen the Union through effective intergovernmental engagement. The Joint Ministerial Committee on EU Negotiations met six times since April 2019, with two of these meetings being chaired and hosted by the devolved administrations (DAs) in Edinburgh and Cardiff respectively.

In the year that marked the 20th anniversary of the inaugural meeting of the British-Irish Council, the UK Government hosted the 32nd Summit of the British-Irish Council in Manchester on 28 June 2019. A delegation led by the Secretary of State for Northern Ireland attended the 33rd British-Irish Council Heads of Administration Summit hosted by the Irish Government in Dublin on 15 November 2019. The Council plays an important role in bringing together its eight Member Administrations to strengthen links and discuss policies of mutual interest.



Heads of delegations at the 33rd British-Irish Council Summit, Dublin, 15 November 2019

### Restoration and renewal of the Palace of Westminster

The 1,100-room Palace of Westminster dates from the mid-1800s and forms part of the UNESCO Westminster World Heritage Site. Working with Parliament, the Constitution Group led on the Parliamentary Buildings (restoration and renewal) Bill which received Royal Assent in October 2019. The Act puts in place the governance structure required for the restoration and renewal of the Palace of Westminster. The restoration of the Palace is one of the UK's biggest heritage renovation projects and will protect and preserve the heritage of the Palace, ensuring it can continue to serve as the home of the UK Parliament in the 21st century.

### National Security Secretariat

The National Security Secretariat (NSS) supports decision making by the National Security Council (NSC), the Cabinet and the Prime Minister, implementing the Fusion Doctrine, the NSC's initiative to fuse capabilities, across economic, security, social and influence to deliver cross-government solutions to national security challenges. This year the NSS has supported strategy development and implementation in response to the challenges posed by Iran, the ongoing crisis in Syria, and in the decisions surrounding high-risk vendors in the UK's telecoms supply chain.

In addition, it has helped launch the Integrated Security, Defence, Development and Foreign Policy Review and continues to bring hard and soft power capabilities to bear in an increasingly coordinated way. NSS has led work to prepare for the immediate impact of EU Exit, including standing up Yellowhammer command; the control and coordination structure needed for the most severe disruption.

NSS has continued to upgrade the critical infrastructure and refine the working practices of the national crisis management centre (COBR), which has been critical in dealing with a number of events including commercial collapses, flooding and the COVID-19 outbreak.

### Government Security Group

During 2019-20 the Government Security Group (GSG) made real progress continuing to establish Government Security as the newest of the cross-government functions. GSG continues to develop the function centre, and have put in place people, systems and processes to effectively manage excellent departmental security and serious or pan-government security risks and incidents.

GSG is developing the Security Profession and has launched a new career framework in February 2020 so that employees understand the career options available to them and the skills and development they need to progress.

The Transforming Government Security Programme is delivering more efficient shared services through the further development of the Cluster Security Units and the establishment of Centres of Excellence. To help the Government manage information security risk, GSG has continued to deliver and expand the use of a cross-government secure IT service in line with strategic priorities and the National Cyber Security Strategy. This programme transitioned to a business as usual service organisation model in April 2019, and its use has grown to over 50 organisations.

GSG has seen operational successes through strengthening relationships across government, improving assurance against the full range of security risks in Departments, and ensuring we respond to incidents in a coordinated and collaborative way. They coordinated the response to Extinction Rebellion protests throughout the Government Secure Zone and stood up the Election Cell to provide dedicated, expert advice to public sector stakeholders responsible for delivering a successful election.

# Support the design and implementation of HM Government's policies and the Prime Minister's priorities

## Cabinet Secretariat

The year 2019-20 has been demanding for the Cabinet Office, with the ongoing work towards EU Exit and COVID-19. The Government's legislative programme in 2019-20 was delivered by the Parliamentary Business and Legislation Secretariat (part of the Cabinet Secretariat) alongside the Office of the Parliamentary Counsel and the offices of the Business Managers. The calendar year spanned two Parliamentary sessions with two Queen's Speeches. As of 1 May, 24 Government bills are before Parliament and seven have received Royal Assent since the start of the 2019 session, following the General Election. This includes the European Union (Withdrawal Agreement) Act which received Royal Assent on 23 January 2020 and emergency legislation, the Terrorist Offenders (Restriction of Early Release) Act, which received Royal Assent on 26 February 2020.

## Office for Veterans' Affairs

The Office for Veterans' Affairs was formally launched in the Cabinet Office in October 2019. Established to champion the interests of veterans at the heart of government, the office is responsible for driving forward the delivery of the Government's Veterans' Strategy and in doing so realising the Government's ambition to make the United Kingdom the best place to be a veteran in the world. The office has assumed responsibility for leading veterans' activity in government and ensuring that the Government's support to veterans is coordinated effectively. It is also ensuring that veterans are fully represented in policy making throughout Whitehall and that the United Kingdom is a leading player in international veterans' collaborative forums and research. Since its launch, the office has published the first action plan setting out a series of steps being taken to drive forward the delivery of a number of commitments to veterans set out in the General Election manifesto. This includes the introduction of a railcard for veterans, the launch of a programme to make the Civil Service a great place to work for veterans including the introduction of a guaranteed interview system, and the introduction of national insurance holidays for organisations employing veterans. The office is also playing a leading role in ensuring that the commitments for veterans contained in the New Decade, New Approach agreement which restored the Northern Ireland Executive are being delivered.

## Private Office Group

Private Office Group has continued to focus on the Department's changing priorities throughout 2019-20 through the provision of support to Cabinet Office Ministers, the Cabinet Secretary and Head of the Civil Service, and the Permanent Secretary and Chief Executive of the Civil Service.

The Privy Council has supported great progress improving the diversity of Lord-Lieutenants. Half of all English Lord-Lieutenants appointed this year have been women, bringing the total number of women in the role in England to 40% of the total.

Three significant church appointments have been made this year. The Right Reverend Rose Hudson-Wilkin was appointed Bishop of Dover, the first female Bishop in the Church of England from an ethnic minority background; the Very Reverend David Hoyle, formerly Dean of Bristol, was appointed Dean of Westminster; and the Right Reverend Stephen Cottrell, Bishop of Chelmsford, was appointed Archbishop of York.

In June 2019, the Government responded to Lord Holmes' review into opening up public appointments to disabled people. Recognising that many of the review's recommendations would help to increase diversity more broadly, the Government's Public Appointments Diversity Action Plan was refreshed to incorporate many of the recommendations. The plan contains 21 specific actions under four objectives: improving data and reporting on diversity; raising awareness and tapping into talent; improving the public appointments recruitment process and supporting and developing public appointees.

## Geospatial Commission

The Geospatial Commission was formed in 2018 as an Expert Committee within the Cabinet Office to advise the Government on the most productive and economically valuable uses of geospatial data (data linked to location).

It has a close relationship with six core Partner Bodies with diverse functions, organisational status and business models. These are the British Geological Survey, Coal Authority, HM Land Registry, Ordnance Survey, UK Hydrographic Office and the Valuation Office Agency.

Geospatial data is crucial to both public and private sector delivery across a range of existing and emerging markets, and is a fundamental component of the next technological revolution. Throughout 2019-20 the Geospatial Commission has continued to carry out a range of activities to inform the development of the UK's Geospatial Strategy which recently launched.

The Geospatial Commission has invested over £2 million to launch two pilots in London and the north east to develop an approach to a National Underground Asset Register that will improve safety and efficiencies for those working with underground utilities.

The Geospatial Commission funded the future geospatial technology review in 2019-20. This report analyses commercial opportunities for use of geospatial data, published best practice guidance on linked identifier schemes and a search engine optimisation guide for geospatial data as part of a data improvement programme.

The Geospatial Commission also provides access for the whole of the public sector to core geospatial data, including postcode and aerial photography data, through the data contracts it holds.

### Race Disparity Unit

The Race Disparity Unit (RDU) analyses and publishes authoritative data about the variances in treatment or outcomes affecting people of different ethnicities. The content represents a unique way of describing the experiences and outcomes of people of different ethnic groups in society and helps drive change across government.

Drawing data from government sources, the Census and other published official statistics, the RDU has now published data covering 177 different topics, including education, healthcare, criminal justice and the economy.

Working in partnership with the Office for National Statistics, RDU has supported other Government Departments to better harmonise their ethnicity data. This collaboration aims to make the Census 2021 classifications the 'gold standard' across data collection, which will improve the coherence and comparability of data.

### Government Equalities Office

The Government Equalities Office's (GEO) aim is to end discrimination and create a more inclusive society. The GEO has been pivotal in driving change through 2019-20. It led the work to introduce opposite-sex civil partnerships in England and Wales on 2 December 2019, and to introduce both same-sex civil marriage and opposite-sex civil partnerships in Northern Ireland on 13 January 2020, working in conjunction with the Northern Ireland Office.

Following its success in 2017, GEO partnered with the Local Government Association to re-launch the Return to Social Work programme in January 2020. This programme aims to support those seeking to return to the labour market after an extended period out of work for caring.

GEO continued to support women's economic empowerment throughout 2019-20, publishing a cross-government package of measures in July 2019 and supporting the progress of women's representation on company boards. In February 2020, women held 33% of FTSE 100 company board positions, meeting one of the business-led Hampton-Alexander Review targets.

The three year, £3 million Gender and Behavioural Insights programme is producing real-world evidence to support employers with effective actions to support gender equality at work. For example, our research with a major jobs board showed clear benefits to employers who offer more flexible jobs - when job adverts offered flexible working, they attracted up to 30% more applicants.

GEO has led and supported a number of activities this year to address workplace equality issues. The Equality Advisory and Support Service has responded to over 33,000 contacts during 2019-20, advising and helping those who have suffered from unlawful discrimination. In the second successful year of Gender Pay Reporting, there was an increase in on time compliance and several positive indicators that employers are taking seriously their responsibilities to close the gender pay gap.

### COVID-19 Response

Cabinet Office has been at the heart of the Government's response to the COVID-19 pandemic.

The Cabinet Secretariat put in place the additional structures necessary to support effective and fast-paced decision making across government, driving forward the UK Government's response and ensuring that action was coordinated. This included the rapid set up of a PM-chaired strategy committee which met daily to agree the Government's policy response, including the testing strategy; the approach to social distancing, school closure and financial schemes to support businesses and employees; procurement and distribution of PPE, ventilators and other critical supplies; the rapid opening of NHS Nightingale hospitals to increase capacity; and the plan for shielding the extremely clinically vulnerable and protecting the wider vulnerable in society. Four Ministerial Implementation Committees, focusing on health, international, the economy and wider public services, were also established to drive forward the operational decisions required to deliver the Government's response, chaired by the relevant Minister.

The Government Digital Service (GDS) put unprecedented measures in place to respond to COVID-19. The pandemic led to a rapid surge in demand for, and reliance on, the Government's digital infrastructure. GOV.UK received a record-breaking 132 million page views in a single week as the centrepiece of the Government COVID-19 communications campaign.

23 New digital services have been built from scratch at short notice by both GDS and DDaT teams across government. This included the National Shielding Service that has already been used over 1.2 million times and enabled more than 285,000 clinically vulnerable 'shielded' people to register for essential food supplies. GDS has also built a service for businesses to volunteer their support for the COVID-19 response effort; which has since generated over 20,000 responses.

Existing digital services also experienced an unprecedented surge in demand, including a 900% increase in demand for Universal Credit identities provided through the GOV.UK Verify platform, and a peak of up to 8.6 million daily messages being sent through the GOV.UK Notify platform. GOV.UK Notify messages included NHS text message support for vulnerable people and those self-isolating at home, public sector business continuity alerts and Foreign and Commonwealth Office travel advice.

GDS collaborated with the National Cyber Security Centre (NCSC) and Government Security Group (GSG) to identify and establish appropriate interoperable video conferencing solutions. GDS plans to establish collaboration standards to improve cross-government interoperability.

The Government Commercial Function (GCF), has a unique role in procuring, and supporting the procurement of the essential goods and services needed to respond to the challenges brought by COVID-19.

The function has reprioritised commercial resources and expertise across central Government Departments, moving commercial specialists from Ministry of Defence, Ministry of Justice, Department for Education and Cabinet Office into Department of Health and Social Care. These specialists have worked within DHSC on the procurement of PPE and testing equipment. Alongside this, we led the Ventilator Challenge, a programme securing the rapid manufacture of additional vital mechanical ventilators in the UK for use by the NHS.

GCF has supported public bodies in implementing the Procurement Policy Notes which have been issued in response to COVID-19, including guidance on how to undertake urgent procurements and extend contracts, and continue to pay the supply chain even if service delivery is disrupted.

With the support of our network of Crown Representatives, the Markets and Suppliers Team has worked closely with the Government's strategic suppliers to ensure that they are able to continue to deliver quality services in critical areas, such as cleaning hospitals and delivering construction projects.

The Crown Commercial Service (CCS) is using its commercial, procurement and market expertise in over 80 categories of common goods and services to ensure Departments and the public sector are able to access the suppliers they need quickly and compliantly. Establishing task forces dedicated to supporting and helping to manage the increased demand for certain goods and services has enabled us to respond to urgent and priority requirements.

CCS has also mobilised our resources to assess and engage with over 20,000 offers of support to the Government from suppliers across the UK and has established an online catalogue through which public sector customers can view and connect with supplier offers.

CCS's category and customer experience teams are also providing a valuable means to engage and communicate with suppliers and buyers across the public sector on key aspects of government policy that affect them.

## Ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of government

### Civil Service HR (CSHR)

CSHR has continued to lead on a number of projects to transform HR across government in 2019-20. We published the HR Functional Standard in July 2019. The purpose of the standard is to set expectations for the leadership and management of human resources across government, ensuring people are recruited, developed and deployed to meet the Government's needs.

As part of planning for the UK's exit from the European Union, the EU Transition and Priority Resourcing and Capability Team provided Departments with support in filling high priority roles through the EU Exit Clearing Hub.

The Fast Stream has grown from strength to strength, with 1,323 job offers made as part of the 2019 Fast Stream campaign. In addition it has continued to achieve external award success, including No.1 Graduate Employer of the Year in The Times Graduate Recruitment Awards 2020.

### Government Digital Service (GDS)

Throughout 2019-20, the Government Digital Service (GDS) has continued to lead the Digital, Data and Technology (DDaT) function, helping the Government understand user needs and meet them through the design and delivery of great public services.

GOV.UK reinforced its trusted brand as the place to access government information and services online. Playing a critical role in providing information on the UK's exit from the EU, we developed a tool for helping people and businesses understand what they needed to do to prepare, based on their particular circumstances.

In June 2019, the Government Technology Innovation Strategy was published, alongside a guide to using artificial intelligence in the public sector, created by GDS and the Office for Artificial Intelligence. The strategy sets out how the Government will prepare to use emerging technologies to build better public services.

In 2019-20, GDS supported 2,055 services across 570 organisations to send around 500 million emails, text messages and letters through GOV.UK Notify, GOV.UK Pay supported 285 services taking a total of three million payments with a combined value of £175 million, and GovWifi had 502,000 registered users and is in over 1,000 locations.

### Office of Government Property (OGP)

In 2019-20, the Office of Government Property (OGP) launched the first ever Government Property Awards. This was a celebration of the breadth of activity across the property function and an opportunity to share experiences, celebrate achievements and showcase the work of property teams across government and beyond. The events throughout the month were attended by over 600 members of the property profession and over 100 nominations were submitted for the awards.



The 'Rising Star Award', won by Emily Hoyes of Place Partnership (L-R Mike Parsons (DG, Government Property), Emily Hoyes (Rising Star), Simon Johnson (Incendium Consulting, sponsors), Janet Young (Government Chief Property Officer))

The year 2019-20 also marked the launch of the Government Property Career Framework. The framework has been developed with cross-government and industry engagement and is aimed at supporting and simplifying career development for members of the property profession. Other profession activity throughout the year included the recruitment of 125 property apprentices and 72 graduates as well as the provision of nearly 1,000 hours of CPD across the country.

The third annual disposals Transparency Report was published in February 2020, reporting £2.06 billion from the sale of surplus land and property in 2018-19. This brings the total receipts between 2015-2019 to £4.62 billion. During the course of 2019-20, we secured additional capital receipts that allowed us to achieve the overall target to raise £5 billion in the period 2015-2020.

One Public Estate, which is delivered in partnership with the Local Government Association, has had a successful sixth year, delivering land for 6,872 new homes, £317 million capital receipt, creating 14,524 jobs and £58.4 million reduced running costs.

Further supporting the property function, OGP published the first ever Government Standard for Property (GovS004)(6). GovS004 is one of a suite of standards for corporate functions across government. The standard sets expectations for the management of property, outlining core principles and practices, for all central government organisations, including Departments and arm's length bodies, and is intended to influence the wider public sector.

The Government Property Agency has had another successful year and has continued to bring a further 39 properties, taking the total to 98. In October 2019 the Agency announced the development of new government hubs in Peterborough and Birmingham, expected to provide state of the art office space for just over 2,700 civil servants.

## Infrastructure Projects Authority (IPA)

As the Government's centre of expertise for infrastructure and major projects, it is the IPA's ambition to create the best performing project system of any government in the world. The IPA supports Government Departments to ensure projects are delivered efficiently and effectively. This includes monitoring the continuously evolving Government Major Projects Portfolio (GMPP) which contains the most complex and high-risk projects. The GMPP includes approximately 130 projects, valued at around £440 billion, for which over 200 independent assurance reviews were conducted last year.

The IPA builds delivery capability in government by leading the project delivery profession, offering world-class leadership programmes, career pathways for project practitioners and building specific skills and capabilities. More than 700 professionals have enrolled in the Major Projects Leadership Academy, and over 500 have graduated to date.

Further to this, the IPA also supports the delivery of infrastructure and major projects by helping to unlock private sector investment. Last year the IPA, with HM Treasury, formally launched the Charging Infrastructure Investment Fund (CIIF). The aim of the £400 million fund is to help accelerate the building of charging points by increasing access to private finance for companies delivering them.

## Government Commercial Function (GCF)

The Government Commercial Function (GCF) is a cross-government network of c.4,000 staff procuring or supporting the procurement of around £49 billion of goods and services for central Government Departments. It enables Departments and the wider public sector to deliver their aims at best value for the taxpayer.

The GCF Northern Hub held its second annual conference in Manchester. Along with the Southern Hub, the Northern Hub aims to attract and nurture regional commercial talent, share learning and promote best practice across the commercial profession whether in local departmental teams, Councils or NHS Trusts; we can do so much more if we work together.

GCF introduced a tough new prompt payment initiative to ensure all government suppliers and subcontractors benefit from being paid on time. Coming into force in September, suppliers risk being excluded from winning large government contracts if they cannot demonstrate prompt payment to their supply chain. Build UK has reported that this has resulted in a reduction in payable days in the construction industry of 25%.

A key part of the GCF is the Crown Commercial Service, which has increased the volume of spend through its commercial agreements for common goods and services, leveraging its increasing depth of category expertise, from £13 billion in 2017-18 to around £18 billion in 2019-20, helping the UK public sector gain commercial benefits valued at just under £1 billion.

## Civil Service Group (CSG)

CSG leads on improving the efficiency and effectiveness of the civil service by enhancing delivery structures and developing new ways of working.

In the past year CSG has strengthened the Government's delivery capability, working closely with HM Treasury to increase the focus on outcomes in the upcoming Spending Review. In addition, we have worked to integrate functional expertise into civil service and departmental governance structures.

CSG have led the design and implementation of the Strategic Framework: a systems approach to improving delivery of complex priorities which do not fit within departmental boundaries. Encouraging cutting-edge thinking and policy making remains central to CSG's activities - our policy innovation teams have reached thousands of policy makers with their experimental approaches, and we continue to support transparency through our analysis and publication of Civil Service data, including the Civil Service People Survey.

In orienting the Civil Service around the Government's agenda, CSG recently established the Public Service Leadership Group; bringing together CEO and equivalent leaders to address issues of UK-wide strategic importance. We also engage civil servants more widely through Civil Service Local, which has built the capability of 9,000 civil servants and 10,000 citizens through a programme of leadership academies and discovery events. Underpinning this, we maintain and evolve the vision for 'A Brilliant Civil Service' has been refreshed to ensure the Civil Service is best able to support the Government as its priorities evolve.

## Government Communication Service (GCS)

The 2019-20 Government Communication Plan, published on 1 April 2019 set out 166 campaigns across government for the year ahead. These campaigns include the 'Get Ready for Brexit' cross-Government campaign, which created a 73% awareness rating and the teacher recruitment campaign that led to the highest number of postgraduate teachers since 2010-11, with 29,580 new entrants to the initial teacher training courses.

Continuing to support the Government's National Security agenda GCS delivered the 'Hiding in Plain Sight' campaign in 2019-20. This campaign, aimed at raising awareness of modern slavery, reached over 17 million people and resulted in a 30% increase in the number of calls made to the Modern Slavery Helpline. During the campaign 273 potential victims were lifted out of exploitation, with 64% directly attributed as a result of the campaign.

In support of the UK's overseas objectives, GCS international has expanded its support to 28 countries and four multilateral institutions, including the Organisation for Economic Co-operation and Development. The teams have delivered six national campaigns reaching over 20 million people and training 1,000 government officials each quarter.



## Fraud, Error, Debt and Grants (FEDG)

The Government Counter Fraud Profession has continued to grow throughout 2019-20, providing a professional structure for the 6,139 members who work to understand, find and stop fraud in the public sector. The Counter Fraud Function has continued to lead internationally, developing a range of best practice products with the 'Five Eyes' community (UK, Australia, Canada, New Zealand and the United States) through the International Public Sector Fraud Forum.

In May 2019 FEDG announced a joint statement on how the Government and the debt advice sector work together to continually improve how we interact with people in vulnerable circumstances. This complements the Debt Functional Standard and ensures that those who can pay, do pay, whilst taking a proportionate approach to the most vulnerable people in society. This year FEDG launched its Functional Standard, which sets out the key roles and responsibilities of the Grants Management Function across government organisations. The standard builds on existing minimum standards for grants, with additional advice and support for grant makers in specific areas such as: developing due diligence and fraud risk assessment models, gaining assurance against expenditure, and developing performance monitoring regimes.

The Standard underpins the full breadth of the Function, supporting wider work on the transformation of government grant making and the safe transition of EU schemes to the domestic grants landscape.

Throughout 2019-20 the function has played a vital role in supporting Departments' plan for the transition of c£6 billion of EU funding under different EU Exit scenarios; ensuring minimal disruption to UK recipients from transition and maximising the value for money of proposed domestic replacement schemes.

## Commercial Models

The Commercial Models Team (CMT) brings private sector experience to assist Departments deliver better outcomes in interactions between the private and public sector; we drive innovation, facilitating cross-government efficiencies and identifying and creating value. We provide decision makers across government with an external and independent (but governmental) perspective and capability, informed by extensive private sector experience in corporate finance and consulting.

The team has stewardship of the Cabinet Office's shareholdings in a number of Associate companies. These JVs were created to deliver Value for Money by driving cross-government efficiencies or realising value from assets developed within government. The JVs delivered very large savings directly to Departments and £27 million in value to Cabinet Office in 2019-20. The joint ventures are:

- Behavioural Insights Team (BIT)
- Axelos
- Shared Services Connected Limited (SSCL)
- Integrated Debt Services (Indesser)
- Crown Hosting Data Centres

## Government Shared Services (GSS)

Government Shared Services (GSS) is a centre of expertise working across Departments to transform shared services and drive forward the Shared Services strategy for government.

During 2019-20, GSS led the negotiations for an extension to the SSCL framework agreement and initiated the move of the Single Operating Platform (SOP) to cloud infrastructure. The value of the three-year extension is £144 million, covering 13 Departments, delivering a saving of £9 million.

## To work with other Departments to prepare for and deliver an orderly exit from the European Union and with the rest of the world

### EU Exit Implementation Group

EU Exit Implementation Group continued to support functional input to EU Exit priority projects through providing support to Departments delivering critical projects and programs. Through the EU Exit Contact Centre contract we ensured departmental help desks were sufficiently prepared to meet demand from businesses getting ready for EU Exit.

The EU Exit Clearing Hub completed the successful deployment of staff through transfers between Departments to support UK preparedness for EU Exit. The hub filled 1,659 roles in preparation for 31 October and delivered 20 EU Exit induction events to more than 600 movers to ensure they had the underlying knowledge to start at pace in their new roles.

### Department for Exiting the European Union (DExEU)

Following the Departure of the UK from the EU on 31 January 2020, DExEU was closed and the remaining resources transferred into the Cabinet Office to allow for effective administration of the closure. Prior to the 31 January 2020, DExEU was responsible for overseeing negotiations to leave the EU.

DExEU led the negotiation of the Withdrawal Agreement that provides for the protection of citizens' rights, an implementation period until the end of 2020, separation provisions, financial settlement arrangements and governance arrangements, as well as protocols on Ireland/Northern Ireland, Gibraltar and the Sovereign Base Areas in Cyprus.

DExEU led the work to develop an integrated picture of the policy changes required across government to ensure a smooth exit from the EU, in a range of scenarios. The Department coordinated domestic policy solutions, overseeing the delivery of and ensuring coherence between plans developed by other Government Departments (OGDs), including in the significant, cross-government preparation for a 'no-deal' scenario.

Overseeing all EU Exit-related primary and secondary legislation across government, DExEU, working closely with the Cabinet Office, has supported 630 EU Exit Statutory Instruments laid in Parliament since the EU (Withdrawal) Act received Royal Assent on 26 June 2018, with 97% completed their passage through Parliament.

As part of the critical work carried about by the Department prior to 31 January 2020, DExEU designed and delivered a coordinated strategy of political and diplomatic engagement with EU Member States and Institutions in support of the UK's objectives for EU Exit and the future UK-EU partnership. DExEU supported Departments in ensuring that the UK continued to meet its rights and obligations as an EU member state, including under the Duty of Sincere Cooperation, and in representing UK national interests in relevant EU meetings until 31 January 2020.

## To deliver excellent corporate services, make Cabinet Office a great place to work and create a Department that better represents the people and the places it serves

Throughout 2019-20 Cabinet Office Corporate Services teams have worked on a focused and coordinated programme of activity to make the Department a great place to work and better represent the people and the places it serves.

### Estates

Cabinet Office Estates have focussed on reducing overcrowding and improving accommodation for our staff, through moves to better quality accommodation. We have taken the first Cabinet Office space in one of the new regional government hubs in Bristol, moving 43 staff into the new building in September 2019.

### Finance

Through the course of the year, Cabinet Office Finance has increased efforts to improve financial discipline across the organisation through improving processes and controls. This has resulted in enhanced financial control and ensured a joined-up, coherent approach to meeting key business needs and improving the efficiency of end-to-end financial processes.

Improving the quality of the financial data used to run operations, and concentrating on value adding activities, has increased accountability and improved performance across a number of areas, for example, payment performance has increased by 16% in the past 18 months, from 74% of invoices paid within 5 days to 90% by March 2020. The National Audit Office and Government Internal Audit Agency have both recognised progress in addressing areas of concerns, specifically noting significant improvements in the way in which the Department controls its asset base, active management of debt, improved quality and use of data and enhanced accountability.

### Commercial

Cabinet Office Commercial has made significant improvements to the Departmental processes and governance on commercial decision making over the past year. The key change has been a separation of commercial approval from spend approval for procurements and contracts (including use of contract changes and extensions). This has been implemented through revised terms in budget delegation letters, increased compliance reporting from Directors General (through their quarterly Corporate Management Statements), and significantly earlier engagement from commercial specialists with business units, both informally with business unit teams, and formally via the Investment & Portfolio Committee. The team has also moved towards increased professionalisation of the commercial function, successfully transitioning senior commercial staff to the Government Commercial Organisation.

### Security

The Cabinet Office Security team has reviewed, reorganised and reprioritised itself to better manage and strengthen physical, people and information security to provide an improved,

customer-focussed service with enhanced output whilst building confidence across the Cabinet Office and wider stakeholders.

This year Cabinet Office security provided tailored security advice to manage a wide range of demonstrations and high-profile events such as State Visits, Extinction Rebellion and EU Exit demonstrations. The launch of a dedicated project to develop emergency resilience capability has meant the Department can respond in an appropriate, coordinated and effective manner to unexpected crisis incidents, ensuring our staff remain safe at all times.

The team has also strengthened people security through an ongoing and diverse programme of communications which has enhanced awareness of security-related threats and the measures to control threats. These include:

- Introduction of a security awareness component to the induction process for all staff joining the Cabinet Office;
- Development of a travel advisory service to raise security awareness and reduce security risk for staff who travel overseas;
- Introduction of Security Surgeries and regular communication activities to better inform, support and protect the Cabinet Office with instances of Physical, Financial and Reputational harm.

### Strategy

The Strategy Unit supports Ministers and senior management in setting the long term direction of the Department and driving priorities through corporate planning, reporting frameworks and project delivery capacity. This year, the team developed the Single Departmental Plan for the Department and worked together with Finance on fiscal events including the Spending Review. The team also supported Ministers on emerging and cross-cutting issues such as setting up the independent data handling review following the Honours breach and the Office for Veteran Affairs.

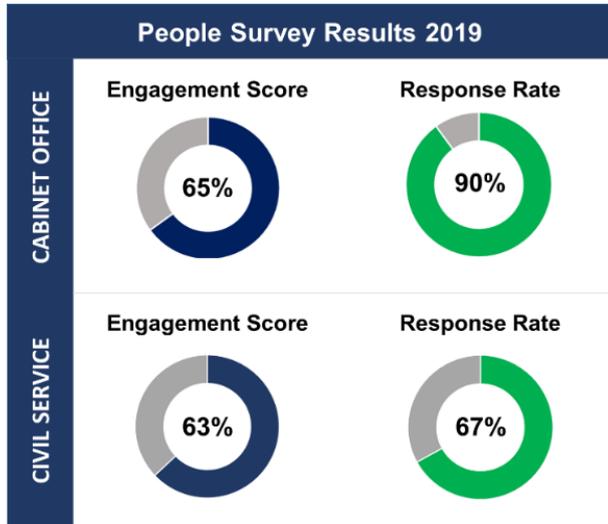
Additionally, the Unit led the Cabinet Office's business continuity response to Covid-19, making sure that business units had planned and were equipped for the challenges of reduced staff numbers, reprioritisation of activities and working from home.

Finally, a comprehensive secretariat service was provided to the Board and its committees by the Governance and Performance team; it also took on responsibility for Cabinet Office risk management in August 2019.

Since then the team has developed and agreed a new Risk Management policy and guidance with ExCo, as well as carried out a project to identify cross-cutting risks from a top down perspective to supplement the regular bottom up risk reporting from a top down perspective to supplement the regular bottom up risk reporting.

Cabinet Office People

In Spring 2019, the Department launched the first Cabinet Office People Strategy. It has been designed to directly support the needs, objectives and priorities of the Department, as set out in the Cabinet Office Purpose, the Single Departmental Plan, and the Civil Service Workforce Plan, and to meet the challenges we face from 2019 up to 2023. As such it will play an essential part in the smooth running of our policy and delivery work both internally and across government.



Given the extraordinary year we had and the context of EU Exit, the People Survey results remained fairly static with an overall engagement score of 65%, maintaining a response rate of 90%. This year, building on the development of the Cabinet Office purpose, we focussed on co-creating a set of values with our people. Our values Respect, Trust and Collaborate were launched through a series of team conversations called 'Our Conversation.' Over 85% of the Department participated, enabling people to have meaningful conversations about both what we are here to deliver, 'Our Purpose' and how we can do it, 'Our Values'.

Our People and Engagement Plan, our action plan in response to the People Survey, was launched in March by our Culture and Engagement Champion. The plan has four pillars, aligning to the key themes in the People Survey: driving an inclusive culture, developing our leaders, embedding a career offer for staff and embedding our purpose and values. Some of the key actions committed to and currently in progress include:

- Appointing a senior level BH&D champion who is supporting targeted Business Unit intervention and an end-to-end casework review;
- Rollout of a new Advanced Line Manager Programme which focuses on leading inclusive teams and coaching;
- Refreshing our induction to enable a virtual delivery model;
- Embedding our values into the employee lifecycle including in-year reward and performance management.

A continued focus on staff wellbeing led to maintaining our 75% PERMA scores and 28% Proxy Stress Index in the People Survey for 2019. New questions for this year also indicated 68% of staff agreed Cabinet Office provides good support for wellbeing. We have bolstered our Mental Health First Aid trained staff by 40 to over 130 and piloted a digital wellbeing mindfulness and meditation application, Headspace.

Bullying, Harassment, and Discrimination (BH&D) results increased this year to 15% and 14% (up from 13% in 2018) respectively. We have seen positive improvements in reporting, up 10% and over 60% of people reporting their business unit was trying to address BH&D. We have specific plans to tackle BH&D as part of the building an inclusive culture pillar of our overall People and Engagement plan.

We have delivered the first phase of the aligning to Civil Service grades project and agreed a pay flexibility case that allowed a 3% pay award for 2019-20 and 2020-21 for staff in the Senior Civil Service. The enhanced pay award sets out to make Cabinet Office pay ranges more comparable with other Departments and to progress people through the pay ranges to address recruitment and retention challenges.

	SCS	All Staff
Staff Declared Disabled	10% ↑ 9% in 2018-19	15% ↑ 12% in 2018-19
Staff who identify as an ethnic minority	7% — 7% in 2018-19	18% ↑ 16% in 2018-19
Women	47%	53%

Cabinet Office are implementing a number of actions in driving up ethnic diversity at the top of the organisation.

Last year, Cabinet Office introduced the Positive Action Senior Sponsorship Scheme. This year the Department has expanded the scheme which will be targeted to ethnic minority staff at Grade 6/7. Each sponsee in this year's cohort will be paired up with a Director General.

The Cabinet Office promotes a number of cross-government talent schemes to ethnic minority staff. The minority ethnic talent Association (META) is delivered as a bespoke programme available to all ethnic minority participants who gain a place on the Future Leaders Scheme (FLS). From 2019 META has been introduced into our Senior Leaders Scheme (SLS) and High Potential Development Scheme (HPDS). This aims to create a streamlined approach and strengthens the future pipeline of diverse leadership across the Civil Service.

In addition, last year the Cabinet Office introduced ethnically diverse panels for the SCS. This is where ethnic minority Grade 6/7s have the opportunity to sit on SCS panels. This commitment has now been mandated for all grades including the Senior Civil Service.

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# ACCOUNTABILITY REPORT

## Governance Report

### Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000 (the GRAA), HM Treasury has directed the Cabinet Office to prepare, for each financial year, consolidated resource accounts detailing the resources acquired, held or disposed of, and the use of resources, during the year by the Department (inclusive of its executive agencies) and its sponsored non-departmental and other arm's length public bodies. This is designated by order made under the GRAA by Statutory Instrument 2019/476 & Statutory Instrument 2020/17 (amendment) (together known as the 'Departmental Group', consisting of the Department and sponsored bodies listed at Note 24 to the accounts). The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department and the Departmental Group, and of the income and expenditure, Statement of Financial Position and cash flows of the Departmental Group for the financial year.

In preparing the accounts, the Principal Accounting Officer of the Department is required to comply with the requirements of the Government Financial Reporting Manual (*FReM*) and in particular to:

- Observe the Accounts Direction issued by the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Ensure that the Department has in place appropriate and reliable systems and procedures to carry out the consolidation process;
- Make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by non-departmental and other arm's length public bodies;
- State whether applicable accounting standards as set out in the *FReM* have been followed, and disclose and explain any material departures in the accounts;
- Prepare the accounts on a going concern basis; and
- 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 Accounting Officer and the Board confirms that this Annual Report and Accounts as a whole is fair, balanced and understandable. The Accounting Officer takes personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

HM Treasury has appointed the Permanent Secretary, Alex Chisholm, as Principal Accounting Officer of the Cabinet Office from 14 April 2020. Sir John Manzoni KCB held this post from 29 August 2015 to 13 April 2020.

The Principal Accounting Officer of the Department has also appointed as Accounting Officers, Harry Rich, The Registrar of Consultant Lobbyists, a corporation sole; Peter J. Lawrence OBE, Chief Executive of the Civil Service Commission, an executive non-departmental public body; Rebecca Hilsenrath, Chief Executive of the Equality and Human Rights Commission, a non-departmental public body; and as an additional Accounting Officer, Thalia Baldwin, Director, Geospatial Commission.

The Principal Accounting Officer also appointed as Accounting Officer, Mike Parsons, Interim Chief Executive of the Government Property Agency, an executive agency. This was a dual role as Mike was already appointed as Chief Operating Officer of the Cabinet Office on 7 February 2019. Steven Boyd took over as Chief Executive and Accounting Officer of the GPA on 10 June 2019.

These appointments do not detract from the head of the Department's overall responsibility as Principal Accounting Officer for the Department's accounts.

The Principal Accounting Officer of the Department is responsible for ensuring that appropriate systems and controls are in place to ensure that any grants the Department makes to its sponsored bodies are applied for the purposes intended and that such expenditure and other income and expenditure of the sponsored bodies are properly accounted for, for the purposes of consolidation within the resource accounts. Under their terms of appointment, the Accounting Officers of the sponsored bodies are accountable for the use, including the regularity and propriety, of the grants received and the other income and expenditure of the sponsored bodies.

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 assets of the Department or non-departmental or other arm's length public body for which the Accounting Officer is responsible, are set out in Managing Public Money.

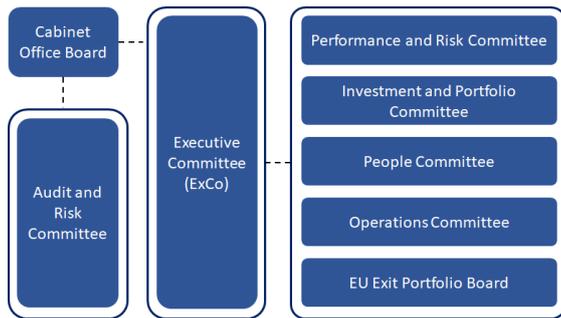
As the Accounting Officer, I have taken all the steps that I ought to have to make myself aware of any relevant information and to establish that the Cabinet Office's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

### Governance statement

The Cabinet Office governance statement records the stewardship of the organisation, drawing together evidence on governance and risk management to give a sense of how successfully the Department has coped with the challenges and changes faced during the year.

As Principal Accounting Officer, the governance statement represents my assurance to Parliament that I am satisfied that the Department's system of internal control is effective and supports good decision making.

**Governance Structure**



Following the closure of the Department for Exiting the European Union (DExEU) on 31 January 2020, resources were transferred to Cabinet Office to administer the effective closure of the Department.

As part of the formal transfer of accounting responsibilities, appropriate assurances were sought on the management systems in place and relied upon to safeguard public funds and assist the Board in implementing the requirements of corporate governance. As DExEU operated as a separate Department for the majority of 2019-20, we have included details of its governance arrangements up to the 31 January where they differed significantly from those in Cabinet Office.

**Cabinet Office Board**

The Cabinet Office Board provides the collective strategic and operational leadership of the Department, bringing together Cabinet Office Ministers, senior members of the Department’s executive leadership team with senior non-executives from outside government. Its purpose is to provide advice on the Cabinet Office’s Single Departmental Plan, monitor performance and advise on significant risks. The Board is provided with relevant, high-quality information prior to each meeting to enable it to fulfil its role effectively. The Board also ensures there is oversight in place to scrutinise the performance and risk management of the Department’s sponsored bodies (Arm’s Length Bodies, Commissions and Inquiries). The Board met three times in 2019-20. The role of non-executives is crucial in providing independent challenge, support and scrutiny to ensure the Department is running effectively and supporting other Government Departments.

The Board continues to be supported by the Cabinet Office Audit and Risk Committee which is chaired by Mike Ashley. Its role is to support the Board and Accounting Officer by providing an independent view of the Department’s risk, control and governance arrangements and to review and make recommendations on the approval of the accounts for Cabinet Office, Registrar of Consultant Lobbyists, Civil Service Commission, Civil Superannuation and Royal Mail Statutory Pension Scheme.

In 2019-20 the committee met seven times, including additional meetings in July and an extraordinary meeting in December to undertake a risk deep dive on the preparations for the Machinery of Government (MoG) change of the UK Vetting Service (UKSV) from the Ministry of Defence to the Cabinet Office in April 2020.

**Board membership and attendance**

The table below sets out attendance for Board meetings attended by members from 1 April 2019 to 31 March 2020

	Name	Date of In-Year Appointment/Departure	No. of Meetings Attended
Ministerial members	Rt Hon David Liddington CBE MP	Departed 24 July 2019	2
	Rt Hon Michael Gove MP	Appointed CDL 24 July 2019 Appointed MCO 13 February 2020	1
	Rt Hon Oliver Dowden MP	Departed MFI 23 July 2019 Appointed MCO 27 July 2019 Departed MCO 13 February 2020	3
	Rt Hon Brandon Lewis MP	Departed 24 July 2019	-
	Rt Hon Penny Mordaunt MP	Appointed 13 February 2020	-
	Rt Hon James Cleverly MP	Appointed 24 July 2019 Departed 13 February 2020	-
	Simon Hart MP	Appointed 24 July 2019 Departed 16 December 2019	1
	Chloe Smith MP	Returned from maternity leave October 2019	-
	Kevin Foster MP	Cover for Chloe Smith MP April - October 2019	3
Non Executive members	Lord Agnew	Appointed 14 February 2020	-
	Sir Ian Cheshire	Departed lead NEBM 05 March 2020 Departed Gov Lead NEBM 31 March 2020	3
	Mike Ashley		3
	Anand Aithal		3
	Karen Blackett OBE		1
	Catherine Brown	Departed 31 March 2020	2
	Paula Vennells CBE	Departed 05 March 2020	3
	Sir Mark Sedwill KCMG		1
	Sir John Manzoni KCB	Departed 13 April 2020	3
Senior Officials	Elizabeth Gardiner CB QC (Hon)		3
	Mike Parsons		3
	Tracey Waltho		3
	Guy Lester	Departed 10 January 2020	3
	Richard Hornby	Appointed 01 January 2020	-

**Executive Committee**

The Executive Committee (ExCo) is the senior executive leadership of the Cabinet Office, chaired by the Permanent Secretary. Operating within the overall strategic context set by ministers, and taking account of the steers of the Cabinet Office Board, ExCo sets the leadership expectations, culture and tone for the Department, makes collective decisions on corporate issues and actively monitors departmental delivery and performance.

ExCo has also provided leadership on diversity and inclusion, and the health and wellbeing of the Department. During the year they approved the three new values of the Department: respect, trust and collaboration and agreed a new People Strategy to drive the implementation of greater positive culture and working practices in the Cabinet Office.

## Executive Committee (continued)

As part of its commitment to provide visible leadership, ExCo meetings have been held across the country, in Newcastle, Bristol and Manchester. During those away-days, ExCo met with a range of private sector, third sector and public sector stakeholders, in addition to Cabinet Office and Civil Service employees.

Similar arrangements were in place for DExEU from 1 April 2019 to 31 January 2020.

ExCo met monthly throughout the year, with 16 meetings in total in 2019-20 (plus four away days). At each ExCo meeting, the committee received regular updates from its subcommittees which are as follows:

## Investment and Portfolio Committee

The Investment and Portfolio Committee (IPC), chaired by the Chief Financial Officer, reviews business cases where whole-life costs exceed £1 million, are novel or contentious, or as requested by the relevant Director General. The IPC has the authority to approve spend of up to £5 million. Where whole-life spend exceeds £5 million, further approval is required from HM Treasury. The IPC met 24 times in 2019-20 to review, challenge, and, where appropriate, approve business cases. During 2019-20, over 60 business cases have been approved.

