



Cabinet Office

Annual Report and Accounts 2020-21





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Annual Report and Accounts 2020-21

(for period ended 31 March 2021)

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 15 July 2021

HC 391

This is part of a series of departmental publications which, along with the Main Estimates 2021-22 and the document Public Expenditure: Statistical Analyses 2019, present the government's outturn for 2020-21 and planned expenditure for 2021-22.



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ISBN – 978-1-5286-2550-0

CCS – CCS0421468362 07/21

Printed on paper containing 75% recycled fibre content minimum.

Printed in the UK by the APS Group on behalf of the Controller of Her Majesty's Stationery Office.

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Directors' Report

Foreword



Rt Hon. Michael Gove MP

Chancellor of the Duchy of Lancaster

This has been an exceptional year, demanding an exceptional response from the Government, our public servants and the whole country. The Cabinet Office and its staff have again shown great professionalism and dedication in tackling the challenges posed by the pandemic in 2020-21, supporting the Prime Minister with the broad range of critical outcomes set out in this report.

Throughout the financial year, the Cabinet Office has been key to the cross-government COVID-19 response. It has delivered one of the biggest public information campaigns to protect public health and reduce the impact

on the NHS; and has delivered critical digital infrastructure to support vital public services. At the same time, the Cabinet Office has been pivotal to Brexit, overseeing the implementation of the Withdrawal Agreement and preparing businesses and people for the end of the Transition Period with the European Union.

On 1 January 2021, the nation embarked on a historic new chapter as a fully independent United Kingdom – offering a once in a generation opportunity to transform our border, making it smarter and more secure. The 2050 UK Border Strategy launched in December 2020 set out our ambitions to have the most effective border in the world.

As we look ahead now to renewal and recovery from the national and global impacts of COVID-19, we will work with even greater fervour to strengthen the economic ties across the union. By investing in local and national infrastructure we will ensure that recovery is felt across the country, levelling up the UK as we build back better, stronger, fairer and greener. As co-hosts of the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow, in November, we will be urging others to join us in pledging net zero emissions as we look to hit our ambitious 2050 net zero target, helping to create a cleaner, healthier, future for all.

The Cabinet Office is also driving the cross-government programme to build a 21st century Civil Service, based on the

Declaration on Government Reform signed by the Prime Minister and Cabinet Secretary. It aims to have the best people leading and working in government; to sharpen up how government prioritises and evaluates its work; and to make sure that politicians and officials act as a single united team to deliver for citizens.

Through moving jobs out of London and the south-east – having a second headquarters in Glasgow, and new offices in York and elsewhere around the UK – the Cabinet Office will bring key decision-makers closer to the communities we serve and strengthen diversity. Our reform programme will ensure that we have the right people in the right roles, equipped with the skills and training they need to meet the public policy and service delivery challenges, and the opportunities, that lie ahead. We will improve performance across the Civil Service by boosting innovation and making the best possible use of data, science and technology.

As I was last year, I am proud of the efforts and achievements of Cabinet Office staff and delighted to see many of them recognised on the Queen’s Honours Lists for their achievements in supporting the Prime Minister. I am confident the department will continue to go above and beyond in helping deliver the government’s key priorities: helping build back better from COVID-19; forging a new place for the country on the world stage; levelling up across the UK; and speeding up progress towards net zero.

Ministers and Board Members

Ministers

Cabinet Office Ministers at 31 March 2021 (unless stated)



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



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



The Rt Hon. Amanda Milling MP
Minister Without Portfolio (unpaid)



Commander The Rt Hon. Penny Mordaunt MP
Paymaster General



Chloe Smith MP
Minister of State for the Constitution and Devolution



The Rt Hon. The Lord True of East Sheen CBE
Minister of State for European Union Relations and Constitutional Policy



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 MBE
Leader of the House of Lords and Lord Keeper of the Privy Seal



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

Cabinet Office Ministers at 31 March 2021 (continued)



The Rt Hon. Alok Sharma MP
Minister without Portfolio
– President for COP26
(from 8 January 2021)