As well as reviewing investment spend proposals, the IPC works with the Portfolio Office to oversee and assure the Cabinet Office's portfolio of projects and programmes. This involves scrutinising projects and programmes' performance on a quarterly basis as part of the portfolio review, and holding 'deep dive' sessions with relevant Senior Responsible Officers.

Similar arrangements were in place for DExEU from 1 April 2019 to 31 January 2020.

## People Committee

The People Committee, chaired by the Director General for Government Property, provides strategic oversight of the delivery of the Cabinet Office people strategy, to ensure the Department is managing its people issues effectively and to track organisational people performance.

Over the last 12 months, the committee has focused on the delivery of the 2019-2023 Cabinet Office People Strategy and enhancing our approach to wellbeing.

The committee has also focused on the rollout of the 'Our Conversation' initiative, tackling bullying, harassment, and discrimination, and the Cabinet Office grade demerge project.

Similar arrangements were in place for DExEU from 1 April 2019 to 31 January 2020.

## Operations Committee

The Operations Committee chaired by the Chief Operating Officer, provides strategic direction and oversight to the Cabinet Office Corporate Services. The committee also provides assurance across the Cabinet Office business activities and overall management controls. During 2019-20, the committee focussed on the development and delivery of Corporate Services strategies and priorities.

In particular, the committee commissioned a review of the current level of assurance across the Cabinet Office, approved the new Assurance Framework and approach to strengthen the second line of defence. This was supported by providing oversight of an extensive programme to improve our control environment and the work to enhance the Cabinet Office Health and Safety Improvement Strategy.

The committee also provides oversight of particular projects where they can influence the effective running of the Department and corporate services in particular. During 2019-20, the committee provided oversight and support to the UKSV transition to the Cabinet Office and sought assurance on the delivery plan and transformation benefits of the programme to replace the Departments Enterprise Resource Planning system

Similar arrangements were in place for DExEU from 1 April 2019 to 31 January 2020.

## Performance and Risk Committee

The Performance and Risk Committee, chaired by the Strategy Directors, has established itself over the last year. The committee now holds a pivotal position in providing oversight and assurance of the Department's performance and risk management, particularly against areas in the Single Departmental Plan (SDP).

The committee reviews the QPR statements to provide advice to ExCo and has also carried out a number of Performance Analysis Reviews, and deep dives, into particular areas across the Department, making recommendations of actions that should be taken.

## EU Exit Portfolio Board

The EU Exit Portfolio Board, chaired by the Civil Service Group Director General, brought together senior leaders from the functions (HR, Finance, GDS, IPA, Legal) and a NEBM to ensure robust challenge and testing of delivery confidence.

Following the UK's departure from the EU on 31 January, the EU Exit Portfolio Board was disbanded. Ongoing projects were transferred to the Cabinet Office Portfolio Office, which is focused on preparation and readiness for the end of the transition period.

## Compliance with the Corporate Governance Code

The Department's approach to governance is in line with the Cabinet Office's Corporate Governance in Central Government Departments: Code of Good Practice, (the Code), with three exceptions:

Cabinet Office carried out a comprehensive evaluation on board effectiveness in 2018, which was also supported by a Government Internal Audit Report. We were due to carry out an external Board effectiveness review during 2019-20, however due to major changes to the Board leadership and membership in the latter part of 2019-20, and the need to prioritise the response to COVID-19, it was decided to delay the next review until 2020-21.

During 2020-21 the Cabinet Office Board met only three times, below the four recommended in the Code, due to the cancellation of its fourth meeting in March 2020 due to COVID-19.

Similarly, the inaugural meeting of the Nominations Committee was due to take place in March 2020, this meeting was also cancelled. The Nominations Committee will now be established during 2020-21.

### Quality of data used by the Board

The Cabinet Office Departmental Board meetings covered a variety of topics to support the running of the Department and meet our objectives, including the 2020-21 Single Department Plan (SDP) and budget; quarterly performance and risk reporting; preparations for EU Exit; and reporting on CO culture and behaviours. The Governance and Performance Team provided a comprehensive secretariat service to the Board and its committees to ensure the effective and efficient administration of the Board and its activities. The Board was provided with high-quality Board papers prior to each meeting to aid informed decision making.

### Returning Officers' expenses

During 2019-20, the Elections Claim Unit (ECU) within the Elections Division managed the day-to-day administration involved in processing and accounting for expense claims received from Returning Officers in England, Wales and Scotland. The ECU is also responsible for making advance payments to returning officers in relation to elections.

Returning Officers have six months from the date of the poll in which to submit their expenses claims for a national poll. The Cabinet Office may impose sanctions if Returning Officers do not submit their claims within the statutory deadline.

35

The Elections Division provides rigorous oversight of the assessment of claims and makes any policy decisions that are required. The ECU is required to refer all overspend claims to the Elections Funding team in the Cabinet Office for further scrutiny. This helps to ensure that the amounts spent by Returning Officers are in accordance with the purposes intended by Parliament. The Cabinet Office Annual Report and Accounts include Returning Officers' Expenses for England, Wales and Scotland.

### Cabinet Office Risk Management and Control

Risk management is an essential tool used to minimise levels of uncertainty and to maximise the Department's chances of successfully delivering its objectives, helping to inform both operational decision-making and strategic planning. The risk management policy in place operates on a two-tier level, allowing for a more granular business unit perspective and an overarching strategic perspective. As part of the quarterly performance reporting routine, all business units are required to fill in a Leadership Team Risk Register. This then feeds into a Strategic Risk Register which is also shaped by Executive Committee members. This process allows the Executive Committee, the Audit and Risk Committee and the Cabinet Office Board to remain informed on the key risks to the Department.

Internal audit assurance is provided by the Government Internal Audit Agency (GIAA) and is based on internal audit work performed over the course of the year, combined with knowledge of the governance, risk and control framework operating throughout the Department.

GIAA audits across this year covered risk management, the overall control environment, payroll, the Workday platform and financial management in Civil Service HR. In addition, GIAA performed a themed review of functional standards which covered the following areas across 11 functions:

- Governance; responsibilities and planning;
- development of Standards;
- promulgation of Standards; and
- monitoring and driving up standards.

The Head of Internal Audit annually provides an independent opinion on the adequacy and effectiveness of the Department's governance, risk and control arrangements. The Internal Audit reviews conducted during the year contribute to that opinion: the Internal Audit review opinion for 2019-20 is 'moderate'.

GIAA have recognised that it has been an unusual year for the Department as we have supported a General Election, EU Exit (and closure of the Department for Exiting the European Union) and latterly the COVID-19 pandemic. The moderate opinion recognises that the systems and processes in place across the Department have proved robust in supporting delivery of our objectives.

Although significant improvements have been recognised across a number of areas, there remains areas for improvement, including:

- Putting in place arrangements for the management of risks with partners, including suppliers, ALBs or other Government Departments,
- Increased clarity and governance around key charging models and income recovery,
- Development of a comprehensive Cyber Security Governance structure that covers the entire Cabinet Office.

The Department's external audit function is provided on behalf of Parliament by the Comptroller and Auditor General, supported by staff from the NAO.

As part of the process, representatives from the NAO see all Audit and Risk Committee papers and attend its meetings.

In their Audit Completion Report for 2018-19, the NAO recognised a number of significant improvements to financial processes and discipline, however they did note a number of remaining concerns, summarised under the following themes:

- Embedded issues within the payroll environment;
- The risks associated with the consolidation of Government Property Agency into the Department group;
- Improvements needed to support evidence-based decision making across the Department.

These issues have been addressed through a programme of improvements overseen by the Operations Committee which include a refresh of policies and processes and increased engagement and communications across the Department.

Through 2019-20 NAO published two investigations and five value for money reports relating to Cabinet Office wholly or in part, covering a range of topics.

## Cabinet Office Risk Management and Control (continued)

The investigations are factual reports and have supported us in responding to emerging issues. Reports this year were:

Investigation into the rescue of Carillion's PFI hospital contracts and Investigation into the Government's land disposal strategy and programmes;

Value for money studies examine a major area of government expenditure in order to form a judgement on whether value for money has been achieved.

The five value for money studies published this year covered The cost of EU Exit preparations; EU Exit: the 'Get ready for Brexit' campaign; The UK border: preparedness for EU Exit October 2019; Challenges in using data across government; and Departments' use of consultants to support preparations for EU Exit.

In June 2018 the NAO reported on how the Government worked to ensure continuity of the public services operated by Carillion during the liquidation. The investigation, published in January 2020, focussed on what happened to the two hospitals that were left incomplete when Carillion collapsed. It showed that the costs had doubled, but government, with Cabinet Office help, ensured this cost increase was borne by the private sector.

The NAO investigation into the land disposal strategy reviewed the Government's strategy for land disposals and the performance against the land disposal targets, to release sufficient land to build at least 160,000 homes and to raise £5 billion in proceeds. The report raised specific concerns around Cabinet Office's limited programme level data.

The Government's approach to land disposals is contained within a wider strategy for managing the Government estate. The Office of Government Property (OGP), part of the Cabinet Office, leads on the Government Estate Strategy (the Strategy), which sets out the Government's aspirations for its estate.

The NAO value for money report on the challenges in using data across government set out recommendations for improvements for the Cabinet Office and Department for Culture, Media and Sport (DCMS). Since September 2019, work has continued across government to make transformational changes in the way we use data and has set the foundations for the better use of data in government, delivering better public services and demonstrable savings. Transforming the use of data for policy making and service delivery is a key priority for the Government, Budget 2020 announced funding for a Data Standards Authority (DSA) for government to be established led by the Government Digital Service (GDS) to create data standards to use across government; drive adoption; and improve collaboration on data. The DSA aims to make significant inroads in addressing fundamental challenges to using data across government.

On 1 September 2019 the Government launched the 'Get ready for Brexit' public information campaign aimed at ensuring everyone was prepared to leave the EU on the 31 October. The NAO study examined the management of the campaign. The report recognised that the Cabinet Office had to work at great pace to prepare and launch a large, complex campaign spanning the work of many Departments.

It noted that the dedicated team enabled Departments to work together effectively to coordinate and integrate communications. However, the report also noted that analysis of campaign options should focus much more on delivering the required behaviour change and targeting resources on the combination of activities likely to add the greatest value.

Government Communications have introduced a Finance and Performance Committee for each major cross-government campaign. This committee sets, reviews and tracks activity performance measures to ensure that they provide a clear methodology for measuring the effectiveness of the campaign and provides assurance of the spend on a regular basis to ensure value for money is being achieved.

NAO's investigation into Departments' use of consultants to support preparations for EU Exit was published in June 2019 following a request from the Committee of Public Accounts. The report recognised that the arrangements put in place by the Cabinet Office allowed Departments to access a range of consultancy support more quickly and with less effort than other procurement routes. However the report also identified that transparency standards were not met when publishing the initial contracts. It also noted that spending on consultancy services has increased since 2015-16 but limitations in the data used by the Cabinet Office inhibit its ability to fully understand recent trends.

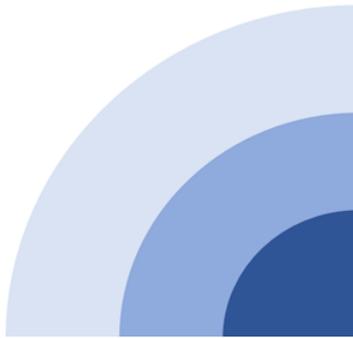
To address this, Government Commercial Function has undertaken work to interface commercial systems across central government to improve the quality and completeness of commercial data and allow for more insightful comparisons across Government Departments.

Currently three Departments (Ministry of Defence, Home Office and the Ministry of Housing, Communities and Local Government) have been connected to the Government Commercial Function's analytics platform, CaSIE. This integration augments the data already held on the platform across all Government Departments which is sourced from the Contracts Finder system.

### Significant risks identified during the year

Due to its position at the centre of government, the risk profile for the Department is far broader than would traditionally be the case. The Cabinet Office has a number of cross-government responsibilities and operates functions that provide services to other Government Departments. As such, the Department is often exposed to risks that may be formally managed and owned elsewhere but for which the Cabinet Office may have some degree of 'deemed accountability'.

In 2019-20, the Cabinet Office used a risk classification system to capture these deemed risks. Our risk classification system uses concentric circles of risk with differing proportions of deemed accountability relative to direct accountability.



**Outer** - risks for which accountability is less clear, but may be some 'deemed' accountability due to CO association with the policy area, service or activity (e.g. OGD propriety or cyber breach)

**Middle** - risks which may be formally owned outside CO in AO terms, but for which CO has 'deemed accountability' (e.g. through the Functions or NCSP) as CO staff are engaged or leading

**Inner** - risks for which CO is directly accountable, and for whose spend Alex Chisholm is AO

## Inner ring risks

Inner ring risks are defined as those for which the Cabinet Office is directly and wholly accountable. These include risks associated with projects and programmes directly managed by Senior Responsible Officers (SRO) within the Cabinet Office and for which I, as the Principal Accounting Officer of the Cabinet Office, am ultimately accountable. Management of key risks presented this year is as follows:

In its second year of operation, GPA has continued to on board properties and provide full facilities management. The financial risks associated with delays to onboarding have been managed through refreshed programme leadership, an improved commitment process from other Government Departments and a new charging mechanism for the reclaiming of costs.

The Verify identity verification programme has continued to pose notable risks to the Department due to challenges in delivery. To manage this, the Commercial Models team have provided additional support and intensive engagement is underway with identity providers to develop a refreshed commercial framework.

The Government Digital Service (GDS) continues to work very closely with these providers and DWP to respond rapidly to the unprecedented COVID-19 driven demand for Verify services and capacity was increased rapidly in the second half of March 2020.

In anticipation of the transfer of the UK Security and Vetting Service into the Cabinet Office in April 2020, significant actions were put in place to mitigate against the possibility of a deterioration in performance. Successful consultation with trade unions, ongoing briefings and accommodation improvements all helped to mitigate this risk, albeit these preparations were interrupted by the transfer to home working in light of COVID-19. Previous concerns over long lead times for DV and STRAP clearance were successfully resolved following significant strengthening of the STRAP team.

An ongoing risk of cyber security incidents within Cabinet Office due to the vulnerability of legacy IT systems is being managed by work to strengthen overall capability as part of the Government Digital Service/Digital and Technology Team consolidation programme. A GIAA (KPMG) cyber security audit initiated in Q4 2019-20 is expected to report on baseline capability in Q1 2020-21.

## Middle and Outer ring risks

Middle and outer ring risks are defined as those for which formal exposure and accountability may be external to the Cabinet Office, but for which the Cabinet Office has 'deemed' accountability due to association or staff engagement. Such risks are likely to include those associated with the Cabinet Office led cross-government functions where the Cabinet Office is responsible for the development of standards but for which Accounting Officers of individual Departments are responsible for implementing. Key risks are as follows:

Cross-Government functions are designed to provide lateral cohesion across Government Departments. Previously a risk was being monitored about the embedding of the functional model, but as the model matures the risk has shifted to focus on ensuring a sustainable and consistent model of funding for the functions.

Risks related to the UK's departure from the EU have placed significant pressures on the Department over the past year but are no longer as high profile. These included the occurrence of simultaneous trade union action, short implementation timescales, inconsistencies in the flow of government legislation and a lack of awareness of the devolution elements of EU Exit. Whilst some of these risks are no longer relevant, the Department continues to ensure that the devolution dimensions of EU Exit work are sufficiently prioritised and understood across the UK Government. The amount of information held by the Government is growing in terms of volume and complexity of information held. The Cabinet Office has initiated the Better Information for Better Government programme to scope the options for solutions to mitigate against this risk across government.

The Government Security Group has further consolidated into a function to support the consistent design and application of cross-government security standards. Work to build a security profession, the transfer of UKSV into the function and the strengthening of cyber security capability are all part of the efforts to integrate the security function and to avoid fragmentation.

There continues to be a risk that insolvency of a supplier could create loss or disruption of services to Government Departments. This risk is actively managed and led by the Department's Markets and Supplier Team who mitigate this impact through supplier monitoring, contract management and contingency planning with Departments.

Lastly, whilst its realisation means this is not a risk but an issue, the Department is also managing the impact of the McCloud Judgement. The Court of Appeal judgement that the 2015 Public Sector Pension Scheme Reform was discriminatory translates to a substantial impact on scheme liabilities as a result of required compensation. Active engagement with legal teams and HM Treasury is currently underway to ensure that the multiple employment tribunal cases result in consistent and deliverable remedies.

During 2019-20 there was one Ministerial Direction made, which relates to ongoing litigation. Disclosure of further details at this stage would be inappropriate for reasons of confidentiality.

## Whistleblowing

In line with Other Government Departments, the Cabinet Office has continued to promote Raising a Concern, including during 'Speak Up' week, which ran from 16-20 September 2019. The campaign (alongside other communications throughout the year) were fully supported and promoted by the Cabinet Office 'Speak Up' Champion. Cabinet Office utilised 'Speak Up' week as an opportunity to identify additional volunteers to become Nominated Officers within Cabinet Office and to better articulate what 'Raising a Concern' encapsulates. Cabinet Office now has a total of ten Nominated Officers (an increase of five from the previous year); two of whom are based outside of London, better reflecting the growth and geographical spread of the Department.

Training has been delivered to all new Nominated Officers and was attended by the Cabinet Office Champion, demonstrating the Department's commitment to creating 'A Great Place to Work'. In addition, the Cabinet Office updated its Raising a Concern policy to align with recent changes introduced by Civil Service Employee Policy. The improvements are designed to better support individuals to raise a concern whenever they suspect wrongdoing. During 2019-20, one whistleblowing case (2018-19: four cases) had been reported to Nominated Officers.

## Fraud

Any form of fraud, corruption or bribery affects the Department's ability to meet its objectives by diverting resources away from delivery. The Department's counter-fraud policy requires staff at all times to act honestly, with integrity and to safeguard the public resources for which they are responsible. A zero-tolerance policy applies to those found guilty of fraud.

A refreshed counter fraud strategy was launched in September 2019 which set out the Department's approach and commitments regarding counter fraud, bribery and corruption to improve fraud awareness and detection.

## Data losses

Cabinet Office continues to actively manage risks around data breaches and data losses. General Data Protection Regulation (GDPR) champions are established within the Cabinet Office to ensure compliance with data protection laws. A new security breaches policy has been approved by the Executive Committee which introduces measures to highlight the individual responsibility of staff for protecting data.

During the period there have been two incidents of loss of sensitive data which were reported to the Information Commissioner's Office.

Following an incident at the end of 2019, an independent review was commissioned into the way the Cabinet Office handles and manages data. Although the review identified that the Cabinet Office has adequate guidance and policies to advise officials on data handling processes, a number of recommendations were identified and are being acted upon.

These include new roles to establish unified leadership for personal data handling, supported by an extension of existing best practice delivery in the Cabinet Office to increase consistency of delivery.

Updates to process and cultural recommendations to align data strategy to Cabinet Office values and Digital Government ambitions.

## Data Modelling & Quality Assurance

Quality Assurance of Business Critical Models in Cabinet Office follows a consistent process and complies with the AQuA book. Our Analysis and Insight Team provides independent assurance for business critical models within the Department, with models signed off as fit for use by a panel including the Senior Responsible Owner and a Senior Civil Service Analyst.

Following the Macpherson review a list of critical models in use across the Department was published in 2014. Since then the Analysis and Insights Team has tracked and assured new critical models internally. We are currently updating our published list to reflect any changes.

## Conclusion

This year has presented the Cabinet Office with significant changes and unprecedented challenges in relation to the UK's Exit from the European Union and latterly our role in the Government's extensive response to the COVID-19 pandemic.

I assumed my role as Principal accounting Officer for Cabinet Office on 14 April 2020. Since then I have completed a comprehensive induction programme including meetings with Executive Team members, Board members, the Audit and Risk Committee, and the National Audit Office.

Assurance over Cabinet Office's governance, risk management and internal controls processes over the course of the year ended 31 March 2020 has been gained through these meetings and through additional assurances provided to me by Sir John Manzoni, while he still held the position of Accounting Officer.

In signing off the 2019-20 accounts and the governance statement, I have relied on these assurances, and the work outlined above, to ensure governance, risk management and internal controls are effective. I am satisfied that the mechanisms in place to manage risks are adequate.



## Alex Chisholm

Civil Service Chief Operating Officer,  
Cabinet Office Permanent Secretary  
and Principal Accounting Officer

15 July 2020

# Remuneration and staff report

## Overview

This report sets out remuneration policy and provides details on remuneration and staff that Parliament considers key to accountability.

## 1. Remuneration report

### 1.1 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 also sometimes advises the Prime Minister on the pay, pensions and allowances of ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

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

The Review Body on Senior Salaries website 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; and base pay progression, to reward growth in competence.

Non-consolidated payments are paid a year in arrears, so those paid to Cabinet Office staff in 2019-20 relate to their performance during 2018-19.

### 1.2 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 website specify the circumstances when appointments may be made otherwise.

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

Further information about the work of the Civil Service Commission can be found at: [civilservicecommission.independent.gov.uk](http://civilservicecommission.independent.gov.uk)

### 1.3 Remuneration (including salary) and pension entitlements

The following section is subject to audit.

The following sections provide details of the remuneration and pension interests of the ministers and most senior management (i.e. Board members) of the Department. The following were Cabinet Office ministers or members of the Department's Board during the 2019-20 financial year or Department for Exiting the European Union (DEEU) Board members from 1 April 2019 to 31 January 2020.

## Cabinet Office Ministers

### The Rt Hon. Michael Gove MP

Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office *from 24 July 2019*

### The Rt Hon. David Lidington CBE MP

Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office *until 24 July 2019*

### The Rt Hon. Oliver Dowden CBE MP

Parliamentary Secretary (Minister for Implementation) *until 24 July 2019*  
 Minister for the Cabinet Office and Paymaster General *from 25 July 2019*  
*until 13 February 2020*

### Chloe Smith MP

Parliamentary Secretary (Minister for the Constitution) *until 12 February 2020*  
 Minister of State for the Constitution and Devolution *from 13 February 2020*

### Kevin Foster MP

Interim Parliamentary Secretary (Minister for the Constitution) *until 28 October 2019*  
 Paid by HM Treasury

### Jeremy Quin MP

Parliamentary Secretary (Minister for Implementation) *from 17 December 2019*  
*until 13 February 2020*

### Simon Hart MP

Parliamentary Secretary (Minister for Implementation) *from 24 July 2019*  
*until 16 December 2019*

### The Rt Hon. Jacob Rees-Mogg MP

Leader of the House of Commons and Lord President of the Council *from 24 July 2019*

### The Rt Hon. Andrea Leadsom MP

Leader of the House of Commons and Lord President of the Council *until 22 May 2019*

### The Rt Hon. Mel Stride MP

Leader of the House of Commons and Lord President of the Council *from 22 May 2019*  
*until 24 July 2019*

### The Rt Hon. Baroness Evans of Bowes Park

Leader of the House of Lords and Lord Privy Seal

### The Rt Hon. Earl Howe

Deputy Leader of the House of Lords (Unpaid)

### Julia Lopez MP

Parliamentary Secretary (Minister for Implementation) *from 13 February 2020*

### The Lord True CBE

Minister of State for the Cabinet Office *from 13 February 2020*

### The Rt Hon. Penny Mordaunt MP

Paymaster General *from 13 February 2020*

## Cabinet Office Board Members

### Sir Mark Sedwill KCMG

Cabinet Secretary and Head of the Civil Service and National Security Advisor

### Sir John Manzoni KCB

Chief Executive of the Civil Service, Permanent Secretary and Principal Accounting Officer *Until 13 April 2020*

### Mike Parsons

Chief Operating Officer

### Elizabeth Gardiner CB QC (Hon)

First Parliamentary Counsel and Permanent Secretary of the Government in Parliament Group

### Tracey Waltho

Director General, Civil Service Group

### Guy Lester

Finance Director *until 10 January 2020*

### Richard Hornby

Chief Financial Officer *from 1 January 2020*

### Sir Ian Cheshire

Government Lead Non-Executive and Cabinet Office Lead Non-Executive *Until 31 March 2020*

### Mike Ashley

Non-Executive Board Member and Chair of the Audit and Risk Committee

### Catherine Brown

Non-Executive Board Member *Until 31 March 2020*

### Karen Blackett OBE

Non-Executive Board Member

### Anand Aithal

Non-Executive Board Member

### Paula Vennells CBE

Non-Executive Board Member *Until 5 March 2020*

## Cabinet Office | Annual Report and Account 2019-20

### Department for Exiting the European Union

#### Ministers (until 31 January 2020 unless stated)

**The Rt Hon. Stephen Barclay MP**

Secretary of State for Exiting the European Union

**The Lord Callanan**

Minister of State for Exiting the European Union

**James Duddridge MP**

Parliamentary Under-Secretary of State for Exiting the European Union

*from 27 July 2019*

**The Rt Hon. Kwasi Kwarteng MP**

Parliamentary Under-Secretary of State for Exiting the European Union

*until 24 July 2019*

**Robin Walker MP**

Parliamentary Under-Secretary of State for Exiting the European Union

*until 26 July 2019*

**The Rt Hon. James Cleverly MP**

Parliamentary Under-Secretary of State for Exiting the European Union

*from 4 April 2019  
until 24 July 2019*

**Christopher Heaton-Harris MP**

Parliamentary Under-Secretary of State for Exiting the European Union

*until 3 April 2019*

### Department for Exiting the European Union

#### Board Members (until 31 January unless stated)

**Clare Moriarty**

Permanent Secretary

**Philip Rycroft**

Permanent Secretary

*until 12 April 2019*

**Helen Mills**

Director, Corporate Centre

**Anna Clunes**

Acting Director General

*from 27 November 2019*

**Simon Ridley**

Director General

*from 22 July 2019*

**Emma Ward**

Director General

*from 6 August 2019*

**Rhys Bowen**

Director, Negotiation Strategy

*from 4 June 2019*

**Alex Ellis**

Director General

*until 15 January 2020*

**Matthew Baugh**

Director, Negotiation Coordination Unit

*until 16 June 2019*

**Susannah Storey**

Director General

*until 18 August 2019*

**Margaret Stephens**

Non-Executive Board Member and Chair of the Audit and Risk Committee

**Susan Hooper**

Non-Executive Board Member

## 1.4 Remuneration (salary, benefits in kind and pensions) of ministers

The following sections are subject to audit.

### 1.4.1 Remuneration (salary, benefits in kind and pensions) of Cabinet Office ministers

Single total figure of remuneration								
Ministers	Salary		Benefits in kind		Pension benefits <sup>1</sup>		Total	
	(to nearest £)		(to nearest £100)		(to nearest £1,000)		(to nearest £1,000)	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
The Rt Hon. Michael Gove MP	45,003 <sup>2</sup>	–	–	–	9,000	–	54,000	–
The Rt Hon. David Lidington CBE MP	21,231 <sup>3</sup>	67,505	–	–	6,000	15,000	27,000	82,000
The Rt Hon. Oliver Dowden CBE MP Parliamentary Secretary (Minister of Implementation)	7,037 <sup>4</sup>	22,375	–	–	2,000	6,000	9,000	28,000
Minister for the Cabinet Office	17,620 <sup>5</sup>	–	–	–	4,000	–	22,000	–
Chloe Smith MP Parliamentary Secretary (Minister for the Constitution)	19,417 <sup>6</sup>	22,375	–	–	5,000	5,000	24,000	28,000
Minister of State for the Constitution and Devolution	4,097 <sup>7</sup>	–	–	–	1,000	–	5,000	–
Simon Hart MP	8,902 <sup>8</sup>	–	–	–	2,000	–	11,000	–
The Rt Hon. Jacob Rees-Mogg MP	21,801 <sup>9</sup>	–	–	–	–	–	22,000	–
The Rt Hon. Mel Stride MP	5,450 <sup>10</sup>	–	–	–	1,000	–	6,000	–
The Rt Hon. Andrea Leadsom MP	4,514 <sup>11</sup>	31,880	–	–	1,000	7,000	6,000	38,000
The Rt Hon. Baroness Evans of Bowes Park <sup>16</sup>	104,360	104,858	–	–	27,000	184,000	131,000	289,000
Jeremy Quin MP	3,603 <sup>12</sup>	–	–	–	1,000	–	5,000	–
The Lord True CBE	8,195 <sup>13</sup>	–	–	–	–	–	8,000	–
The Rt Hon. Penny Mordaunt MP	4,097 <sup>14</sup>	–	–	–	2,000	–	6,000	–
Julia Lopez MP	2,893 <sup>15</sup>	–	–	–	1,000	–	4,000	–

When a minister moves from one Department to another, it is customary for the exporting Department to pay their salary at the current rate of pay until the end of the month of departure, and the importing Department pays in the month following at the appropriate salary along with any arrears.

<sup>1</sup> The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights

<sup>2</sup> The figure quoted is for the period 24 July 2019 to 31 March 2020. The full-year equivalent is £67,505

<sup>3</sup> The figure quoted is for the period 1 April 2019 to 24 July 2019. The full-year equivalent is £67,505

<sup>4</sup> The figure quoted is for the period 1 April 2019 to 24 July 2019. The full-year equivalent is £22,375

<sup>5</sup> The figure quoted is for the period 25 July 2019 to 13 February 2020. The full-year equivalent is £31,680

<sup>6</sup> The figure quoted is for the period 1 April 2019 to 12 February 2020. The full-year equivalent is £22,375

<sup>7</sup> The figure quoted is for the period 13 February 2020 to 31 March 2020. The full-year equivalent is £31,680

<sup>8</sup> The figure quoted is for the period 24 July 2019 to 16 December 2019. The full-year equivalent is £22,375

<sup>9</sup> The figure quoted is for the period 24 July 2019 to 31 March 2020. The full-year equivalent is £31,680

<sup>10</sup> The figure quoted is for the period 22 May 2019 to 24 July 2019. The full-year equivalent is £31,680

<sup>11</sup> The figure quoted is for the period 1 April 2019 to 22 May 2019. The full-year equivalent is £31,680

<sup>12</sup> The figure quoted is for the period 17 December 2019 to 13 February 2020. The full-year equivalent is £22,375

<sup>13</sup> The figure quoted is for the period 13 February 2020 to 31 March 2020. The full-year equivalent is £81,485

<sup>14</sup> The figure quoted is for the period 13 February 2020 to 31 March 2020. The full-year equivalent is £31,680

<sup>15</sup> The figure quoted is for the period 13 February 2020 to 31 March 2020. The full-year equivalent is £22,375

<sup>16</sup> The figure quoted includes Lord Office Holders' Allowance of £3,820, which is the reduced rate for Lord's ministers whose main home is within Greater London

1.4.2 Remuneration (salary, benefits in kind and pensions) of Department for Exiting the European Union ministers (as at 31 January 2020)

Single total figure of remuneration								
Ministers	Salary		Benefits in kind		Pension benefits <sup>1</sup>		Total	
	(to nearest £)		(to nearest £100)		(to nearest £1,000)		(to nearest £1,000)	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
The Rt Hon. Stephen Barclay MP	56,254 <sup>2</sup>	23,994 <sup>3</sup>	–	–	14,000	6,000	70,000	30,000
The Lord Callanan <sup>4</sup>	98,209	115,257	6,945	–	17,000	19,000	122,000	134,000
James Duddridge MP <sup>5</sup>	11,488	–	–	–	3,000	–	14,000	–
The Rt Hon. Kwasi Kwarteng MP	6,977 <sup>6</sup>	8,391 <sup>7</sup>	–	–	2,000	2,000	9,000	10,000
Robin Walker MP <sup>8</sup>	7,097	22,375	–	–	1,000	5,000	8,000	27,000
The Rt Hon. James Cleverly MP <sup>9</sup>	6,851	–	–	–	2,000	–	9,000	–
Christopher Heaton-Harris MP	5,780 <sup>10</sup>	15,192 <sup>11</sup>	–	–	–	3,000	6,000	18,000

<sup>1</sup> The value of pension benefits accrued during the year is calculated as [(the real increase in pension multiplied by 20) plus (the real increase in any lump sum)] less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

<sup>2</sup> The figure quoted is for the period 1 April 2019 to 31 January 2020. The full-year equivalent is £67,505

<sup>3</sup> Full time equivalent (FTE) £67,505, Stephen Barclay was transferred on 16 November but his former department have paid £1,320 of his salary for that month

<sup>4</sup> The figure quoted is for the period 1 April 2019 to 31 January 2020. The full-year equivalent is £117,851

<sup>5</sup> The figure quoted is for the period 27 July 2019 to 31 January 2020. The full-year equivalent is £22,375

<sup>6</sup> The figure quoted is for the period 1 April 2019 to 24 July 2019. The full-year equivalent is £22,375

<sup>7</sup> FTE £22,375

<sup>8</sup> The figure quoted is for the period 1 April 2019 to 26 July 2019. The full-year equivalent is £22,375

<sup>9</sup> The figure quoted is for the period 4 April 2019 to 24 July 2019. The full-year equivalent is £22,375

<sup>10</sup> The figure quoted is for the period 1 April 2019 to 3 April 2019. The full-year equivalent is £22,375. Figure includes severance of £5,593.75.

<sup>11</sup> FTE £22,375, Christopher Heaton-Harris was transferred on 9 July but his former department have paid £1,108 of his salary for that month

## 1.5 Remuneration (salary, benefits in kind and pensions) of official Board members

The following section is subject to audit.

The figures presented below relate only to the amounts received during the period the individuals were Board members. When a civil servant moves from one Department to another, it is customary for the exporting Department to pay their salary at the current rate of pay until the end of the month of departure and the importing Department pays in the month following at the appropriate salary along with any arrears.

### 1.5.1 Remuneration (salary, benefits in kind and pensions) of Cabinet Office official Board members

Single total figure of remuneration										
Board members	Salary		Non-consolidated payments		Benefits in kind <sup>1</sup>		Pension benefits <sup>2</sup>		Total	
	(£000)		(£000)		(to nearest £100)		(to nearest £1,000)		(£000)	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Sir Mark Sedwill KCMG	210 – 215	155 – 160 <sup>3</sup>	15 – 20	15 – 20	31,600	21,400	104,000	35,000	360 – 365	230 – 235
Sir John Manzoni KCB	235 – 240	235 – 240	–	–	–	–	92,000	91,000	330 – 335	325 – 330
Mike Parsons	160 – 165	20 – 25 <sup>4</sup>	5 – 10	–	–	–	24,000	23,000 <sup>5</sup>	170 – 175	20 – 25
Elizabeth Gardiner CB QC (Hon)	175 – 180	175 – 180	15 – 20	–	–	–	88,000	89,000	280 – 285	265 – 270
Guy Lester	70 – 75 <sup>6</sup>	90 – 95	–	–	–	–	37,000	35,000	105 – 110	125 – 130
Richard Hornby	35 – 40 <sup>7</sup>	–	–	–	–	–	14,000	–	45 – 50	–
Tracey Waltho	120 – 125	115 – 120	–	–	–	–	47,000	36,000	165 – 170	150 – 155

<sup>1</sup> See 1.7 Benefits in kind below

<sup>2</sup> The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increases or decreases due to a transfer of pension rights

<sup>3</sup> The figure quoted is for the period 25 June 2018 to 31 March 2019. The full year equivalent is £200,000 – 205,000

<sup>4</sup> The figure quoted is for the period 7 February 2019 to 31 March 2019. The full year equivalent is £155,000 – 160,000

<sup>5</sup> Restated

<sup>6</sup> The figure quoted is for the period 1 April 2019 to 10 January 2020. The full-year equivalent is £90,000 – 95,000

<sup>7</sup> The figure quoted is for the period 1 January 2020 to 31 March 2020. The full-year equivalent is £140,000 – 145,000

1.5.2 Remuneration (salary, benefits in kind and pensions) of Department for Exiting the European Union official Board members (as at 31 January 2020)

Single total figure of remuneration										
Board members	Salary		Non-consolidated payments		Benefits in kind		Pension benefits <sup>1</sup>		Total	
	(£000)		(£000)		(to nearest £100)		(to nearest £1,000)		(£000)	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Clare Moriarty	485 – 490 <sup>2</sup>	–	15 – 20	–	–	–	137,000	–	640 – 645	–
Helen Mills <sup>3</sup>	85 – 90	100 – 105	0 – 5	–	–	250	41,000	73,000	130 – 135	175 – 180
Anna Clunes <sup>4</sup>	20 – 25	–	–	–	–	–	7,000	–	25 – 30	–
Simon Ridley <sup>5</sup>	70 – 75	–	10 – 15	–	–	–	28,000	–	115 – 120	–
Emma Ward <sup>6</sup>	50 – 55	–	–	–	–	–	77,000	–	130 – 135	–
Rhys Bowen <sup>7</sup>	60 – 65	–	–	–	–	–	22,000	–	80 – 85	–
Philip Rycroft CB QC <sup>8</sup>	15 – 20	160 – 165	–	–	–	17,900	12,000	46,000	25 – 30	225 – 230
Alex Ellis <sup>9</sup>	95 – 100	120 – 125	0 – 5	–	–	–	31,000	35,000	130 – 135	155 – 160
Matthew Baugh <sup>10</sup>	20 – 25	95 – 100	0 – 5	–	–	–	14,000	92,000	40 – 45	190 – 195
Susannah Storey <sup>11</sup>	40 – 45	100 – 105	0 – 5	10 – 15	–	–	16,000	44,000	60 – 65	160 – 165

<sup>1</sup> The value of pension benefits accrued during the year is calculated as [(the real increase in pension multiplied by 20) plus (the real increase in any lump sum)] less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights

<sup>2</sup> The figure quoted is for the year 1 April 2019 to 31 March 2020. Clare Moriarty was a Board member of DExEU until 31 January 2020 and an employee of Cabinet Office from 1 February until 31 March 2020, when she left the Civil Service on redundancy terms consequent on the closure of DExEU. The combined figure includes salary of £180,000-£185,000; a redundancy payment of £262,185 and compensation in lieu of notice of £45,450

<sup>3</sup> The figure quoted is for the period 1 April 2019 to 31 January 2020. The full-year equivalent is £105,000 – £110,000

<sup>4</sup> The figure quoted is for the period 27 November 2019 to 31 January 2020. The full-year equivalent is £120,000 – £125,000

<sup>5</sup> The figure quoted is for the period 22 July 2019 to 31 January 2020. The full-year equivalent is £135,000 – £140,000. Bonus awarded and paid for by previous Department

<sup>6</sup> The figure quoted is for the period 6 August 2019 to 31 January 2020. The full-year equivalent is £125,000 – £130,000. August salary partly met by previous Department

<sup>7</sup> The figure quoted is for the period 4 June 2019 to 31 January 2020. The full-year equivalent is £90,000 – £95,000. Rhys joined the Executive Board as Director of the new Negotiations Strategy Directorate

<sup>8</sup> The figure quoted is for the period 1 April 2019 to 12 April 2019. The full-year equivalent is £160,000 – £165,000. Salary includes payment for Annual Leave not taken at the time of leaving the organisation

<sup>9</sup> The figure quoted is for the period 1 April 2019 to 15 January 2020. The full-year equivalent is £120,000 – £125,000

<sup>10</sup> The figure quoted is for the period 1 April 2019 to 16 June 2019. The full-year equivalent is £100,000 – £105,000

<sup>11</sup> The figure quoted is for the period 1 April 2019 to 18 August 2019. The full-year equivalent is £105,000 – £110,000

## 1.6 Salary

'Salary' includes: gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts.

In respect of ministers in the House of Commons, Departments bear only the cost of the additional ministerial remuneration; the salary for their services as an MP (£79,468 from 1 April 2019) and the various allowances to which they are entitled are borne centrally.

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

## 1.7 Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Department 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 Cabinet Office. Sir Mark Sedwill had the use of an allocated car in the circumstances permitted by the Civil Service Management Code. Sir Mark used the car predominantly for home-to-office journeys. Cabinet Office ministers and other senior officials also had use of the car for official journeys. The value of the benefit in kind received by Sir Mark was calculated in accordance with the relevant instructions published by HMRC and HM Treasury.

## 1.8 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 completed until the summer.

As a result, the payments reported in 2019-20 relate to performance in 2018-19 and the comparative payments reported for 2018-19 relate to performance in 2017-18. This is consistent with the approach adopted in previous years.

## 1.9 Fair pay disclosure

The following section is subject to audit.

	2019-20	2018-19 <sup>1</sup>
Band of highest paid Board member's total remuneration (£000)	255 – 260	240 – 245
Median remuneration (£)	38,435	32,578
Remuneration ratio	6.70	7.60

<sup>1</sup> Restated to include DExEU, see Note 2 of the Financial Statement

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

The banded remuneration of the highest paid Board member in the Cabinet Office in the financial year 2019-20 was £255,000 – £260,000 (2018-19: £240,000 – £245,000). This was 6.70 times (2018-19 Restated: 7.60 times) the median remuneration of the workforce, which was £38,435 (2018-19 Restated: £32,578).

The remuneration of agency and other temporary staff employed by the Cabinet Office was excluded when calculating the median remuneration.

In 2019-20, 2.0 (2018-19: 2.0) employees received remuneration in excess of the highest paid Board Member. The remuneration of Cabinet Office employees ranged from £18,890 - £296,500 (2018-19: £17,316 - £285,000).

Total remuneration as at 31 March 2020 includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

## Cabinet Office | Annual Report and Account 2019-20

### 1.10 Fees paid to Non-Executive Board Members

The following section is subject to audit.

Non-Executive Board Members are offered a fee of £15,000 per annum in line with the Non-Executive Directors of the Bank of England. The Government Lead Non-Executive, the Department Lead Non-Executive and the Chair of the Audit and Risk Committee are offered a further £5,000 per annum. Individual Board members may waive all or part of their fee entitlement. Claimed fees are included within the staff costs.

#### 1.10.1 Fees paid to Cabinet Office Non-Executive Board Members

£			
Non-Executive Board Members	Annual fee entitlement	Fees paid 2019-20	Fees paid 2018-19
Sir Ian Cheshire Government Lead Non-Executive and Cabinet Office Non-Executive Board Member	20,000	Waived	Waived
Lead Non-Executive for the Cabinet Office	5,000	Waived	Waived
Mike Ashley Non-Executive Board Member	15,000	15,000	8,750
Chair of the Audit and Risk Committee	5,000	5,000	2,917
Catherine Brown Non-Executive Board Member	15,000	15,000	15,000
Interim Chair of the Audit and Risk Committee	5,000	–	1,671
Karen Blackett OBE Non-Executive Board Member	15,000	15,000	2,500
Anand Aithal Non-Executive Board Member	15,000	15,000	2,500
Paula Vennells CBE Non-Executive Board Member	15,000	15,000	2,500

#### 1.10.2 Fees paid to of Department for Exiting the European Union Non-Executive Board Members (as at 31 January 2020)

£			
Non-Executive Board Members <sup>1</sup>	Annual fee entitlement	Fees paid 2019-20	Fees paid 2018-19
Margaret Stephens Non-Executive Director	15,000	15,000	15,000
Chair of the Audit and Risk Committee	5,000	5,000	5,000
Susan Hooper Non-Executive Board Member	15,000	15,000	15,000

<sup>1</sup>Both NEDs continued to be remunerated by the Cabinet Office until March 2020 whilst they performed some residual duties related to their roles.

## 1.11 Pension benefits of ministers

The following section is subject to audit.