The Rt Hon. The Lord Frost CMG PC
Minister of State for the Cabinet Office (from 1 March 2021)



The Rt Hon. The Lord Agnew of Oulton DL
Minister of State for Efficiency and Transformation



Johnny Mercer MP
Parliamentary Under Secretary of State for Defence People and Veterans (paid by Ministry of Defence) (Until 20 April 2021)



Leo Docherty MP
Parliamentary Under Secretary of State for Defence People and Veterans (paid by Ministry of Defence) (From 20 April 2021)



Julia Lopez MP
Parliamentary Secretary for the Cabinet Office



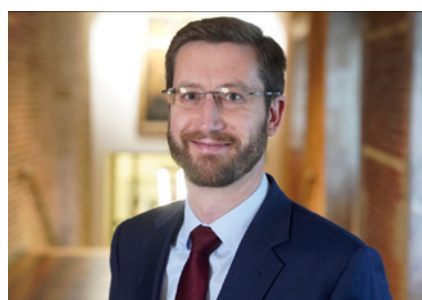
The Rt Hon. Mark Spencer MP
Parliamentary Secretary to the Treasury and Chief Whip (paid by HM Treasury)



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)

Cabinet Office board members

Official board members at 31 March 2021 (unless stated)



Simon Case CVO

Cabinet Secretary and Head of the Civil Service and National Security Adviser (from 9 September 2020)



Alex Chisholm

Chief Operating Officer for the Civil Service, Permanent Secretary and Principal Accounting Officer (from 14 April 2020)



Sarah Harrison

Chief Operating Officer (from 13 July 2020)



The Rt Hon. The Lord Sedwill KCMG

Cabinet Secretary and Head of the Civil Service and National Security Adviser (until 9 September 2020)



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 (until 12 July 2020)



Dame Elizabeth Gardiner DCB QC (Hon)

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



Richard Hornby

Chief Finance Officer

Non-executive board members at 31 March 2021 (unless stated)



The Lord Nash
Government Lead
Non-Executive Board Member
(from 31 July 2020)



**The Rt Hon. The Baroness
Stuart of Edgbaston**
Cabinet Office Lead
Non-Executive Board Member
(from 12 May 2020)



Mike Ashley
Non-Executive and Chair
of the Cabinet Office Audit
and Risk Committee



Anand Aithal
Non-Executive Board Member



Henry de Zoete
Non-Executive Board Member
(from 12 May 2020)



**The Baroness
Finn of Swansea**
Non-Executive Board Member
(from 12 May 2020 to 28
February 2021)



**Lord Hogan-Howe
of Sheffield Kt QPM**
Non-Executive Board Member
(from 12 May 2020)



Karen Blackett OBE
Non-Executive Board Member

Permanent Secretary's perspective on performance



Alex Chisholm

Chief Operating Officer for the Civil Service and Permanent Secretary and Principal Accounting Officer

My first year in the Cabinet Office has been one of the most extraordinary years of my working life, as I think it has been for all the talented and dedicated people who make up the department. I must start by humbly recognising the remarkable efforts of everyone across the public sector in responding to the COVID-19 pandemic. The past year was unprecedented in the scale of challenge for a peacetime government – with

much to be proud of and also much from which to learn.

As a department, we led a number of major programmes to safeguard the country and support ministers in making key decisions. The COVID-19 Task Force was established in May 2020, providing support and advice as Prime Minister and Cabinet drove and co-ordinated the government's collective response to the pandemic. Our existing responsibilities were also refocused to tackle COVID-19.

The Government Commercial Function led the ventilator challenge programme to rapidly produce life-saving ventilators at a critical time. The Government Digital Service built a platform to help the Clinically Extremely Vulnerable People Service share data safely between the NHS, local councils and supermarkets, so that people shielding received vital care and food supplies. The Government Communications Service's public safety campaigns let people across the United Kingdom make safe choices confidently, and we recognised people's impressive contributions to their communities throughout the pandemic through the honours system – not least the late Captain Sir Tom Moore.

Yet although COVID-19 took up a huge amount of resource and attention, there has been no shortage of effort or progress in other important departmental matters.

In December, the trade and cooperation agreement signed between the UK and the European Union marked a significant Brexit milestone. Throughout the negotiations, the Cabinet Office was instrumental in supporting an agreement that sets out how we will work with the EU in a number of key areas such as trade, transport and law enforcement.

The Cabinet Office's role in strengthening the UK's impact as an outward-looking nation and supporting the world in the renewal and recovery from the pandemic was highlighted in our publication, in March, of the first Integrated Review of Security, Defence, Development and Foreign Policy. Sir Stephen Lovegrove will be taking this work forward as the new National Security Adviser.

Ensuring the delivery of a safe and accessible Census despite the pandemic restrictions saw us collect invaluable data on veterans, sexuality and gender identity for the first time. We also prepared long-overdue legislation to allow Ministers to take formal, paid maternity leave. These are just a few of our achievements – in which each and every person within the department has played their part, adapting to different ways of working with determination and positivity.

Realising our ambition to make the Cabinet Office a more geographically diverse and multi-site department, we announced our plans for the department's second headquarters in Glasgow this year and a growing presence in York. This adds to our existing footprint across the country and I could not be happier that we, as a department, will be strengthening our

presence in the regions and nations of the United Kingdom.

We have seen a number of additions to the department this year, further strengthening our opportunities to modernise and reform government, and to co-ordinate cross-cutting issues. In January we welcomed Alok Sharma as President-Designate of the flagship 26th United Nations Framework Convention on Climate Change Conference of the Parties, which the UK is hosting in Glasgow, in November.

At the same time, the Disability Unit joined the Cabinet Office's Equality Hub (with the Social Mobility Commission arriving a year later). UK Security Vetting transferred to us on 1 April 2020, starting the transformation of the government's national security vetting capability. We also welcomed the Border and Protocol Delivery Group for its intensive efforts to prepare the UK border for the end of the transition period, ensuring the necessary systems, infrastructure and resourcing were in place for 1 January 2021.

There have also been three important leadership appointments in the mission-critical area of digital, data and technology. Our pandemic response has revealed how important it is for government to work smarter and faster for citizens, and harness the power of technology to adapt and respond quickly to changing environments. Responsibility for data policy has been transferred to the Cabinet Office. To strengthen our resilience in this profession I was delighted to welcome Paul Willmott, Joanna Davinson and Tom Read to the Department. Their brief is to establish the Central Digital and Data Office and ensure

that a reinvigorated Government Digital Service will lead the way in achieving our digital ambitions.

I would like to thank Sir Mark Sedwill for his contributions to the department and wider Civil Service, and welcome our new Cabinet Secretary, Simon Case, who shares Mark's passion for the Civil Service and making it the best it can be.

Improving our overall governance arrangements has been key to the efficient operations of the department this year. The addition of Baroness Gisela Stuart, Henry de Zoete, Lord Hogan-Howe and Baroness Finn (who has since been appointed Deputy Chief of Staff to the Prime Minister and resigned from the board) added real experience, challenge and value to our existing Non-Executive Director group and departmental decision-making.

As we see the world coming out of restrictions we have a chance to reflect on our achievements and how we learn from these experiences. This is something I'm committed to doing as we move into the next year and further build on our successes. My first year in Cabinet Office and as Chief Operating Officer for the Civil Service has only worked to increase my sense of pride as a civil servant, part of a committed, determined and resilient UK public service both here and overseas.

Cabinet Office Lead Non-Executive's Report



The Rt Hon The Baroness Stuart of Edgbaston

Cabinet Office Lead Non-Executive

2020-21 overview

This has been one of the most challenging years in living memory, both for the department and the country at large. I am proud of how the Cabinet Office has worked to not only fulfil its two most visible priorities – co-ordinating the government response to the pandemic and delivering our exit from the European Union – but also to complete a significant amount of foundational work to improve the capability of the government and to shape our strategy as we enter into a new decade.