### 1.11.1 Pension benefits of Cabinet Office ministers

Ministers	Accrued pension at age 65 as at 31 March 2020	Real increase in pension at age 65	CETV at 31 March 2020	CETV at 31 March 2019	Real increase in CETV
	£000	£000	£000	£000	£000
The Rt Hon. Michael Gove MP	10 – 15	0 – 2.5	204	189	4
The Rt Hon. David Lidington CBE MP	5 – 10	0 – 2.5	183	170	5
The Rt Hon. Oliver Dowden CBE MP Parliamentary Secretary (Minister of Implementation)	0 – 5	0 – 2.5	6	5	1
Minister for the Cabinet Office	0 – 5	0 – 2.5	10	6	1
Chloe Smith MP Parliamentary Secretary (Minister for the Constitution)	0 – 5	0 – 2.5	38	33	1
Minister of State for the Constitution and Devolution	0 – 5	0 – 2.5	38	38	0
Simon Hart MP	0 – 5	0 – 2.5	2	–	1
The Rt Hon. Jacob Rees-Mogg MP	–	–	–	–	–
The Rt Hon. Mel Stride MP	0 – 5	0 – 2.5	34	33	1
The Rt Hon. Andrea Leadsom MP	0 – 5	0 – 2.5	54	52	1
The Rt Hon. Baroness Evans of Bowes Park	20 – 25	0 – 2.5	269	239 <sup>1</sup>	10
Jeremy Quin MP	0 – 5	0 – 2.5	4	2	1
The Rt Hon. Baron True CBE	–	–	–	–	–
The Rt Hon. Penny Mordaunt MP	0 – 5	0 – 2.5	53	51	1
Julia Lopez MP	0 – 5	0 – 2.5	1	–	–

<sup>1</sup> Baroness Evans made private transfers-in during 2018-19 which are reflected in the calculation of her CETV.

### 1.11.2 Pension benefits of Department for Exiting the European Union ministers (as at 31 January 2020)

Ministers	Accrued pension at age 65 as at 31 January 2020	Real increase in pension at age 65	CETV at 31 January 2020	CETV at 31 March 2019	Real increase in CETV
	£000	£000	£000	£000	£000
The Rt Hon. Stephen Barclay MP	0 – 5	0 – 2.5	35	22	6
The Lord Callanan	0 – 5	0 – 2.5	59	39	11
James Duddridge MP	0 – 5	0 – 2.5	2	–	1
The Rt Hon. Kwasi Kwarteng MP	0 – 5	0 – 2.5	3	2	1
Robin Walker MP	0 – 5	0 – 2.5	13	11	–
The Rt Hon. James Cleverly MP	0 – 5	0 – 2.5	2	–	1
Christopher Heaton-Harris MP	0 – 5	0 – 2.5	12	12	–

## 1.12 Ministerial pensions

Pension benefits for ministers are provided by the Parliamentary Contributory Pension Fund (PCPF). The scheme is made under statute and its rules, the Rules of the Parliamentary Contributory Pension Fund (The Ministers' Etc Pension Scheme 2015). Further information can be found on the Parliamentary Contributory Pension Fund website<sup>1</sup>.

Those ministers who are Members of Parliament may also accrue an MP's pension under the PCPF (details of which are not included in this report). A new MP's pension scheme was introduced from May 2015, although members who were MPs and aged 55 or older on 1 April 2013 have transitional protection to remain in the previous MP's final salary pension scheme.

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

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

<sup>1</sup>Full web address: <http://qna.files.parliament.uk/ws-attachments/170890/original/PCPF%20MINISTERIAL%20SCHEME%20FINAL%20RULES.doc>

## 1.13 Cash equivalent transfer value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or an arrangement to secure pension benefits in another pension scheme or an arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total ministerial service, not just their current appointment as a minister. CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from lifetime allowance tax, which may be due when pension benefits are taken.

## 1.14 Real increase in the value of the CETV

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

## 1.15 Pension benefits of official Board members

The following sections are subject to audit.

### 1.15.1 Pension benefits of Cabinet Office official Board members

Board members	Accrued pension at pension age as at 31 March 2020 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31 March 2020 £000	CETV at 31 March 2019 £000	Real increase in CETV £000	Employer contribution to partnership pension account Nearest £100
Sir Mark Sedwill KCMG	95 – 100	5 – 7.5	1,679	1,528	70	–
Sir John Manzoni KCB	30 – 35	5 – 7.5	548	439	69	–
Elizabeth Gardiner CB QC (Hon)	75 – 80 plus lump sum of 160 – 165	2.5 – 5 plus lump sum of 2.5 – 5	1,430	1,305	58	–
Mike Parsons <sup>1</sup>	–	–	–	–	–	24,000
Guy Lester	60 – 65	0 – 2.5	1,179	1,102	29	–
Richard Hornby	10 – 15	0 – 2.5	150	140	7	–
Tracey Waltho	40 – 45 plus lump sum of 85 – 90	2.5 – 5 plus lump sum of 0	637	583	21	–

<sup>1</sup> Mike Parsons is not a member of the PCSPS and has a partnership pension account

**1.15.2 Pension benefits of Department for Exiting the European Union official Board members  
(as at 31 January 2020)**

Board members	Accrued pension at pension age as at 31 March 2020 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31 January 2020 £000	CETV at 31 March 2019 £000	Real increase in CETV £000	Employer contribution to partnership pension account Nearest £100
Clare Moriarty	95 – 100	5 – 7.5	1,833	1,629	132	–
Helen Mills	20 – 25	0 – 2.5	269	238	15	–
Anna Clunes	30 – 35 plus lump sum of 65 – 70	0 – 2.5 plus lump sum of 0	529	524	3	–
Simon Ridley	40 – 45 plus lump sum of 85 - 90	0 – 2.5 plus lump sum of 0 – 2.5	666	644	13	–
Emma Ward	30 – 35 plus lump sum of 60 – 65	2.5 – 5 plus lump sum of 5 – 7.5	477	418	53	–
Rhys Bowen	25 – 30	0 – 2.5	333	319	7	–
Philip Rycroft CB QC	15 – 20	0 – 2.5	374	362	11	–
Alex Ellis	60 – 65	0 – 2.5	1,030	970	16	–
Matthew Baugh	25 – 30 plus lump sum of 60 – 65	0 – 2.5 plus a lump sum of 0 – 2.5	451	440	8	–
Susannah Storey	25 – 30	0 – 2.5	303	288	7	–

**1.16 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 (or 65 if higher). 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 and classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (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 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch to alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits ‘banked’.

Those with earlier benefits in one of the final salary sections of the PCSPS have those benefits based on their final salary when they leave alpha. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a ‘money purchase’ stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of one-eighthieth 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 one-sixtieth 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 1 October 2002 worked out as for premium. In nuvos a member

builds up a pension based on their pensionable earnings during their period of scheme membership.

At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% 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%. 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% and 14.75% (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% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

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 Board members show the pension earned in PCSPS or alpha, as appropriate. Where the Board member has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the two schemes, but it should be noted that part of that pension may be payable from different ages. Further details about the Civil Service pension arrangements can be found on the Civil Service Pensions website.

### 1.17 Cash equivalent transfer value (CETV)

A 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 an arrangement to secure pension benefits in another pension scheme or an 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 them 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.

### 1.18 Real increase in CETV

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

### 1.19 Compensation for loss of office

The following section is subject to audit.

The following severance payments were made under section 4 of chapter 5 of the Ministerial and Other Pensions and Salaries Act 1991 during the period 1 April 2019 to 31 March 2020. Further details about compensation for loss of office payments can be found at [legislation.gov.uk](http://legislation.gov.uk).

Minister	Severance Payment (to nearest £)
Christopher Heaton-Harris MP	5,594
The Rt Hon. Andrea Leadsom MP	7,920
The Rt Hon. David Lidington CBE MP	16,876
The RT Hon. Mel Stride MP	7,920
Officials	
Clare Moriarty <sup>1</sup>	262,185

<sup>1</sup>Awarded redundancy and compensation in lieu of notice of £45,450, left under voluntary redundancy terms on 31 March 2020

No compensation payments for loss of office were made to Cabinet Office Board members or ministers during the 2018-19 financial year.

### 1.20 Registers of public interest

#### Board members

The Cabinet Office maintains a register of Cabinet Office Board members' interests, which contains details of company directorships and other significant interests held by Board members. A copy is deposited in the House of Commons library annually and it is published on GOV.UK shortly afterwards.

#### House of Commons

The Register of Members' Financial Interests can be found on the UK Parliament website.

#### House of Lords

The Register of Lords' Interests can be found on the UK Parliament website.

## 2. Staff report

The following sections report upon the Departmental Group and are subject to audit.

### 2.1 Staff costs

The following section is subject to audit.

£000	Permanently employed staff	Others	Special advisers	Ministers	2019-20	2018-19 Restated <sup>1</sup>
Wages, salaries and fees	380,170	–	7,292	246	387,708	321,441
Social security costs	42,328	–	1,132	105	43,565	35,721
Apprenticeship levy	1,925	–	–	–	1,925	1,520
Other pension costs	93,108	–	1,467	–	94,575	62,599
Untaken annual leave	2,047	–	–	–	2,047	218
Agency/temporary	–	68,824	–	–	68,824	59,267
Chair's and Commissioner's emoluments	423	–	–	–	423	–
Termination benefits	735	–	1,284	37	2,056	233
<b>Sub total</b>	<b>520,736</b>	<b>68,824</b>	<b>11,175</b>	<b>388</b>	<b>601,123</b>	<b>480,999</b>
Inward secondments	–	8,204	–	–	8,204	7,046
<b>Total</b>	<b>520,736</b>	<b>77,028</b>	<b>11,175</b>	<b>388</b>	<b>609,327</b>	<b>488,045</b>
Less: Recoveries in respect of outward secondments	–	(3,012)	–	–	(3,012)	(1,451)
<b>Total staff costs</b>	<b>520,736</b>	<b>74,016</b>	<b>11,175</b>	<b>388</b>	<b>606,315</b>	<b>486,594</b>
Staff engaged on capital projects	(4,674)	(2,511)	–	–	(7,185)	(12,107)
<b>Total net staff costs</b>	<b>516,062</b>	<b>71,505</b>	<b>11,175</b>	<b>388</b>	<b>599,130</b>	<b>474,487</b>

<sup>1</sup> Restated. See Note 2 of the Financial Statements

Special Advisers are temporary civil servants. In order to improve efficiency, the administration of staff costs for all Special Advisers across government was moved to the Cabinet Office in July 2019, with corresponding budget cover transfers. Therefore, these figures include costs relating to Cabinet Office Special Advisers (including those in Number 10) for the entire year, and for Special Advisers working in all Government Departments from July 2019 to March 2020. Special Advisers remain employed by the respective Departments of their appointing Minister.

During the year, costs of £94,574,966 were incurred in respect of pensions (2018-19 Restated: £63,409,794). Of this amount, £90,371,475 (2018-19 Restated: £60,459,873) was borne by the core Department, £1,831,696 (2018-19: £1,037,892) was borne by the Government Property Agency, £2,141,091 (2018-19 Restated: £1,749,000) was borne by the Equality and Human Rights Commission, £210,925 (2018-19: £148,371) was borne by the Civil Service Commission and £19,781 (2018-19 Restated: £14,658) was borne by the Registrar of Consultant Lobbyists.

The PCSPS and the Civil Servants and Others Pension Scheme (known as 'alpha') are unfunded multi-employer defined benefit schemes. The Cabinet Office is unable to identify its share of the two schemes' underlying assets and liabilities. The Scheme Actuary valued the PCSPS as at 31 March 2016. More information about this and the assets and liabilities of both schemes can be found in the Civil Superannuation accounts, which are prepared by the Cabinet Office and published on the [Civil Service Pensions website](#)<sup>1</sup>.

For the period 1 April 2019 to 31 March 2020, employers' contributions of £91,192,230 were payable to the PCSPS (2018-19 Restated: £59,938,532) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands.

The Scheme Actuary usually reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2019-20 to be paid when the member retires and not the benefits paid to existing pensioners during this period.

Employees can opt to open a partnership pension account, which is a stakeholder pension with an employer contribution. During the period 1 April 2019 to 31 March 2020, employers' contributions of £896,589 (2018-19 Restated: £727,937) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% of pensionable earnings. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £43,134 (2018-19 Restated: £27,175), 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers as at the 31 March 2020 were £77,230 (31 March 2019 Restated: £64,346). Contributions prepaid as at the same date were £nil (31 March 2019: £nil). Special Advisers' pension costs incurred during the period 1 April 2019 to 31 March 2020 were £1,467,000 (2018-19: £804,122).

## Cabinet Office | Annual Report and Account 2019-20

Three individuals (2018-19: one individual) retired early on ill-health grounds during the period 1 April 2019 to 31 March 2020; the resulting additional accrued pension liabilities amounted to £7,938 (2018-19: £11,434).

<sup>1</sup>Full web address: [www.civilservicepensionscheme.org.uk/about-us/resource-accounts](http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts)

### 2.2 Reporting of Civil Service and other compensation schemes – exit packages

The following section is subject to audit.

#### 2.2.1 Permanently employed staff, Special Advisers and Ministers

**Termination Benefits for permanently employed staff, Special Advisers and Ministers included in Staff costs – see Note 2.1**

Exit package cost band	Departmental Group 2019-20			Departmental Group 2018-19 Restated		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	–	3	3	–	1	1
£10,000 – £25,000	–	39	39	–	–	–
£25,001 – £50,000	–	18	18	–	2	2
£50,001 – £100,000	–	7	7	–	2	2
£100,001 – £150,000	–	–	–	–	–	–
£150,001 – £200,000	–	–	–	–	–	–
£200,001 – £250,000	–	–	–	–	–	–
£250,001 – £300,000	–	1	1	–	–	–
<b>Total number of exit packages</b>	–	<b>68</b>	<b>68</b>	–	<b>5</b>	<b>5</b>
<b>Total cost (£)</b>	–	<b>2,092,455</b>	<b>2,092,455</b>	–	<b>233,000</b>	<b>233,000</b>

53

The total cost of exit packages for permanently employed staff, Special Advisers and Ministers is included in the staff costs table in Note 2.1<sup>1</sup>.

<sup>1</sup>Disclosure in Note 2.1 for 2019-20 is net of prior year termination benefits of £36,758 written back during the year as a result of staff leaving during their redundancy notice period.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. The table above shows the total cost of exit packages agreed and accounted for in 2019-20 (2018-19 comparative figures are also given).

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 the table. 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.

During 2019-20 there were eight members of staff that left the Department due to early retirement, see Early Departures in Note 16 to the Accounts.

Under the terms of Section 4 of the Ministerial and Other Pensions and Salaries Act 1991, Ministers who cease to hold office are entitled to receive a statutory payment equivalent to one quarter of their annual salary.

In line with the Constitutional Reform and Governance Act 2010 and the Model Contract for Special Advisers, a Special Adviser's appointment automatically ends when their appointing Minister

leaves office. Special Advisers are not entitled to a notice period but receive contractual termination benefits to compensate for this.

In November 2019, the significant majority of Special Advisers resigned from their posts either at the start of the pre-election period or shortly after (as required by the Model Contract). Special advisers are also contractually entitled to termination benefits in these circumstances.

Termination benefits are based on length of service and capped at six months' salary. If a Special Adviser returns to work for HM Government following the receipt of a severance payment, the payment is required to be repaid, less a deduction in lieu of wages for the period until their return. These figures do not include payments which were repaid to the Cabinet Office due to the Special Adviser returning to government.

The figure quoted in Table 2.1 and Table 2.2.1 represents 55 separate termination payments to Special Advisers totalling £1,283,967. As explained in the note to Table 2.1, the figure includes payments made to Cabinet Office Special Advisers (including those in Number 10) for the entire year, and for Special Advisers working in all Government Departments from July 2019 to March 2020.

## 2.3 Average number of persons employed

The following section is subject to audit.

The average number of full-time equivalent persons employed during the year is shown in the table below. These figures include both those working in the Core Department and those working in other entities within the Departmental boundary.

Operating segment	Permanently employed staff	Commissioners	Others <sup>1</sup>	2019-20 Total	2018-19 Total <sup>3</sup>
Maintain the integrity of the Union, coordinate the security of the realm and sustain a flourishing democracy	635	–	1	636	554
Support the design and implementation of HM Government's policies and the Prime Minister's priorities	1,452	–	92	1,544	1,472
Ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of Government	5,148	–	348	5,496	4,721
Deliver excellent corporate services, make Cabinet Office a great place to work, and create a Department that better represents the people and places it serves	238	–	22	260	229
Government Property Agency	101	–	36	137	127
Arm's Length Bodies <sup>2</sup>	199	12	18	229	30
Staff engaged on capital projects	61	–	16	77	111
<b>Total</b>	<b>7,834</b>	<b>12</b>	<b>533</b>	<b>8,379</b>	<b>7,244</b>
<i>Of which:</i>					
Core Department	7,715	–	497	8,212	7,087
Executive Agency	101	–	36	137	127
Other designated bodies	18	12	–	30	30
<b>Total</b>	<b>7,834</b>	<b>12</b>	<b>533</b>	<b>8,379</b>	<b>7,244</b>

The above headcount has been prepared on a basis which is compliant with the requirements of the Office for National Statistics; this excludes fee paid staff and non-departmental employees. The increase from 7,243 in 2018-19 (Restated) to 8,379 in 2019-20 is largely attributable to an increase in staff numbers in the Government Commercial Function and the National Security Secretariat.

<sup>1</sup>The 'Others' category includes agency staff, interim managers, specialist contractors and consultants

<sup>2</sup>The costs of the Civil Service Commission, The Equality and Human Rights Commission and The Registrar of Consultant Lobbyists are reported in this line

<sup>3</sup>Restated, see Note 2 of the Financial Statement

## 2.4 Ministers and Special Advisers

The table below shows the number of ministers and special advisers within the Cabinet Office as at 31 March 2020.

Grade	2019-20
Ministers	7
Special advisers <sup>1</sup>	55
<b>Total</b>	<b>62</b>

<sup>1</sup>This figure includes Special Advisers who work within the Cabinet Office Departmental boundary (i.e. Cabinet Office, Number 10 and the offices of the Leaders of the Houses). It does not include Special Advisers within other Government Departments.

## 2.5 Senior civil servants

The table below shows the number of senior civil servants (SCS) employed by the Cabinet Office as at 31 March 2020. The total includes 49 staff (2018-19: 45) in SCS equivalent grades within the Office of the Parliamentary Counsel. The equivalent grades are: Parliamentary Counsel (Director-General), Parliamentary Counsel (Director) and Parliamentary Counsel (Deputy Director).

Grade	2019-20	2018-19 <sup>1</sup>
Permanent Secretary	5	5
SCS 3	28	22
SCS 2	101	95
SCS 1	344	335
<b>Total</b>	<b>478</b>	<b>457</b>

<sup>1</sup> Restated to include DExEU, see Note 2 of the Financial Statement

The increase of 21 SCS since 2018-19 is principally a consequence of a general increase in the size of the Department. In particular, 6 new SCS in our Transitions Task Force, 2 in Veterans Affairs and Disability Unit and 12 in The National Security Secretariat Conference of Parties 12 Unit. SCS numbers are 5% of the total workforce.

## 2.6 Staff composition

The below tables provide a breakdown, by gender, of all the staff who have worked for the Cabinet Office during the period 1 April 2019 to 31 March 2020.

No.	Men		Women		Total	
	2019-20	2018-19 <sup>1</sup>	2019-20	2018-19 <sup>1</sup>	2019-20	2018-19 <sup>1</sup>
Official Board members	6	7	6	4	12	11
Senior civil servants	265	273	250	224	515	517
All staff	4,532	3,649	5,175	4,067	9,707	7,716

%	Men		Women	
	2019-20	2018-19 <sup>1</sup>	2019-20	2018-19 <sup>1</sup>
Official Board members	50.0	63.64	50.0	36.36
Senior civil servants	51.5	52.8	48.5	47.2
All staff	46.7	47.29	53.3	52.71

<sup>1</sup> Restated to include DExEU, see Note 2 of the Financial Statement.

## 2.7 Reporting of high-paid, off-payroll appointments

**Table 1**

For all off-payroll engagements as of 31 March 2020, of more than £245 per day and that last longer than six months.

2019-20 No.	Core Department	Executive Agency	Arm's length bodies
<b>No. of existing engagements as of 31 March 2020</b>	<b>403</b>	<b>12</b>	<b>-</b>
<i>Of which:</i>			
No. that have existed for less than one year at time of reporting	105	11	-
No. that have existed for between one and two years at time of reporting	179	1	-
No. that have existed for between two and three years at time of reporting	75	-	-
No. that have existed for between three and four years at time of reporting	16	-	-
No. that have been existed for four or more years at time of reporting	28	-	-

**Table 2**

For all new off-payroll engagements, or those that have reached six months in duration between 1 April 2019 and 31 March 2020, for more than £245 per day and that last for longer than six months.

2019-20 No.	Core Department	Executive Agency	Arm's length bodies
<b>No. of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020</b>	<b>222</b>	<b>18</b>	<b>-</b>
<i>Of which:</i>			
No. assessed as subject to IR35 <sup>1</sup>	20	10	-
No. assessed as not subject to IR35 <sup>1</sup>	202	8	-
No. engaged directly (via Personal Services Contract contracted to Department) and are on the departmental payroll	-	-	-
No. of engagements reassessed for consistency / assurance purposes during the year	-	-	-
No. of engagements that saw a change to IR35 status following the consistency review	-	-	-

56

**Table 3**

For any off-payroll engagements of board members and/or senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2020.

2019-20 No.	Core Department	Executive Agency	Arm's length bodies
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	-	-	-
Total no. 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	30	10	-

<sup>1</sup>IR35 is tax legislation that is designed to combat tax avoidance by workers supplying their services to clients via an intermediary, such as a limited company, but who would be an employee if the intermediary was not used

## 2.8 Staff Loans

The table below shows the number of staff loaned to or loaned out from the Cabinet Office as at 31 March 2020.

No.	Headcount	FTE
<b>Staff loaned in by grade</b>		
SCS 3	2	2
SCS 2	13	13
SCS 1	36	35
Band A	306	300
Band B2	145	143
Band B1	39	39
Band C	1	1
<b>Total staff loaned in by grade</b>	<b>542</b>	<b>533</b>
<b>Staff loaned out by grade</b>		
SCS 3	-	-
SCS 2	2	2
SCS 1	4	4
Band A	9	9
Band B2	6	6
Band B1	1	1
Band C	1	1
<b>Total staff loaned out by grade</b>	<b>23</b>	<b>23</b>

57

## 2.9 Sickness and absence

The sickness absence figure for the rolling 12 months to 31 March 2020 stands at 2.47 (2.22 for the rolling 12 months to 31 March 2019) average working days lost per member of staff. DExEU had a sickness absence figure of 1.12 working days lost on average (2018-19: 0.81), per member of staff for the period 1 April 2019 - 31 January 2020.

## 2.10 Monitoring spending on consultancy and temporary staff

Professional services external resources can generally be split into two broad categories. Temporary staff includes temporary workers, interim managers and specialist contractors who are used to cover business-as-usual or service delivery activities within an organisation. Consultancy includes staff who provide objective advice relating to strategy, structure, management or operations of an organisation and may include the identification of options with recommendations. Spend on consultancy and the need for temporary staff within the Cabinet Office is largely dependent on the nature of the projects being undertaken and the expertise required.

Expenditure on consultancy reduced from £43.647 million in 2018-19 to £35.380 million in 2019-20 as a result a decrease in requirements for EU Exit consultancy. Expenditure on temporary staff increased from £59.267 million in 2018-19 to £68.824 million

in 2019-20 due to increased activity surrounding IT projects; see Note 4 to the accounts.

## 2.11 Diversity and inclusion

In terms of diversity and inclusion, representation rates at Senior Civil Service (SCS) levels highlight that the Cabinet Office has the highest proportion of staff with disabilities across Whitehall (9.6%), no individuals at SCS level in DExEU. Cabinet Office SCS staff identifying as ethnic minorities is 6.8% which is slightly above the Civil Service average of 6.5%, (7% in DExEU). Women make up 46.9% of the SCS (50% in DExEU). This is also above the Civil Service average of 45.2%. Across all grades we have seen a similar trend in staff declared disabled, this has increased by nearly 3% to 14.8% (9% in DExEU). This is the second highest representation across the Civil Service. Ethnic minority staff make up 18% of the total workforce (22% in DExEU) and women now making up 52.9% of all staff (51% IN DExEU). Published figures taken from GOV.UK, updated September 2019.

## 2.12 Employment, training and advancement of disabled persons

The Cabinet Office 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 panel members that sit on Cabinet Office recruitment panels. The Cabinet Office is a Level 3 Disability Confident Leader, which includes having a guaranteed interview scheme that encourages candidates with a disability to apply for the jobs it advertises. If a candidate declares a disability and meets the minimum standards required for a job, they are offered an interview.

The Cabinet Office also promotes training for all staff on avoiding unconscious bias. The Cabinet Office is a member of the Business Disability Forum which is a not-for-profit organisation that makes it easier and more rewarding to do business with and employ disabled people. Every member of staff with a [CabinetOffice.gov.uk](mailto:CabinetOffice.gov.uk) email address can access The Business Disability Forum (BDF) [Member Hub dashboard](#). This provides access to a wide range of member resources from a mental health toolkit, infographics, videos to best practice and legal case studies.

The Cabinet Office has rolling new entrant's targets to the Senior Civil Service (SCS) from candidates with disabilities. In terms of disability representation rates at the SCS levels the Cabinet Office has the highest proportion of staff with disabilities across Whitehall (9.6%). Across all grades staff declared disabled (has increased by nearly 3% to 14.8%). This is the second highest representation across the Civil Service. Published figures taken from GOV.UK, updated September 2019.

## 2.10 Monitoring spending on consultancy and temporary staff (continued)

The Cabinet Office has an active disability network as well as a Director General Disability Champion who chairs the Cabinet Office Disability Action Group. The aim of this group is to remove barriers in the workplace, including raising issues relating to the Department's estate. To maintain and promote a diverse and inclusive workforce, the Cabinet Office actively promotes workplace adjustments to support any adaptations to the working environment required by any member of staff including those identifying with disabilities.

Workplace adjustments are incorporated into the induction process for new members of staff. The Cabinet Office promotes a number of cross-government talent schemes to disabled staff. This includes Civil Service wide talent schemes such as Disability empowers leadership talent (DELTA). This is a bespoke offer introduced in 2019 and available to anyone who gains a place on the Future Leaders Scheme (FLS) and has a disability or long term health condition. DELTA aims to improve collective visibility of high potential disabled civil servants at Grade 6/7 and accelerate their development in order to generate a more diverse and robust pipeline for senior roles. The structure and content of the programme will be shaped in collaboration with participants and will include workshops that aim to address leadership development in the context of disability-related barriers. The Senior Leaders Scheme (aimed at staff in Senior Civil Service pay band 1). It also promotes development schemes aimed specifically at disabled staff, including the Accelerate talent programme (for senior civil servants) and the Positive Action Pathway (for staff below the Senior Civil Service).

## 2.13 Health and safety

The Cabinet Office recognises its obligations under the Health and Safety at Work etc. Act 1974, for ensuring, so far as is reasonably practicable, the health, safety and welfare of its employees and others that may be affected by its operations and/or activities. 33 accidents were reported (One for DExEU) of which Nil were reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

## 2.14 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.

**Table 1 – Relevant Union Officials**

Total number of employees who were relevant union officials between 1 April 2019 and 31 March 2020.

	2019-20 No.	2018-19 <sup>1</sup> No.
Employees who were relevant union officials during the relevant period <sup>1</sup>	14	42
Full-time equivalent employee number	13.6	40.8

**Table 2 – Percentage of time spent on facility time**

For employees who were relevant union officials employed between 1 April 2019 and 31 March 2020, percentage of their working hours on spent on facility time.

	2019-20 No.	2018-19 <sup>1</sup> No.
0%	2	23
1% – 50%	12	19
51% – 99%	–	–
100%	–	–

**Table 3 – Percentage of pay bill spent on facility time**

For employees who were relevant union officials employed between 1 April 2019 and 31 March 2020, percentage of pay bill spent on facility time.

	2019-20	2018-19 <sup>1</sup>
The total cost of facility time (£000)	24	21
The total annual pay bill for Cabinet Office (£000) <sup>2</sup>	448,851	420,897
The percentage of the total pay bill spent on facility time (%)	0.005%	0.005%

<sup>2</sup>See Note 2.1 and exclude 'Others'

**Table 4 – Paid trade union activities**

For employees who were relevant union officials employed between 1 April 2019 and 31 March 2020, percentage of time spent on paid trade union activities.

	2019-20	2018-19 <sup>1</sup>
Time spent on paid trade union activities as a percentage of total paid facility time hours (%)	25.11%	30.62%

<sup>1</sup> Restated, see Note 2 of the Financial Statement

### 3. Statement of Parliamentary Supply

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the Government *Financial Reporting Manual (FReM)* requires the Department to prepare a Statement of Parliamentary Supply (SOPS) and supporting notes. The SoPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

The SoPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the consolidated fund), that Parliament gives statutory authority for entities to utilise. The Estimate details supply and is voted on by Parliament at the start of the financial year.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion. The format of the SoPS mirrors the Supply Estimates, published on GOV.UK, to enable comparability between what Parliament approves and the final outturn. The SoPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly tie to cash spent) and administration.

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SoPS to the financial statements (note 2); a reconciliation of outturn to net cash requirement (note 3); and, an analysis of income payable to the Consolidated Fund (note 4).

59

#### Cabinet Office's Purpose

The Cabinet Office is at the centre of government. Its Purpose is achieved through three strategic objectives and two additional objectives for 2019-20.

#### Strategic Objectives

1. Maintain the integrity of the Union, coordinate the security of the realm and sustain a flourishing democracy
2. Support the design and implementation of HM Government's policies and the Prime Minister's priorities
3. Ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of Government

#### Additional Objectives for 2019-20

1. Work with other Departments to prepare for and deliver an orderly exit from the European Union and to establish new relationships with the European Union and with the rest of the world
2. Deliver excellent corporate services, make Cabinet Office a great place to work, and create a Department that better represents the people and places it serves.

These objectives are set out in the Cabinet Office Single Departmental Plan 2019-20, published May 2019. See - [www.gov.uk](http://www.gov.uk) - [Cabinet Office Single Departmental Plan](#)

Strategic Objectives 1, 2 and 3 align with Estimate Rows A, B and C in Note SOPS1. Additional Objective 2 aligns with Estimate Row D in Note SOPS1.

#### Cabinet Office Group Structure

This includes:

- Core Cabinet Office
- Executive Agency, Government Property Agency
- Arm's length bodies: Civil Service Commission, Registrar of Consultant Lobbyists and the Equality and Human Rights Commission

Summary of resource and capital outturn 2019-20

£000											2018-19 Restated <sup>1</sup>
											2019-20
Outturn				Estimate			Outturn vs Estimate: saving/(excess)			Outturn	
SOPS Note	Voted	Non-voted	Total	Voted	Non-voted	Total	Voted	Non-voted	Total	Total	
<b>Departmental Expenditure Limit</b>											
- Resource	1.1	698,938	292,599	991,537	739,352	326,025	1,065,377	40,414	33,426	73,840	668,030
- Capital	1.2	112,984	-	112,984	114,806	-	114,806	1,822	-	1,822	119,261
<b>Total DEL</b>		<b>811,922</b>	<b>292,599</b>	<b>1,104,521</b>	<b>854,158</b>	<b>326,025</b>	<b>1,180,183</b>	<b>42,236</b>	<b>33,426</b>	<b>75,662</b>	<b>787,291</b>
<b>Annually Managed Expenditure</b>											
- Resource	1.1	17	-	17	14,012	-	14,012	13,995	-	13,995	(15,717)
- Capital	1.2	-	-	-	-	-	-	-	-	-	-
<b>Total AME</b>		<b>17</b>	<b>-</b>	<b>17</b>	<b>14,012</b>	<b>-</b>	<b>14,012</b>	<b>13,995</b>	<b>-</b>	<b>13,995</b>	<b>(15,717)</b>
<b>Total budget</b>											
Total resource	1.1	698,955	292,599	991,554	753,364	326,025	1,079,389	54,409	33,426	87,835	652,313
Total capital	1.2	112,984	-	112,984	114,806	-	114,806	1,822	-	1,822	119,261
<b>Total budget expenditure</b>		<b>811,939</b>	<b>292,599</b>	<b>1,104,538</b>	<b>868,170</b>	<b>326,025</b>	<b>1,194,195</b>	<b>56,231</b>	<b>33,426</b>	<b>89,657</b>	<b>771,574</b>

Figures outlined in shaded areas cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual, available on GOV.UK, for detail on the control limits voted by Parliament.

Net cash requirement 2019-20

£000						2019-20	2018-19 Restated <sup>1</sup>
SOPS Note	Outturn		Estimate		Outturn vs Estimate: saving/(excess)		Outturn
<b>Net Cash Requirement</b>	3	<b>878,731</b>		<b>939,161</b>		<b>60,430</b>	<b>622,051</b>

Administration costs 2019-20

£000						2019-20	2018-19 Restated <sup>1</sup>
SOPS Note	Outturn		Estimate		Outturn vs Estimate: saving/(excess)		Outturn
<b>Administration costs</b>	1.1	<b>332,281</b>		<b>352,192</b>		<b>19,911</b>	<b>197,044</b>

<sup>1</sup> Restated due to Machinery of Government changes: see Note 2 to the accounts

Although not a separate voted limit, any breach of the administration budget will also result in an excess vote. Explanations of variances between Estimate and outturn are given in Notes SOPS1 and SOPS3.

Notes SOPS1 to SOPS4 form part of these accounts

## Notes to the Statement of Parliamentary Supply

### SOPS1. Outturn detail by Estimate Line

#### SOPS1.1 Analysis of resource outturn by Estimate Line

	Outturn				Estimate				2019-20	2018-19 Restated <sup>1</sup>		
	Gross	Income	Net	Programme	Gross	Income	Net Total	Total	Virements <sup>2</sup>	Total including virements	Outturn vs Estimate saving/ (excess) <sup>3</sup>	Total
<b>Voted DEL</b>												
<b>A:</b> Maintain the integrity of the Union, coordinate the security of the realm and sustain a flourishing democracy	42,787	(2,525)	40,262	105,957	(29,546)	76,411	116,673	115,803	869	116,672	(1)	128,566
<b>B:</b> Support the design and implementation of HM Government's policies and the Prime Minister's priorities	149,262	(11,699)	137,563	99,502	(584)	98,918	236,481	289,272	(37,338)	251,934	15,453	198,723
<b>C:</b> Ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of Government	350,193	(303,912)	46,281	226,444	(20,643)	205,801	252,082	223,969	28,113	252,082	-	211,304
<b>D:</b> Ensure the effective running of the Department and contribute to the Government's cross-cutting priorities	87,224	(6,012)	81,212	324	(32,440)	(32,116)	49,096	70,134	(5,060)	65,074	15,978	84,581
<b>E:</b> Executive Agency – GPA	284,833	(271,744)	13,089	20,209	(8,184)	12,025	25,114	19,846	13,416	33,262	8,148	23,165
<b>F:</b> ALBs (net)	14,283	(409)	13,874	5,808	(190)	5,618	19,492	20,328	-	20,328	836	20,006
<b>Total Voted</b>	<b>928,582</b>	<b>(596,301)</b>	<b>332,281</b>	<b>458,244</b>	<b>(91,587)</b>	<b>366,657</b>	<b>698,938</b>	<b>739,352</b>	<b>-</b>	<b>739,352</b>	<b>40,414</b>	<b>666,345</b>

<sup>1</sup> Restated due to Machinery of Government changes: see Note 2 to the accounts

<sup>2</sup> The total Estimate columns include virements. Virements are the reallocation of provision in the Estimates that do not require parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements are provided in the Supply Estimates Manual, available on GOV.UK.

<sup>3</sup> The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can tie the estimate back to the Estimates laid before Parliament.



### Explanations between Estimate and 2019-20 resource outturn before adjustment for virements

Spend against budgets may be explained as below. Depreciation is budgeted within segment D but incurred across segments A to E which gives rise to apparent under or overspends. Overall underspend on depreciation is explained under the section on Administration budget below.

Estimate sub-heading	Outturn	Estimate	Variance	Explanation
<b>A:</b> Integrity of the Union, security and democracy	116,673	115,803	(870)	The net overspend position includes depreciation of £9.754 million budgeted against segment D, partially offset by an underspend of £3.553 million attributable to planned no-deal EU Exit contingency activities not taking place following the withdrawal agreement and £2.524 million underspend against grants paid to Local Authorities for piloting Voter ID.
<b>B:</b> HM Gov's policies and the PM's priorities	236,481	289,272	52,791	This comprises depreciation of £3.452 million budgeted against segment D and a £26.383 million underspend within the Geospatial Commission driven by supplier capability resulting in a shift in planned expenditure to next financial year. There are also underspends on EU Exit Implementation of £8 million and lower than budgeted legal costs for the infected blood inquiry of £4.691 million.
<b>C:</b> Efficiency of Government	252,082	223,969	(28,113)	This comprises depreciation of £15.886 million budgeted against segment D and rescheduled £15m of One Public Estate grants.
<b>D:</b> Effective running of the Department	49,096	70,134	21,038	This is mainly due to £39.655 million of depreciation expenditure incurred in other segments, with the budget held here. Offset by overspends in corporate areas which include £3.971 million under recovery of income on IT services and higher Estates costs of £2.325 million, as well as the release of Centrally held over programming of £20.946 million.
<b>E:</b> Executive Agency – GPA	25,114	19,846	(5,268)	This comprises underspend of £8.148 million offset by depreciation of £13.416 million. Depreciation budget is held centrally and £13.416 million has been vired from segment D to segment E.
<b>F:</b> ALBs (net)	19,492	20,328	836	This underspend was driven by small underspends across a number of business areas, mainly attributable to the downturn in activity experienced during March 2020 due to restrictions put in place in response to the COVID-19 pandemic.
<b>G:</b> Elections	289,767	322,660	32,893	Lower than anticipated spend on the UK Parliament by-elections, General Election, European Elections
<b>H:</b> UK MEPs	2,832	3,500	668	Lower than anticipated spend on UK Members of the European Parliament Salaries and Pensions
<b>I:</b> CFER	–	(135)	(135)	
<b>J:</b> Cabinet Office AME	2,044	5,500	3,456	It was assessed that the dilapidations provisions were no longer required as obligations for the final liability reside with the tenants, as detailed in their occupation agreements.
Commission for Equality and Human Rights AME	(278)	–	278	
<b>K:</b> GPA AME	(1,749)	8,512	10,261	It was assessed that the dilapidations provisions were no longer required as obligations for the final liability reside with the tenants, as detailed in their occupation agreements.
<b>Resource outturn against budget</b>	<b>991,554</b>	<b>1,079,389</b>	<b>87,835</b>	

63

### Explanations of variances between 2019-20 and 2018-19 resource outturn

Estimate sub-heading	2019-20 Outturn	2018-19 Outturn	Variance	Explanation
<b>A:</b> Integrity of the Union, security and democracy	116,673	128,566	11,893	A reduction in expenditure this year is principally due to the Commonwealth Summit held in 2018-19, which incurred spend of £22.087 million with no comparative spend in the current year. This is principally offset by increased spend in Constitution Group of £4.7 million, notably to fund EU Exit related work, particularly in relation to the devolution impacts of EU Exit; and National Security Secretariat of £8 million for Operation Yellowhammer and Global Britain with the former's workload impacted significantly by the no-deal preparations.
<b>B:</b> HM Gov's policies and the PM's priorities	236,481	198,723	(37,758)	An increase in expenditure due to the inclusion of new units, including Equalities and Human Rights Commission have incurred £17.225 million in the current year and Government Equalities Office £16.685 million.
<b>C:</b> Efficiency of Government	252,082	211,304	(40,778)	An increase in expenditure in Government Communications of £38.873 million due to the 'Get Ready for Brexit' communications campaign.
<b>D:</b> Effective running of the Department	49,096	84,581	35,485	A decrease in expenditure predominantly due to release of centrally held over-programming, and a return of funding from the Insolvency Service
<b>E:</b> Executive Agency – GPA	25,114	23,165	(1,949)	Expenditure has increased in line with the cost of running an increased property portfolio

SOPS1.2 Analysis of net capital outturn by Estimate Line

£000	2019-20							2018-19
	Outturn			Estimate			Outturn vs Estimate saving/(excess) <sup>3</sup>	Restated <sup>1</sup>
Spending in Departmental Expenditure Limit	Gross	Income	Net	Total	Virements <sup>2</sup>	Total including virements		Outturn
								Total
<b>Voted DEL</b>								
<b>A:</b> Maintain the integrity of the Union, security and democracy	12,678	-	12,678	11,091	1,587	12,678	-	14,417
<b>B:</b> HM Government 's policies and the PM's priorities	82,077	(49)	82,028	82,391	-	82,391	363	78,331
<b>C:</b> Efficiency of Government	9,545	-	9,545	9,544	1	9,545	-	15,031
<b>D:</b> Ensure the effective running of the Department	904	-	904	7,572	(5,729)	1,843	939	(7,194)
<b>E:</b> Executive Agency – GPA	35,741	(27,912)	7,829	3,688	4,141	7,829	-	18,500
<b>F:</b> ALBs (net)	-	-	-	520	-	520	520	176
<b>Total DEL</b>	<b>140,945</b>	<b>(27,961)</b>	<b>112,984</b>	<b>114,806</b>	<b>-</b>	<b>114,806</b>	<b>1,822</b>	<b>119,261</b>

<sup>1</sup> Restated due to Machinery of Government changes: see Note 2 to the accounts

Explanations between Estimate and 2019-20 capital outturn before adjustment for virements

Estimate sub-heading	Outturn	Estimate	Variance	Explanation
<b>A:</b> Integrity of the Union, security and democracy	12,678	11,091	(1,587)	This increase from estimate is mainly attributable to the capitalisation of spend relating to the Registration Reform Programme of £1.131 million previously unbudgeted.
<b>B:</b> HM Gov's policies and the PM's priorities	82,028	82,391	363	This decrease from estimate is mainly attributable to small underspend on capital costs in Geospatial projects of £0.781 million driven by lower costs due to market condition (inflation being less than anticipated).
<b>C:</b> Efficiency of Government	9,545	9,544	(1)	Expenditure has been in line with budgets
<b>D:</b> Effective running of the Department	904	7,572	6,668	This underspend relates to delayed start to improvement projects in Cabinet Office Estates, along with centrally held contingency for capital spend. £1.368 million attributable to delays in the GovTech Catalyst programme.
<b>E:</b> Executive Agency – GPA	7,829	3,688	(4,141)	Expenditure has increased in line with the size of the property portfolio and capital budget of £4.141 million has been vired from segment D to segment E.
<b>F:</b> ALBs (net)	-	520	520	
<b>Capital Budget</b>	<b>112,984</b>	<b>114,806</b>	<b>1,822</b>	

64

Explanations of capital variances between 2019-20 and 2018-19 outturn

Estimate sub-heading	2019-20 Outturn	2018-19 Outturn	Variance	Explanation
<b>A:</b> Integrity of the Union, security and democracy	12,678	14,417	1,739	This decrease is largely attributable to reduced expenditure within the Government Secure IT programme
<b>B:</b> HM Gov's policies and the PM's priorities	82,028	78,331	(3,697)	This increase is due to £4.196 million spent on the venue relocation and refit for the Grenfell Inquiry
<b>C:</b> Efficiency of Government	9,545	15,031	5,486	This decrease is attributable to lower than anticipated costs for the Government Digital Service programmes of £5.432 million
<b>D:</b> Effective running of the Department	904	(7,194)	(8,098)	The variance is largely attributable to the one off inclusion of £8.5 million of income from Carillion received in 2018-19
<b>E:</b> Executive Agency – GPA	7,829	18,500	10,671	2018-19 saw increased capital spend due to works associated with 10 South Colonnade and Windsor House. This level of work was not repeated in 2019-20

## SOPS2. Reconciliation of net outturn

### SOPS2.1 Reconciliation of net resource outturn to net operating expenditure

As noted in the introduction to the SoPS above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this reconciliation bridges the resource outturn to net operating expenditure, linking the SoPS to the financial statements.