Board membership

The Cabinet Office Board has remained largely consistent during the year. Four Non Executive, including myself, were appointed to the board on 12 May, and Lord Nash, the government Lead Non-Executive, joined the following month. We all remain in our roles bar Baroness Finn who departed the Board at the end of February 2021 to take up a role supporting the Prime Minister.

Among the senior officials, Alex Chisholm joined the Board as the department's Permanent Secretary in early April 2020 (with Sir John Manzoni departing simultaneously). In July Sarah Harrison joined as the department's new Chief Operating Officer, with her predecessor Mike Parsons rotating off the Board the following month.

There has been no change among the ministerial members.

Board effectiveness

The Board met seven times during the year and focused its attention on the Chancellor of the Duchy of Lancaster's priorities: the response to the pandemic; delivering Brexit; strengthening the union and modernisation and reform at both cross-governmental and departmental levels.

Non Executive oversight has been strengthened throughout the year through a variety of channels. In addition to our more

frequent board meetings we have established the Nominations Committee (which I chair with Karen Blackett and Anand Aithal as members). The Audit and Risk Committee continue their forensic scrutiny under Michael Ashley's leadership (with Lord Hogan Howe and Anand Aithal as members). Additionally Non Executives advise on a number of corporate committees, including the newly-established Approvals Board (myself and Anand Aithal); the Performance and Risk Committee (Michael Ashley); the People and Operations Committee (Lord Hogan-Howe) and the cross-government People Committee (Henry de Zoete). I would particularly like to thank Michael Ashley and Anand Aithal for their continued advice and support on corporate governance.

Beyond committee work, the Non Executives have dedicated their time and expertise to a number of activities across the department. In addition to deep dives we've all undertaken throughout the department I would particularly like to thank Lord Hogan Howe for his support and advice on border preparedness; Henry de Zoete for his support on the evolving digital strategy and the development of lateral-flow testing last winter; Karen Blackett for sharing her corporate expertise and Baroness Finn, for her focused efforts on functional reform.

Going forward 2021-22

As we hope to put the challenges of the last year behind us, the Cabinet Office must now look to the opportunities ahead. Learning lessons from the last year, our focus is now to ensure that the government is better connected, coordinated and skilled to deliver the best possible services to our citizens across the Union.

Performance Report

Cabinet Office Overview

Cabinet Office Purpose

The Cabinet Office is changing rapidly, as is our role at the centre of government, as we adapt to a range of increasingly complex challenges. We have expanded from our traditional secretariat work to a much wider role at the centre, co-ordinating delivery and driving change across government. Our ultimate goal is world-class public services, delivered with maximum value for the taxpayer.

Our purpose is achieved through our objectives, set out in our Single Departmental Plan (SDP) published in 2019.