£000			2019-20	2018-19 Restated <sup>1</sup>
	Note	Outturn	Estimate	Outturn
<b>Total resource outturn in Statement of Parliamentary Supply</b>	<b>SOPS1.1</b>	<b>991,554</b>	<b>1,079,389</b>	<b>652,313</b>
Add:				
Capital Grants	4	1,634	–	1,007
Dividends received from associates	10	17,424	–	14,281
Geospatial data (capital under ESA10 definition) <sup>2</sup>	4	74,459	66,057	74,945
Less:				
Fair value gain on financial assets – associate put options (non-cash)	11.1,11.2	(19,454)	–	(71,948)
GPA lease incentive receipt in respect of Bristol Temple Quays House		(252)	–	–
Government Property Agency – gain on Transfer of Function of Whitehall District Heating System	SOCNE	(3,920)	–	–
Capital grant and capital grant in kind income	5	(23,493)	–	(14,003)
Capital receipts	5	–	–	(8,522)
UK members of the European Parliament salaries and pension	SOPS1.1	(2,832)	(3,500)	(2,116)
Share of associates' profit	10	(18,973)	–	(17,025)
Disposal of shareholdings in associates	4	–	–	(2,299)
Profit on disposal of the site at Sunningdale Park	4	(31,588)	–	–
Elimination Adjustment <sup>3</sup>		7,241	–	(1)
<b>Net expenditure in Consolidated Statement of Comprehensive Net Expenditure</b>	<b>SOCNE</b>	<b>991,800</b>	<b>1,141,946</b>	<b>626,632</b>

<sup>1</sup> Restated due to Machinery of Government changes: see Note 2 to the accounts

<sup>2</sup> Research and development costs have been classified to capital budgets under ESA 10 as set out in the Consolidated Budgeting Guidance

<sup>3</sup> Eliminations between Cabinet Office and GPA have been applied in the financial statements but removed from SOPS, with Treasury agreement, in order to avoid eliminating across budgetary boundaries.

65

### SOPS2.2 Reconciliation of net capital outturn to accounts

£000			2019-20	2018-19 Restated <sup>1</sup>
	Note	Outturn	Estimate	Outturn
<b>Total capital outturn in Statement of Parliamentary Supply</b>	<b>SOPS1.2</b>	<b>112,984</b>	<b>114,806</b>	<b>119,261</b>
<b>Comprises:</b>				
Property, plant and equipment				
- Additions	6	22,565	125,622	43,822
- Donations	6	6	–	7
- Disposals	6	(44)	–	(42)
- CGIK Transfers from other Government Departments	6	20,024	–	7,772
Intangible assets				
- Additions	7	16,735	–	14,275
Capital grant expenditure	4	1,634	–	1,000
Capital grant in kind expenditure	4	–	–	7
Geospatial data (capital under ESA10 definition) <sup>2</sup>	4	74,459	–	74,945
GPA prepayment offset by capital grant in kind income		5,522	–	–
Capital grant income	5	(1,862)	(6,890)	(6,224)
Capital grant income – donated assets	SOCNE	(3,920)	(3,926)	(7)
Capital grant in kind income – transfers from other Government Departments	5	(21,631)	–	(7,772)
GPA capital grant income in respect of lease incentive Bristol Temple Quays House		(504)	–	–
Capital receipts	5	–	–	(8,522)
		<b>112,984</b>	<b>114,806</b>	<b>119,261</b>

<sup>1</sup> Restated due to Machinery of Government changes: see Note 2 to the accounts

<sup>2</sup> Research and development costs have been classified to capital budgets under ESA 10 as set out in the Consolidated Budgeting Guidance

### SOPS3. Reconciliation of net resource outturn to net cash requirement

As noted in the introduction to the SoPS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource outturn and capital outturn to the net cash requirement.

£000		2019-20		
	Note	Outturn	Estimate	Outturn vs Estimate: saving/ (excess)
<b>Total Resource outturn</b>	SOPS1.1	<b>991,554</b>	<b>1,079,389</b>	<b>87,835</b>
<b>Total Capital outturn</b>	SOPS1.2	<b>112,984</b>	<b>114,806</b>	<b>1,822</b>
<b>Accruals to cash adjustments:</b>				
<b>Adjustments to remove non-cash items:</b>				
Depreciation	6	(30,158)	(66,739)	(36,581)
Amortisation	7	(13,288)	–	13,288
Impairment – property, plant and equipment	4	(1,775)	–	1,775
Impairment – intangible assets	4	(85)	–	85
Revaluation – property, plant and equipment	4	4	–	(4)
Bad debt write-off	4	(471)	–	471
New provisions and adjustments to previous provisions	4	203	(3,017)	(3,220)
Impairment for trade receivables	4	(338)	–	338
Audit fee	4	(710)	(653)	57
Carbon dioxide emissions allowance surrendered	4	(56)	–	56
Notional Expenditure Digital Apprenticeship Service	4	(336)	–	336
Notional Income Digital Apprenticeship Service	5	336	–	(336)
Discount of receivable from Equiniti Ltd	4	212	–	(212)
Difference between assets out to/in from GPA		(40)	–	40
GPA lease incentive receipt in respect of Bristol Temple Quays House		(252)	–	252
GPA capital grant income in respect of lease incentive Bristol Temple Quays House		504	–	(504)
<b>Adjustments for ALBs:</b>				
Remove voted resource and capital		(1,772)	(20,848)	(19,076)
Add cash grant-in-aid		2,440	20,248	17,808
EHRC remove resource and capital		(17,873)	–	17,873
EHRC remove non cash adjustment and working capital		(1,193)	–	1,193
EHRC add grant in aid		19,225	–	(19,225)
<b>Adjustment to reflect movements in working balances:</b>				
Increase / (Decrease) in inventories		(150)	–	150
Increase / (Decrease) in trade receivables		109,557	102,000	(7,557)
Increase / (Decrease) in non-current receivables		43,558	–	(43,558)
(Increase) / Decrease in trade payables		(37,034)	40,000	77,034
(Increase) / Decrease in non-current payables		(10,058)	–	10,058
Remove voted resource and capital accrual		(211)	–	211
Elimination adjustment		(455)	–	455
Use of provisions	16, 19	253	–	(253)
Elimination adjustment		7,241	–	(7,241)
<b>Net Total</b>		<b>1,171,816</b>	<b>1,265,186</b>	<b>93,370</b>

**SOPS3. Reconciliation of net resource outturn to net cash requirement (continued)**

£000				2019-20
	Note	Outturn	Estimate	Outturn vs Estimate: saving/ (excess)
<b>Removal of non-voted budget items:</b>				
Salary and pension costs of the UK members of European Parliament	SOPS2.1	(2,832)	(3,500)	(668)
<b>Returning Officers' expenses, England, Wales and Scotland</b>				
- 2019 UK Parliamentary general election	4, SOPS1.1	(153,150)	(163,970)	(10,820)
- 2017 UK Parliamentary general election	4, SOPS1.1	1,005	-	(1,005)
- UK Parliamentary by-elections	4, SOPS1.1	(716)	(1,500)	(784)
- UK Parliamentary recall petitions	4, SOPS1.1	(132)	(500)	(368)
- 2019 European Parliamentary election	4, SOPS1.1	(134,706)	(151,690)	(16,984)
- Police and Crime Commissioner elections	4, SOPS1.1	(2,067)	(5,000)	(2,933)
- Bank charges	4, SOPS1.1	(1)	-	1
<b>Registrar of Consultant Lobbyists</b>				
- Cash surrendered to the Consolidated Fund	15, SOPS4	(150)	-	150
- Cash surrenderable to the Consolidated Fund - registration fees	15, SOPS4	150	-	(150)
- Cash surrenderable to the Consolidated Fund - civil penalties	15, SOPS4	2	-	(2)
- Non-voted resource income	SOPS1.1	-	135	135
Disposal of Admiralty Arch		(488)	-	488
<b>Net cash requirement</b>		<b>878,731</b>	<b>939,161</b>	<b>60,430</b>

Net cash requirement is under budget by £60.430 million due to underspends on capital (£1.823 million) and voted resource (£22.067 million) and movement in working capital (£36.540 million) being less than expected which is driven by an increase in trade payables.

## SOPS4. Amounts of income to the Consolidated Fund

In addition to income retained by the Cabinet Office, the following income is payable to the Consolidated Fund (cash receipts being shown in italics).

£000	Note	Outturn 2019-20		Outturn 2018-19	
		Accruals	Cash basis	Accruals	Cash basis
<b>Disposal of financial assets</b>					
Disposal of shareholding in MyCSP Limited	10, 14, 15	-	-	8,000	4,000
<b>Disposal of non-financial assets</b>					
Additional lease premium on sale of Admiralty Arch	15	-	-	-	488
Sale of Sunningdale Park	12, 15	48,400	26,125	-	-
Recoveries from Carillion plc in liquidation	15	22,000	22,000	-	-
<b>Returning Officers' expenses England, Wales and Scotland</b>					
Forfeited deposits					
- 2019 UK Parliamentary general election		602	602	-	-
- 2017 UK Parliamentary general election		-	-	6	6
- 2018 UK Parliamentary by-elections				(6)	(6)
- UK Parliamentary by-elections		10	10	-	-
- 2019 European Parliamentary election		195	195	-	-
Forfeited deposits Receivable					
- 2019 UK Parliamentary election		20	-	-	-
<b>Registrar of Consultant Lobbyists</b>					
Registration fees from consultant lobbyists	15	150	150	149	149
Civil penalties applied to consultant lobbyists	15	2	2	1	1
<b>Total amount payable to the Consolidated Fund</b>		<b>71,379</b>	<b>49,084</b>	<b>8,150</b>	<b>4,638</b>

### Income payable to the Consolidated Fund

#### Disposal of shareholdings in associates

On 26 September 2018 the Cabinet Office sold its remaining 24% shareholding in MyCSP Ltd to Equiniti Group plc for a consideration of £8 million of which £4 million is deferred until September 2020.

#### Disposal of Sunningdale Park

On 20 February 2020 the Cabinet Office completed the sale of Sunningdale Park, Berkshire for a consideration of £48.4 million of which £26.125 million was received upon completion and the balance deferred; £22.275 million is to be received in 3 equal instalments of £7.425 million on 1st March in 2021 / 2022 / 2023; See Note 12.

#### Registration fees from consultant lobbyists

The Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014 at Part 1, section 22 'Charges' stipulates that the Registrar may impose charges for or in connection with the making, updating and maintenance of entries in the register and the Registrar must pay into the Consolidated Fund any sums received in respect of charges under this section.

Although cash is surrenderable to the Consolidated Fund, HM Treasury has approved a 'netting-off' arrangement that enables the body to spend the funding generated through the charges. This does not apply to civil penalties charged upon consultant lobbyists. Cash receipts amounted to £150,415 (2018-19: £149,200).

### Revenue collected on behalf of the Consolidated Fund

#### Civil penalties applied to consultant lobbyists

The Registrar of Consultant Lobbyists acts as a collecting agent of the Consolidated Fund in respect of civil penalties applied to consultant lobbyists. The amount collected was £2,150 (2018-19: £550).

#### Parliamentary elections forfeited deposits

Deposits are forfeited by those candidates who fail to obtain one-twentieth of the total votes cast at UK Parliamentary elections, by-elections and Police and Crime Commissioner elections. European Parliamentary elections candidates must obtain one-fortieth of the vote in order to have their deposit returned. Returning Officers are required to return any forfeited deposits to the Consolidated Fund via the Cabinet Office no later than one working day after the result of the election has been declared. The amount collected was £807,000 (2018-19: £5,500).

#### Additional lease premium on sale of Admiralty Arch

On 17 June 2015 Admiralty Arch was sold on a long lease of 250 years to Admiralty Arch Holdings Limited in return for a premium of £60 million and an additional premium of £5.5 million of which £0.5 million was due to be paid on the third anniversary of the date of the lease. Both the premium and additional premium were to be surrendered to the Consolidated Fund. This additional lease premium, less costs of collection, are being surrendered to the Consolidated Fund (£0.488 million) in 2018-19 and has since been settled.

#### Recoveries from Carillion plc in liquidation

Cabinet Office received £22 million which is surrenderable to the Consolidated Fund. See Notes to the Financial Statements: Note 5 Income and Note 15 where £48.125 million comprises £22 million relating to Carillion and £26.125 million relating to Sunningdale Park.

## 4. Parliamentary accountability disclosures

The following sections are 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, remote contingent liabilities and entities outside the Departmental boundary are required by *Managing Public Money*.

### 4.1. Regularity of expenditure

Numbers and values are the same for both Core Department and Agency and Departmental Group.

#### 4.1.1 Losses statement

The Statement of Comprehensive Net Expenditure includes losses, such as write-offs of unrecoverable debts and fruitless payments.

	2019-20	2018-19
	Departmental Group	Departmental Group
Total number of losses	77	73
Total value of losses (£000)	154	1,120

#### 4.1.2 Special payments

The Statement of Comprehensive Net Expenditure includes extra contractual special payments.

	2019-20	2018-19
	Departmental Group	Departmental Group
Total number of special payments	49	74
Total value of special payments (£000)	78	37

### 4.2. Fees and charges

The following analysis provides details of the services for which a fee is charged. The information is provided for fees and charges purposes, not for IFRS 8 purposes.

£000	2019-20	2018-19 Restated
	Departmental Group	Departmental Group
<b>Full cost of service to other Government Departments</b>		
Digital and Technology Team	4,623	7,470
CSHR Expert Services	124,987	124,558
Government Commercial	78,651	51,462
<b>Total service cost</b>	<b>208,261</b>	<b>183,490</b>
<b>Less: income received</b>		
Digital and Technology Team	(4,605)	(7,470)
CSHR Expert Services	(124,222)	(127,868)
Government Commercial	(78,701)	(50,177)
<b>Total income</b>	<b>(207,528)</b>	<b>(185,515)</b>
<b>Net deficit / (surplus)</b>	<b>733</b>	<b>(2,025)</b>

#### Digital and Technology Team (DaTT)

The Cabinet Office's Digital and Technology Team (DaTT) offers a managed IT service to the Crown Commercial Service and the Department for Digital, Culture, Media & Sport.

Its financial objective is to offer Departments a cheaper alternative to expensive IT contracts. DaTT does not intend to make any surplus for these managed services so is recharging at cost price.

#### Civil Service HR Expert Services

Civil Service HR Expert Services share HR expertise and maximise buying power across the Civil Service in a joined-up and effective manner, to deliver a professional and more efficient service. They operate on a cost-sharing basis across the Government Departments and agencies participating in the programme.

Expert Services is made up of five key areas to support the Civil Service's strategic priorities: Fast Stream and Early Talent; Civil Service Employee Policy; Civil Service Learning; Civil Service Organisational Design and Development; and Civil Service Talent, with the costs being recharged to other Government Departments.

### Government Commercial Function (GCO)

The Government Commercial Organisation (GCO) is a professional organisation of commercial specialists housed within the Government Commercial Function (GCF). It employs senior commercial staff across central government who are deployed into Departments to carry out the Departments' commercial activities.

An operational charge is levied annually as a percentage of the full employment cost for each GCO Specialist deployed in a Department to fund the operational costs incurred in the running of the GCO. Also included in GCF fees and charges is the Complex Transactions team which increases commercial capability on complex deals by providing direct commercial support to Departments.

The total income received by GCF in 2018-19 includes £50 million from fees and charges and £6 million transferred from Crown Commercial Service for the Complex Transactions, Continuous Improvement, Markets and Suppliers, and Commercial Policy teams which moved over to the Cabinet Office during the course of the financial year.

### 4.3. Remote contingent liabilities

The following sections are subject to audit.

In addition to contingent liabilities reported within the meaning of IAS 37, the Department also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. The Cabinet Office has given the following indemnities whose amounts are unquantifiable, since the likelihood of a transfer of economic benefit in settlement is remote. No claims have been made yet.

#### Indemnity for Returning Officers at the UK Parliamentary elections, May 2015, June 2017 and December 2019

For the purposes of UK Parliamentary elections, Returning Officers and Acting Returning Officers throughout Great Britain are statutorily independent officers. They stand separate from both central and local government. As a result, they can be exposed to a variety of legal risks varying from minor claims for injury at polling stations to significant election petitions challenging the outcome of a poll and associated legal costs. The Cabinet Office provided an indemnity to Returning Officers for the UK Parliamentary general election held on 7 May 2015. The indemnity is to cover the costs of any claims against them, which are not covered under the existing insurance policies that Returning Officers hold.

The indemnity will cover costs arising in relation to UK Parliamentary elections including by-elections, where the date of the poll is on or before the 31 March 2020. This indemnity also applied to the early general elections held on 8 June 2017 and 12 December 2019 and will apply to any by-elections held until 31 March 2020. The Cabinet Office will provide a new indemnity, in due course, to cover any parliamentary by-elections that may take place before May 2024.

#### Indemnity for Returning Officers at the Police and Crime Commissioner elections, May 2016

For the purposes of Police and Crime Commissioner elections, Police Area Returning Officers and Local Returning Officers throughout England and Wales are statutorily independent officers. They stand separate from both central and local government. As a result, they can be exposed to a variety of legal risks varying from minor claims for injury at polling stations to significant election petitions challenging the outcome of a poll and associated legal costs.

The Cabinet Office provided an indemnity to Police Area Returning Officers and Local Returning Officers for the Police and Crime Commissioner elections held on 5 May 2016. The indemnity is to cover the costs of any claims against them, which are not covered under any existing insurance policies that Police Area Returning Officers and Local Returning Officers hold. The Department also certificated the Returning Officers under The Employers' Liability (Compulsory Insurance) Regulations 1998 in respect of any liability to their employees.

The indemnity and certificate will remain in place to provide cover to Police Area Returning Officers and Local Returning Officers for any by-elections that are held prior to the next scheduled Police and Crime Commissioner elections in May 2021.

#### Indemnity for Returning Officers at the European Parliamentary elections, May 2019

For the purposes of European Parliamentary elections, Regional Returning Officers and Local Returning Officers throughout Great Britain are statutorily independent officers. They stand separate from both central and local government. As a result, they can be exposed to a variety of legal risks varying from minor claims for injury at polling stations to significant election petitions challenging the outcome of a poll and associated legal costs.

The Cabinet Office provided an indemnity to Regional and Local Returning Officers for the European Parliamentary general election held on 23 May 2019 and any subsequent by-elections up to the 31 January 2020, the point when the UK exited the European Union.

This indemnity is to cover the costs of any claims against them which are not covered under the existing insurance policies which Regional and Local Returning Officers hold. The Department also certificated the Returning Officers under The Employers' Liability (Compulsory Insurance) Regulations 1998 in respect of any liability to the employees.

### Indemnity for Petition Officers

When an MP is subject to a recall petition, Petition Officers have a statutory responsibility to make arrangements for a recall petition in accordance with their duties under the Recall of MPs Act 2015. Since 2016 the Cabinet Office has provided an indemnity to Petition Officers in England, Scotland and Wales. This is because for the purposes of recall petitions, like returning officers and acting returning officers at elections, petition officers are independent officers. They are separate from both central and local government. As a result, they are exposed to a variety of legal risks varying from minor claims for injury at designated signing places, to significant recall petition complaints and associated legal costs. This follows the same process where the Cabinet Office has provided an indemnity to Returning Officers for the UK Parliamentary elections in May 2015, as well as all other recent electoral events.

Arrangements have been made to renew this indemnity to cover the costs of any claims against Petition Officers, which are not otherwise recoverable under the charges provisions contained in paragraph 3 of Schedule 1 to the Recall of MPs Act 2015. The indemnity will cover costs arising in relation to recall petitions, where the first day of the signing period of any petition is on or before 06 May 2024.

#### 4.4. Entities outside the Departmental boundary

##### Executive agency – Crown Commercial Service

71

In July 2013, the Minister for the Cabinet Office announced that a new Crown Commercial Service would be created to act on behalf of the Crown to drive savings for the taxpayer, and improve the quality of commercial and procurement activity across the public sector. It brought together, in one organisation, the Government Procurement Service (GPS), the commercial functions of the Cabinet Office and commercial activity related to common goods and services currently undertaken by Departments.

The Crown Commercial Service became a legal entity on 2 April 2014 and it is an executive agency and trading fund of the Cabinet Office. Services provided by the Crown Commercial Service include direct buying and a procurement advisory service. Further information can be found at Note 11 to the accounts and on the Crown Commercial Service page of GOV.UK website.

#### 4.5. Cabinet Office public bodies

The Cabinet Office produces a comprehensive annual public bodies directory providing details of non-departmental public bodies and similar public bodies. The directory can be found at the Cabinet Office Public Bodies directory on the GOV.UK website.



#### Alex Chisholm

Civil Service Chief Operating Officer,  
Cabinet Office Permanent Secretary  
and Principal Accounting Officer

15 July 2020

### 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 Cabinet Office and of its Departmental Group for the year ended 31 March 2020 under the Government Resources and Accounts Act 2000. The Department comprises the core Department and its agency. The Departmental Group consists of the Department and the bodies designated for inclusion under the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2019. The financial statements comprise: the Department's and Departmental Group's Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

I have also audited the Statement of Parliamentary Supply and the related notes, and the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Department's and Departmental Group's affairs as at 31 March 2020 and of the Department's net operating cost and Departmental Group's net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

#### Emphasis of matter

Without qualifying my opinion, I draw attention to the disclosures made in note 1.33 to the financial statements concerning the material uncertainty in the property valuations. This means a higher degree of caution, and therefore less certainty, should be attached to the valuations than would normally be the case.

#### Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2020 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

#### Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements 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 2016. I am independent of the Cabinet Office in accordance with the ethical requirements that are relevant to my audit and 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

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the Cabinet Office's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Cabinet Office have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Cabinet Office's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### 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 the preparation of the financial statements and for being satisfied that they give a true and fair view.

#### 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.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the Cabinet Office's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.
- Conclude on the appropriateness of the Cabinet Office's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Other Information

The Accounting Officer is responsible for the other information. The other information comprises information included in the Annual Report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial

statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and 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, 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 parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- in the light of the knowledge and understanding of the group and the parent and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance Report and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which I report by exception

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

- adequate accounting records have not been kept 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 to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### Report

I have no observations to make on these financial statements.

### Gareth Davies

Comptroller and Auditor General  
National Audit Office

157-197 Buckingham Palace Road  
Victoria, London, SW1W 9SP

17 July 2020

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## FINANCIAL STATEMENTS



## Consolidated Statement of Comprehensive Net Expenditure for the year ended 31 March 2020

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, including changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

£000		2019-20	2019-20	2018-19 Restated <sup>1</sup>	2018-19 Restated <sup>1</sup>
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Revenue from contracts with customers	5	(479,918)	(479,285)	(356,806)	(356,504)
Other operating income	5	(138,701)	(138,633)	(105,112)	(105,020)
Non-cash income	5	(22,021)	(21,967)	(8,010)	(7,957)
<b>Total operating income</b>	<b>5</b>	<b>(640,640)</b>	<b>(639,885)</b>	<b>(469,928)</b>	<b>(469,481)</b>
Staff costs	4	585,354	599,130	461,450	474,487
Grants	4	59,290	37,625	44,547	23,832
Purchase of goods and services	4	525,890	530,385	492,114	498,049
Rentals under operating leases	4	121,201	121,333	71,387	71,652
Geospatial data	4	80,544	80,544	80,875	80,875
Other	4	–	–	480	480
Returning Officers' expenses, England, Wales and Scotland	4	289,767	289,767	(291)	(291)
Depreciation, impairment and property gains	4	14,074	14,579	48,453	48,880
Provisions and other non-cash costs	4	791	631	(13,054)	(12,991)
<b>Total operating expenditure</b>	<b>4</b>	<b>1,676,911</b>	<b>1,673,994</b>	<b>1,185,961</b>	<b>1,184,973</b>
<b>Net operating expenditure</b>		<b>1,036,271</b>	<b>1,034,109</b>	<b>716,033</b>	<b>715,492</b>
Transfer of function	6.3	(3,920)	(3,920)	–	–
<b>Total non-operating gain</b>		<b>(3,920)</b>	<b>(3,920)</b>	<b>–</b>	<b>–</b>
Finance income		(16)	(16)	(2)	(2)
Finance expenditure		14	14	78	78
Non-cash interest cost on pension scheme liabilities		–	40	–	37
<b>Net finance expenditure</b>		<b>(2)</b>	<b>38</b>	<b>76</b>	<b>113</b>
Share of associates' results	10	(18,973)	(18,973)	(17,025)	(17,025)
Fair value gain on financial assets – associate put options	11.1, 11.2	(19,454)	(19,454)	(71,948)	(71,948)
<b>Net associates (non-cash)</b>		<b>(38,427)</b>	<b>(38,427)</b>	<b>(88,973)</b>	<b>(88,973)</b>
<b>Net expenditure for the year</b>		<b>993,922</b>	<b>991,800</b>	<b>627,136</b>	<b>626,632</b>

## Consolidated Statement of Comprehensive Net Expenditure (continued)

£000		2019-20	2019-20	2018-19 Restated <sup>1</sup>	2018-19 Restated <sup>1</sup>
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to net operating expenditure:</b>					
Net gain on revaluation of:					
Property, plant and equipment	4, 6	(10,986)	(11,008)	(12,395)	(12,213)
Intangible assets	7	(1,025)	(995)	(835)	(836)
Share of associates foreign exchange gain	10	(31)	(31)	–	–
Actuarial (gain) / loss on pension scheme liabilities		–	82	–	(5)
<b>Total other comprehensive income</b>		<b>(12,042)</b>	<b>(11,952)</b>	<b>(13,230)</b>	<b>(13,054)</b>
<b>Comprehensive net expenditure for the year</b>		<b>981,880</b>	<b>979,848</b>	<b>613,906</b>	<b>613,578</b>

<sup>1</sup>See Note 2.1

Notes 1 to 25 form part of these accounts.

## Consolidated Statement of Financial Position

as at 31 March 2020

This statement presents the financial position of the Department. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

£000		As at 31 March 2020	As at 31 March 2020	As at 31 March 2019 Restated	As at 31 March 2019 Restated	As at 1 April 2018 Restated	As at 1 April 2018 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group	Core Department and agency	Departmental group
<b>Non-current assets</b>							
Property, plant and equipment	6	366,783	367,778	346,352	347,637	314,250	316,032
Intangible assets	7	34,646	34,977	29,068	29,188	32,869	32,909
Investments in associates	10	67,770	67,770	66,190	66,190	69,147	69,147
Trade and other receivables	14	80,344	80,344	36,727	36,786	–	90
Other financial assets	11.2	25,086	25,086	350	350	350	350
<b>Total non-current assets</b>		<b>574,629</b>	<b>575,955</b>	<b>478,687</b>	<b>480,151</b>	<b>416,616</b>	<b>418,528</b>
<b>Current assets</b>							
Assets classified as held for sale	12	–	–	16,812	16,812	16,812	16,812
Inventories		419	419	569	569	534	534
Trade and other receivables	14	523,236	523,895	242,227	242,599	257,426	257,920
Other financial assets	11.1	66,666	66,666	71,948	71,948	–	–
Cash and cash equivalents	13	140,464	140,649	76,535	76,561	40,586	40,611
<b>Total current assets</b>		<b>730,785</b>	<b>731,629</b>	<b>408,091</b>	<b>408,489</b>	<b>315,358</b>	<b>315,877</b>
<b>Total assets</b>		<b>1,305,414</b>	<b>1,307,584</b>	<b>886,778</b>	<b>888,640</b>	<b>731,974</b>	<b>734,405</b>
<b>Current liabilities</b>							
Trade and other payables	15	(573,070)	(574,717)	(300,258)	(303,330)	(294,192)	(298,029)
Provisions	16	(2,674)	(2,674)	(2,759)	(2,979)	(996)	(1,123)
Retirement benefit obligations	19	–	(98)	–	(100)	–	(98)
<b>Total current liabilities</b>		<b>(575,744)</b>	<b>(577,489)</b>	<b>(303,017)</b>	<b>(306,409)</b>	<b>(295,188)</b>	<b>(299,250)</b>
<b>Total assets less current liabilities</b>		<b>729,670</b>	<b>730,095</b>	<b>583,761</b>	<b>582,231</b>	<b>436,786</b>	<b>435,155</b>
<b>Non-current liabilities</b>							
Trade and other payables	15	(14,065)	(14,076)	(4,000)	(4,018)	(837)	(853)
Provisions	16	(65,728)	(65,908)	(37,732)	(37,913)	(18,948)	(19,190)
Retirement benefit obligations	19	–	(1,362)	–	(1,335)	–	(1,400)
<b>Total non-current liabilities</b>		<b>(79,793)</b>	<b>(81,346)</b>	<b>(41,732)</b>	<b>(43,266)</b>	<b>(19,785)</b>	<b>(21,443)</b>
<b>Total assets less total liabilities</b>		<b>649,877</b>	<b>648,749</b>	<b>542,029</b>	<b>538,965</b>	<b>417,001</b>	<b>413,712</b>
<b>Taxpayers' equity and other reserves</b>							
General fund		553,303	552,113	456,220	453,039	340,827	337,240
Revaluation reserve		96,574	96,636	85,809	85,926	76,174	76,472
<b>Total equity</b>		<b>649,877</b>	<b>648,749</b>	<b>542,029</b>	<b>538,965</b>	<b>417,001</b>	<b>413,712</b>

78



**Alex Chisholm**

Civil Service Chief Operating Officer,  
Cabinet Office Permanent Secretary  
and Principal Accounting Officer

15 July 2020

Notes 1 to 25 form part of these accounts.

## Consolidated Statement of Cash Flows

for the year ended 31 March 2020

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Department during the reporting period. The statement shows how the Department generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the Department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Department's future public service delivery.

£000		2019-20	2019-20	2018-19	2018-19
	Note	Core Department and agency	Departmental group	Core Department and agency Restated <sup>1</sup>	Departmental group Restated <sup>1</sup>
<b>Cash flows from operating activities</b>					
Net operating expenditure	CSocNE	(1,036,271)	(1,034,109)	(716,033)	(715,492)
Adjustments for non-cash expenditure	4	14,865	15,210	35,399	35,889
Adjustments for non-cash income	5	(22,021)	(21,967)	(8,010)	(7,957)
Remove dividend income	5	(14,475)	(14,475)	(6,158)	(6,158)
Increase in trade and other receivables	14	(324,626)	(324,854)	(21,528)	(21,375)
<i>Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure or related to non-cash costs</i>					
Amounts relating to long term and short term debtors which offset dilapidation provision	14	28,049	28,049	35,354	35,323
Movement in amounts relating to provision for credit losses	4	(338)	(338)	151	151
Amounts relating to bad debt write-off	4	(471)	(471)	(309)	(309)
(Increase) / decrease in inventories		150	150	(35)	(35)
Transitional adjustment on adoption of IFRS 15	14.2	-	-	(728)	(728)
Amounts relating to prepayments offset by capital grant in kind income		5,522	5,522	-	-
Discount of receivable from Equiniti Ltd	4	212	212	(212)	(212)
Discount of receivable from sale of Sunningdale Park		(1,552)	(1,552)		
Increase in trade and other payables	15	282,877	281,445	9,229	8,466
<i>Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>					
Amounts due to the Consolidated Fund for Supply	15	1,079	1,079	(48,198)	(48,198)
Amounts payable to the Consolidated Fund	15	488	488	-	-
Cash surrenderable to the Consolidated Fund	15	-	(1)	-	(12)
Movement in capital accruals relating to investing activities		(5,132)	(5,132)	(34,707)	(34,707)
Amounts due to the Consolidated Fund for proceeds from disposal of shareholding in MyCSP Limited	15	-	-	(4,000)	(4,000)
Amounts relating to deemed cash settlement from 2018-19 transfer of function from Cabinet Office	SoCTE	(31)	(31)	-	-
Amounts due to the Consolidated Fund for proceeds from disposal of Sunningdale Park		(46,848)	(46,848)	-	-
Use of provisions	16, 17	(95)	(253)	(609)	(704)
<b>Net cash inflow / (outflow) from operating activities</b>		<b>(1,118,618)</b>	<b>(1,117,876)</b>	<b>(760,394)</b>	<b>(760,058)</b>

## Consolidated Statement of Cash Flows (continued)

£000		2019-20	2019-20	2018-19 Restated <sup>1</sup>	2018-19 Restated <sup>1</sup>
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
<b>Cash flows from investing activities</b>					
Purchase of non-financial assets					
- Purchase of property, plant and equipment	6	(22,405)	(22,565)	(43,714)	(43,822)
- Purchase of intangible assets	7	(16,460)	(16,735)	(14,179)	(14,275)
Proceeds from disposal of non-financial assets					
- Proceeds from disposal of property, plant and equipment		43	44	8	21
Dividends received from Crown Commercial Service	5	14,475	14,475	6,158	6,158
Dividends received from associates	10	17,424	17,424	14,281	14,281
Proceeds from financial assets – disposal of shareholding in MyCSP Limited	10	–	–	8,000	8,000
Proceeds from disposal of site at Sunningdale Park		48,400	48,400	–	–
Movement in capital accruals		5,132	5,132	34,707	34,707
<b>Net cash inflow / (outflow) from investing activities</b>		<b>46,609</b>	<b>46,175</b>	<b>5,261</b>	<b>5,070</b>
<b>Cash flows from financing activities</b>					
From the Consolidated Fund (Supply) – current year	CSoCTE	877,652	877,652	679,000	679,000
From the Consolidated Fund (Non-supply) – current year	CSoCTE	258,772	258,772	625	625
From the Consolidated Fund (Supply) in respect of Machinery of Government transfer of function		–	–	116,589	116,589
Grants from the parent Department		–	–	7	
Interest income	CSoCNE	16	16	2	2
Interest expense	CSoCNE	(14)	(14)	(78)	(78)
<b>Net financing</b>		<b>1,136,426</b>	<b>1,136,426</b>	<b>796,145</b>	<b>796,138</b>
<b>Net increase / (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>					
		<b>64,417</b>	<b>64,725</b>	<b>41,012</b>	<b>41,150</b>
Payments of amounts due to the Consolidated Fund – disposal of shareholding in MyCSP Limited		–	–	(4,000)	(4,000)
Payments of amounts due to the Consolidated Fund – consultant lobbyists' registration fees	15	–	(149)	–	(137)
Payment of amounts due to the Consolidated Fund - disposal of property		(488)	(488)	–	–
<b>Returning Officers' expenses, England, Wales and Scotland</b>					
Excess cash surrendered to the Consolidated Fund					
- 2016 Police and Crime Commissioner elections (paid in year)		–	–	(1,063)	(1,063)
<b>Net increase / (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>	13	<b>63,929</b>	<b>64,088</b>	<b>35,949</b>	<b>35,950</b>
<b>Cash and cash equivalents at the beginning of the period</b>	13	<b>76,535</b>	<b>76,561</b>	<b>40,586</b>	<b>40,611</b>
<b>Cash and cash equivalents at the end of the period</b>	13	<b>140,464</b>	<b>140,649</b>	<b>76,535</b>	<b>76,561</b>

<sup>1</sup> See Note 2

Notes 1 to 25 form part of these accounts.

## Statement of Changes in Taxpayers' Equity

### Core Department and Agency for the year ended 31 March 2020

This statement shows the movement in the year on the different reserves held by the Department, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The revaluation reserve reflects the changes in asset values that have not been recognised as income or expenditure. The general fund represents the total assets less liabilities of the Department, to the extent that the total is not represented by other reserves and financing items.

£000		General Fund	Revaluation Reserve	Taxpayers' Equity
	Note	Core Department and agency	Core Department and agency	Core Department and agency
<b>Balance at 1 April 2018 - restated</b>		<b>340,827</b>	<b>76,174</b>	<b>417,001</b>
Net Parliamentary Funding – drawn down	CSoCF	679,000	–	679,000
Amounts relating to Machinery of Government transfer of functions		125,342	–	125,342
Net Parliamentary Funding – deemed		2,664	–	2,664
Supply payable adjustment		(59,614)	–	(59,614)
Cash surrenderable to the Consolidated Fund – disposal of shareholding in MyCSP Limited	10	(8,000)	–	(8,000)
Grant from parent Department		7	–	7
Net expenditure for the year	CSoCNE	(627,136)	–	(627,136)
Transitional adjustment on adoption of IFRS 15	14.2	(728)	–	(728)
Non-cash charges – auditors' remuneration	4	754	–	754
Notional Corporate Services Recharges	5	(53)	–	(53)
<b>Returning Officers' expenses, England, Wales and Scotland</b>				
UK Parliamentary by-elections				
- Consolidated Fund Standing Services – non supply - drawn down	CSoCF	625	–	625
2019 Police and Crime Commissioners				
- Excess cash surrenderable to the Consolidated Fund	CSoCF	(1,063)	–	(1,063)
<b>Movements in Reserves</b>				
Net gain on revaluation of property, plant and equipment	CSoCNE	–	12,395	12,395
Net gain on revaluation of intangible assets	CSoCNE	–	835	835
Transfers between reserves		3,595	(3,595)	–
<b>Balance at 31 March 2019 - restated</b>		<b>456,220</b>	<b>85,809</b>	<b>542,029</b>
Net Parliamentary Funding – drawn down	CSoCF	877,652	–	877,652
Net Parliamentary Funding – deemed	15	61,509	–	61,509
Supply payable adjustment	15	(60,430)	–	(60,430)
Cash surrenderable to the Consolidated Fund – Sale of Sunningdale Park	12	(48,400)	–	(48,400)
Net expenditure for the year	CSoCNE	(993,922)	–	(993,922)
Non-cash charges – auditors' remuneration	4	710	–	710
Notional Corporate Services Recharges	5	(54)	–	(54)
<b>Returning Officers' expenses, England, Wales and Scotland</b>				
Consolidated Fund Standing Services – non supply - drawn down:				
- 2019 UK Parliamentary General elections		121,400	–	121,400
- UK Parliamentary by-elections		768	–	768
- UK Parliamentary recall petitions		187	–	187
- 2019 European Parliamentary elections		134,542	–	134,542
- Police and Crime Commissioner by-elections		1,875	–	1,875
<b>Movements in Reserves</b>				
Net gain on revaluation of property, plant and equipment	CSoCNE	–	10,986	10,986
Net gain on revaluation of intangible assets	CSoCNE	–	1,025	1,025
Share of associates foreign exchange gains / (losses)	CSoCNE	–	31	31
Transfers between reserves		1,277	(1,277)	–
Deemed settlement of Transfer of Function in 2018-19 from Cabinet Office to the Government Property Agency		(31)	–	(31)
<b>Balance at 31 March 2020</b>		<b>553,303</b>	<b>96,574</b>	<b>649,877</b>

<sup>1</sup> See Note 2

Notes 1 to 25 form part of these accounts.

## Consolidated Statement of Changes in Taxpayers' Equity (continued)

Departmental Group for the year ended 31 March 2020

£000		General Fund	Revaluation Reserve	Taxpayers' Equity
	Note	Departmental Group	Departmental Group	Departmental Group
<b>Balance at 1 April 2018 - restated</b>		<b>337,240</b>	<b>76,472</b>	<b>413,712</b>
Net Parliamentary Funding – drawn down	CSoCF	679,000	–	679,000
Amounts relating to Machinery of Government transfer of functions	2	106,673	–	106,673
Net Parliamentary Funding – deemed		2,664	–	2,664
Supply payable adjustment		(59,614)	–	(59,614)
Cash surrenderable to the Consolidated Fund – disposal of shareholding in MyCSP Limited	10	(8,000)	–	(8,000)
Cash surrenderable to the Consolidated Fund – Consultant Lobbyists registration fees	15	(149)	–	(149)
Grants from parent department		18,669	–	18,669
Net expenditure for the year	CSoCNE	(626,632)	–	(626,632)
Transitional adjustment on adoption of IFRS 15	14.2	(728)	–	(728)
Non-cash charges – auditors' remuneration	4	754	–	754
<b>Returning Officers' expenses, England, Wales and Scotland</b>				
UK Parliamentary by-elections				
- Consolidated Fund Standing Services – non supply - drawn down	CSoCF	625	–	625
2019 Police and Crime Commissioners				
- Excess cash surrenderable to the Consolidated Fund	CSoCF	(1,063)	–	(1,063)
<b>Movements in Reserves</b>				
Net gain on revaluation of property, plant and equipment	CSoCNE	–	12,213	12,213
Net gain on revaluation of intangible assets	CSoCNE	–	836	836
Actuarial gain on pension scheme liabilities		5	–	5
Transfers between reserves		3,595	(3,595)	–
<b>Balance at 31 March 2019 – restated</b>		<b>453,039</b>	<b>85,926</b>	<b>538,965</b>
Net Parliamentary Funding – drawn down	CSoCF	877,652	–	877,652
Net Parliamentary Funding – deemed	15	61,509	–	61,509
Supply payable adjustment	15	(60,430)	–	(60,430)
Cash surrenderable to the Consolidated Fund – Sale of Sunningdale Park	12	(48,400)	–	(48,400)
Cash surrenderable to the Consolidated Fund – Consultant Lobbyists Registration Fees	15	(150)	–	(150)
Net expenditure for the year	CSoCNE	(991,800)	–	(991,800)
Non-cash charges – auditors' remuneration	4	710	–	710
<b>Returning Officers' expenses, England, Wales and Scotland</b>				
Consolidated Fund Standing Services – non supply - drawn down:				
- 2019 UK Parliamentary General elections		121,400	–	121,400
- UK Parliamentary by-elections		768	–	768
- UK Parliamentary recall petitions		187	–	187
- 2019 European Parliamentary elections		134,542	–	134,542
- Police and Crime Commissioner by-elections		1,875	–	1,875
<b>Movements in Reserves</b>				
Net gain on revaluation of property, plant and equipment	CSoCNE	–	11,008	11,008
Net gain on revaluation of intangible assets	CSoCNE	–	995	995
Share of associates foreign exchange gains / (losses)	CSoCNE	–	31	31
Actuarial gain on pension scheme liabilities		(82)	–	(82)
Transfers between reserves		1,324	(1,324)	–
Deemed settlement of Transfer of Function in 2018-19 from Cabinet Office to the Government Property Agency		(31)	–	(31)
<b>Balance at 31 March 2020</b>		<b>552,113</b>	<b>96,636</b>	<b>648,749</b>

<sup>1</sup> See Note 2

Notes 1 to 25 form part of these accounts.

# Notes to the consolidated financial statements

## 1. Accounting policies, key accounting estimates and judgements

### 1.1 Statement of accounting policies

These financial statements have been prepared in accordance with the 2019-20 *Government Financial Reporting Manual (FReM)* issued by HM Treasury. The accounting policies contained in the *FReM* apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. 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 Cabinet Office for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Cabinet Office 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 under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets.

### 1.3 Basis of consolidation

These accounts comprise a consolidation of the core Department, its executive agency and those arm's length bodies which fall within the Departmental boundary as defined in the *FReM* and make up the 'Departmental Group'. A list of all those entities within the Departmental boundary is given at Note 24.

The financial reporting year for the core Department, its executive agency and arm's length bodies is co-terminous and their accounting policies are not materially different. Transactions between these entities are eliminated.

### 1.4 Going concern

The financial statements for the Cabinet Office have been prepared on the basis that the Department is a going concern. Financial provision for its activities is included in the 2019 Spending Review which set out budgets for 2020-21 and Parliament has authorised spending for 2020-21 in the *Central Government Main Supply Estimates 2020-21 (HC 293)*.

Legislation requires that election expenses of Returning Officers are met directly from HM Treasury's Consolidated Fund as a Consolidated Fund Standing Service without the need for further annual authorisation from Parliament.

The financial statements for the Civil Service Commission, the Registrar of Consultant Lobbyists and the Equality and Human Rights Commission have been prepared on the basis that they are going concerns financed by grant-in-aid from the Cabinet Office.

The GPA is 'supply-financed' by the Cabinet Office and invoices property costs to the tenant occupiers with the longer term intention that the GPA becomes a self-funding Agency.

## Accounting policies for expenditure

### 1.5 Restated amounts

Prior year comparatives are restated for Machinery of Government transfers of function.

Machinery of Government changes, which involve the transfer of functions or responsibilities between two or more Government Departments, are accounted for as a business combination using merger accounting principles in accordance with the *FReM*.

Accordingly, the results, balances and cash flows relating to the in-year transferred functions or responsibilities are written in or out of the accounts from the start of the financial year and prior year comparatives are restated, with corresponding adjustments being made to the general fund. The historic carrying values of assets and liabilities are not adjusted to fair value, but, where appropriate, adjustments are made to achieve uniformity of accounting policies.

In so doing, it appears that the Department always existed in its present form. This enables the user of the accounts to make useful comparisons between the data from the prior year to the current year; see Note 2.

### 1.6 Transfer by absorption

Transfers of function between public sector bodies (excluding those between central Government Departments to which merger accounting applies) are accounted for as transfers by absorption.

In accordance with the *FReM*, the carrying value of the assets and liabilities of the combining bodies or functions are not adjusted to fair value on consolidation. There is no recognition of goodwill and no restatement of comparatives in the primary financial statements. The recorded amounts of net assets/liabilities are brought into the financial statements of the transferee and written out of those of the transferor from the date of transfer. The net asset/liability carrying value is recorded against non-operating gain/loss through net expenditure. Any revaluation reserves are transferred in full with the remaining balance transferred to the General Fund.

On 1 April 2019, responsibility for the Whitehall District Heating System and Whitehall Standby Distribution System transferred from Crown Commercial Service to the Government Property Agency (GPA). The transfer included Property, Plant and Equipment (£3.920 million) and resulted in a corresponding net non-operating gain to GPA.

### 1.7 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 in deciding how to allocate resources and in assessing performance. The chief operating decision makers have been identified as the Principal Accounting Officer and the Minister for the Cabinet Office.

### 1.8 Employee benefits

#### *Short-term benefits*

Where an employee has rendered service to the Department during the financial year, the Department 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 not accrued at 31 March since the appraisal process which determines performance pay is only finalised after the accounts have been prepared.

#### *Termination benefits*

Termination benefits include lump sum payments and payments in lieu of notice. The Department makes provision for termination benefits in cases of compulsory redundancy on announcement of a detailed plan. The Department makes a provision for voluntary redundancies upon issue of offer letters to employees and where there is full or over-subscription by employee applications to the scheme.

The Department then accrues for termination benefits in cases of both voluntary and compulsory redundancy at the point at which the employee has accepted the offer made by the Department, and then reverses the earlier provision.

### 1.9 Pensions

The majority of past and present employees within the Cabinet Office Departmental boundary are covered by the provisions of the Civil Service pension arrangements. The defined benefit schemes are unfunded.

The Department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Civil Service pension arrangements of amounts calculated on an accruing basis.

Liability for payment of future benefits is a charge on the Civil Service pension arrangements. In respect of the defined contribution schemes, the Department recognises the contributions payable for the year.

Pension benefits for former Chairs of the Commission for Equality and Human Rights and legacy Commissions are provided under a 'broadly by analogy' scheme. The scheme disclosures are stated in accordance with IAS 19, Employee Benefits. This scheme is an unfunded defined-benefit scheme managed by the Home Office Shared Service Centre, and any pensions are administered by them in accordance with the standard rules (by analogy with the PCSPS). Where actuarial gains and losses arise from changes to actuarial assumptions when revaluing future benefits, and from actual experience in respect of scheme liabilities and investment performance of scheme assets being different from previous assumptions, then the actuarial gains and losses are recognised directly in taxpayers' equity for the year.

### 1.10 Grants

Grants are unrequited payments made by the Department to outside bodies to reimburse expenditure on agreed items or functions and are often only paid on statutory conditions being met. Under the terms and conditions of some grants, the unspent element may be returned to the Department, if the conditions are not met or if the grant is no longer required. Grants may be resource or capital. The Department recognises grant expenditure at the point of cash disbursement where there is no material difference from accruals accounting.

Grants-in-aid are financing payments made by the Department to an arm's length body. They are recognised in the accounts of the core Department only and eliminated on consolidation. The Department recognises grants-in-aid at the point of cash disbursement.

### 1.11 Operating leases

Operating leases and lease incentive (periods of rent-free occupation) are charged to the CSOCNE on a straight-line basis over the lease term. 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.

## Accounting policies for income

### 1.12 Revenue from contracts with customers

IFRS 15 introduces a new model for revenue recognition based upon the transfer of control rather than the transfer of risks and rewards of ownership and upon satisfaction of performance obligations. The core principle of this Standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under IFRS 15, key judgements in determining the recognition and timing of revenue recognition are identification at the point when:

- control of goods and services is transferred under contractual arrangements and services to the customer; and;

- performance obligations are satisfied, whether at a point in time or over time.

A 'point in time' is most likely to apply when transferring goods to a customer and 'over time' when transferring services to a customer.

For service provision, point of recognition is dependent upon contract terms. Revenue is measured based on consideration specified in a contract. Revenue related to performance obligations recognised over time as the service is rendered is measured by reference to either input (resources consumed in satisfying a performance obligation) or output (measurements of value to the customer of services transferred) methods. The Department generally measures revenue by reference to input and operates various cost recovery models. Most of the Department's performance obligations relate to services satisfied over time, such as assurance reviews, Fast Stream recruitment and supply of IT hardware and licences; see Note 5.

If an entity performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the entity shall present the contract as a contract asset, excluding any amounts presented as a receivable. A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. A contract liability is recognised where the Department has billed the customer but deferred income into the following financial year in line with a performance obligation being satisfied over a 12 month period.

## 85 1.13 Government Property Agency non-rental income

Other income relates to capital grant income and non-rental income, which have been recognised in accordance with IFRS 15 on revenue recognition. Service charge and utilities recharge revenue is recognised in accordance with IFRS 15 revenues from contracts with customers. This income arises from tenant leases, which provide for the recovery of all or a portion of the operating expense 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 GPA receives a share of any savings achieved (gain share) compared to the terms of the existing lease arrangement.

### 1.14 Rental income

Rental income, including fixed rental uplifts, is recognised in accordance with IAS 17 *Leases* 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 period from the date of the lease commencement to the earliest termination date. Incentives for the agreement of a new or renewed operating lease are recognised as a reduction of the rental expense over the lease term, irrespective of the incentive's nature or form, or the timing of payments.

Increasingly GPA plan to use incentive payments to enhance the leased property before it is sub-let to GPA clients. In these cases GPA has agreed with HM Treasury it may elect to treat the lease incentive payment within the budgetary framework as capital grant income and benefit to capital budget (Capital DEL) and not a reduction of the rental expense over the lease term. As such, the budgeting treatment will differ from the accounting treatment shown in these statements. In 2019-20 GPA elected to do this with an incentive payment made for Bristol Temple Quays House

### 1.15 Other income

Dividends are recognised when the Department's right to receive payment has been established. Grant repayments are recognised at the point of cash receipt.

The notional Digital Apprenticeship Service grant income offsets the notional grant expenditure which represents apprenticeship training received and funded through the levy paid. See Notes 4 and 5.

Capital grant in kind is the mechanism for deemed funding of non-current assets and this offsets donated assets and assets transfers from other Government Departments for nil consideration; see Notes 5, 6 and 7. This recognition criteria is set out in the *FReM* and results in assets recognised as donated assets with equal and opposite capital grant in kind income in accordance with IAS 20.

### 1.16 Income payable to the Consolidated Fund and recognised in CSoCNE

Fees charged upon consultant lobbyists for making, updating and maintaining their entries in a Register are returned to the Consolidated Fund. HM Treasury has agreed that these fees may be netted off against expenditure and recorded as income in CSoCNE.

### 1.17 Non-operating income recognised in CSoCNE

Non-operating income relates to associates; equity accounting for a share of the results of all associates are disclosed at Notes 5 and 10.

### 1.18 Non-operating income recognised in CSoFP

Non-operating income relates to the sale of investments and non-current assets.

## Accounting policies for assets and liabilities

### 1.19 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 properties surplus to requirement and art and antiques which are treated as Heritage Assets which are non-depreciating. Cost comprises the amount of cash paid to acquire the asset and includes any costs necessary to bring the asset to working condition for its intended use. The capitalisation threshold for expenditure on property, plant and equipment for the core Department and agencies is £5,000. The Equalities and Human Rights Commission (EHRC) is an arm's length body and has a capitalisation threshold for expenditure on property, plant and equipment of £3,000. This difference in recognition criteria has been assessed to have an immaterial impact on the net book value of property, plant and equipment reported by the Departmental Group.

Freehold properties held by the core Department and GPA are shown at fair value as calculated by independent qualified valuation experts every five years. Each property is revalued on a rotational basis on a five year cycle commencing at the point of acquisition or onboarding into the GPA.

Valuations are based on a number of key assumptions including an estimate of future rental income, anticipated future costs, and a discount rate. The valuers also compare their valuations to market data for other similar assets.

In the intervening years, if material, changes in fair value are determined by reference to current prices on an active market for similar property (i.e. using published indices).

Other operational assets are revalued to open market value where obtainable, or on the basis of depreciated replacement cost where market value is not obtainable. Published indices appropriate to the category of asset are normally used to estimate value.

Art and antiques, including some heritage assets, have been inherited by the Department since its earliest existence and are held mainly in 10 Downing Street and 70 Whitehall. They are subject to professional valuation on the basis of insurance value or mid-auction estimate every five years, with the revaluation being taken into the revaluation reserve. They are not 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 CSocNE, in which case the increase is recognised in the CSocNE. A revaluation deficit is recognised in the CSocNE, 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 CSocNE.

### 1.20 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 going forward.

Asset lives are normally in the following ranges:

Freehold buildings, including dwellings	25 to 60 years
Leasehold building improvements	over the remaining term of the lease
Information technology and office equipment	3 to 10 years
Plant and machinery	3 to 10 years
Furniture and fittings	3 to 15 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 items for collections since they have unlimited or very long estimated useful lives, nor on non-current assets held for sale. 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.

### 1.21 Donated assets

The value of donated assets is recognised as capital grant in kind income and credited to the general fund. 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 CSocNE, in which case the increase is recognised in the CSocNE.

A revaluation deficit is recognised in the CSocNE, except to the extent of any existing surplus in respect of that asset in the revaluation reserve.

Gifts of ornaments and jewellery received by past and present Prime Ministers and their spouses are treated as donated assets within art and antiques and capitalised at their fair value on receipt. They are subject to professional valuation on a regular basis as required. Gifts are not depreciated, since, by their nature, their useful economic life is indefinite.

The Civil Service Club is recognised as a donated asset. Members of the Civil Service and the Foreign Service contributed to the wedding present for Her Majesty the Queen and part of the sum subscribed was, by her wish, applied to some object of general benefit to the Civil and Foreign Services and consequently the Civil Service Club was purchased; see Note 6

## 1.22 Intangible assets

Intangible assets are defined as identifiable non-monetary assets without physical substance. Software that is embedded in computer-controlled equipment that cannot operate without that specific software is an integral part of the related hardware and is treated as property, plant and equipment.

Intangible assets are measured on initial recognition at cost. The capitalisation threshold for expenditure on intangible assets for the core Department and agencies is £5,000. The EHRC has a capitalisation threshold for expenditure on intangible assets of £3,000. This difference in recognition criteria has been assessed to have an immaterial impact on the net book value of intangible assets reported by the Departmental Group. Following initial recognition, where an active market exists, intangible assets are carried at fair value in the CSOFP. Where no active market exists, the Department 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 Department 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.

## 1.23 Amortisation on intangible assets

Intangible assets are currently assessed to have a finite life of between three and ten 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.

## 1.24 Investments in associates

An associate is an entity over which the Department has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. It is assumed that associate status exists where the Department has a shareholding of 20% or more but no greater than 50%.

Investments in associates are required to be accounted for using the equity method whereby an investment is initially recorded at cost and subsequently adjusted to reflect the Department's share of the net profit or loss, and thereby of the net assets, and of the other comprehensive income of the associate.

In cases where an associate incurs substantial losses, such that the investment is written down to nil, additional losses are not recognised, given the Department has no legal or constructive obligation in respect of the associate's cumulative losses. Dividend distributions received from the associate reduce the carrying amount of the investment. Recoverable amounts are assessed for each individual associate.

In cases where the associate's and the Department's reporting periods are not coterminous but are no greater than three months apart, the Department uses the most recent audited financial statements of the associate in applying the equity method of accounting and, where necessary, makes adjustments for the effects of significant transactions up to the reporting date of the Department's financial statements. In cases where the associate's and the Department's accounting policies are not uniform, then where material, adjustments are made.

## 1.25 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.

## 1.26 Cash and cash equivalents

Cash in the CSOFP comprises cash at bank and in hand. For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash, net of outstanding bank overdrafts.

## 1.27 Impairment of financial assets

IFRS 9 contains a new impairment model which requires recognition of 'expected' losses rather than 'incurred' losses. IAS 39 incurred loss model delayed recognition of losses until there was evidence of a credit loss.

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. 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.

### 1.27 Impairment of financial assets (continued)

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 Department 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 Department has developed a provision matrix to estimate ECL which groups receivables by sector: private, public and central Government Departments and factors in historical experience of write offs and age of the debt; market information is taken into account where available.

### 1.28 Financial assets

Financial assets are recognised when the Department becomes party to the contracts that give rise to them.

The Department determines the classification of its financial assets at initial recognition in accordance with IFRS 9 and, where allowed and appropriate, re-evaluates this designation at each financial year-end. The Department considers whether a contract contains an embedded derivative when the entity first becomes party to it.

The subsequent measurement of financial assets depends on their classification. Financial assets are derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

The following classifications are currently applicable:

#### *Investments in other bodies*

Public dividend capital is shown at historical cost, less any impairment. The Cabinet Office has public dividend capital held within the Crown Commercial Service. The Cabinet Office assesses at 31 March whether there is objective evidence that this asset is impaired in terms of whether there has been a decline in value below its cost. Dividends are recognised when the Department's right to receive payment is established.

#### *Receivables*

Trade receivables and other contract receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current.

Cabinet Office holds financial assets in order to collect contractual cash flows (Hold to collect) and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Trade and other receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are subsequently measured at amortised cost, less loss allowance.

Provision is made when there is objective evidence that the Department will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote. Details about the Department's impairment policies and calculation of loss allowance are provided in Notes 1.27 and 1.33.

#### *Put option arrangements*

The Department holds put options over the equity of its investments in certain associates which allow it to put its shareholdings to the other shareholder at their fair value over a specified period.

The amount that may become receivable under the option on exercise is initially recognised at fair value through profit or loss and is subject to re-measurement to fair value at the end of each reporting period. The receivable is calculated at formula values linked to the associates' net cash or debt positions and prior year earnings, or future year forecasts and is stated net of the carrying value of the investment; see Note 1.24 Investments in associates.

In the event that the option expires unexercised, the asset will be de-recognised with a corresponding adjustment to profit or loss.

#### *Advances to Returning Officers*

Prior to an election, the Department pays an initial advance to each Returning Officer of up to 75% of the estimated cost of running the poll in his or her voting area. Returning Officers can subsequently request further payments, for instance to cover invoices that need to be paid urgently, up to a maximum of 90%.

Following an election, Returning Officers are required to submit a statement of accounts showing the actual costs incurred in running the poll. Advances are recognised as receivables in the accounts until expense claims are settled.

If Returning Officers have spent more than the amount advanced to them, they will be reimbursed accordingly, unless they have failed to submit an expense claim within agreed deadlines and sanctions are applied against them, in which case no additional payments are made and Returning Officers must bear the additional cost of the elections themselves.

In exceptional cases where the total cost of a claim exceeds the maximum recoverable amount, the Department has the discretion to pay the additional expenses if the Returning Officer can provide evidence that the expenditure was necessary and reasonable for the effective and efficient conduct of the poll.

#### *Amounts owed by Returning Officers*

If Returning Officers have spent less than the amount advanced to them, an invoice for the underspend will be raised upon them resulting in a debtor balance.

## 1.29 Value Added Tax

Some of the activities of the core Department are outside the scope of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed 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 in respect of VAT is included within receivables and payables in the CSoFP, respectively.

## 1.30 Financial liabilities

Financial liabilities are classified as other financial liabilities. Financial liabilities are derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

### *Other financial liabilities*

Trade and other payables are recognised at cost, which is deemed to be materially the same as the fair value. Where the time value of money is material, payables are subsequently measured at amortised cost.

Trade and other payables include accruals for election expenses, cash receipts from Returning Officers in respect of unsettled claims, and forfeited deposits and excess cash surrenderable to the Consolidated Fund.

### *Accruals for Returning Officers' expenses*

On the date of an election, an accrual is raised for the costs of candidates' mailings and for the maximum recoverable amount for each Returning Officer's constituency as listed in the statutory instrument, the 'Charges Order'. In addition to setting the maximum recoverable amounts, the Charges Order specifies the types of expenses that Returning Officers can claim which must be necessary and reasonable for the effective conduct of the poll.

Accounts regulations issued for elections require Returning Officers to submit statements of account/expense claims within six months of the date on which the result of an election is announced.

### *Accruals for Returning Officers' expenses*

Accruals at 31 March are adjusted to reflect the actual level of claims received from Returning Officers in cases where trends indicate that the actual level of claims may be materially lower than the maximum recoverable amount. Accruals are reversed in full upon settlement of Royal Mail invoices and each Returning Officer's expense claim.

### *Excess cash surrenderable to the Consolidated Fund in respect of elections*

In advance of an election, the Department estimates the likely costs that each Returning Officer will incur. This is based on each Returning Officer's approved expenditure from the last relevant poll adjusted for changes in the electorate size, numbers of postal voters, inflation and the change in the degree of poll combination.

The Department agrees the projected costs with HM Treasury so that funds may be made available from the Consolidated Fund once the Charges Order is made by the Parliamentary Secretary (Minister for the Constitution).

Excess cash arises when Returning Officers' expense claims and invoices for the delivery of candidate mailings are less than the estimated cost of conducting the poll upon which the funding is based.

## 1.31 Provisions

A provision is recognised when the Department 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. See Note 16.

For early departure costs, the Department establishes a provision for the estimated payments discounted by the Treasury rate for post-employment benefits of (0.5)% (2018-19: 0.29%) in real terms effective from 31 March 2020. Where discounting is used, the increase in the provision due to borrowing costs is recognised as a finance cost.

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. The GPA recognise a corresponding receivable, calculated on the same basis, in the CSoFP with any difference from the established liability arising from voids being recognised in the CSocNE.

## 1.32 Contingent liabilities and contingent assets

Contingent assets and liabilities are not recognised in the CSOFP 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 Department 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.

### Accounting estimates and judgements

#### 1.33 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the Consolidated Statement of Financial Position (CSoFP) and amounts reported for income and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In the process of applying the Department'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 financial statements:

##### **Revenue from contracts with customers**

Judgements are applied to measurement and timing of revenue recognition and related balances for contract assets, trade receivables and accrued and deferred income in the context of satisfaction of performance obligations over time or at a point in time; see Note 1.12.

##### **Development costs**

Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed.

##### **Untaken annual leave**

Annual leave untaken at year-end is accrued. Employees' leave years are determined by the anniversary of their joining the Cabinet Office and so the average number of days leave not taken for each grade is assessed from exercises performed at mid-year and at year-end and multiplied by the average salary and staff in post at year-end.

##### **Staff engaged on capital projects**

The capitalisation of staff 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.

##### **Private Finance Initiative (PFI) arrangements**

The classification of Private Finance Initiative (PFI) arrangements as service concession arrangements requires the Department to determine, based on an evaluation of the terms and conditions of the arrangements, whether it controls the infrastructure. See Note 21.

##### **Impairment of assets**

The Department assesses whether there are any indicators of impairment for all financial and non-financial assets at each reporting date. Assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. See Notes 6, 7 and 8.

Impairments of non-current assets that are due to a clear consumption of economic benefit are recognised in the Consolidated Statement of Comprehensive Net Expenditure (CSoCNE) rather than set against an available revaluation reserve. The financial performance of associate companies is assessed annually for indication of any impairment.

For current receivables, such as trade receivables, accrued income and other receivables, a provision is taken against public and private sector debt by reference to payment history and economic conditions against settlement terms using a provision matrix. Debt provisions are established for private sector debt when current, for public sector debt, when 91 days overdue and for other Government Departments debt when 361 days overdue and increase as the age of the debt increases.

Debts are written off in cases where the Cabinet Office is unable to collect or where debt is deemed uneconomic to collect. See Note 1.27.

For non-current receivables, such as deferred consideration, criteria specific to the debtor organisation are applied in assessing the impact of its financial position on its ability to settle its debt, for example reviewing borrowing arrangements, financial ratio and market share.

##### **Transfer of assets from other Government Departments**

The transfer of assets and programmes to the Department, are assessed for recognition and application in accordance with the *FReM* and other frameworks covering all such transfers. Where individual assets are transferred without a function, they are transferred at fair value from the date of transfer with an equal and opposite operating capital grant in kind. This treatment aligns with that applied in IAS 20 to assets funded by way of grant, where assets are transferred for nil consideration and considered to be donated assets in kind.

##### **IAS16 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 Department. The prime objective of the Department's Executive Agency, GPA, is to facilitate the efficient use of Government assets and these assets are therefore not being held to generate a return or for capital appreciation.

The adoption of IAS 40 *Investment Property* is not considered to be appropriate as assets are considered to be operational rather than investment assets.

The budgeting consequences of adopting IAS 16 will be no different than if properties had remained on an individual Department's books. On this basis, HM Treasury has agreed to the GPA adopting IAS 16.

##### **Determining whether an arrangement contains a lease**

The GPA makes judgements 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.

**Lease classification**

**Cabinet Office as lessee** - The classification of property, plant and equipment leases as finance or operating leases requires the Department to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and whether it meets the criteria for recognition in accordance with IAS 17.

The following criteria are used 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; and
- 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.

**Cabinet Office as lessor** – where the Cabinet Office enters into lessor arrangements, most notably through the GPA’s subleasing arrangement with both other Government Departments and non-Departmental entities, the GPA makes judgement as to who in substance should recognise the asset under the provisos of IAS 16.7. For a tenant to recognise the asset, they would be substantially consuming the benefit of the asset.

To assist with the judgement the following criteria are considered in addition to the criteria as lessee:

- whether the signed Terms of Occupation Agreements (TOA) 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"; and
- whether the asset is shared or is in use for one particular tenant.

**Leasehold improvements**

During the assignment of leases from other Government Departments to the GPA where historic property 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 improved is occupied by a sole 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 continues to be recognised by the tenant rather than the GPA.

Where the improvements are deemed to be for the benefit of all tenants, the life of those improvements extends past individual tenancies and the cost is collected via increased rent payments, the GPA recognises the leasehold improvements within property, plant and equipment.

**Property Valuations**

Freehold properties held by the core Department and GPA are shown at fair value as calculated by independent qualified valuation experts every five years. Each property is revalued on a rotational basis on a five year cycle commencing at the point of acquisition or onboarding into the GPA.

Valuations are based on a number of key assumptions including an estimate of future rental income, anticipated future costs, and a discount rate. The valuers also compare their valuations to market data for other similar assets.

In the intervening years, if material, changes in fair value are determined by reference to current prices on an active market for similar property (i.e. using published indices).

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the reporting date, the Cabinet Office attach less weight to previous market evidence for comparison purposes, to inform estimations of value. Indeed, the current response to COVID-19 means that the Cabinet Office are faced with an unprecedented set of circumstances on which to base a judgement.

Valuations are therefore reported on the basis of ‘material valuation uncertainty’. Consequently, less certainty – and a higher degree of caution – should be attached to valuations than would normally be the case. Given the unknown future impact of COVID-19, the Cabinet Office will keep the valuation of its property assets under frequent review.

**Provisions**

Provisions 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.

HM Treasury discount rates for general provisions and post-employment benefits are applied where appropriate. See Notes 1.31 and 16.

**Retirement benefit obligations - Equality and Human Rights Commission**

The former Chair’s pension scheme is unfunded and exposes the Commission to uncertainty arising from the actuarial valuation of the scheme which uses factors such as changes in life expectancy and discount rates to calculate the scheme’s total liability.

### 1.34 Impending application of newly issued accounting standards not yet effective

*The following standard is expected to be applied in 2020-21 following HM Treasury consultation; effective 1 April 2020*

#### Conceptual Framework (Amendment)

The revised Conceptual Framework, issued by the Board in March 2018, includes:

- a new chapter on measurement;
- guidance on reporting financial performance;
- improved definitions of an asset and a liability, and guidance supporting these definitions; and
- clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

#### Impact

Minimal – The framework will only be relevant to preparers in exceptional circumstances where existing reporting standards cannot be applied and a bespoke accounting treatment must instead be developed from the principles in the Framework.

*The following standards are expected to be applied in 2020-21 following HM Treasury consultation; effective 1 April 2020*

#### IAS 1 and IAS 8 Disclosure initiative: Definition of material (Amendment)

The amendments clarify the definition of material and its application by:

- aligning the wording of the definition of material across all IFRS Standards and other publications and making minor improvements to that wording;
- including some of the supporting requirements in IAS 1 Presentation of Financial Statements in the definition to give them more prominence; and
- clarifying the explanation accompanying the definition of material.

#### Impact

While updates to the concept of materiality will affect all account preparers, the amendments are unlikely to result in significant changes to materiality limits or disclosure

*The following standard is expected to be applied in 2021-22 following HM Treasury consultation; effective 1 April 2021*

#### IFRS 16 Leases

IFRS 16 deals with the definition of a lease and recognition and measurement of leases and establishes principles for disclosures and replaces IAS 17 *Leases*. It represents a significant change in lessee accounting by largely removing the distinction between finance and operating leases and introducing a single lessee accounting model.

A lessee is required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value on the Statement of Financial Position. There are corresponding changes to the disclosure requirements to show the effect that the leases have on the financial position, financial performance and cash flows of the lessee.

Given the consequences of COVID-19 and the associated reporting burden, HM Treasury agreed with the Financial Reporting Advisory Board (FRAB) on 18 March 2020 to defer the implementation of IFRS 16 in central government until 1 April 2021. This represents a one-year deferral from the initial effective date of 1 April 2020.

#### Impact

The new standard will have a material impact on the Cabinet Office, with the majority of this impact due to the GPA's lease and sublease arrangements.

**Cabinet Office as lessee** – For arrangements where the Cabinet Office is the lessee, IFRS 16 will result in almost all operating leases being brought on balance sheet, as the distinction between finance and operating 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 and subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability. Cost comprises the initial measurement of the lease liability together with lease payments made on or before the lease commencement date, initial direct costs and an estimate of any restoration costs.

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, amongst others. 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. In addition, extensive disclosures are required by IFRS 16.

As lessee, the Cabinet Office expects to recognise lease liabilities and an increase to property, plant and equipment of approximately £797.529 million through the recognition of lessee contracts on 1 April 2021.

**Cabinet Office as lessor** - The standard will also impact the Cabinet Office's financial position as a lessor, specifically through the GPA's subleasing arrangement with both other Government Departments and non-Departmental entities. GPA will have to assess whether the lease should be treated as a finance 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 net investment in the sublease, which will be amortised in a similar manner to the lease liability as described above, but recognising interest as income. A gain or loss on disposal of the right of use or freehold property asset will be recognised in the statement of changes in net expenditure at the time of the recognition of the net investment in the sublease.

Cabinet Office 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.

As lessor, Cabinet Office expects to reclassify a large portion of its sublease arrangements as finance leases. Leased assets of a total value of £701.030 million will be derecognised and subsequent net investments in subleases will be recognised.

Cabinet Office expects that underlying net expenditure will decrease by approximately £0.388 million for 2021-22 as a result of adopting IFRS 16.

Where new GPA Hubs properties are in the process of being made ready for tenancy, but where tenancy agreements for these properties are not yet signed, the impact of such arrangements are not included within this assessment.

## 2. Restatement of prior year comparatives

In 2019-20 a number of Machinery of Government changes affected Cabinet Office, as follows:

MOG Reference	Entity	Exporting Department	Importing Department
GEO	Government Equalities Office	Department for International Development	Cabinet Office
EHRC	Equality and Human Rights Commission	Department for International Development	Cabinet Office
ODI	Office for Disability Issues	Department for Work and Pensions	Cabinet Office
DExEU	Department for Exiting the European Union	Department for Exiting the European Union	Cabinet Office

### Government Equalities Office

A Prime Ministerial written statement on 23 November 2018 announced that the Government Equalities Office (GEO) would transfer to the Cabinet Office from the Department for International Development in a Machinery of Government transfer on 1 April 2019.

This Machinery of Government change provides a permanent home for the GEO, in line with a key recommendation from the Women and Equalities Select Committee. It will enable the GEO to better co-ordinate work across government, including with the Race Disparity Unit, the Office for Disability Issues, and others, to drive real and meaningful progress on the equalities agenda.

### Equality and Human Rights Commission

The Government Equalities Office are the sponsors of the Equality and Human Rights Commission (EHRC) which has become an arm's length body of the Cabinet Office.

The EHRC is the independent regulator for equality, human rights and good relations in Britain, established by the Equality Act 2006. The EHRC uses unique powers to challenge discrimination, promote equality of opportunity and protect human rights whilst being ready to take tough action against those who abuse the rights of others.

### Office for Disability Issues

A Prime Ministerial written statement on 25 June 2019 confirmed that the Office for Disability Issues (ODI) would transfer to the Cabinet Office from the Department for Work and Pensions in November 2019 through a Machinery of Government transfer.

The ODI has been incorporated into the newly established cross-government disability team based in Cabinet Office. The new disability team in the Cabinet Office sits in the new Equalities Hub alongside the GEO and the Race Disparity Unit. Together they are better equipped to drive meaningful progress on equality and to tackle intersectional issues.

### Department for Exiting the European Union

A Prime Ministerial written statement on 3 February 2020 confirmed that the Department for Exiting the European Union (DExEU) closed on 31 January. Those of its functions which are still required have been transferred to relevant Government Departments. The administration of the closure of DExEU is being carried out by the Cabinet Office

2.1 Restated Consolidated Statement of Comprehensive Net Expenditure  
Departmental core and agency for the year ended 31 March 2019

£000	2018-19 Published Accounts	Reclass- ifications	Eliminations	Machinery of Government transfers			2018-19 Restated Accounts
				GEO	DExEU	ODI	
Revenue from contracts with customers	(366,255)	(795)	10,302	(58)	–	–	(356,806)
Other operating income	(107,155)	795	1,253	(5)	–	–	(105,112)
Non-cash income	(8,010)	–	–	–	–	–	(8,010)
<b>Total operating income</b>	<b>(481,420)</b>	<b>–</b>	<b>11,555</b>	<b>(63)</b>	<b>–</b>	<b>–</b>	<b>(469,928)</b>
Staff costs	409,852	–	(5,571)	7,465	48,854	850	461,450
Grants	22,385	–	–	22,162	–	–	44,547
Purchase of goods and services	468,845	–	(4,873)	6,044	22,033	65	492,114
Rentals under operating leases	64,732	–	(1,253)	1	7,907	–	71,387
Geospatial data	80,875	–	–	–	–	–	80,875
Other	480	–	–	–	–	–	480
Returning Officers' expenses, England, Wales and Scotland	(291)	–	–	–	–	–	(291)
Depreciation, impairment and property gains	48,088	–	–	–	365	–	48,453
Provisions and other non-cash costs	(13,160)	–	–	–	106	–	(13,054)
<b>Total operating expenditure</b>	<b>1,081,806</b>	<b>–</b>	<b>(11,697)</b>	<b>35,672</b>	<b>79,265</b>	<b>915</b>	<b>1,185,961</b>
<b>Net operating expenditure</b>	<b>600,386</b>	<b>–</b>	<b>(142)</b>	<b>35,609</b>	<b>79,265</b>	<b>915</b>	<b>716,033</b>
Finance income	(2)	–	–	–	–	–	(2)
Finance expenditure	78	–	–	–	–	–	78
<b>Net finance expenditure</b>	<b>76</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>76</b>
Share of associates results (non-cash)	(17,025)	–	–	–	–	–	(17,025)
Fair value gain on financial assets – associate put options (non-cash)	(71,948)	–	–	–	–	–	(71,948)
<b>Net associates (non-cash)</b>	<b>(88,973)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(88,973)</b>
<b>Net expenditure for the year</b>	<b>511,489</b>	<b>–</b>	<b>(142)</b>	<b>35,609</b>	<b>79,265</b>	<b>915</b>	<b>627,136</b>
Net loss / (gain) on revaluation of property, plant and equipment	(12,395)	–	–	–	–	–	(12,395)
Net loss / (gain) on revaluation of intangible assets	(835)	–	–	–	–	–	(835)
<b>Comprehensive net expenditure for the year</b>	<b>498,259</b>	<b>–</b>	<b>(142)</b>	<b>35,609</b>	<b>79,265</b>	<b>915</b>	<b>613,906</b>

2.1 Restated Consolidated Statement of Comprehensive Net Expenditure (continued)  
Departmental Group for the year ended 31 March 2019

£000	2018-19 Published Accounts	Reclass- ifications	Elimin- ations	Machinery of Government transfers				2018-19 Restated Accounts
				GEO	EHRC	DExEU	ODI	
Revenue from contracts with customers	(365,953)	(795)	10,302	(58)	–	–	–	(356,504)
Other operating income	(107,155)	795	1,634	(5)	(289)	–	–	(105,020)
Non-cash income	(7,957)	–	–	–	–	–	–	(7,957)
<b>Total operating income</b>	<b>(481,065)</b>	<b>–</b>	<b>11,936</b>	<b>(63)</b>	<b>(289)</b>	<b>–</b>	<b>–</b>	<b>(469,481)</b>
Staff costs	411,392	–	(5,571)	7,465	11,497	48,854	850	474,487
Grants	20,121	–	(18,669)	22,162	218	–	–	23,832
Purchase of goods and services	469,122	–	(4,873)	6,044	5,658	22,033	65	498,049
Rentals under operating leases	64,732	–	(1,634)	1	646	7,907	–	71,652
Geospatial data	80,875	–	–	–	–	–	–	80,875
Other	480	–	–	–	–	–	–	480
Returning Officers' expenses, England, Wales and Scotland	(291)	–	–	–	–	–	–	(291)
Depreciation, impairment and property gains	48,088	–	–	–	427	365	–	48,880
Provisions and other non-cash costs	(13,160)	–	–	–	63	106	–	(12,991)
<b>Total operating expenditure</b>	<b>1,081,359</b>	<b>–</b>	<b>(30,747)</b>	<b>35,672</b>	<b>18,509</b>	<b>79,265</b>	<b>915</b>	<b>1,184,973</b>
<b>Net operating expenditure</b>	<b>600,294</b>	<b>–</b>	<b>(18,811)</b>	<b>35,609</b>	<b>18,220</b>	<b>79,265</b>	<b>915</b>	<b>715,492</b>
Finance income	(2)	–	–	–	–	–	–	(2)
Finance expenditure	78	–	–	–	–	–	–	78
Finance expenditure - non-cash interest cost on pension scheme liabilities	–	–	–	–	37	–	–	37
<b>Net finance expenditure</b>	<b>76</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>37</b>	<b>–</b>	<b>–</b>	<b>113</b>
Share of associates results (non-cash)	(17,025)	–	–	–	–	–	–	(17,025)
Fair value gain on financial assets – associate put options (non-cash)	(71,948)	–	–	–	–	–	–	(71,948)
<b>Net associates (non-cash)</b>	<b>(88,973)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(88,973)</b>
<b>Net expenditure for the year</b>	<b>511,397</b>	<b>–</b>	<b>(18,811)</b>	<b>35,609</b>	<b>18,257</b>	<b>79,265</b>	<b>915</b>	<b>626,632</b>
Net loss / (gain) on revaluation of property, plant and equipment	(12,395)	–	–	–	182	–	–	(12,213)
Net loss / (gain) on revaluation of intangible assets	(835)	–	–	–	(1)	–	–	(836)
Net loss / (gain) on pension scheme liabilities	–	–	–	–	(5)	–	–	(5)
<b>Comprehensive net expenditure for the year</b>	<b>498,167</b>	<b>–</b>	<b>(18,811)</b>	<b>35,609</b>	<b>18,434</b>	<b>79,265</b>	<b>915</b>	<b>613,578</b>

## 2.2 Restated Consolidated Statement of Financial Position

### Departmental core and agency as at 31 March 2019

£000	2018-19		Machinery of Government transfers			2018-19 Restated Accounts
	Published Accounts	Eliminations	GEO	DExEU	ODI	
Property, plant and equipment	345,623	–	–	729	–	346,352
Intangible assets	28,619	–	449	–	–	29,068
Investments in associates	66,190	–	–	–	–	66,190
Trade and other receivables	36,727	–	–	–	–	36,727
Other financial assets	350	–	–	–	–	350
<b>Total non-current assets</b>	<b>477,509</b>	<b>–</b>	<b>449</b>	<b>729</b>	<b>–</b>	<b>478,687</b>
Assets held for sale	16,812	–	–	–	–	16,812
Inventories	569	–	–	–	–	569
Trade and other receivables	247,978	(10,644)	48	4,845	–	242,227
Other financial assets	71,948	–	–	–	–	71,948
Cash and cash equivalents	74,640	–	–	1,895	–	76,535
<b>Total current assets</b>	<b>411,947</b>	<b>(10,644)</b>	<b>48</b>	<b>6,740</b>	<b>–</b>	<b>408,091</b>
<b>Total assets</b>	<b>889,456</b>	<b>(10,644)</b>	<b>497</b>	<b>7,469</b>	<b>–</b>	<b>886,778</b>
Trade and other payables	(282,140)	10,786	(1,066)	(27,838)	–	(300,258)
Provisions	(2,759)	–	–	–	–	(2,759)
<b>Total current liabilities</b>	<b>(284,899)</b>	<b>10,786</b>	<b>(1,066)</b>	<b>(27,838)</b>	<b>–</b>	<b>(303,017)</b>
Trade and other payables	(4,000)	–	–	–	–	(4,000)
Provisions	(37,732)	–	–	–	–	(37,732)
<b>Total non-current liabilities</b>	<b>(41,732)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(41,732)</b>
<b>Total assets less liabilities</b>	<b>562,825</b>	<b>142</b>	<b>(569)</b>	<b>(20,369)</b>	<b>–</b>	<b>542,029</b>
<b>Taxpayers' equity and other reserves</b>						
General fund	477,016	142	(569)	(20,369)	–	456,220
Revaluation reserve	85,809	–	–	–	–	85,809
<b>Total equity</b>	<b>562,825</b>	<b>142</b>	<b>(569)</b>	<b>(20,369)</b>	<b>–</b>	<b>542,029</b>

### Departmental Group as at 31 March 2019

96

£000	2018-19		Machinery of Government transfers				2018-19 Restated Accounts
	Published Accounts	Eliminations	GEO	EHRC	DExEU	ODI	
Property, plant and equipment	345,623	–	–	1,285	729	–	347,637
Intangible assets	28,619	–	449	120	–	–	29,188
Investments in associates	66,190	–	–	–	–	–	66,190
Trade and other receivables	36,727	(31)	–	90	–	–	36,786
Other financial assets	350	–	–	–	–	–	350
<b>Total non-current assets</b>	<b>477,509</b>	<b>(31)</b>	<b>449</b>	<b>1,495</b>	<b>729</b>	<b>–</b>	<b>480,151</b>
Assets held for sale	16,812	–	–	–	–	–	16,812
Inventories	569	–	–	–	–	–	569
Trade and other receivables	247,981	(10,788)	48	513	4,845	–	242,599
Other financial assets	71,948	–	–	–	–	–	71,948
Cash and cash equivalents	74,640	–	–	26	1,895	–	76,561
<b>Total current assets</b>	<b>411,950</b>	<b>(10,788)</b>	<b>48</b>	<b>539</b>	<b>6,740</b>	<b>–</b>	<b>408,489</b>
<b>Total assets</b>	<b>889,459</b>	<b>(10,819)</b>	<b>497</b>	<b>2,034</b>	<b>7,469</b>	<b>–</b>	<b>888,640</b>
Trade and other payables	(282,452)	10,930	(1,066)	(2,904)	(27,838)	–	(303,330)
Provisions	(2,759)	–	–	(220)	–	–	(2,979)
Retirement Benefit Obligations	–	–	–	(100)	–	–	(100)
<b>Total current liabilities</b>	<b>(285,211)</b>	<b>10,930</b>	<b>(1,066)</b>	<b>(3,224)</b>	<b>(27,838)</b>	<b>–</b>	<b>(306,409)</b>
Trade and other payables	(4,000)	–	–	(18)	–	–	(4,018)
Provisions	(37,732)	31	–	(212)	–	–	(37,913)
Retirement Benefit Obligations	–	–	–	(1,335)	–	–	(1,335)
<b>Total non-current liabilities</b>	<b>(41,732)</b>	<b>31</b>	<b>–</b>	<b>(1,565)</b>	<b>–</b>	<b>–</b>	<b>(43,266)</b>
<b>Total assets less liabilities</b>	<b>562,516</b>	<b>142</b>	<b>(569)</b>	<b>(2,755)</b>	<b>(20,369)</b>	<b>–</b>	<b>538,965</b>
<b>Taxpayers' equity and other reserves</b>							
General fund	476,707	142	(569)	(2,872)	(20,369)	–	453,039
Revaluation reserve	85,809	–	–	117	–	–	85,926
<b>Total equity</b>	<b>562,516</b>	<b>142</b>	<b>(569)</b>	<b>(2,755)</b>	<b>(20,369)</b>	<b>–</b>	<b>538,965</b>

## 2.3 Restated Consolidated Statement of Cash Flows

### Departmental core and agency for the year ended 31 March 2019

£000	Machinery of Government transfers					2018-19 Restated Accounts
	2018-19 Published Accounts	Eliminations	GEO	DExEU	ODI	
<b>Cash flows from operating activities</b>						
Net operating expenditure	(600,386)	142	(35,609)	(79,265)	(915)	(716,033)
Adjustments for non-cash expenditure	34,928	–	–	471	–	35,399
Adjustments for non-cash income	(8,010)	–	–	–	–	(8,010)
Remove dividend income	(6,158)	–	–	–	–	(6,158)
Increase in trade and other receivables	(14,069)	(6,368)	(49)	(1,042)	–	(21,528)
<i>Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>						
Amounts relating to long term and short term debtors which offset dilapidation provision	35,354	–	–	–	–	35,354
Movement in amounts relating to provision for credit losses	151	–	–	–	–	151
Amounts relating to bad debt write-off	(309)	–	–	–	–	(309)
Decrease in inventories	(35)	–	–	–	–	(35)
Transitional adjustment on adoption of IFRS 15	(728)	–	–	–	–	(728)
Discount of receivable from Equiniti Ltd	(212)	–	–	–	–	(212)
Increase in trade and other payables	19,690	6,226	533	(17,220)	–	9,229
<i>Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>						
Amounts due to the Consolidated Fund for Supply	(56,952)	–	–	8,754	–	(48,198)
Movement in capital accruals relating to investing activities	(34,715)	–	–	8	–	(34,707)
Amounts due to the Consolidated Fund for proceeds from disposal of shareholding in MyCSP Limited	(4,000)	–	–	–	–	(4,000)
Use of provisions	(495)	–	–	(114)	–	(609)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>(635,946)</b>	<b>–</b>	<b>(35,125)</b>	<b>(88,408)</b>	<b>(915)</b>	<b>(760,394)</b>
<b>Cash flows from investing activities</b>						
Purchase of property, plant and equipment	(43,270)	–	–	(444)	–	(43,714)
Purchase of intangible assets	(13,730)	–	(449)	–	–	(14,179)
Proceeds on disposal of property, plant and equipment	2	–	–	6	–	8
Dividends received from Crown Commercial Service	6,158	–	–	–	–	6,158
Dividends received from associates	14,281	–	–	–	–	14,281
Proceeds from financial assets – disposal of shareholding in MyCSP Limited	8,000	–	–	–	–	8,000
Movement in capital accruals	34,715	–	–	(8)	–	34,707
<b>Net cash inflow / (outflow) from investing activities</b>	<b>6,156</b>	<b>–</b>	<b>(449)</b>	<b>(446)</b>	<b>–</b>	<b>5,261</b>
<b>Cash flows from financing activities</b>						
From the Consolidated Fund (Supply)	679,000	–	–	–	–	679,000
From the Consolidated Fund (Non-supply)	625	–	–	–	–	625
From the Consolidated Fund (Supply) in respect of Machinery of Government transfer of function	–	–	35,574	80,100	915	116,589
Grants from parent Department	7	–	–	–	–	7
Interest income	2	–	–	–	–	2
Interest expense	(78)	–	–	–	–	(78)
<b>Net financing</b>	<b>679,556</b>	<b>–</b>	<b>35,574</b>	<b>80,100</b>	<b>915</b>	<b>796,145</b>
<b>Net increase / (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>	<b>49,766</b>	<b>–</b>	<b>–</b>	<b>(8,754)</b>	<b>–</b>	<b>41,012</b>
Payments of amounts due to the Consolidated Fund – disposal of shareholding in MyCSP Limited	(4,000)	–	–	–	–	(4,000)
Excess cash surrenderable to the Consolidated Fund	(1,063)	–	–	–	–	(1,063)
<b>Net increase / (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>	<b>44,703</b>	<b>–</b>	<b>–</b>	<b>(8,754)</b>	<b>–</b>	<b>35,949</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>29,937</b>	<b>–</b>	<b>–</b>	<b>10,649</b>	<b>–</b>	<b>40,586</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>74,640</b>	<b>–</b>	<b>–</b>	<b>1,895</b>	<b>–</b>	<b>76,535</b>

## 2.3 Restated Consolidated Statement of Cash Flows (continued)

### Departmental Group for the year ended 31 March 2019

£000	2018-19 Published Accounts	Elimina- tions	Machinery of Government transfers				2018-19 Restated Accounts
			GEO	EHRC	DExEU	ODI	
<b>Cash flows from operating activities</b>							
Net operating expenditure	(600,294)	18,811	(35,609)	(18,220)	(79,265)	(915)	(715,492)
Adjustments for non-cash expenditure	34,928	–	–	490	471	–	35,889
Adjustments for non-cash income	(7,957)	–	–	–	–	–	(7,957)
Remove dividend income	(6,158)	–	–	–	–	–	(6,158)
Increase in trade and other receivables	(14,060)	(6,193)	(49)	(31)	(1,042)	–	(21,375)
<i>Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>							
Amounts relating to long term and short term debtors which offset dilapidation provision	35,354	(31)	–	–	–	–	35,323
Movement in amounts relating to provision for credit losses	151	–	–	–	–	–	151
Amounts relating to bad debt write-off	(309)	–	–	–	–	–	(309)
Decrease in inventories	(35)	–	–	–	–	–	(35)
Transitional adjustment on adoption of IFRS 15	(728)	–	–	–	–	–	(728)
Discount of receivable from Equiniti Ltd	(212)	–	–	–	–	–	(212)
Increase in trade and other payables	19,692	6,082	533	(621)	(17,220)	–	8,466
<i>Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>							
Amounts due to the Consolidated Fund for Supply	(56,952)	–	–	–	8,754	–	(48,198)
Amounts due to the Consolidated Fund for consultant lobbyists' registration fees	(12)	–	–	–	–	–	(12)
Movement in capital accruals relating to investing activities	(34,715)	–	–	–	8	–	(34,707)
Amounts due to the Consolidated Fund for proceeds from disposal of shareholding in MyCSP Limited	(4,000)	–	–	–	–	–	(4,000)
Use of provisions	(495)	–	–	(95)	(114)	–	(704)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>(635,802)</b>	<b>18,669</b>	<b>(35,125)</b>	<b>(18,477)</b>	<b>(88,408)</b>	<b>(915)</b>	<b>(760,058)</b>
<b>Cash flows from investing activities</b>							
Purchase of property, plant and equipment	(43,270)	–	–	(108)	(444)	–	(43,822)
Purchase of intangible assets	(13,730)	–	(449)	(96)	–	–	(14,275)
Proceeds on disposal of property, plant and equipment	2	–	–	13	6	–	21
Dividends received from Crown Commercial Service	6,158	–	–	–	–	–	6,158
Dividends received from associates	14,281	–	–	–	–	–	14,281
Proceeds from financial assets – disposal of shareholding in MyCSP Limited	8,000	–	–	–	–	–	8,000
Movement in capital accruals	34,715	–	–	–	(8)	–	34,707
<b>Net cash inflow / (outflow) from investing activities</b>	<b>6,156</b>	<b>–</b>	<b>(449)</b>	<b>(191)</b>	<b>(446)</b>	<b>–</b>	<b>5,070</b>
<b>Cash flows from financing activities</b>							
From the Consolidated Fund (Supply)	679,000	–	–	–	–	–	679,000
From the Consolidated Fund (Supply) in respect of Machinery of Government transfer of function	–	–	35,574	–	80,100	915	116,589
From the Consolidated Fund (Non-supply)	625	–	–	–	–	–	625
Grants from parent Department	–	(18,669)	–	18,669	–	–	–
Interest income	2	–	–	–	–	–	2
Interest expense	(78)	–	–	–	–	–	(78)
<b>Net financing</b>	<b>679,549</b>	<b>(18,669)</b>	<b>35,574</b>	<b>18,669</b>	<b>80,100</b>	<b>915</b>	<b>796,138</b>
<b>Net increase / (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>	<b>49,903</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>(8,754)</b>	<b>–</b>	<b>41,150</b>
Payments of amounts due to the Consolidated Fund – disposal of shareholding in MyCSP Limited	(4,000)	–	–	–	–	–	(4,000)
Forfeited deposits surrendered to the Consolidated Fund	(137)	–	–	–	–	–	(137)
Excess cash surrenderable to the Consolidated Fund	(1,063)	–	–	–	–	–	(1,063)
<b>Net increase / (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>	<b>44,703</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>(8,754)</b>	<b>–</b>	<b>35,950</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>29,937</b>	<b>–</b>	<b>–</b>	<b>25</b>	<b>10,649</b>	<b>–</b>	<b>40,611</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>74,640</b>	<b>–</b>	<b>–</b>	<b>26</b>	<b>1,895</b>	<b>–</b>	<b>76,561</b>

## 2.4 Restated Consolidated Statement of Financial Position

### Departmental core and agency as at 1 April 2018

£000	2017-18 Published Accounts	Eliminations	Machinery of Government transfers			2017-18 Restated Accounts
			GEO	DExEU	ODI	
Property, plant and equipment	313,595	-	-	655	-	314,250
Intangible assets	32,869	-	-	-	-	32,869
Investments in associates	69,147	-	-	-	-	69,147
Other financial assets	350	-	-	-	-	350
<b>Total non-current assets</b>	<b>415,961</b>	<b>-</b>	<b>-</b>	<b>655</b>	<b>-</b>	<b>416,616</b>
Assets held for sale	16,812	-	-	-	-	16,812
Inventories	534	-	-	-	-	534
Trade and other receivables	270,636	(17,012)	(1)	3,803	-	257,426
Cash and cash equivalents	29,937	-	-	10,649	-	40,586
<b>Total current assets</b>	<b>317,919</b>	<b>(17,012)</b>	<b>(1)</b>	<b>14,452</b>	<b>-</b>	<b>315,358</b>
<b>Total assets</b>	<b>733,880</b>	<b>(17,012)</b>	<b>(1)</b>	<b>15,107</b>	<b>-</b>	<b>731,974</b>
Trade and other payables	(265,613)	17,012	(533)	(45,058)	-	(294,192)
Provisions	(882)	-	-	(114)	-	(996)
<b>Total current liabilities</b>	<b>(266,495)</b>	<b>17,012</b>	<b>(533)</b>	<b>(45,172)</b>	<b>-</b>	<b>(295,188)</b>
Trade and other payables	(837)	-	-	-	-	(837)
Provisions	(18,948)	-	-	-	-	(18,948)
<b>Total non-current liabilities</b>	<b>(19,785)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,785)</b>
<b>Total assets less liabilities</b>	<b>447,600</b>	<b>-</b>	<b>(534)</b>	<b>(30,065)</b>	<b>-</b>	<b>417,001</b>
<b>Taxpayers' equity and other reserves</b>						
General fund	371,426	-	(534)	(30,065)	-	340,827
Revaluation reserve	76,174	-	-	-	-	76,174
<b>Total equity</b>	<b>447,600</b>	<b>-</b>	<b>(534)</b>	<b>(30,065)</b>	<b>-</b>	<b>417,001</b>

99

### Departmental Group as at 1 April 2018

£000	2017-18 Published Accounts	Eliminations	Machinery of Government transfers				2017-18 Restated Accounts
			GEO	EHRC	DExEU	ODI	
Property, plant and equipment	313,595	-	-	1,782	655	-	316,032
Intangible assets	32,869	-	-	40	-	-	32,909
Investments in associates	69,147	-	-	-	-	-	69,147
Trade and other receivables	-	-	-	90	-	-	90
Other financial assets	350	-	-	-	-	-	350
<b>Total non-current assets</b>	<b>415,961</b>	<b>-</b>	<b>-</b>	<b>1,912</b>	<b>655</b>	<b>-</b>	<b>418,528</b>
Assets held for sale	16,812	-	-	-	-	-	16,812
Inventories	534	-	-	-	-	-	534
Trade and other receivables	270,648	(17,012)	(1)	482	3,803	-	257,920
Cash and cash equivalents	29,937	-	-	25	10,649	-	40,611
<b>Total current assets</b>	<b>317,931</b>	<b>(17,012)</b>	<b>(1)</b>	<b>507</b>	<b>14,452</b>	<b>-</b>	<b>315,877</b>
<b>Total assets</b>	<b>733,892</b>	<b>(17,012)</b>	<b>(1)</b>	<b>2,419</b>	<b>15,107</b>	<b>-</b>	<b>734,405</b>
Trade and other payables	(265,923)	17,012	(533)	(3,527)	(45,058)	-	(298,029)
Provisions	(882)	-	-	(127)	(114)	-	(1,123)
Retirement benefit obligations	-	-	-	(98)	-	-	(98)
<b>Total current liabilities</b>	<b>(266,805)</b>	<b>17,012</b>	<b>(533)</b>	<b>(3,752)</b>	<b>(45,172)</b>	<b>-</b>	<b>(299,250)</b>
Trade and other payables	(837)	-	-	(16)	-	-	(853)
Provisions	(18,948)	-	-	(242)	-	-	(19,190)
Retirement benefit obligations	-	-	-	(1,400)	-	-	(1,400)
<b>Total non-current liabilities</b>	<b>(19,785)</b>	<b>-</b>	<b>-</b>	<b>(1,658)</b>	<b>-</b>	<b>-</b>	<b>(21,443)</b>
<b>Total assets less liabilities</b>	<b>447,302</b>	<b>-</b>	<b>(534)</b>	<b>(2,991)</b>	<b>(30,065)</b>	<b>-</b>	<b>413,712</b>
<b>Taxpayers' equity and other reserves</b>							
General fund	371,128	-	(534)	(3,289)	(30,065)	-	337,240
Revaluation reserve	76,174	-	-	298	-	-	76,472
<b>Total equity</b>	<b>447,302</b>	<b>-</b>	<b>(534)</b>	<b>(2,991)</b>	<b>(30,065)</b>	<b>-</b>	<b>413,712</b>

## 2.5 Restated Headcount

### Departmental core and agency for the year ended 31 March 2019

	2018-19 Published Accounts	Machinery of Government transfers				Other <sup>1</sup>	2018-19 Restated Accounts
		GEO	DExEU	ODI			
Permanently employed staff	5,750	108	695	17	–	6,570	
Commissioners	–	–	–	–	–	–	
Ministers	6	–	5	–	(11)	–	
Special Advisors	49	–	2	–	(51)	–	
Others	449	–	18	–	–	467	
<b>Total</b>	<b>6,254</b>	<b>108</b>	<b>720</b>	<b>17</b>	<b>(62)</b>	<b>7,037</b>	

### Departmental Group for the year ended 31 March 2019

	2018-19 Published Accounts	Machinery of Government transfers				Other <sup>1</sup>	2018-19 Restated Accounts
		GEO	EHRC	DExEU	ODI		
Permanently employed staff	5,768	108	158	695	17	–	6,746
Commissioners	12	–	–	–	–	–	12
Ministers	6	–	–	5	–	(11)	–
Special Advisors	49	–	–	2	–	(51)	–
Others	449	–	19	18	–	–	486
<b>Total</b>	<b>6,284</b>	<b>108</b>	<b>177</b>	<b>720</b>	<b>17</b>	<b>(62)</b>	<b>7,244</b>

<sup>1</sup> Adjusted due to separate headcount disclosure for ministers and special advisers within Note 2.4 of the staff report (previously within Note 2.3 of the staff report)

### 3. Statement of Net Outturn by Operating Segment

#### 3.1 Resource

£000		Gross resource expenditure	Gross resource income	2019-20 Net resource outturn	2018-19 Net resource outturn restated
<b>Operating segment</b>					
	A. Maintain the integrity of the Union, coordinate the security of the realm and sustain a flourishing democracy	433,486	(32,217)	401,269	120,743
	B. Support the design and implementation of HM Government 's policies and the Prime Minister's priorities	262,317	(12,737)	249,580	213,386
	C. Ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of Government	560,722	(324,555)	236,167	191,932
	D. Ensure the effective running of the Department and contribute to the Government 's cross-cutting priorities	86,008	(38,451)	47,557	77,276
	E. Executive Agency – Government Property Agency	291,625	(279,928)	11,697	12,753
	<b>Subtotal</b>	<b>1,634,158</b>	<b>(687,888)</b>	<b>946,270</b>	<b>616,090</b>
<b>Ring-fenced depreciation, amortisation, and impairment</b>					
	A. Maintain the integrity of the Union, coordinate the security of the realm and sustain a flourishing democracy	9,775	–	9,775	11,325
	B. Support the design and implementation of HM Government 's policies and the Prime Minister's priorities	4,621	–	4,621	3,525
	C. Ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of Government	15,915	–	15,915	19,373
	D. Ensure the effective running of the Department and contribute to the Government 's cross-cutting priorities	1,540	–	1,540	7,305
	E. Executive Agency – Government Property Agency	13,416	–	13,416	10,412
	<b>Subtotal Ring-fenced depreciation, amortisation, and impairment</b>	<b>45,267</b>	<b>–</b>	<b>45,267</b>	<b>51,940</b>
	<b>Total</b>	<b>1,679,425</b>	<b>(687,888)</b>	<b>991,537</b>	<b>668,030</b>

101

#### 3.2 Capital

£000		Gross capital expenditure	Gross capital income	2019-20 Net capital outturn	2018-19 Net capital outturn restated
<b>Operating segment</b>					
	A. Maintain the integrity of the Union, coordinate the security of the realm and sustain a flourishing democracy	12,678	–	12,678	14,417
	B. Support the design and implementation of HM Government 's policies and the Prime Minister's priorities	82,077	(49)	82,028	78,507
	C. Ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of Government	9,545	–	9,545	15,031
	D. Ensure the effective running of the Department and contribute to the Government 's cross-cutting priorities	904	–	904	(7,194)
	E. Executive Agency – Government Property Agency	35,741	(27,912)	7,829	18,500
	<b>Total</b>	<b>140,945</b>	<b>(27,961)</b>	<b>112,984</b>	<b>119,261</b>

#### Performance report

This segmental analysis aligns with the Cabinet Office's objectives. Descriptions of the activities carried out under each operating segment are located in the Parliamentary accountability and audit report section within the Accountability report.

Financial information was reported through a regular Performance report, which adopted the same segmental analysis shown above. The Performance report was reviewed by the Cabinet Office Board, chaired by the Minister for the Cabinet Office, and also by the Executive Committee, chaired by the Principal Accounting Officer.

#### Reconciliation to SOPS

The segmental analysis of total net resource outturn in Resource Departmental Expenditure Limit agrees to SOPS1.1 and the total net capital outturn in Capital Departmental Expenditure Limit agrees to SOPS1.2. SOPS1.1 rows G, H and I are all reported under objective A and row F is mainly reported under Objective B.

Overall outturn at SOPS1.1 includes Resource Annually Managed Expenditure and is reconciled to net operating costs at SOPS2.1. Capital Departmental Expenditure Limit is reconciled to the accounts at Note SOPS2.2

## 4. Expenditure

£000		2019-20	2019-20	2018-19 Restated	2018-19 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
<b>Staff costs</b>					
Wages, salaries and fees		378,643	387,708	311,681	321,441
Social security costs		42,582	43,565	34,662	35,721
Apprenticeship levy		1,897	1,925	1,520	1,520
Other pension costs		92,203	94,575	60,687	62,599
Untaken annual leave		2,054	2,047	202	218
Agency/temporary		67,636	68,824	58,918	59,267
Chairs and Commissioner's emoluments		90	423	-	-
Termination benefits		2,093	2,056	225	233
Inward secondments		8,204	8,204	7,046	7,046
Recoveries in respect of outward secondments		(2,863)	(3,012)	(1,384)	(1,451)
Staff engaged on capital projects		(7,185)	(7,185)	(12,107)	(12,107)
<b>Total staff costs<sup>1</sup></b>		<b>585,354</b>	<b>599,130</b>	<b>461,450</b>	<b>474,487</b>
<b>Grants<sup>2</sup></b>					
Resource grants to local authorities		32,944	32,944	19,037	19,037
Resource grants to private sector and non-profit bodies		1,876	1,876	2,483	2,701
Resource grants to central Government bodies		79	79	2	2
Capital grants to local authorities		-	-	1,000	1,000
Capital grants to ALBs and other central Government bodies		1,634	1,634	-	-
Grant-in-aid to the Chequers Trust		882	882	882	882
Grant-in-aid to Civil Service welfare bodies		210	210	210	210
Grant-in-aid to Arm's length bodies		21,665	-	20,933	-
<b>Total grants<sup>3</sup></b>		<b>59,290</b>	<b>37,625</b>	<b>44,547</b>	<b>23,832</b>
<b>Goods and services</b>					
Accommodation and utilities					
- Core Department		28,655	28,975	33,331	33,882
- Executive Agency		110,863	110,863	65,789	65,789
IT costs		77,177	77,978	83,231	83,711
Professional services		69,190	70,792	56,289	57,743
Supplies and services		75,709	76,493	58,052	60,167
Consultancy		35,375	35,380	43,647	43,647
Business rates		37,555	37,603	24,884	24,884
Pensions administration					
- PCSPS and CSOPS <sup>4</sup>		26,795	26,795	35,712	35,712
- Royal Mail Statutory Pension Scheme		6,066	6,066	7,036	7,036
Other staff-related costs		32,515	32,935	58,925	59,570
Travel, subsistence and hospitality		24,385	24,827	22,542	23,130
Lord Lieutenants' expenses		1,251	1,251	1,237	1,237
Public Duty Cost Allowance	4.1	503	503	589	589
Auditors' remuneration and expenses – arm's length bodies <sup>5</sup>		-	72	-	71
Civil Service Commissioners' fees and expenses		-	-	22	53
Grant fund management services		-	-	966	966
George Cross civilian annuities		-	-	25	25
Internal sales and expenditure		(149)	(148)	(154)	(154)
Individual electoral registration costs		-	-	(9)	(9)
<b>Total goods and services</b>		<b>525,890</b>	<b>530,385</b>	<b>492,114</b>	<b>498,049</b>
<b>Rentals under operating leases</b>					
- Core Department		2	134	8,283	8,548
- Executive Agency		121,199	121,199	63,104	63,104
<b>Total rentals under operating leases</b>		<b>121,201</b>	<b>121,333</b>	<b>71,387</b>	<b>71,652</b>
<b>EU funding to Department for International Development</b>					
- Disaster relief transportation costs		-	-	480	480
<b>Geospatial data</b>					
Geospatial data capital (under ESA10 definition)		74,459	74,459	74,945	74,945
Geospatial data resource		6,085	6,085	5,930	5,930
<b>Total geospatial data</b>		<b>80,544</b>	<b>80,544</b>	<b>80,875</b>	<b>80,875</b>

## 4. Expenditure (continued)

£000		2019-20	2019-20	2018-19 Restated	2018-19 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
<b>Returning Officers' expenses, England, Wales and Scotland</b>					
(includes conduct of the poll and Royal Mail costs)					
2019 UK Parliamentary general election		153,150	153,150	–	–
2017 UK Parliamentary general election		(1,005)	(1,005)	(564)	(564)
UK Parliamentary by-elections					
- Richmond Park		(17)	(17)	–	–
- Copeland		–	–	2	2
- Stoke-on-Trent Central		–	–	(15)	(15)
- Lewisham East		–	–	290	290
- Peterborough		199	199	–	–
- Newport West		312	312	–	–
- Brecon & Radnorshire		222	222	–	–
Petition to recall a Member of Parliament					
- Peterborough		133	133	222	222
- Brecon & Radnorshire		(1)	(1)	–	–
2019 European Parliamentary election		134,706	134,706	–	–
Police and Crime Commissioner by-elections		2,067	2,067	(227)	(227)
Bank charges		1	1	1	1
<b>Total Returning Officers' expenses, England, Wales and Scotland</b>		<b>289,767</b>	<b>289,767</b>	<b>(291)</b>	<b>(291)</b>
<b>Depreciation, impairment and property gains</b>					
Depreciation	6	29,691	30,158	28,124	28,519
Amortisation	7	13,255	13,288	12,485	12,502
Impairment					
- Property, plant and equipment	6, 8	1,775	1,775	9,150	9,150
- Intangible assets	7, 8	85	85	1,284	1,284
- Trade receivables	8, 14.1	338	338	(151)	(151)
Revaluation of property, plant and equipment assets	8	(4)	(4)	(1,056)	(1,056)
Write off					
- Property, plant and equipment	6, 8	–	–	9	9
- Intangible assets	7, 8	–	–	561	561
- Bad debt <sup>5</sup>		471	471	309	309
Net loss on disposal of property, plant and equipment		–	5	–	15
Gain on disposal of financial assets		(5)	(5)	–	–
Gain on disposal of assets held for sale		(31,588)	(31,588)	–	–
Net gain on disposal of shareholdings in associates		–	–	(2,299)	(2,299)
Carbon dioxide emissions allowances surrendered	7	56	56	30	30
Capital grant in kind – Property, plant and equipment		–	–	7	7
<b>Total depreciation, impairment and property gains</b>		<b>14,074</b>	<b>14,579</b>	<b>48,453</b>	<b>48,880</b>
<b>Provisions and other non-cash costs</b>					
Provisions provided for in year and written back	16	(43)	(206)	(14,198)	(14,130)
Borrowing costs		–	3	–	(5)
Discount of receivable from Equiniti Ltd		(212)	(212)	212	212
Auditors' remuneration and expenses – Core Department <sup>6</sup>		710	710	754	754
Notional Digital Apprenticeship service grant	5	336	336	178	178
<b>Total provisions and other non-cash costs</b>		<b>791</b>	<b>631</b>	<b>(13,054)</b>	<b>(12,991)</b>
<b>Total expenditure</b>		<b>1,676,911</b>	<b>1,673,994</b>	<b>1,185,961</b>	<b>1,184,973</b>

<sup>1</sup> Further analysis is located in Note 2 of the Remuneration and staff report and Note 1.2 (Special payments) of the Parliamentary accountability disclosures

<sup>2</sup> Grant-in-aid to arm's length bodies has been eliminated on consolidation; Registrar of Consultant Lobbyists, £0.225 million (2018-19: £0.159 million), Civil Service Commission, £2.225 million (2018-19: £2.105 million), Equality and Human Rights Commission £19.225 million (2018-19: £18.669 million)

<sup>3</sup> Includes grants paid using powers under section 70 of the Charities Act 2006. See 'Report on the use of powers under section 70 of the Charities Act 2006' in the Annex C to the Annual Report and Accounts

<sup>4</sup> Principal Civil Service Pension Scheme and Civil Servants and Others Pension Scheme

<sup>5</sup> Includes £0.519 million written off and £0.048 million of previously written off debts which were recovered in 2019-20

<sup>6</sup> During the year the core Department, its Executive Agency and its arm's length bodies have not purchased any non-audit services from its auditor, the National Audit Office (2018-19: £nil). The total group fee comprises: Cabinet Office £0.380 million (2018-19 restated: £0.560 million), Government Property Agency £0.120 million (2018-19: £0.135 million), Civil Service Pension Scheme £0.160 million (2018-19: £0.160 million) and Royal Mail Pension Scheme £0.050 million (2018-19: £0.068 million). The core Department bears the audit fee on behalf of the Principal Civil Service Pension Scheme and Royal Mail Statutory Pension Scheme

## 4.1. Public Duty Cost Allowance

£	2019-20	2018-19
The Rt Hon. Sir John Major	115,000	114,935
The Rt Hon. Tony Blair	115,000	115,000
The Rt Hon. Gordon Brown	114,802	114,057
The Rt Hon. David Cameron	111,457	110,413
The Rt Hon. Sir Nick Clegg	-	112,882
The Rt Hon. Theresa May	34,836	-
Staff pension costs	11,500	21,425
<b>Total</b>	<b>502,595</b>	<b>588,712</b>

The Public Duty Cost Allowance (PDCA) was introduced to assist former Prime Ministers still active in public life. The PDCA is a reimbursement of incurred expenses for necessary office and secretarial costs arising from fulfilling public duties to a maximum of £115,000. Additionally, in 2015 the PDCA was extended to the former Deputy Prime Minister, the Rt Hon. Sir Nick Clegg, although in October 2018 he informed the Cabinet Office that 2018-19 would be the last year in which he would be claiming the allowance; he is entitled to the full amount of £115,000 in 2018-19.

In addition to the PDCA paid, former Prime Ministers and the Rt Hon. Sir Nick Clegg are entitled to claim a pension allowance to contribute towards their staff pension costs. This pension allowance is limited to a maximum of 10% of their office costs.

## 5. Income

£000		2019-20	2019-20	2018-19	2018-19
	Note	Core Department and agency	Departmental group	Restated Core Department and agency	Restated Departmental group
<b>Revenue from contracts with customers</b>					
<b>Pensions</b>					
Central management of Civil Service pension arrangements		38,405	38,405	42,322	42,322
Royal Mail Statutory Pension Scheme		(89)	(89)	149	149
<b>Royalties</b>		-	-	<b>1</b>	<b>1</b>
<b>Sales of services</b>					
Government Commercial Function		86,507	86,507	56,156	56,156
Government Communications		17,555	17,555	16,526	16,526
Cross-Government secure IT		26,010	26,010	15,420	15,420
Government Digital Service		10,353	10,353	8,117	8,117
Office of the Parliamentary Counsel		7,608	7,608	7,771	7,771
Digital and Technology Team		4,576	4,576	7,746	7,746
Infrastructure and Projects Authority		1,686	1,686	2,680	2,680
National Fraud Initiative		1,473	1,473	1,182	1,182
Government Security Group		1,454	1,454	-	-
Civil Contingencies Training		2,071	2,071	-	-
<b>Civil Service HR</b>					
HR Expert Services – Fast Stream		88,528	88,528	88,252	88,252
Other HR Expert Services		40,059	40,059	43,930	43,930
Other Civil Service HR		6,785	6,785	4,546	4,546
<b>Non-rental income from properties</b>					
- Core Department		1,108	785	1,161	1,161
- Agency		136,826	136,826	64,533	64,533
<b>Income payable to the Consolidated Fund</b>					
Registration fees from consultant lobbyists		3	148	-	140
Processing Fees Cash Receipts		-	-	-	1
<b>Other revenue from contracts with customers</b>					
Cost recoveries		9,000	8,545	(3,686)	(4,129)
<b>Total revenue from contracts with customers</b>		<b>479,918</b>	<b>479,285</b>	<b>356,806</b>	<b>356,504</b>

## 5. Income (continued)

£000		2019-20	2019-20	2018-19 Restated	2018-19 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
<b>Other operating income</b>					
<b>Rental income from properties</b>					
- Core Department		392	62	1,070	732
- Agency		94,372	94,372	71,040	71,040
<b>Income from associates</b>					
Sale of intellectual property to AXELOS Limited		9,400	9,400	9,400	9,400
Framework fees in respect of Integrated Debt Services Limited		200	200	200	200
<b>Dividends</b>					
Dividend from Crown Commercial Service	11.2	14,475	14,475	6,158	6,158
<b>Income from grants</b>					
Resource grant from the European Union for the Department for International Development		-	-	493	493
Resource grant for the Equality and Human Rights Commission		-	218	5	209
Capital grants from other Government Departments for the fit out of properties		1,862	1,862	6,224	6,224
<b>Official Receiver – Carillion plc in liquidation</b>					
Capital income		-	-	8,522	8,522
Revenue income		18,000	18,000	2,000	2,000
<b>Other income</b>					
Other income from Equality and Human Rights Commission		-	44	-	42
<b>Total other income</b>		<b>138,701</b>	<b>138,633</b>	<b>105,112</b>	<b>105,020</b>
<b>Non-cash income</b>					
Notional Digital Apprenticeship Service grant	4	336	336	178	178
Capital grant in kind - Transfer of assets from other Government Departments		21,631	21,631	7,779	7,779
Notional corporate services recharge to ALB's	4	54	-	53	-
<b>Total non-cash income</b>		<b>22,021</b>	<b>21,967</b>	<b>8,010</b>	<b>7,957</b>
<b>Total operating income</b>		<b>640,640</b>	<b>639,885</b>	<b>469,928</b>	<b>469,481</b>

105

### Revenue from contracts with customers

#### Identification of a contract

The basis of the different income streams of Cabinet Office are set out below:

Income Stream	Basis for Identifying a Contract	Performance Obligation
Sale of Goods and Services	For services provided by the Cabinet Office a contractual arrangement is entered into in the form of a Memorandum of Understanding or other engagement letter that sets out the services to be provided in return for a fee	The delivery of goods and services as set out in the initial or subsequently revised contract
Subscription Services	For services provided by the Cabinet Office a contractual arrangement is entered into in the form of a Memorandum of Understanding or other engagement letter that sets out the services to be provided and period covered in return for a fee. These services include: GDS GOV.UK Verify and National Fraud Initiative	Access to services for the time period stated (usually in multiples of 12 months)
Statutory Services through the Registrar of Consultant Lobbyists	A contract is implied through the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014	Membership of the register up to 31 December of the year joined
Civil Service Fast Stream Development Scheme	An engagement letter is signed at the start of the four year training period for the relevant Department	Upfront recruitment service and annual training and development

### 5. Income (continued)

#### Identification of performance obligations

Cabinet Office determines the performance obligations for each service provided through the separate contracts and memoranda of understanding; these are set at the start of each service period, but can be subsequently changed with the agreement of both parties. Where changes occur, a revised memorandum of understanding will be issued, replacing the original performance obligations.

The majority of services provided by the Cabinet Office are to other Government Departments and have a single performance obligation to delivering a holistic service.

This differs when bespoke services can be requested or where two performance obligations are needed to satisfy the overall contract. In these cases, the overarching agreement can contain more than one performance obligation, with fees attached to each one separately; for example National Fraud Initiative, Fast Stream Development Scheme and Digital and Technology Team.

#### Determination of when performance obligations are satisfied

Cabinet Office has determined that most of the performance obligations described above are satisfied over time rather than a point in time. This is because the customer simultaneously receives and consumes the benefits provided by the Cabinet Office's performance as we perform. The majority of services provided are on an annual cycle and coincide with the financial year.

The costs (which are based on estimated costs to the Department) and invoicing schedule are agreed between the individual business units and the customer. The Cabinet Office is entitled to recover costs in respect of work completed to date at any stage of service delivery, with a typical schedule being to invoice quarterly in arrears. The payment terms are that invoices should be paid within 30 days.

Performance obligations for the following are satisfied at a point in time: Infrastructure and Projects Authority revenue is recognised upon completion of assurance reviews; Fast Stream Development upfront recruitment fee and Digital and Technology Team supply of IT hardware and licenses.

#### Allocation of transaction price to performance obligations

Revenue is recognised in relation to the work completed at the end of the period and the costs incurred. Where the service provided is a subscription arrangement, revenue is recognised in relation to the percentage of the total subscription period passed at any point in time. This provides a faithful depiction of the transfer of services because the costs incurred represent the satisfaction of the performance obligation.

#### Income streams – Revenue from contracts with customers

##### *Pensions*

The Cabinet Office is responsible for the management of the Civil Service pension arrangements, and MyCSP Ltd delivers pension administration under contract to the Cabinet Office.

Participating employers pay the Cabinet Office for the cost it incurs for scheme management. The Cabinet Office is directly responsible for meeting the administration costs of the Royal Mail Statutory Pension Scheme. A small amount of income arises from charges to members for certain specific pension administration services, as well as a small element of commission payable for the collection of pension deductions.

##### *Government Commercial Function*

The Government Commercial Organisation (GCO) is a professional organisation of commercial specialists housed within the Government Commercial Function (GCF). It employs senior commercial staff across central government who are deployed into Departments to carry out the Departments' commercial activities. An operational charge is levied annually as a percentage of the full employment cost for each GCO Specialist deployed in a Department to fund the operational costs incurred in the running of the GCO.

Also included in GCF fees and charges is the Complex Transactions team which increases commercial capability on complex deals by providing direct commercial support to Departments.

##### *Government Communications*

Government Communications Group has three main income sources: a 1% levy on all Government spend through external communications frameworks held by the Crown Commercial Service is used to fund a range of support to Departments and arm's length bodies provided by the Cabinet Office on behalf of the Government communications profession; income received from the Foreign and Commonwealth Office and external bodies for the Government Communications, Knowledge and Capability team that supports partner Governments to strengthen their capacity to communicate effectively to support domestic and international objectives; and income received from other Government Departments for providing staff through the GCS 'Flex Team' to meet short-term staffing requirements.

##### *Cross-Government secure IT*

Cross-Government secure IT income is to cover the onboarding and ongoing costs of Government Departments operating on a common secure IT platform. This platform can allow the sharing of information between different Government Departments at certain clarification levels.

## **Government Digital Service**

Government Digital Service (GDS) receives income from various sources including GOV.UK Verify, GOV.UK Notify and the GDS Academy.

GOV.UK Verify provides a common citizen identity assurance for departmental services. This enables complex and risky transactions, such as financial transactions or where personal data is being shared, to go online.

GOV.UK Notify enables service teams across government to send text messages, emails or letters to their users. The GDS Academy teaches civil servants the digital skills they need to transform public service.

## **The Office of the Parliamentary Counsel**

The Office of the Parliamentary Counsel (OPC) is responsible for drafting all government primary legislation and the drafting and vetting of some statutory instruments. The office operates a full cost recovery system across other Government Departments.

## **Digital and Technology Team**

The Digital and Technology Team (DaTT), in addition to providing all IT Services for the Cabinet Office, provides a fully managed IT service to the Crown Commercial Service, the Department for Digital, Culture, Media & Sport and DExEU until closed in January 2020. See the fees and charges note in the Parliamentary Accountability Disclosures of the Accountability Report.

## **Infrastructure and Projects Authority**

Infrastructure and Projects Authority (IPA) income is derived from recharging the costs of expert consultants with specialist knowledge and skills, which are required by the IPA, in addition to its own resources, in order to undertake Assurance Reviews for major government projects.

In addition, IPA recovers its costs incurred in delivering advice and training support to overseas Governments and multilateral institutions in support of trade missions involving national infrastructure planning, the promotion of UK Public Private Partnerships (PPPs) and UK infrastructure expertise overseas.

## **National Fraud Initiative**

The National Fraud Initiative (NFI) is a data matching exercise used to identify fraud and error under statutory data matching powers set out in the Local Audit and Accountability Act 2014. It involves public and private sector organisations from across the UK, including local authorities, NHS trusts, Government Departments and police authorities.

## **Civil Contingencies Secretariat**

The Civil Contingencies Secretariat (CCS) receives income via The Emergency Planning College which is the national centre for resilience learning and development. It provides training, exercising and consultancy services to organisations in the UK and around the world.

## **Government Security Group**

The Government Security Group income is derived from working across government in relation to Transforming Government Security and development of the Future Vetting System.

## **Civil Service HR Expert Services**

Civil Service HR Expert Services share HR expertise and maximise buying power across the Civil Service in a joined-up and effective manner, to deliver a professional and more efficient service. They operate on a cost-sharing basis across the Government Departments and agencies participating in the programme. See the fees and charges note in the Parliamentary Accountability Disclosures of the Accountability Report. Expert Services is made up of six key areas to support the Civil Service's strategic priorities.

**Fast Stream and Early Talent** undertake recruitment for a range of cross-government accelerated development programmes, providing administration services for the Human Resources programme and full central management of the programmes.

**CS Employee Policy** develop and maintain a consistent, modern employee policy framework and workplace offer across government to enable a highly performing, capable and engaged workforce.

**Civil Service Learning** develop high quality learning which supports and equips learners to deliver excellent public services across government. Civil Service Learning also provides the Civil Service Leadership Academy, which is an initiative to strengthen leadership capability across the Civil Service.

**Civil Service Organisational Design and Development** delivers expert advice, guidance and consulting on system wide patterns of behaviour impacting Civil Service effectiveness and engagement.

**Civil Service Talent** administer cross-government future and senior leaders schemes on a full cost recovery basis.

**Policy Profession Unit** oversee the development of the policy profession funded by levy paid by contributing Departments.

## **Income from properties**

The Government Property Agency provides Departments and Arm's Length Bodies with office space across the country. The principal source of income comes from charging these occupiers property costs (primarily rates, facilities management and utilities). In addition, the GPA receives a management fee from the client Department for property services provided.

### 5. Income (continued)

#### Income streams – Other operating income

##### *Income from associates*

The Cabinet Office is to be paid £65.8 million in seven equal instalments of £9.4 million commencing 1 January 2017 and ending 31 December 2023. These payments are due from its associate, AXELOS Limited, and represent settlement of deferred additional consideration from the sale of intellectual property in 2013-14. Payment is contingent on the profits of AXELOS Limited; see Note 17.

##### *Official Receiver – Carillion plc in liquidation*

Following the collapse of Carillion in January 2018, the Cabinet Office provided the Official Receiver with £150 million working capital to maintain public service continuity when managing the liquidation.

The Official Receiver continues to progress the liquidation and is seeking to recoup operating costs through liquidation of assets and from customers of those services. In 2019-20 the Official Receiver returned £40 million (2018-19: £10.5 million) to the Cabinet Office through asset realisations of which £18 million is recognised as income and £22 million is surrenderable to the Consolidated Fund.

##### *Dividends*

The dividend which Cabinet Office receives from Crown Commercial Service (CCS) increased to £14.475 million in 2019-20 (2018-19: £6.158 million). This was to cover the costs of the Complex Transaction, Continuous Improvement, Markets and Suppliers and Policy teams which previously transferred from CCS to Cabinet Office and included extra money to fund the expansion of commercial capability across government, including upskilling the commercial workforce, providing expertise on complex projects and managing relationships with strategic suppliers.

##### *Income from grants*

The GPA received contributions through capital grants from the other Government Departments for the fit out of GPA held properties that the other Government Departments are occupying.

In addition, GPA recorded non-cash capital grant in kind income for the properties that were transferred to them from other Government Departments.

## 6. Property, plant and equipment Consolidated 2019-20

Departmental Group £000	Land	Buildings	Leasehold improvements	Dwellings	Information technology	Plant and machinery	Furniture and fittings	Art and antiques	Payments on account and assets under construction	2019-20 Total
<b>Cost or valuation</b>										
<b>At 1 April 2019 – restated</b>	<b>73,527</b>	<b>114,480</b>	<b>100,632</b>	<b>27,844</b>	<b>91,457</b>	<b>290</b>	<b>6,194</b>	<b>5,838</b>	<b>10,656</b>	<b>430,918</b>
Additions	-	42	4,048	-	2,734	-	668	-	15,073	22,565
Donations	-	-	-	-	-	-	-	6	-	6
Disposals <sup>1</sup>	-	-	-	-	(820)	-	(223)	(39)	-	(1,082)
Write offs	-	-	-	-	-	-	-	-	-	-
Impairments	-	-	(107)	-	(2,237)	-	-	(169)	(15)	(2,528)
Reclassifications <sup>2</sup>	-	8,062	11,393	-	(7,156)	-	452	-	(18,835)	(6,084)
Transfer of function and capital grant in kind <sup>3</sup>	-	13,036	2,442	-	-	3,920	626	-	-	20,024
Revaluations <sup>4</sup>	3,094	6,310	42	3,194	152	-	29	-	-	12,821
<b>At 31 March 2020</b>	<b>76,621</b>	<b>141,930</b>	<b>118,450</b>	<b>31,038</b>	<b>84,130</b>	<b>4,210</b>	<b>7,746</b>	<b>5,636</b>	<b>6,879</b>	<b>476,640</b>
<b>Depreciation</b>										
<b>At 1 April 2019 – restated</b>	-	<b>27,098</b>	<b>11,290</b>	<b>8,996</b>	<b>34,474</b>	<b>35</b>	<b>1,388</b>	-	-	<b>83,281</b>
Charged in year	-	3,306	12,137	551	12,903	195	1,066	-	-	30,158
Disposals <sup>1</sup>	-	-	-	-	(819)	-	(219)	-	-	(1,038)
Write offs	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	(14)	-	(739)	-	-	-	-	(753)
Reclassifications <sup>2</sup>	-	83	(83)	-	(4,595)	-	-	-	-	(4,595)
Revaluations <sup>4</sup>	-	777	36	986	(5)	-	15	-	-	1,809
<b>At 31 March 2020</b>	-	<b>31,264</b>	<b>23,366</b>	<b>10,533</b>	<b>41,219</b>	<b>230</b>	<b>2,250</b>	-	-	<b>108,862</b>
<b>Carrying amount at 31 March 2020</b>	<b>76,621</b>	<b>110,666</b>	<b>95,084</b>	<b>20,505</b>	<b>42,911</b>	<b>3,980</b>	<b>5,496</b>	<b>5,636</b>	<b>6,879</b>	<b>367,778</b>
<b>Carrying amount at 31 March 2019 - restated</b>	<b>73,527</b>	<b>87,382</b>	<b>89,342</b>	<b>18,848</b>	<b>56,983</b>	<b>255</b>	<b>4,806</b>	<b>5,838</b>	<b>10,656</b>	<b>347,637</b>
<b>Asset financing:</b>										
Owned	76,621	110,666	95,084	20,505	42,911	3,980	5,496	5,636	6,879	367,778
<b>Carrying amount at 31 March 2020</b>	<b>76,621</b>	<b>110,666</b>	<b>95,084</b>	<b>20,505</b>	<b>42,911</b>	<b>3,980</b>	<b>5,496</b>	<b>5,636</b>	<b>6,879</b>	<b>367,778</b>
<b>Of the total:</b>										
Department	30,425	46,070	10,834	13,319	40,337	-	1,618	5,578	2,398	150,579
Executive Agency	46,196	64,596	83,875	7,186	2,188	3,980	3,660	58	4,465	216,204
Other designated bodies	-	-	375	-	386	-	218	-	16	995
<b>Carrying amount at 31 March 2020</b>	<b>76,621</b>	<b>110,666</b>	<b>95,084</b>	<b>20,505</b>	<b>42,911</b>	<b>3,980</b>	<b>5,496</b>	<b>5,636</b>	<b>6,879</b>	<b>367,778</b>

<sup>1</sup> Disposals include retired assets; their values are fully written down and they are no longer in use

<sup>2</sup> Reclassification from property, plant and equipment to intangible assets relates to Single Operating Platform (SOP) IT Software which has been bifurcated from Information Technology in readiness for the future hosting of SOP on Oracle Cloud Infrastructure

<sup>3</sup> Includes transfer of function from Crown Commercial Service (£3,920 million); capital grant in kind from Department for Education (£14,708 million); Ministry of Housing, Communities & Local Government (£0,681 million); HMI Revenue and Customs (£0,626 million); and Department for International Trade (£0,089 million).

<sup>4</sup> Revaluations and impairments arise as a result of professional property valuations, the application of published indices and annual impairment reviews which ensure that the asset base is correctly valued

**Cabinet Office | Annual Report and Account 2019-20**  
**6. Property, plant and equipment (continued)**  
**Consolidated 2018-19 – restated**

Departmental Group £000	Land	Buildings	Leasehold improvements	Dwellings	Information technology	Plant and machinery	Furniture and fittings	Art and antiques	Payments on account and assets under construction	2018-19 Total
<b>Cost or valuation</b>										
<b>At 1 April 2018</b>	<b>65,359</b>	<b>107,052</b>	<b>14,837</b>	<b>32,142</b>	<b>93,801</b>	<b>778</b>	<b>5,807</b>	<b>5,877</b>	<b>66,050</b>	<b>391,703</b>
Additions	-	(502)	1,147	-	15,577	3	279	-	27,318	43,822
Donations	-	-	-	-	-	-	-	7	-	7
Disposals <sup>1</sup>	-	-	(12)	-	(16,703)	-	(725)	(9)	-	(17,449)
Write offs	-	-	-	-	(16)	-	(7)	-	-	(23)
Impairments	-	-	-	-	(12,053)	-	(47)	(37)	257	(11,880)
Reclassifications	-	(5,860)	85,115	-	7,799	(490)	860	-	(82,969)	4,455
Transfer of function and capital grant in kind <sup>2</sup>	-	7,772	-	-	-	-	-	-	-	7,772
Revaluations <sup>3</sup>	8,168	6,018	(455)	(4,298)	3,052	(1)	27	-	-	12,511
<b>At 31 March 2019</b>	<b>73,527</b>	<b>114,480</b>	<b>100,632</b>	<b>27,844</b>	<b>91,457</b>	<b>290</b>	<b>6,194</b>	<b>5,838</b>	<b>10,656</b>	<b>430,918</b>
<b>Depreciation</b>										
<b>At 1 April 2018</b>	-	<b>22,823</b>	<b>3,100</b>	<b>9,589</b>	<b>38,200</b>	<b>175</b>	<b>1,784</b>	-	-	<b>75,671</b>
Charged in year	-	3,516	7,770	509	15,914	35	775	-	-	28,519
Disposals <sup>1</sup>	-	-	(6)	-	(16,676)	-	(725)	-	-	(17,407)
Write offs	-	-	-	-	(10)	-	(4)	-	-	(14)
Impairment	-	-	-	-	(2,730)	-	-	-	-	(2,730)
Reclassifications	-	(88)	699	-	8	(175)	(444)	-	-	-
Revaluations <sup>3</sup>	-	847	(273)	(1,102)	(232)	-	2	-	-	(758)
<b>At 31 March 2019</b>	-	<b>27,098</b>	<b>11,290</b>	<b>8,996</b>	<b>34,474</b>	<b>35</b>	<b>1,388</b>	-	-	<b>83,281</b>
<b>Carrying amount at 31 March 2019</b>	<b>73,527</b>	<b>87,382</b>	<b>89,342</b>	<b>18,848</b>	<b>56,983</b>	<b>255</b>	<b>4,806</b>	<b>5,838</b>	<b>10,656</b>	<b>347,637</b>
<b>Carrying amount at 31 March 2018</b>	<b>65,359</b>	<b>84,229</b>	<b>11,737</b>	<b>22,553</b>	<b>55,601</b>	<b>603</b>	<b>4,023</b>	<b>5,877</b>	<b>66,050</b>	<b>316,032</b>
<b>Asset financing:</b>										
Owned	73,527	87,382	89,342	18,848	56,983	255	4,806	5,838	10,656	347,637
<b>Carrying amount at 31 March 2019</b>	<b>73,527</b>	<b>87,382</b>	<b>89,342</b>	<b>18,848</b>	<b>56,983</b>	<b>255</b>	<b>4,806</b>	<b>5,838</b>	<b>10,656</b>	<b>347,637</b>
<b>Of the total:</b>										
Department	29,139	33,273	10,855	12,143	53,299	-	1,099	5,780	5,438	151,026
Executive Agency	44,388	54,109	78,047	6,705	3,048	255	3,555	58	5,161	195,326
Other designated bodies	-	-	440	-	636	-	152	-	57	1,285
<b>Carrying amount at 31 March 2019</b>	<b>73,527</b>	<b>87,382</b>	<b>89,342</b>	<b>18,848</b>	<b>56,983</b>	<b>255</b>	<b>4,806</b>	<b>5,838</b>	<b>10,656</b>	<b>347,637</b>

<sup>1</sup> Disposals include retired assets; their values are fully written down and they are no longer in use

<sup>2</sup> Includes a capital grant in kind transfer from the Department for Business, Energy & Industrial Strategy to the Government Property Agency of £7,772 million

<sup>3</sup> Revaluations and impairments arise as a result of professional property valuations, the application of published indices and annual impairment reviews which ensure that the asset base is correctly valued

## 6. Property, plant and equipment (continued)

### 6.1 Valuation

#### Land and buildings

Land and buildings, including dwellings, are restated to fair value every five years using professional valuations prepared in accordance with current Royal Institution of Chartered Surveyors Valuation Standards. Each property is revalued on a rotational basis on a five year cycle commencing at the point of acquisition or on boarding into the GPA.

In the intervening years, land and buildings, including dwellings, are expressed at their fair value through the application of indices published by Office for National Statistics and Morgan Stanley Capital International, as advised by GPA's professional property advisors, Montague Evans.

Due to the unusual nature of the property, the valuation of 10-12 Downing Street is subject to valuation uncertainty.

#### Art and antiques

Townley Valuation Services Limited valued art and antiques, including furniture, carpets, clocks, silver and ceramics situated in properties within the Whitehall estate in June 2015 on the basis of insurance value being the likely cost of replacing the items.

Included within art and antiques are gifts to past and present Prime Ministers. These were valued by J. M. McCarthy Limited, jewellers and silversmiths, in March 2015 on the basis of best estimate of the price at auction. Gifts are further subject to professional valuation on a regular basis as required.

#### All other tangible non-heritage assets

All other tangible non-heritage fixed assets are revalued annually using indices published by the Office for National Statistics where a suitable index exists for the respective asset category.

### 6.2 Assets under construction

Assets under construction (PPE) of £6.879 million (2018-19: £10.656 million) relate to building improvement works at Cabinet Office London properties and Cabinet Office IT projects which have yet to come into use.

### 6.3 Transfer of function

The Whitehall District Heating System and Whitehall Standby Distribution System ("the Whitehall Systems") transferred to the GPA from the Crown Commercial Service (CCS) on 1 April 2019; this resulted in a £3.9 million property, plant and equipment asset.

### 6.4 Leasehold Improvements

Leasehold improvements relate to the following buildings:

Building	2019-20	2018-19
	£000	Restated
10 South Colonnade, London	73,206	76,574
10 Victoria Street, London	5,247	3,560
Fleetbank House, London	4,189	3,192
Dorland House, London	3,576	–
The Whitechapel Building, London	2,652	3,055
Other	6,214	2,961
<b>Total</b>	<b>95,084</b>	<b>89,342</b>

## 7. Intangible assets

### Consolidated 2019-20

Departmental Group	Purchased software		Carbon	Payments on		2019-20
£000	licences	IT software	reduction	Website	account and	Total
			commitment		assets under	
					construction	
<b>Cost or valuation</b>						
<b>At 1 April 2019 - restated</b>	-	<b>28,247</b>	<b>439</b>	<b>6,776</b>	<b>15,425</b>	<b>50,887</b>
Additions	214	1,391	-	-	15,130	16,735
Donations	-	-	-	-	-	-
Allowances purchased	-	-	-	-	-	-
Disposals <sup>1</sup>	-	(10,651)	-	(3,830)	-	(14,481)
Write offs	-	-	-	-	-	-
Impairment	-	(112)	-	-	(56)	(168)
Reclassifications <sup>2</sup>	-	14,225	-	2,306	(10,447)	6,084
Revaluations <sup>3</sup>	-	1,376	-	159	-	1,535
<b>At 31 March 2020</b>	<b>214</b>	<b>34,476</b>	<b>439</b>	<b>5,411</b>	<b>20,052</b>	<b>60,592</b>
<b>Amortisation</b>						
<b>At 1 April 2019 - restated</b>	-	<b>17,418</b>	<b>383</b>	<b>3,898</b>	-	<b>21,699</b>
Charged in year	5	10,343	-	2,940	-	13,288
Allowances surrendered	-	-	56	-	-	56
Disposals <sup>1</sup>	-	(10,650)	-	(3,830)	-	(14,480)
Write offs	-	-	-	-	-	-
Impairment	-	(83)	-	-	-	(83)
Reclassifications <sup>2</sup>	-	4,595	-	-	-	4,595
Revaluations <sup>3</sup>	-	504	-	36	-	540
<b>At 31 March 2020</b>	<b>5</b>	<b>22,127</b>	<b>439</b>	<b>3,044</b>	-	<b>25,615</b>
<b>Carrying amount at 31 March 2020</b>	<b>209</b>	<b>12,349</b>	-	<b>2,367</b>	<b>20,052</b>	<b>34,977</b>
<b>Carrying amount at 31 March 2019 - restated</b>	-	<b>10,829</b>	<b>56</b>	<b>2,878</b>	<b>15,425</b>	<b>29,188</b>
<b>Asset financing:</b>						
Owned	209	12,349	-	2,367	20,052	34,977
<b>Carrying amount at 31 March 2020</b>	<b>209</b>	<b>12,349</b>	-	<b>2,367</b>	<b>20,052</b>	<b>34,977</b>
<b>Of the total:</b>						
Department	209	12,204	-	2,367	19,866	34,646
Executive Agency	-	-	-	-	-	-
Other designated bodies	-	145	-	-	186	331
<b>Carrying amount at 31 March 2020</b>	<b>209</b>	<b>12,349</b>	-	<b>2,367</b>	<b>20,052</b>	<b>34,977</b>

<sup>1</sup> Disposals include retired assets; their values are fully written down and they are no longer in use

<sup>2</sup> Reclassification from property, plant and equipment to intangible assets relates to Single Operating Platform (SOP) IT Software which has been bifurcated from Information Technology in readiness for the future hosting of SOP on Oracle Cloud Infrastructure.

<sup>3</sup> Revaluations and impairments arise as a result of the application of published indices and annual impairment reviews which ensure that the asset base is correctly valued

## 7. Intangible assets (continued)

### Consolidated 2018-19 - restated

Departmental Group	Purchased software		Carbon		Payments on	2018-19
£000	software	IT software	reduction	Website	account and	Total
	licences		commitment		assets under	
					construction	
<b>Cost or valuation</b>						
<b>At 1 April 2018</b>	<b>386</b>	<b>30,996</b>	<b>439</b>	<b>8,134</b>	<b>4,294</b>	<b>44,249</b>
Additions	-	205	-	-	14,070	14,275
Donations	-	-	-	-	-	-
Allowances purchased	-	-	-	-	-	-
Disposals <sup>1</sup>	(180)	(750)	-	(1,668)	-	(2,598)
Write offs	-	-	-	-	(561)	(561)
Impairment	-	(815)	-	-	(469)	(1,284)
Reclassifications	(206)	(2,417)	-	77	(1,909)	(4,455)
Revaluations <sup>2</sup>	-	1,028	-	233	-	1,261
<b>At 31 March 2019</b>	<b>-</b>	<b>28,247</b>	<b>439</b>	<b>6,776</b>	<b>15,425</b>	<b>50,887</b>
<b>Amortisation</b>						
<b>At 1 April 2018</b>	<b>180</b>	<b>8,708</b>	<b>353</b>	<b>2,099</b>	<b>-</b>	<b>11,340</b>
Charged in year	-	9,094	-	3,408	-	12,502
Allowances surrendered	-	-	30	-	-	30
Disposals <sup>1</sup>	(180)	(750)	-	(1,668)	-	(2,598)
Write offs	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Revaluations <sup>2</sup>	-	366	-	59	-	425
<b>At 31 March 2019</b>	<b>-</b>	<b>17,418</b>	<b>383</b>	<b>3,898</b>	<b>-</b>	<b>21,699</b>
<b>Carrying amount at 31 March 2019</b>	<b>-</b>	<b>10,829</b>	<b>56</b>	<b>2,878</b>	<b>15,425</b>	<b>29,188</b>
<b>Carrying amount at 31 March 2018</b>	<b>206</b>	<b>22,288</b>	<b>86</b>	<b>6,035</b>	<b>4,294</b>	<b>32,909</b>
<b>Asset financing:</b>						
Owned	-	10,829	56	2,878	15,425	29,188
<b>Carrying amount at 31 March 2019</b>	<b>-</b>	<b>10,829</b>	<b>56</b>	<b>2,878</b>	<b>15,425</b>	<b>29,188</b>
<b>Of the total:</b>						
Department	-	10,820	56	2,878	15,314	29,068
Executive Agency	-	-	-	-	-	-
Other designated bodies	-	9	-	-	111	120
<b>Carrying amount at 31 March 2019</b>	<b>-</b>	<b>10,829</b>	<b>56</b>	<b>2,878</b>	<b>15,425</b>	<b>29,188</b>

<sup>1</sup> Disposals include retired assets; their values are fully written down and they are no longer in use

<sup>2</sup> Revaluations and impairments arise as a result of the application of published indices and annual impairment reviews which ensure that the asset base is correctly valued

## 7. Intangible assets (continued)

### 7.1 Purchased software licenses

Purchased software licences are valued at purchase cost and are not revalued, since an appropriate index is not available.

### 7.2 IT software and website

IT software and website assets are revalued annually using indices published by the Office for National Statistics.

### 7.3 Assets under construction

Assets under construction of £20.052 million (2018-19: £15.425 million) relate to Cabinet Office IT and cross-government IT projects which have yet to come into use.

### 7.4 Carbon Reduction Commitment

The Cabinet Office is registered under the Government's Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. Allowances held by the Cabinet Office relating to the CO2 emissions it generates are valued at purchase cost.

In the Budget on 16 March 2016, the Chancellor of the Exchequer announced that the Government has decided to close the CRC Scheme following the 2018-19 compliance year.

Cabinet Office reported under the CRC Scheme for the last time at the end of July 2019 and had surrendered allowances for emissions from energy supplied in the 2018-19 compliance year by the end of October 2019.

### 7.5 Material intangibles

Description	Carrying amount £000	Remaining amortisation period
Cross Government Secure IT – Software	5,460	5 years
GOV.UK – Websites	5,150	3 years
GOV.UK Platform as a Service – Software	3,420	3 years
Single Operating Platform – Software	3,165	3.6 years
Learning Platform for Government – Software	3,032	3 years
GOV.UK Verify - Software	2,218	1.5 years <sup>1</sup>
Recruitment Platform for Government – Software	2,262	3 years

<sup>1</sup>The GOV.UK Verify programme is in the process of transitioning to a private sector led model, as announced in October 2018, to ensure government can deliver its commitment to developing ubiquitous digital identity that can be safely used to access services across international borders. The coronavirus (COVID-19) pandemic has led to unprecedented demand for key online services using digital identity such as Universal Credit. In this light, the Chief Secretary to the Treasury has given approval to the Cabinet Office to continue GOV.UK Verify operations for up to a further 18 months. Accordingly, the useful economic life has been revised to reflect this.

The Transforming Government Security Group (GSG) Programme is delivering more efficient shared services through the further development of the Cluster Security Units and the establishment of Centres of Excellence. To help HMG manage information security risk GSG have continued to deliver and expand the use of a cross government secure IT service in line with strategic priorities and the National Cyber Security Strategy.

Government Digital Service is set up to support Departments to deliver online services that are designed and built around user needs. This specifically includes working to create the platforms and tools that make it simple for government to build, iterate and retire online services (e.g. GOV.UK, GOV.UK Verify, and government as a Platform).

Government Shared Services (GSS) is a centre of expertise working across Departments to transform shared services and drive forward the Shared Services strategy for government. This includes the continued development of the Single Operating Platform (SOP) in preparation for the migration to cloud infrastructure.

Civil Service HR Expert Services share HR expertise and maximise buying power across the Civil Service, to deliver a professional and more efficient service. This specifically includes working to create the platforms and tools that make it simple for government to transform learning, attract and retain (e.g. Learning Platform for Government and Recruitment Platform for Government).

## 8. Impairments

£000		2019-20	2019-20	2018-19 Restated	2018-19 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
<b>Charged to Consolidated Statement of Comprehensive Net Expenditure</b>					
- Impairment of property, plant and equipment	4	1,775	1,775	9,150	9,150
- Impairment of intangible assets	4	85	85	1,284	1,284
- Impairment of trade receivables	14.1	860	860	1,257	1,257
- Impairment of trade receivables – write back	14.1	(522)	(522)	(1,408)	(1,408)
- Revaluation of property, plant and equipment	4	(4)	(4)	(1,056)	(1,056)
- Write off of property, plant and equipment	4	-	-	9	9
- Write off of Intangible assets	4	-	-	561	561
<b>Total charged to Consolidated Statement of Comprehensive Net Expenditure</b>		<b>2,194</b>	<b>2,194</b>	<b>9,797</b>	<b>9,797</b>
<b>Taken through revaluation reserve</b>		-	31	3,078	3,078
<b>Total</b>		<b>2,194</b>	<b>2,225</b>	<b>12,875</b>	<b>12,875</b>

### Impairment of property, plant and equipment

Impairment of £1.775 million (2018-19: £9.150 million) relates to the impairment and retirement of Cabinet Office agile IT projects and the reclassification of IT hardware considered no longer eligible for grouping following machinery of Government transfers of function. The 2018-19 comparative relates to the reclassification of IT hardware considered no longer eligible for grouping, the impairment of cross government secure IT and the impairment of the Single Operating Platform.

### Impairment intangible assets

Impairment of £0.085 million (2018-19: £1.284) relates to the impairment of Cabinet Office agile IT projects. The 2018-19 comparative relates to the impairment of IT software and licenses considered no longer eligible for grouping and the impairment of cross government agile IT projects.

115

## 9. Financial instruments

The Department is exposed to little credit, liquidity or market risk, since the majority of financial instruments relate to contracts to buy non-financial items in line with the Department's expected purchase and usage requirements.

### Liquidity risk

Exposure to liquidity risk is low. The cash requirements of the Department are met through the Parliamentary Estimates process and income charged to bodies funded by Parliament. Funding for the Returning Officers' election expenses is received directly from the Consolidated Fund.

### Credit risk

Credit risk from receivables is low. Counterparties are mainly other Government Departments and debts are actively pursued by an internal credit control function.

Receivables are impaired when there is evidence that credit losses may arise and stated net of any provision.

Impairments and bad debt write-offs are detailed at Note 4 (Expenditure) and at Note 14 (Trade receivables, financial and other assets).

### Interest rate risk

There is no exposure, since material deposits are held with the Government Banking Service. Deposits held by Returning Officers in commercial bank accounts at 31 March were not material.

### Exchange rate risk

There is little exposure because all material assets and liabilities are denominated in sterling.

### Market risk

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 tenants. GPA is not exposed to significant void or vacant space risk as risk is carried by Departments.

### Public dividend capital

The Department holds public dividend capital in the Crown Commercial Service. This financial asset is carried at historical cost less any impairment. Information on the Crown Commercial Service, a body outside the Departmental boundary, is included at Note 11.2.

## 10. Investments in associates

£000	Note	MyCSP Limited	Shared Services Connected Limited	AXELOS Limited	Behavioural Insights Limited	Integrated Debt Services Limited	Crown Hosting Data Centres Limited	Total Departmental Group
<b>Cost or valuation</b>								
<b>At 1 April 2018</b>		<b>4,543</b>	<b>9,340</b>	<b>51,050</b>	<b>1,378</b>	<b>2,713</b>	<b>123</b>	<b>69,147</b>
Disposals		(5,464)	–	–	(237)	–	–	(5,701)
Dividend received		–	–	(12,148)	(257)	(1,625)	(251)	(14,281)
Share of results	SoCNE	921	3,286	10,041	493	2,000	284	17,025
<b>At 31 March 2019</b>		<b>–</b>	<b>12,626</b>	<b>48,943</b>	<b>1,377</b>	<b>3,088</b>	<b>156</b>	<b>66,190</b>
Dividend received		–	–	(14,285)	(262)	(2,500)	(377)	(17,424)
Share of results	SoCNE	–	6,001	10,278	587	1,620	487	18,973
Share of FX Gains/Losses	OCI	–	–	–	31	–	–	31
<b>At 31 March 2020</b>		<b>–</b>	<b>18,627</b>	<b>44,936</b>	<b>1,733</b>	<b>2,208</b>	<b>266</b>	<b>67,770</b>

The Department accounts for its investments in associates using the equity method in accordance with IAS 28 *Investments in Associates and Joint Ventures*, and presents disclosures required by IFRS 12 *Disclosure of Interests in Other Entities*. For additional information, see Notes 5 and 23.

### Shared Services Connected Limited

The Department has a 25% equity shareholding in Shared Services Connected Limited (SSCL), which provides business support services for public sector organisations and agencies. The remainder of the equity is owned by Sopra Steria Limited. SSCL began trading on 1 November 2013 and its head office is in Hertfordshire, UK.

There has been no change in the Department's ownership during the year to 31 March 2020 or the previous year.

The Department has the benefit of a put option, exercisable between 1 January 2022 and 1 January 2024, giving it the right but not the obligation to sell its 25% shareholding to Sopra Steria Limited at a formula value based on a multiple of adjusted earnings and net cash/borrowings.

SSCL prepares its accounts on an FRS 101 (IFRS with limited disclosure) basis. There are no material differences between this and an IFRS basis of preparation and therefore no adjustments are required. The reporting date of SSCL's financial statements is 31 December, the same date as its major shareholder. When applying the equity method of accounting, SSCL's 2019 unaudited financial statements have been used and adjustments have been made for the effects of transactions between 31 December 2019 and 31 March 2020. SSCL's published accounts may be found at:

[companieshouse.gov.uk](http://companieshouse.gov.uk)

### AXELOS Limited

The Department has a 49% equity shareholding in AXELOS Limited (AXELOS), which manages and develops intellectual property around best management practice methodologies. The remainder is owned by Capita Business Services Limited (Capita). AXELOS began trading on 1 January 2014 and its head office is in London, UK.

There has been no change in the Department's ownership during the year to 31 March 2020 or the previous year.

The Department has the benefit of a put option, exercisable between 1 January 2019 and 28 February 2021, giving it the right but not the obligation to sell its 49% shareholding to Capita at a formula value based on a multiple of adjusted earnings and net cash/borrowings.

AXELOS prepares its accounts on an FRS 101 basis. There are no material differences between this and an IFRS basis of preparation and therefore no adjustments are required. The reporting date of AXELOS' financial statements is 31 December, the same date as its major shareholder. When applying the equity method of accounting, AXELOS' 2019 audited financial statements have been used and adjustments have been made for the effects of transactions between 31 December 2019 and 31 March 2020. AXELOS' published accounts may be found at:

[companieshouse.gov.uk](http://companieshouse.gov.uk)

## Behavioural Insights Limited

The Department has a 30% equity shareholding in Behavioural Insights Limited (BIT), which applies insights from behavioural sciences to tackle public policy problems. The remainder of the equity is owned by Nesta (30%), and employees and former employees (40%). BIT began trading on 4 February 2014 and its head office is in London, UK.

There has been no change in the Department's ownership during the year to 31 March 2020. During the previous year the Department sold a 5% shareholding to BIT's employee benefits trust (the EBT) and the EBT released the Department from a call option under which the EBT had the right to purchase a further 4.99% shareholding in BIT from the Department.

The Department has the benefit of a put option, giving it the right but not the obligation to sell its remaining 30% shareholding to Nesta at a formula value based on a multiple of adjusted earnings and net cash/borrowings.

BIT prepares its accounts on an FRS 102 (the Financial Reporting Standard applicable in the UK and Republic of Ireland – based on IFRS for SMEs) basis. There are no material differences between this and an IFRS basis of preparation and therefore no adjustments are required. The reporting date of BIT's financial statements is 31 March. BIT's published accounts may be found at: [companieshouse.gov.uk](http://companieshouse.gov.uk)

## Integrated Debt Services Limited

The Department has a 25% equity shareholding in Integrated Debt Services Limited (IDS), which provides a single point of access to a wide range of debt management and collection services for a number of Government Departments and the wider public sector. The remainder of the equity is owned by TDX Group, an Equifax company. IDS began trading on 17 March 2015 and its head office is in London, UK.

There has been no change in the Department's shareholding during the year to 31 March 2020 or the previous year.

The Department has the benefit of a put option, exercisable between 1 October 2019 and 31 August 2021, giving it the right but not the obligation to sell its 25% shareholding to TDX Group at a formula value based on a multiple of adjusted earnings and net cash/borrowings.

IDS prepares its accounts on an FRS 102 basis. There are no material differences between this and an IFRS basis of preparation and therefore no adjustments are required. The reporting date of IDS's financial statements is 31 December, the same date as its major shareholder. When applying the equity method of accounting, IDS's 2019 unaudited financial statements have been used and adjustments have been made for the effects of transactions between 31 December 2019 and 31 March 2020. IDS's published accounts may be found at: [companieshouse.gov.uk](http://companieshouse.gov.uk)

## Crown Hosting Data Centres Limited

The Department has a 25.1% shareholding in Crown Hosting Data Centres Limited (CHDC) which provides public sector customers with assured, low-cost, secured, scalable and flexible data centre colocation services, coupled with low-latency connectivity between data centres. The remainder of the equity is owned by Ark Data Centres Limited. CHDC began trading on 16 March 2015 and its head office is in Wiltshire, UK.

There has been no change in the Department's shareholding during the year to 31 March 2020 or the previous year.

The Department has the benefit of a put option, giving it the right but not the obligation to sell its 25.1% shareholding to Ark Data Centres Limited at a formula value based on a multiple of adjusted earnings and net cash/borrowings.

CHDC prepares its accounts on a FRS 102 basis. There are no material differences between this and an IFRS basis of preparation and therefore no adjustments are required. The reporting date of CHDC's financial statements is 30 June, the same date as its major shareholder. When applying the equity method of accounting, CHDC's 2019 audited financial statements have been used and adjustments have been made for the effects of transactions between 30 June 2019 and 31 March 2020. CHDC's published accounts may be found at: [companieshouse.gov.uk](http://companieshouse.gov.uk)

## MyCSP Limited

On 26 September 2018 the Cabinet Office sold its remaining 24% shareholding in MyCSP to Equiniti for a consideration of £8 million, of which £4 million is deferred until September 2020 resulting in a gain of £2.536 million. The transaction increased Equiniti's shareholding in MyCSP from 51% to 75%. The Employee Benefit Trust maintained its 25% stake in MyCSP.

## 11. Financial assets

### 11.1 Current assets

#### Derivative financial assets at fair value through profit or loss

The Department has the benefit of put options in relation to its investments in associates.

£000	Total
	Departmental group
<b>Balance at 1 April 2018</b>	-
Fair value gain on financial assets	71,948
<b>Balance at 31 March 2019</b>	<b>71,948</b>
Fair value loss on financial assets	(5,282)
<b>Balance at 31 March 2020</b>	<b>66,666</b>

Under these put options it can require the co-investors in its associates to purchase its investments in those associates at formula values linked to the associates' net cash or debt positions and earnings. The put options are not capable of separate realisation; they can only be realised together with the underlying investments to which they are linked.

As at 31 March 2020, put options were exercisable in relation to the Department's investments in AXELOS Limited (exercisable until 28 February 2021), Crown Hosting Data Centres Limited (exercisable indefinitely), Behavioural Insights Limited (exercisable indefinitely) and Integrated Debt Services Limited (exercisable until 31 August 2021). In valuing put options, Cabinet Office has made assumptions about the future performance of some of its associates based on the best available evidence.

No decision had been made to exercise any of these options.

The fair value of put options are calculated using Level 3 inputs within the IFRS 13 Fair Value hierarchy and are based on techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

### 11.2 Non-current assets

#### Derivative financial assets at fair value through profit or loss

£000	Total
	Departmental group
<b>Balance at 1 April 2018</b>	-
Fair value gain on financial assets	-
<b>Balance at 31 March 2019</b>	-
Fair value gain on financial assets	24,736
<b>Balance at 31 March 2020</b>	<b>24,736</b>

The Cabinet Office has a put option in Shared Services Connected Limited (SSCL) which is exercisable from 1 January 2022.

In valuing this put option, assumptions have been made about SSCL's future performance based on the best available evidence. The asset has been discounted to reflect current value.

The fair value of put options are calculated using Level 3 inputs within the IFRS 13 Fair Value hierarchy and are based on techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

#### Investments in other public sector bodies

##### *Crown Commercial Service*

The core Department holds non-current investments of public dividend capital in the Crown Commercial Service.

£000	Note	Total
		Departmental group
<b>Balance at 1 April 2018</b>		<b>350</b>
Additions		-
Impairment	4	-
<b>Balance at 31 March 2019</b>		<b>350</b>
Additions		-
Impairment	4	-
<b>Balance at 31 March 2020</b>		<b>350</b>

In accordance with the *FReM*, the Cabinet Office's investment in the Crown Commercial Service is shown at its historical cost.

A dividend of £14.475 million (2018-19: £6.158 million) is receivable for the year ended 31 March 2020; see Note 5. This was to cover the costs of the Complex Transaction, Continuous Improvement, Markets and Suppliers and Policy teams which previously transferred from CCS to Cabinet Office and included extra money to fund the expansion of commercial capability across government, including upskilling the commercial workforce, providing expertise on complex projects and managing relationships with strategic suppliers. The published accounts can be found at:

[GOV.UK – Crown Commercial Service](https://www.gov.uk/government/collections/crown-commercial-service)

## 12. Assets classified as held for sale

### Sunningdale Park

£000	Note	Total
		Departmental group
<b>Balance at 1 April 2018</b>		<b>16,812</b>
Gain on change in fair value	4	–
Disposal		–
Transfer from property, plant and equipment	6	–
<b>Balance at 31 March 2019</b>		<b>16,812</b>
Gain on change in fair value	4	–
Disposal		(16,812)
Transfer from property, plant and equipment	6	–
<b>Balance at 31 March 2020</b>		<b>–</b>

The core Department held an asset classified as held for sale at Sunningdale Park, Berkshire.

The sale of the former Civil Service College at Sunningdale Park to Berkeley Homes (Oxford and Chiltern) Ltd and Audley Sunningdale Park Ltd generated proceeds of £48.4 million for the Exchequer.

Sunningdale Park was in use through a Private Finance Initiative deal with De Vere Venues that was due to end in May 2032. An early exit opportunity was exercised at a contractual breakpoint, in line with the Government's drive to release land which is not required for operations. The former Civil Service College at Sunningdale Park was declared surplus to requirements in 2012, due to Civil Service Learning no longer requiring a separate training and conference facility with extensive residential overnight accommodation.

In 2014 the Cabinet Office worked with the Royal Borough of Windsor and Maidenhead to prepare a development brief which facilitated consideration of residential use in line with local planning policy. A marketing campaign to find a purchaser ran during 2015-16 and resulted in a conditional sale being agreed with Berkeley Homes (Oxford and Chiltern) Ltd and Audley Sunningdale Park Ltd in December 2016. The sale completed on 20 February 2020.

Audley Sunningdale Park Ltd has paid £18.7 million in full. Berkeley Homes (Oxford and Chiltern) Ltd will pay £29.7 million in instalments: £7.425 million was received upon completion, £22.275 million is to be received in 3 equal instalments of £7.425 million on 1st March in 2021 / 2022 / 2023; see Note 14. Deferred consideration is recognised as £6.658 million current receivable and £14.065 million non-current receivable at Note 14; amounts have been discounted.

The proceeds from the sale are to be paid over in full to HM Treasury's Consolidated Fund and will not create spending headroom in budgets; see Note 15.

119

## 13. Cash and cash equivalents

£000	Note	Total	Total Restated
		Core Departmental and agency group	Departmental group
<b>Balance at 1 April 2018</b>		<b>40,586</b>	<b>40,611</b>
Net change in cash and cash equivalent balances		35,949	35,950
<b>Balance at 31 March 2019</b>		<b>76,535</b>	<b>76,561</b>
Net change in cash and cash equivalent balances		63,929	64,088
<b>Balance at 31 March 2020</b>		<b>140,464</b>	<b>140,649</b>
The following balances at 31 March were held at:			
Government Banking Service – supply – Cabinet Office		94,275	94,275
Government Banking Service – supply – Government Property Agency		14,432	14,432
Government Banking Service – supply – Equality and Human Rights Commission		–	185
Government Banking Service – non-supply – consolidated fund standing services – elections – Returning Officers' expenses, England, Wales and Scotland		31,757	31,757
<b>Balance at 31 March 2020</b>		<b>140,464</b>	<b>140,649</b>

## 14. Trade receivables, financial and other assets

£000		2019-20	2019-20	2018-19 Restated	2018-19 Restated	2017-18 Restated	2017-18 Restated
	Note	Core Department and agency	Department al group	Core Department and agency	Department al group	Core Department and agency	Department al group
<b>Current – amounts falling due within one year</b>							
VAT		6,085	6,074	6,727	6,723	7,374	7,372
Trade receivables		17,568	17,608	10,811	10,687	92,118	92,119
Contract receivables		111,739	111,739	74,383	74,383	–	–
Deposits and advances		999	1,005	802	802	879	879
Other receivables		7,409	7,409	8,540	8,547	4,445	4,469
Government Property Agency Lease Incentive Adjustment		9,367	9,367	–	–	–	–
Deferred consideration upon disposal of shareholdings in MyCSP Ltd <sup>1</sup>		4,000	4,000	–	–	–	–
Deferred consideration upon disposal of site at Sunningdale Park		6,658	6,658	–	–	–	–
Amounts due from importing Departments in respect of machinery of Government transfers		329	329	1,440	1,440	344	344
Amounts due from consultant lobbyists for registration fees		(2)	–	–	3	–	3
Prepayments		80,040	80,567	23,048	23,443	14,950	15,406
Accrued income		39,981	40,024	29,578	29,673	61,803	61,815
Contract assets – accrued income		74,940	74,992	55,073	55,073	–	–
Amounts from other Government Departments to offset provisions		2,608	2,608	2,415	2,415	–	–
<b>Returning Officers' expenses, England, Wales and Scotland</b>							
Advances to Returning Officers							
- 2019 UK Parliamentary general election		80,792	80,792	–	–	–	–
- 2017 UK Parliamentary general election		5,936	5,936	28,874	28,874	65,437	65,437
- UK Parliamentary by-elections		443	443	365	365	698	698
- Petition to recall an MP		267	267	167	167	–	–
- 2019 European Parliamentary election		72,339	72,339	–	–	–	–
- 2016 Police and Crime Commissioner elections		–	–	–	–	9,311	9,311
- Police and Crime Commissioner by-elections		1,714	1,714	–	–	–	–
Amounts due from Returning Officers							
- 2017 UK Parliamentary general election		24	24	4	4	31	31
- 2016 Police and Crime Commissioner elections		–	–	–	–	36	36
<b>Total current assets</b>		<b>523,236</b>	<b>523,895</b>	<b>242,227</b>	<b>242,599</b>	<b>257,426</b>	<b>257,920</b>
<b>Non-current – amounts falling due after more than one year</b>							
Deferred consideration upon disposal of shareholdings in MyCSP Ltd <sup>1</sup>	15	–	–	3,788	3,788	–	–
Deferred consideration upon disposal of site at Sunningdale Park		14,065	14,065	–	–	–	–
Amounts from other Government Departments to offset provisions		60,796	60,764	32,939	32,908	–	–
Prepayments, deposits and advances		5,483	5,515	–	90	–	90
<b>Total non-current – amounts falling due after more than one year</b>		<b>80,344</b>	<b>80,344</b>	<b>36,727</b>	<b>36,786</b>	<b>–</b>	<b>90</b>
<b>Total</b>		<b>603,580</b>	<b>604,239</b>	<b>278,954</b>	<b>279,385</b>	<b>257,426</b>	<b>258,010</b>

<sup>1</sup> Consideration of £4 million (2018-19: discounted to £3.788 million under IFRS 9) to be received in September 2020

## 14.1 Provision for credit losses

An allowance for expected credit loss is determined by reference to payment history against settlement terms. The Department 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 were as follows.

£000	Note	2019-20		2018-19 Restated		2017-18 Restated	
		Core Department and agency	Departmental group	Core Department and agency	Departmental group	Core Department and agency	Departmental group
<b>At 1 April</b>		6,415	6,415	6,566	6,566	1,408	1,408
Provided in the year	4, 8	914	914	177	177	6,566	6,566
Provisions utilised in the year <sup>1</sup>	4, 8	(528)	(528)	(319)	(319)	(1,408)	(1,408)
Provisions debts recovered	4, 8	(48)	(48)	(9)	(9)	-	-
<b>At 31 March</b>		<b>6,753</b>	<b>6,753</b>	<b>6,415</b>	<b>6,415</b>	<b>6,566</b>	<b>6,566</b>

<sup>1</sup> The Department has a policy of internally reviewing aged debt using specific criteria for write-off. In 2019-20 £0.471million (2018-19 £0.319million) was written off (see Note 4) of which Gross £0.528 million (2018-19: £0.319 million) had been provided for with the provision being released to the operating cost. VAT relief on Bad Debts written off of £57k was received in 2019-20 (2018-19 £nil).

Departmental Group	Provision %			Provision £'000			2019-20 Total
	Private sector	Public sector	Other Govt Dept	Private sector	Public sector	Other Govt Dept	
<b>Trade receivables</b>							
Current to 60 days	2%	-	-	79	-	-	79
61 – 90 days	10%	-	-	9	-	-	9
91 – 180 days	30%	50%	-	52	118	-	170
> 180 days	100%	100%	-	813	1431	-	2,244
> 361 days	-	-	100%	-	-	2,726	2,726
<b>Total trade receivables</b>				<b>953</b>	<b>1,549</b>	<b>2,726</b>	<b>5,228</b>
<b>Other receivables</b>							
Current to 60 days	2%	-	-	6	-	-	6
61 – 150 days	10%	-	-	34	-	-	34
151 – 331 days	30%	-	-	113	-	-	113
> 180 days	100%	-	-	295	-	-	295
> 331 days	100%	-	-	1,077	-	-	1,077
<b>Total other receivables</b>				<b>1,525</b>	<b>-</b>	<b>-</b>	<b>1,525</b>
<b>Grand total</b>				<b>2,478</b>	<b>1,549</b>	<b>2,726</b>	<b>6,753</b>

Departmental Group	Provision %			Provision £'000			2018-19 Total
	Private sector	Public sector	Other Govt Dept	Private sector	Public sector	Other Govt Dept	
<b>Trade receivables</b>							
Current to 60 days	2%	-	-	83	-	-	83
61 – 90 days	10%	-	-	27	-	-	27
91 – 180 days	30%	50%	-	142	179	-	321
> 180 days	100%	100%	-	678	976	-	1,654
> 361 days	-	-	100%	-	-	3,332	3,332
<b>Total trade receivables</b>				<b>930</b>	<b>1,155</b>	<b>3,332</b>	<b>5,417</b>
<b>Other receivables</b>							
Current to 60 days	2%	-	-	4	-	-	4
61 – 150 days	10%	-	-	17	-	-	17
151 – 331 days	30%	-	-	82	-	-	82
> 180 days	100%	-	-	295	-	-	295
> 331 days	100%	-	-	600	-	-	600
<b>Total other receivables</b>				<b>998</b>	<b>-</b>	<b>-</b>	<b>998</b>
<b>Grand total</b>				<b>1,928</b>	<b>1,155</b>	<b>3,332</b>	<b>6,415</b>

## 14.2 Transitional adjustment upon adoption of IFRS 15 *Revenue from contracts with customers*

£000	Note	2018-19	2018-19	2017-18
		As reported under IFRS 15	adjustment taken through reserves	as reported under IAS 18
		Departmental group	Departmental group	Departmental group
Accrued income	14	–	(728)	728
<b>Total</b>		<b>–</b>	<b>(728)</b>	<b>728</b>

An impact assessment identified income in 2017-18 had been accrued with reference to performance obligations being settled at a point in time instead of over a 12 month period when performance obligations were fulfilled according to contract (£0.728 million). Upon transition to IFRS 15, Cabinet Office has recognised the difference between the carrying amount at 31 March 2018 and the carrying amount as it should have been stated within the general fund in tax payer's equity.

## 15. Trade payables, financial and other liabilities

£000		2019-20	2019-20	2018-19 Restated	2018-19 Restated	2017-18 Restated	2017-18 Restated
	Note	Core Department and agency	Department al group	Core Department and agency	Department al group	Core Department and agency	Department al group
<b>Current – amounts falling due within one year</b>							
Other taxation and social security		12,052	12,407	9,719	9,983	8,366	8,603
Contract liabilities under IFRS 15 <i>Revenue from contracts with customers</i>		7,415	7,426	12,398	12,398	–	–
Trade payables		29,940	29,947	36,183	36,919	37,861	38,121
Refunds due to consultant lobbyists		–	–	–	–	–	1
Cash collected from lobbyists by Cabinet Office on behalf of the Registrar of Consultant Lobbyists		152	–	150	–	145	–
Other payables		11,827	11,800	8,091	8,273	7,648	7,831
Other payables in respect of Machinery of Government transfers		1,066	1,066	1,796	1,796	1,262	1,262
Accruals		115,343	116,139	107,939	109,595	107,014	109,848
Accrual for untaken annual leave		10,230	10,494	8,175	8,447	7,974	8,207
Deferred income		32,263	32,504	10,029	9,991	8,130	8,225
Government Property Agency Lease Incentive Adjustment		9,319	9,319	–	–	–	–
Receipt on account refundable to AXELOS Limited <sup>1</sup>	17	2,350	2,350	2,350	2,350	2,350	2,350
Amounts repayable to the Consolidated Fund for Contingencies Fund advance		–	–	–	–	–	–
Amounts issued from the Consolidated Fund for supply but not spent at year end – Cabinet Office		60,430	60,430	61,509	61,509	13,311	13,311
Amounts Payable to the Consolidated Fund – receivable	SOPS4	10,658	10,658	488	488	–	–
Amounts Payable to the Consolidated Fund - proceeds received from disposals	SOPS4	48,125	48,125	–	–	–	–
Amounts due to the Consolidated Fund for consultant lobbyists' registration fees	SOPS4	–	150	–	149	–	137
Amounts due to the Consolidated Fund for civil penalties received from consultant lobbyists	SOPS4	–	2	–	1	–	2
<b>Returning Officers' expenses, England, Wales and Scotland</b>							
Accruals and other payables							
- 2019 UK Parliamentary general election		113,096	113,096	–	–	–	–
- 2017 UK Parliamentary general election		8,027	8,027	40,788	40,788	87,340	87,340
- UK Parliamentary by-elections		658	658	421	421	1,121	1,121
- Petition to recall an MP		354	354	222	222	–	–
- 2019 European Parliamentary election		97,690	97,690	–	–	–	–
- 2016 Police and Crime Commissioner elections		–	–	–	–	11,670	11,670
- Police and Crime Commissioner by-elections		2,054	2,054	–	–	–	–
Forfeited deposits - Non voted receipts surrenderable to the Consolidated Fund							
- 2019 UK Parliamentary general election		21	21	–	–	–	–
<b>Total current liabilities</b>		<b>573,070</b>	<b>574,717</b>	<b>300,258</b>	<b>303,330</b>	<b>294,192</b>	<b>298,029</b>
<b>Non-current - amounts falling due after more than one year</b>							
Accruals		–	11	–	18	837	853
Amounts Payable to the Consolidated Fund – proceeds receivable from sale of shareholdings in MyCSP Ltd	14	–	–	4,000	4,000	–	–
Amounts Payable to the Consolidated Fund – receivable		14,065	14,065	–	–	–	–
<b>Total non-current liabilities</b>		<b>14,065</b>	<b>14,076</b>	<b>4,000</b>	<b>4,018</b>	<b>837</b>	<b>853</b>
<b>Total</b>		<b>587,135</b>	<b>588,793</b>	<b>304,258</b>	<b>307,348</b>	<b>295,029</b>	<b>298,882</b>

<sup>1</sup> Cabinet Office is to be paid £65.800 million in seven equal instalments of £9.400 million commencing 1 January 2017 and ending 31 December 2023. These payments are due from its associate, AXELOS Limited, and represent settlement of deferred additional consideration from the sale of intellectual property in 2013-14. Payment is contingent on the profits of AXELOS Limited. At 31 March 2020, the Cabinet Office recognised income of £9.400 million (see Note 5) and a liability of £2.350 million being a payment on account, which is refundable should AXELOS Limited not be in profit at its financial year ending 31 December 2020. The unpaid balance of £35.250 million is a contingent asset (see Note 17).

## 16. Provisions for liabilities and charges

£000	Specific dilapidations	Early departures	Vacant properties	Other provisions	Total
	Departmental Group	Departmental Group	Departmental Group	Departmental Group	Departmental Group
<b>Balance at 1 April 2018 - restated</b>	<b>19,091</b>	<b>248</b>	<b>126</b>	<b>848</b>	<b>20,313</b>
Provisions offset by receivables	35,323	–	–	–	35,323
Provided in the year	3,110	7	–	146	3,263
Provisions not required written back	(17,199)	–	(50)	(144)	(17,393)
Provisions utilised in the year	–	(159)	(76)	(374)	(609)
Borrowing costs	(5)	–	–	–	(5)
<b>Balance at 31 March 2019 - restated</b>	<b>40,320</b>	<b>96</b>	<b>–</b>	<b>476</b>	<b>40,892</b>
Provisions offset by receivables	28,049	–	–	–	28,049
Provided in the year	2,630	2	–	64	2,696
Provisions not required written back	(2,491)	(1)	–	(410)	(2,902)
Provisions utilised in the year	–	(95)	–	(61)	(156)
Borrowing costs	3	–	–	–	3
<b>Balance at 31 March 2020</b>	<b>68,511</b>	<b>2</b>	<b>–</b>	<b>69</b>	<b>68,582</b>
Of which:					
Core Department and agency	68,331	2	–	69	68,402
Arm's length bodies	180	–	–	–	180
<b>Balance at 31 March 2020</b>	<b>68,511</b>	<b>2</b>	<b>–</b>	<b>69</b>	<b>68,582</b>
Core Department and agency	40,139	96	–	256	40,491
Arm's length bodies	181	–	–	220	401
<b>Balance at 31 March 2019 - restated</b>	<b>40,320</b>	<b>96</b>	<b>–</b>	<b>476</b>	<b>40,892</b>
Core Department and agency	18,849	248	126	721	19,944
Arm's length bodies	242	–	–	127	369
<b>Balance at 1 April 2018 - restated</b>	<b>19,091</b>	<b>248</b>	<b>126</b>	<b>848</b>	<b>20,313</b>
Of which:					
Current liability	2,608	2	–	64	2,674
Non-current liability	65,903	–	–	5	65,908
<b>Balance at 31 March 2020</b>	<b>68,511</b>	<b>2</b>	<b>–</b>	<b>69</b>	<b>68,582</b>
Current liability	2,415	93	–	471	2,979
Non-current liability	37,905	3	–	5	37,913
<b>Balance at 31 March 2019 - restated</b>	<b>40,320</b>	<b>96</b>	<b>–</b>	<b>476</b>	<b>40,892</b>
Current liability	–	155	120	848	1,123
Non-current liability	19,091	93	6	–	19,190
<b>Balance at 1 April 2018 - restated</b>	<b>19,091</b>	<b>248</b>	<b>126</b>	<b>848</b>	<b>20,313</b>

124

### Analysis of expected timing of discounted flows – 2019-20

£000	Specific dilapidations	Early departures	Vacant properties	Other provisions	Total
	Departmental Group	Departmental Group	Departmental Group	Departmental Group	Departmental Group
Not later than one year	2,608	2	–	64	2,674
Later than one year and not later than five years	13,245	–	–	2	13,247
Later than five years	52,658	–	–	3	52,661
<b>Balance at 31 March 2020</b>	<b>68,511</b>	<b>2</b>	<b>–</b>	<b>69</b>	<b>68,582</b>

### Analysis of expected timing of discounted flows – 2018-19

£000	Specific dilapidations	Early departures	Vacant properties	Other provisions	Total
	Departmental Group	Departmental Group	Departmental Group	Departmental Group	Departmental Group
Not later than one year	2,415	93	–	471	2,979
Later than one year and not later than five years	20,781	3	–	2	20,786
Later than five years	17,124	–	–	3	17,127
<b>Balance at 31 March 2019 - restated</b>	<b>40,320</b>	<b>96</b>	<b>–</b>	<b>476</b>	<b>40,892</b>

## 16. Provisions for liabilities and charges (continued)

### Specific dilapidations

A specific dilapidation provision is made where the Department is required to bring a property into a good state of repair at the end of a lease. A provision is made for the estimated costs of these repairs based on a rate per square foot, which are subject to annual assessment and, where appropriate, valuation techniques to ensure amounts recognised are appropriate, adhere to the relevant standard and are supportable. A provision is also written back when not required.

The majority of dilapidations relate to buildings managed by GPA and occupied by tenants. Where appropriate, the charge is passed on to the occupying tenant and the GPA recognises a receivable balance in respect of these amounts (see Note 15).

### Early departures

The core Department meets the additional costs of benefits beyond the normal Principal Civil Service Pension Scheme (PCSPS) benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date.

The Department provides for early departure costs when the early retirement programme becomes binding on the Department. The provision is discounted by HM Treasury's discount rates for post-employment benefits. Payments are made monthly and it is anticipated that all payments will have been made against the provision by the end of 2020-21.

### Legal costs – Equality and Human Rights Commission

For legal costs a provision is made when there is a probability of greater than 50% of the Commission losing the case and being ordered to pay costs. The Commission takes on legal cases to challenge and clarify the law, which may result in judgement being made against the Commission. The assessment is carried out on a case-by-case basis taking the advice of external legal experts. During the year, the provision has been partially utilised and the balance has been written back, since it is no longer required.

### Other provisions

One contract is in perpetuity, with £500 per year being paid to the Gresham Estate and is provided for accordingly; the amounts due later than five years figure is only provided for 7 years and therefore reflected as such in the tables on the previous page.

A provision was created in 2016-17 in relation to a claim from a contractor following the collapse of a crane on 70 Whitehall in high winds in 2013-14. There is uncertainty over the responsibility of the Cabinet Office in reference to this claim; therefore, a provision was created to account for the potential liability. This provision was written back in 2019-20 as the date for a possible claim had passed.

## 17. Contingent assets

### AXELOS consideration

Cabinet Office is to be paid £65.8 million in seven equal instalments of £9.4 million commencing 1 January 2017 and ending 31 December 2023. These payments are due from its associate, AXELOS Limited, and represent settlement of deferred additional consideration from the sale of intellectual property in 2013-14. Payment is contingent on the profits of AXELOS Limited.

At 31 March 2020, the Cabinet Office recognised income of £9.400 million (see Note 5) and a liability of £2.350 million (see Note 15) being a payment on account, which is refundable should AXELOS Limited not be in profit at its financial year ending 31 December 2020. The unpaid balance of £35.250 million (2018-19: £44.650 million) is a contingent asset.

### Official Receiver – Carillion plc in liquidation

Following the collapse of Carillion in January 2018, the Cabinet Office provided the Official Receiver with £150 million working capital to maintain public service continuity when managing the liquidation. The Official Receiver continues to progress the liquidation and is seeking to recoup his operating costs through liquidation of assets and from customers of those services.

The eventual cost of the liquidation to the Department is expected to be significantly lower than £99.5 million (2018-19: £139.5 million). This is the net Cabinet Office contribution as at 31 March 2020, following £10.5 million recoveries in 2018-19 and £40 million recoveries in 2019-20. This will remain subject to uncertainty until the liquidation is concluded.

## 18. Contingent liabilities

### Indemnity for the Official Receiver

The Government has indemnified the Official Receiver, appointed as Liquidator of Carillion plc and certain other companies in its group, for actions he undertakes as Receiver in respect of any claims and proceedings that are made against him personally.

The indemnity does not extend to any costs which may legitimately be charged to the company or companies in liquidation. This will enable the Official Receiver to ensure the orderly winding up of the group's activities and in particular safeguard the continuity of public services. The indemnity was provided on 15 January 2018 and may be terminated by government giving not less than 14 days' notice.

## 19. Retirement benefit obligations

Pension liabilities comprise pension benefits for the former Chair of the Commission for Equality and Human Rights and former Chairs and Deputy Chairs of legacy Commissions. The benefits are provided under a scheme broadly by analogy with the PCSPS. The pension scheme is unfunded, with benefits being paid as they fall due and guaranteed by the Commission. There is no fund and therefore no surplus, deficit or assets. The Government Actuary's Department has calculated the scheme liabilities at 31 March 2020.

£000	Note	Retirement benefit obligations	
		Core Department and agency	Departmental Group
<b>Balance at 1 April 2018 - restated</b>		-	<b>1,498</b>
Provisions utilised in the year		-	(95)
Net interest		-	37
Actuarial (gain) / loss		-	(5)
<b>Balance at 31 March 2019 - restated</b>		-	<b>1,435</b>
Provisions utilised in the year		-	(97)
Net interest		-	40
Actuarial (gain) / loss		-	82
<b>Balance at 31 March 2020</b>		-	<b>1,460</b>
Of which:		-	-
Core Department and agency		-	-
Arm's length bodies		-	1,460
<b>Balance at 31 March 2020</b>		-	<b>1,460</b>
Core Department and agency		-	-
Arm's length bodies		-	1,435
<b>Balance at 31 March 2019 - restated</b>		-	<b>1,435</b>
Core Department and agency		-	-
Arm's length bodies		-	1,498
<b>Balance at 1 April 2018 - restated</b>		-	<b>1,498</b>
Of which:		-	-
Current liability		-	98
Non-current liability		-	1,362
<b>Balance at 31 March 2020</b>		-	<b>1,460</b>
Current liability		-	100
Non-current liability		-	1,335
<b>Balance at 31 March 2019 - restated</b>		-	<b>1,435</b>
Current liability		-	98
Non-current liability		-	1,400
<b>Balance at 1 April 2018 - restated</b>		-	<b>1,498</b>

### Analysis of expected timing of discounted flows – 2019-20

£000	Retirement benefit obligations
	Departmental Group
Not later than one year	98
Later than one year and not later than five years	392
Later than five years	970
<b>Balance at 31 March 2020</b>	<b>1,460</b>

### Analysis of expected timing of discounted flows – 2018-19

£000	Retirement benefit obligations
	Departmental Group
Not later than one year	100
Later than one year and not later than five years	420
Later than five years	915
<b>Balance at 31 March 2019 - restated</b>	<b>1,435</b>

## 20. Commitments under leases

### 20.1 Finance leases

There are no obligations under finance leases.

### 20.2 Operating leases

#### Operating leases where Cabinet Office is the lessor

£000	2019-20	2019-20	2018-19 Restated	2018-19 Restated
<b>Obligations under operating leases for the following periods comprise:</b>				
<b>Land and buildings</b>				
Not later than one year	94,215	93,831	53,380	53,003
Later than one year and not later than five years	223,010	222,002	102,501	101,157
Later than five years	245,000	245,000	85,990	85,827
<b>Total</b>	<b>562,225</b>	<b>560,833</b>	<b>241,871</b>	<b>239,987</b>

The GPA leases out all of its properties under operating leases for average lease terms of 7 to expiry. The future aggregate minimum rentals, excluding contingent rents receivable under non-cancellable leases are as above.

#### Operating leases where Cabinet Office is the lessee

£000	2019-20	2019-20	2018-19 Restated	2018-19 Restated
<b>Obligations under operating leases for the following periods comprise:</b>				
<b>Land and buildings</b>				
Not later than one year	137,249	137,486	89,338	89,589
Later than one year and not later than five years	359,900	360,297	217,546	218,180
Later than five years	452,677	452,677	250,714	250,714
<b>Other</b>				
Not later than one year	561	561	682	682
Later than one year and not later than five years	1,450	1,450	675	675
Later than five years	-	-	-	-
<b>Total</b>	<b>951,837</b>	<b>952,471</b>	<b>558,955</b>	<b>559,840</b>

The GPA has various operating leases under non-cancellable operating lease agreements. The average lease term is 12 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 above.

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.

## 21. Commitments under Private Finance Initiative (PFI) contracts

Commitments ceased in 2018-19.

### Sunningdale Park site

Following the closure of the National School of Government on 31 March 2012, the Cabinet Office retained the site at Sunningdale Park. The site operated under a PFI contract with a term of 30 years from 13 May 2002.

The provision within the PFI agreement for the contract to be broken in May 2017 was taken and notice of the termination of the agreement was given to the private sector partner in February 2016.

Sunningdale Park was sold in December 2016 subject to purchasers securing planning permission and Cabinet Office securing vacant possession.

In May 2017, the Cabinet Office entered into a deed of variation to the PFI to allow for an Exit Plan to the contract. The Exit Plan required De Vere to continue to manage and secure the site in the interim period between the expiry of the PFI and the completion of the contract for sale and helped the Cabinet Office to comply with the conditions of the sale agreement.

To defray site costs, the existing PFI contract with De Vere was varied to allow De Vere to manage the majority of the site as a hotel. The hotel ceased trading on 31 October 2018 and the responsibility for the whole site returned to Cabinet Office from 1 January 2019.

The sale of the site was completed on 20 February 2020; see Note 12.

## 22. Capital and other financial commitments

Cabinet Office is currently leading the Ventilator Challenge, a programme securing the rapid manufacture of additional vital mechanical ventilators in the UK for use by the NHS. Commitments at the reporting date relating to this programme are disclosed in the numbers below. Disclosed amounts rely on estimates and hindsight and are subject to a greater level of uncertainty.

### 22.1 Capital commitments

Contracted capital commitments at 31 March for which no provision has been made and not otherwise included in these financial statements are as follows:

£000	2019-20	2019-20	2018-19 Restated	2018-19 Restated
	Core Dept and agency	Dept'l group	Core Dept and agency	Dept'l group
Property, plant and equipment	131,374	131,374	441	441
Intangible assets <sup>1</sup>	644	644	314	314
<b>Total</b>	<b>132,018</b>	<b>132,018</b>	<b>755</b>	<b>755</b>

<sup>1</sup> Intangible asset commitments relate to Cabinet Office IT and cross-government IT projects.

The Department 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.

### 22.2 Other financial commitments

The total undiscounted future minimum payments to which the Department is committed, analysed by the period during which the payments will be made, are as follows:

£000	2019-20	2019-20	2018-19 Restated	2018-19 Restated
	Core Dept and agency	Dept'l group	Core Dept and agency	Dept'l group
Not later than one year	255,436	255,436	136,316	136,316
Later than one year and not later than five years	499,162	499,162	117,772	117,772
Later than five years	458,315	458,315	-	-
<b>Total</b>	<b>1,212,913</b>	<b>1,212,913</b>	<b>254,088</b>	<b>254,088</b>

The Department has entered into contracts (which are not leases or PFI contracts) for a range of services. The commitments of greatest value relate to the Public Sector Geospatial Agreement and outsourced enterprise resource management and pension arrangements.

Some contracts incorporate performance related adjustments to minimum contractual payments or annual uplifts based upon an index, typically RPI or CPI. These potential adjustments are not reflected in the figures disclosed above.

Other contracts contain usage variability payments to which the Department is virtually certain to be committed to. In such circumstances forecast usage is used to calculate the commitment and these are reflected in the figures disclosed above.

## 23. Related party transactions

The following bodies are regarded as related parties with which the Cabinet Office has had various material transactions during the year.

Within government, the main suppliers to the Cabinet Office were HM Revenue and Customs, the Government Legal Department, the Department for International Development, the Ministry of Defence, the Home Office and the Crown Commercial Service (CCS).

The main customers of the Cabinet Office were the Home Office, HM Revenue and Customs, the Department for International Development, the CCS, the Department for Work and Pensions and the Ministry of Defence.

The CCS is an executive agency of the Cabinet Office, with trading fund status. The CCS brings together policy, advice and direct buying, providing commercial services to the public sector and saving money for the taxpayer.

The Cabinet Office is a sponsor of the Civil Service Commission, and the Equality and Human Rights Commission, executive non-Departmental public bodies, and of the Registrar of Consultant Lobbyists, a corporation sole; see Note 24. Balances and transactions between the Department and its arm's length bodies have been eliminated on consolidation and are not disclosed in this Note. Neither the Registrar nor their staff have undertaken any material transactions with registered consultant lobbyists during the year.

There were no material transactions between those members of staff in the Elections Division who were involved in the processing of election expense claims and Returning Officers during the year.

The Cabinet Office had five associate companies during the year: Shared Services Connected Limited (SSCL), AXELOS Limited, Behavioural Insights Limited (BIL), Integrated Debt Services Limited (IDSL) and Crown Hosting Data Centres Limited (CHDC); see Notes 5 and 10.

Commencing November 2013, the Cabinet Office received payroll, HR, finance and procurement services from SSCL. The Cabinet Office's expenditure with SSCL during the 2019-20 financial year was £7.675 million (2018-19 Restated: £6.741 million) and it has future commitments with SSCL totalling £16.881 million (2018-19: £3.141 million).

A contingent asset with AXELOS is disclosed at Note 17. Cabinet Office expenditure with AXELOS during the 2019-20 financial year was £nil (2018-19: nil).

Behavioural - Programme evaluation services were received from BIL. Cabinet Office expenditure with BIL during the 2019-20 financial year was £2.223 million (2018-19 Restated: £1.050 million).

Debt services - IDSL provide a range of debt management and collection services. Cabinet Office expenditure with IDSL during the 2019-20 financial year was £nil (2018-19: nil).

CHDC provide public bodies with a physical space to host their computer servers and systems that are not in the cloud. Cabinet Office expenditure with CHDC during the 2019-20 financial year was £0.349 million (2018-19 Restated: £0.306 million).

The names and titles of all the ministers who had responsibilities for the Department during the year are provided in the Performance report. No minister, Board member, key manager or other related party has undertaken any material transactions with the Cabinet Office during the year. Compensation due to key management personnel in the year has been disclosed in the Remuneration report.

## 24. Entities within the Departmental boundary

The Departmental boundary in this context relates to the boundary of the Departmental accounts. The Departmental boundary is based upon control criteria used by the Office for National Statistics to determine sector classification of the relevant sponsored bodies. Those which are classified to the central government sector are controlled for accountability purposes by one Department and are designated for consolidation by that Department under statutory instrument.

The following bodies have been designated for consolidation into the Cabinet Office Estimates and Accounts and are listed in the Designation and Amendment Orders presented to Parliament.

### 129 Advisory non-Departmental public bodies

The Cabinet Office sponsors a number of advisory non-Departmental public bodies (ANDPBs) that have links to the Department but whose work does not contribute directly to the achievement of the Department's objectives and whose funding arrangements can be separate.

These ANDPBs provide independent and expert advice to ministers on particular topics of interest. ANDPBs of the Cabinet Office include:

- Advisory Committee on Business Appointments
- Committee on Standards in Public Life
- House of Lords Appointments Commission
- Parliamentary Boundary Commission for England
- Parliamentary Boundary Commission for Wales
- Security Vetting Appeals Panel
- Senior Salaries Review Body

### Expert Committees

Expert Committees provide independent and expert advice to the Government and ministers. Expert Committees of the Cabinet Office include:

- Main Honours Committee
- Geospatial Commission

## Executive Agency

### Government Property Agency – supply financed

The Government Property Agency was established on 1 April 2018. It is an executive agency of the Cabinet Office which provides the centralised ownership, control and delivery infrastructure needed to unlock benefits across organisational boundaries. It further positions government to deliver workforce change and wider business transformation, delivering efficiencies and releasing land and property for productive use, including building new homes.

The Agency publishes its own Annual Report and Accounts. Further information can be found at: [GOV.UK – Government Property Agency](http://GOV.UK – Government Property Agency).

## Non-Departmental public bodies with executive powers

### Civil Service Commission

The Civil Service Commission in its current form was established by the Constitutional Reform and Governance Act 2010, although the Commission has existed as a non-statutory body since 1855. The Act assigns the Commission two primary functions: providing assurance that recruitment to the Civil Service is on merit, on the basis of fair and open competition; and hearing and determining appeals made by civil servants under the Civil Service Code, which sets out the values of the Civil Service – Impartiality, Objectivity, Integrity and Honesty – and forms part of the contractual relationship between civil servants and their employer.

As an independent, statutory body the Commission publishes its own Annual Report. Further information can be found at: [civilservicecommission.independent.gov.uk](http://civilservicecommission.independent.gov.uk); and [Civil Service Commission Annual Report and Accounts](http://Civil Service Commission Annual Report and Accounts)

### Equality and Human Rights Commission

The Equality and Human Rights Commission is the independent regulator for equality, human rights and good relations in Britain, established by the Equality Act 2006. The Commission operates independently and has been awarded an 'A' status as a National Human Rights Institution (NHRI) by the United Nations. It uses unique powers to challenge discrimination, promote equality of opportunity and protect human rights whilst being ready to take tough action against those who abuse the rights of others.

As an independent, statutory body the Commission publishes its own Annual Report. Further information can be found at: [equalityhumanrights.com](http://equalityhumanrights.com); and [Equality and Human Rights Commission Annual Report and Accounts](http://Equality and Human Rights Commission Annual Report and Accounts)

### Statutory Offices

#### The Office of the Registrar of Consultant Lobbyists

The Office of the Registrar of Consultant Lobbyists was set up following the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014. The Registrar is an independent statutory office, established to keep and publish the register of consultant lobbyists, on which those who lobby on behalf of a third party are required to declare the names of their clients and whether or not they subscribe to a relevant code of conduct. Further information can be found at:

[GOV.UK – Office of the Registrar of Consultant Lobbyists](https://www.gov.uk/government/organisations/office-of-the-registrar-of-consultant-lobbyists)

#### The Office of the Commissioner for Public Appointments

The Office of the Commissioner for Public Appointments is not a non-Departmental public body; however, its spending falls within the Cabinet Office budget and therefore it is listed in the Designation Order.

### Dormant non-trading company

#### GOVSERV Ltd

GOVSERV Ltd is a private limited company incorporated on 10 November 2017. The company was set up as an on-going contingency measure to take over the responsibility for any public sector contract that might not relate to a specific Government Department. No such contracts materialised and the company was dissolved on 16 April 2019.

### Returning Officers' expenses, England, Wales and Scotland

The Cabinet Office Annual Report and Accounts include Returning Officers' Expenses, England, Wales and Scotland for which, in previous financial years, an additional standalone Statement of Accounts has been prepared annually under a bespoke Accounts Direction. On 24 March 2017, HM Treasury revoked the bespoke Accounts Direction.

The Department has committed to maintain transparency over election costs by including in its Annual Report and Accounts all relevant and material information previously disclosed within the standalone Statement of Accounts.

To improve transparency and public awareness about the costs of nationwide elections, standalone documents will be published setting out the total costs for the conduct of elections including a breakdown of the main categories of expenditure in greater detail than is required in financial statements. The first such report for the 2014 European Parliamentary elections was published on 1 December 2016 and is available at:

[GOV.UK – Costs of the 2014 European Parliamentary elections](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/544442/2014-EP-elections-costs-report.pdf)

A second report on the cost of the 2015 UK Parliamentary general election was published in June 2018 ([GOV.UK - Cost of the 2015 UK Parliamentary General elections](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/614442/2015-UK-Parliamentary-general-election-costs-report.pdf)) and this will be followed by a further report on the cost of the 2016 Police and Crime Commissioner elections in due course.

## 25. Events after the reporting period

In accordance with the requirements of IAS 10 – *Events after the Reporting Period*, 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 being the date of the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

### Machinery of Government Change

#### Border and Protocol Delivery Group

In a written Prime Ministerial Statement on 11 June 2020, it was announced that responsibility for the Border Delivery Group, henceforth known as the Border and Protocol Delivery Group, transferred from Her Majesty's Revenue and Customs to the Cabinet Office. This change will help to ensure readiness of the border for the end of the Transition Period and lay the foundations for the best border in the world by 2025.

#### United Kingdom Security Vetting (UKSV)

On 1 April 2020 United Kingdom Security Vetting transferred from the Ministry of Defence to Cabinet Office, in order that a complete transformation of the Government's national security vetting capability can be delivered as part of the wider reform of government's personnel security.

## Annex A

## Regulatory Reporting: Core expenditure tables

Table 1 – Cabinet Office total Departmental spending 2015-16 to 2020-21

£000	2015-16 Outturn <sup>1</sup>	2016-17 Outturn <sup>1</sup>	2017-18 Outturn <sup>1</sup>	2018-19 Outturn <sup>1</sup>	2019-20 Outturn	2020-21 Plans
<b>Resource DEL</b>						
Maintain the integrity of the Union, coordinate the security of the realm and sustain a flourishing democracy	67,652	90,984	91,458	128,539	116,673	83,010
Support the design and implementation of HM Government 's policies and the Prime Minister's priorities	66,405	80,685	129,250	190,694	236,481	472,159
Ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of Government	125,966	188,820	187,034	203,899	252,082	179,753
Ensure the effective running of the Department and contribute to the Government 's cross-cutting priorities	70,088	71,267	216,421	82,075	49,096	121,752
Government Property Agency - Executive agency	-	-	-	23,165	25,114	33,265
Arm's length bodies (net)	17,950	18,646	13,305	1,817	19,492	20,561
Elections	99,509	47,706	116,790	(291)	289,767	-
UK members of the European Parliament <sup>2</sup>	2,433	2,145	2,038	2,116	2,832	-
Cabinet Office CFER	(82)	(128)	(131)	(140)	-	(137)
<b>Total resource DEL</b>	<b>449,921</b>	<b>500,125</b>	<b>756,165</b>	<b>631,874</b>	<b>991,537</b>	<b>910,363</b>
<i>Of which:</i>						
Staff costs <sup>3</sup>	180,028	214,159	341,780	413,508	599,130	-
Purchase of goods and services	333,217	318,520	463,757	553,700	530,385	1,680,519
Income from sales of goods and services	(126,628)	(111,478)	(74,927)	(375,553)	(159,293)	(330,412)
Current grants to local Government (net)	30,376	33,919	39,833	17,896	32,944	10,302
Current grants to persons and non-profit bodies (net)	12,798	3,589	3,811	1,225	1,876	2,232
Current grants abroad (net)	-	-	1,531	(493)	-	-
Subsidies to public corporations	-	-	-	-	-	-
Rentals	13,115	19,152	30,650	(7,408)	(48,437)	(13,042)
Depreciation <sup>4</sup>	19,219	22,272	34,917	51,528	45,267	71,726
Other resource <sup>5</sup>	(12,204)	(8)	(85,187)	(22,529)	(10,335)	(510,962)
<b>Resource AME</b>	<b>449,921</b>	<b>500,125</b>	<b>756,165</b>	<b>631,874</b>	<b>991,537</b>	<b>910,363</b>
Cabinet Office AME	2,646	(4,885)	13,975	(1,411)	1,766	95
Government Property Agency - Executive agency - (AME)	-	-	-	(14,374)	(1,749)	7,600
<b>Total resource AME</b>	<b>2,646</b>	<b>(4,885)</b>	<b>13,975</b>	<b>(15,785)</b>	<b>17</b>	<b>7,695</b>
<i>Of which:</i>						
Depreciation <sup>4</sup>	2,974	(118)	(846)	(1,093)	338	1,095
Take-up of provisions	5,057	(128)	15,518	(14,197)	1,976	6,600
Release of provision	(1,164)	(4,583)	(697)	(495)	(614)	-
Other resource	(4,221)	(56)	-	-	(1,683)	-
<b>Total resource budget</b>	<b>452,567</b>	<b>495,240</b>	<b>770,140</b>	<b>616,089</b>	<b>991,554</b>	<b>918,058</b>
<i>Of which:</i>						
Depreciation <sup>4</sup>	22,193	22,154	34,071	50,435	45,605	72,821

**Table 1 – Cabinet Office total Departmental spending 2015-16 to 2020-21<sup>1</sup> (continued)**

£000	2015-16 Outturn <sup>1</sup>	2016-17 Outturn <sup>1</sup>	2017-18 Outturn <sup>1</sup>	2018-19 Outturn <sup>1</sup>	2019-20 Outturn	2020-21 Plans
<b>Capital DEL</b>						
Maintain the integrity of the Union, coordinate the security of the realm and sustain a flourishing democracy	7,854	19,214	25,198	14,417	12,678	–
Support the design and implementation of HM Government 's policies and the Prime Minister's priorities	78,322	75,484	77,198	90,890	82,028	105,350
Ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of Government	10,398	17,903	86,292	15,031	9,545	164,200
Ensure the effective running of the Department and contribute to the Government 's cross-cutting priorities	(58,064)	8,327	4,520	(7,194)	904	11,100
Government Property Agency - Executive agency	–	–	–	18,499	7,829	30,729
Arm's length bodies (net)	96	391	245	–	–	–
<b>Total capital DEL</b>	<b>38,606</b>	<b>121,319</b>	<b>193,453</b>	<b>131,643</b>	<b>112,984</b>	<b>311,379</b>
Of which:						
Staff costs (ESA10) <sup>3</sup>	70	87	110	–	–	–
Purchase of goods and services (ESA10)	75,568	73,258	75,344	88,391	74,459	78,221
Capital support for local Government (net)	–	–	2,127	1,000	(43)	–
Capital grants to persons & non-profit bodies (net)	–	(1,625)	(9,052)	–	–	(11,700)
Capital receipts from private sector companies	–	–	–	(8,515)	–	–
Purchase of assets	26,623	49,599	124,955	64,778	39,306	244,858
Income from sales of assets	(64,285)	–	(31)	(7)	(44)	–
Net lending to the private sector and abroad	630	–	–	–	–	–
Other capital	–	–	–	(14,004)	(694)	–
<b>Total capital budget</b>	<b>38,606</b>	<b>121,319</b>	<b>193,453</b>	<b>131,643</b>	<b>112,984</b>	<b>311,379</b>
<b>Total Departmental spending<sup>6</sup></b>	<b>468,980</b>	<b>594,405</b>	<b>929,522</b>	<b>697,297</b>	<b>1,058,933</b>	<b>1,156,616</b>
Of which:						
Total DEL	469,308	599,172	914,701	711,989	1,059,254	1,150,016
Total AME	(328)	(4,767)	14,821	(14,692)	(321)	6,600

<sup>1</sup> Prior year Departmental spending has been restated for Machinery of Government transfers of function. 2017-18 and 2018-19 Outturn per SOPS comparatives and per Public Expenditure Tables 1 and 2 differ due to a Machinery of Government transfer actioned at Main Estimate 2019-20 and transfer of remaining resources into the Cabinet Office upon the closure of the Department for Exiting the European Union (DExEU) on 31 January 2020. A Machinery of Government transfer from the Department for Education and the Department for International Development was actioned at Main Estimate 2019-20 for the Government Equalities Office (GEO) and its non-Departmental public body, the Equality and Human Rights Commission (EHRC). 2020-21 plans include GEO, EHRC and DExEU budget and prior year Outturn Departmental spending has been restated to include GEO, EHRC and DExEU.

<sup>2</sup> It is custom for HM Treasury to provide funding for Consolidated Fund Standing Services, in this case parliamentary elections and the salary and pension costs of the UK members of the European Parliament, on an annual basis rather than at Spending Review

<sup>3</sup> In line with HM Treasury guidance, the Department is not publishing future staffing and pay plans. These are included in 'Purchase of goods and services'

<sup>4</sup> Includes impairments

<sup>5</sup> In 2017-18 the Cabinet Office adopted HM Treasury's standard account codes. Income, not classified as income from goods and services is now shown in other resource. This aligns with HM Treasury OSCAR reporting. Other resource for 2017-18 includes income: payment from Barclays plc £48.051 million see Note 5 to the Accounts, Fees and Charges £149.144 million see Note 3 to the Parliamentary accountability disclosures; Expenditure: Grants to the Official Receiver £150 million, see Note 4 to the Accounts

<sup>6</sup> Total Departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME

**Table 2 – Cabinet Office administration budget 2015-16 to 2020-21**

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
£000	Outturn <sup>1</sup>	Outturn <sup>1</sup>	Outturn <sup>1</sup>	Outturn <sup>1</sup>	Outturn	Plans
<b>Resource DEL</b>						
Maintain the integrity of the Union, coordinate the security of the realm and sustain a flourishing democracy	15,472	37,970	29,650	32,844	40,262	21,009
Support the design and implementation of HM Government 's policies and the Prime Minister's priorities	49,707	67,218	103,350	124,939	137,563	175,189
Ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of Government	44,384	47,627	46,651	39,675	46,281	48,462
Ensure the effective running of the Department and contribute to the Government 's cross-cutting priorities	50,942	66,033	65,649	68,239	81,212	97,434
Government Property Agency - Executive agency	-	-	-	8,348	13,089	23,765
Arm's length bodies (net)	15,491	14,125	10,325	1,647	13,874	15,228
Cabinet Office CFER	-	-	-	-	-	-
<b>Total administration budget</b>	<b>175,996</b>	<b>232,973</b>	<b>255,625</b>	<b>275,692</b>	<b>332,281</b>	<b>381,087</b>
<i>Of which:</i>						
Staff costs <sup>2</sup>	124,835	139,017	247,594	289,898	429,688	-
Purchase of goods and services	132,534	168,204	224,851	326,368	320,756	1,257,218
Income from sales of goods and services	(101,546)	(102,164)	(56,027)	(332,951)	(111,964)	(330,412)
Current grants to persons and non-profit bodies (net)	-	-	-	-	-	-
Rentals	12,355	15,130	14,677	(10,521)	26,779	(239,300)
Depreciation <sup>3</sup>	14,740	12,721	12,855	20,164	18,937	31,774
Other resource <sup>4</sup>	(6,922)	65	(188,325)	(17,266)	(351,916)	(338,193)

<sup>1</sup> Prior year Departmental spending has been restated for Machinery of Government transfers of function

<sup>2</sup> In line with HM Treasury guidance, the Department is not publishing future staffing and pay plans. These are included in 'Purchase of goods and services'

<sup>3</sup> Includes impairments

<sup>4</sup> In 2017-18 the Cabinet Office adopted HM Treasury's standard account codes. Income, not classified as income from goods and services is now shown in other resource. This aligns with HM Treasury OSCAR reporting. Other resource for 2017-18 includes Fees and Charges income £149.144 million, see Note 3 to the Parliamentary accountability disclosures

## Annex B

### Other Reporting

#### Freedom of Information

The Freedom of Information (FOI) team handled 10% more FOI requests than the previous year. The Data Transparency Team oversaw the successful publication of quarterly cross-government transparency returns, improving timeliness and quality of the data.

#### General Data Protection Regulation

During the period 2019-20 there have been two incidents of loss of sensitive data from the Cabinet Office which were reported to the Information Commissioner's Office (ICO).

Following an incident at the end of 2019, an independent review was commissioned into the way the Cabinet Office handles and manages data. Although the review identified that the Cabinet Office has adequate guidance and policies to advise officials on data handling processes, a number of recommendations were identified and are being acted upon.

In 2019-20 there were no reportable data breaches to the ICO for DExEU.

#### Complaints

In 2019-20, one complaint was received about the Cabinet Office to the Parliamentary and Health Service Ombudsman. The incident was accepted for investigation which concluded on 4th March 2020.

There were no reportable incidents to the Parliamentary and Health Service Ombudsman for DExEU in 2019-20.

### Sustainable development

#### Compliance with environmental legislation

The Cabinet Office is committed to reducing the environmental impacts associated with day-to-day operations. Extensive work has been carried out during 2019-20 on our Environmental Management System (EMS), including an evaluation of compliance obligations, including legal and policy requirements. This is monitored closely through monthly EMS meetings, attended by senior leaders from within Cabinet Office Estates.

### Greening Government Commitments (GGC)

The Cabinet Office has made excellent progress to date in meeting its GGC commitments and targets. Full details of the Cabinet Office's progress against GGC targets will be published in the GGC Annual Report for 2019-20 by the Department for Environment, Food and Rural Affairs (DEFRA).

#### Sustainable Procurement

The Department continues to work with all suppliers in accordance with the Government Buying Standards (GBS) and in alignment with the GGC. All food is procured in line with GBS requirements. Working with our FM provider, we have reviewed plastics within our supply chain, and worked to reduce plastic waste and prevent it where possible.

#### Employee Engagement

In January 2020, the Cabinet Office officially launched the Green Network and sought to recruit a number of Green Champions from units across the Department. The Networks five key objectives are:

1. To raise the profile of the Climate Emergency among Cabinet Office staff, and contribute toward efforts to limit a climate catastrophe by 2030
2. To support Cabinet Office staff to make small behavioural modifications to contribute towards sustainability on an individual basis
3. To provide a forum for those who would like to learn about, explore and implement sustainable initiatives
4. To encourage senior leadership and CO facilities to make more sustainably ethical decisions when developing and implementing corporate policies.
5. To contribute to Cross-Whitehall sustainability networks and targets

Following the launch event the Network has participated in a clothes swap with Department for Culture, Media and Sport (DCMS) colleagues and started a green pledge tree to encourage small behavioural changes. Work is underway to introduce an ExCo Sustainability Champion to help drive the network forward.

#### Single Use Plastics

The Cabinet Office has continued to work on the elimination of Consumer Single Use Plastics across its operations, actively engaging with its supply chain on the issue. As at the end of Phase 3 (December 2019) we had introduced a reusable cup price reduction scheme, introduced compostable tableware and removed a significant proportion of plastic items from our catering operations.

## Future Developments

Cabinet Office has committed to switching all ministerial vehicles to electric vehicles. The Government Car Service has set two targets: to have a quarter of all Ministerial vehicles electric powered by 2022 and to have all vehicles powered by electricity by 2030. This aligns with the Government's commitment to zero carbon emissions by 2050.

## Climate Change Adaptation

The Cabinet Office has been actively involved in embedding consideration of climate change risks across policies and programmes as set out in the National Adaptation Programme (NAP) 2018 report. The Department has made good progress against its key actions against its objectives set out in the NAP.

The Cabinet Office committed to continuing communication with Emergency services, local responders and communities so that the risk of extreme weather conditions across the UK are understood and appropriate plans are developed.

The Department developed and updated the Local Risk Management Guidance (LRMG) in March 2020 to assist Local Resilience Forums (LRF) with risk management, such as conducting contextually-specific local risk assessments.

National level assessments are also made available to LRFs through the National Risk Assessment, which provides comprehensive detail on potential scenarios over the next five years and their consequences, and encourages consistency in understanding and approach. The latest National Risk Assessment was updated and shared with critical partners (including LRFs) on 1 August 2019.

The Cabinet Office coordinates and sponsors the Communities Prepared National Group (CPNG) and is committed to supporting the development and local implementation of community resilience policy across England, sharing good practice and lessons learned in community engagement and capability-building across the country and identifying opportunities for coordination of community resilience-related work.

The Community Resilience Framework for Practitioners was developed and published in June 2019 by the CPNG as a reference tool for the delivery of strategic approaches to community resilience development, at the LRF level. Cabinet Office held a CPNG meeting in October 2019 and continues to review the effectiveness of the Group.

## Rural Proofing

The Department has considered the application of Rural Proofing where appropriate to departmental policy development in line with the Department for Environment, Farming and Rural Affairs' (DEFRA) national rural proofing guidelines.

## Annex C

### Report on the use of powers under section 70 of the Charities Act 2006

This report is presented pursuant to the Charities Act 2006, section 70, which enables a minister to align the provision of financial assistance to charitable, benevolent or philanthropic institutions.

As with all grant funding in the Cabinet Office, emphasis is placed on providing value for money. Grants paid under the Charities Act are monitored to ensure that recipients deliver the objectives of individual projects, as well as contributing to the strategic aims of the Department.

Throughout 2019-20, the Cabinet Office has made grants totalling £0.600 million (2018-19: £0.343 million) to organisations under the provisions of the Charities Act 2006. In all cases, the funding matched both the aims and objectives of the Cabinet Office, as well as those of the recipients. This spending does not represent the total amount of grant funding provided to the voluntary and community sector, as some other grants have been paid to this sector under the powers conferred by alternative legislation. The most significant grants were paid to the organisations mentioned below.

A grant of £0.390 million was paid to The Young Foundation to design and deliver a bespoke scale up programme to support the individual growth plans of 18 social innovators, as part of the Inclusive Economy Partnership. The Inclusive Economy Partnership jointly driven by the Cabinet Office and DCMS, is a proven model that drives collaboration between government, business and civil society. It uses the convening power of government to focus the energy of business and civil society around challenges that are felt by citizens that are struggling at the margins of society in order to find solutions that can be scaled across the country.

A grant of £0.110 million was paid to the Charity for Civil Servants. The purpose of the grant is to assist the Charity to alleviate hardship among serving and former civil servants, their families and dependents, through the provision of financial assistance and other support and well-being services in accordance with the Charity's objects.

A grant of £0.100 million was paid to the Civil Service Sports Council (CSSC) to encourage and coordinate the pursuit by all its affiliated organisations of all forms of sport and recreation throughout the Civil Service in accordance with the rules of the CSSC.





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