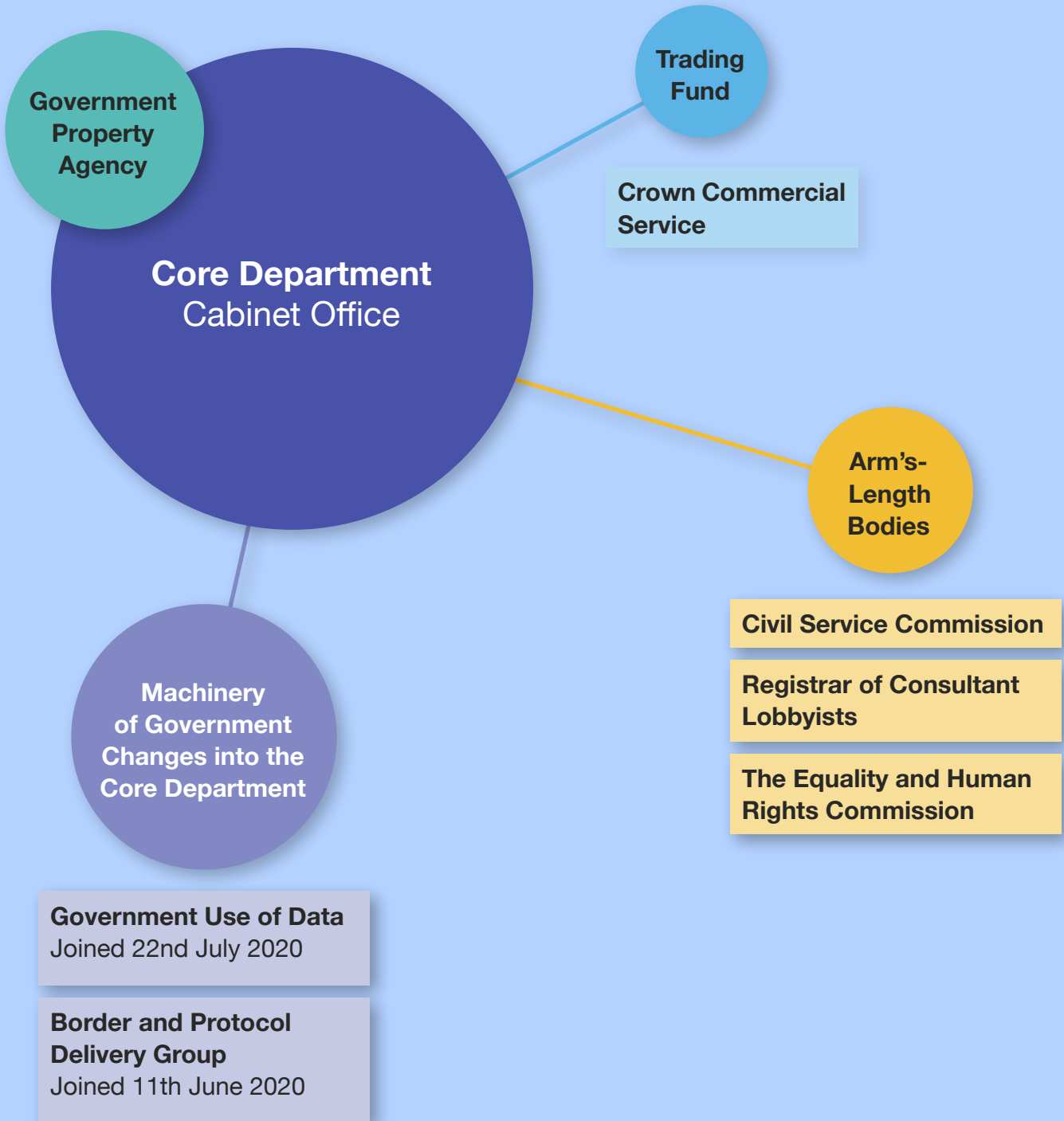
Cabinet Office strategic objectives



- 1** Maintain the integrity of the Union, co-ordinate 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 the Cabinet Office a great place to work, and create a department that better represents the people and places it serves

How the Cabinet Office group is structured

The Cabinet Office works closely with three arm’s-length bodies and two executive agencies. Each publish separate annual reports and accounts. In total the department works with 25 agencies and public bodies. Further detail on Cabinet Office’s structure can be found on the [GOV.UK](https://www.gov.uk) website.



How our core department is organised

Strategic Objective 1 (SO1)

- UK Governance Group
- Joint Intelligence Organisation
- Government Security Group
- International Comparators Joint Unit
- Intelligence & Security Committee
- Prosperity Fund

Strategic Objective 2 (SO2)

- Cabinet Secretariat
- Prime Minister's Office
- COP26
- Government in Parliament
- Prime Minister's Implementation Group
- Equalities Hub
- Cabinet Secretary Group
- Geospatial Commission
- Office for Veterans' Affairs
- COVID-19 Taskforce
- Grenfell Inquiry
- Infected Blood Inquiry

Strategic Objective 3 (SO3)

- Government Commercial Function
- Infrastructure & Projects Authority
- Commercial Models
- Fraud, Error, Debt & Grants
- Government Communications
- Civil Service Expert Services
- National Leadership Centre
- Government Property Agency
- International Government Service
- Government Automation & Business Service Group
- Civil Service HR
- Civil Service Modernisation and Reform
- Government Digital Service
- Office of Government Property
- Government Property Agency
- Civil Service Commission and Independent Offices

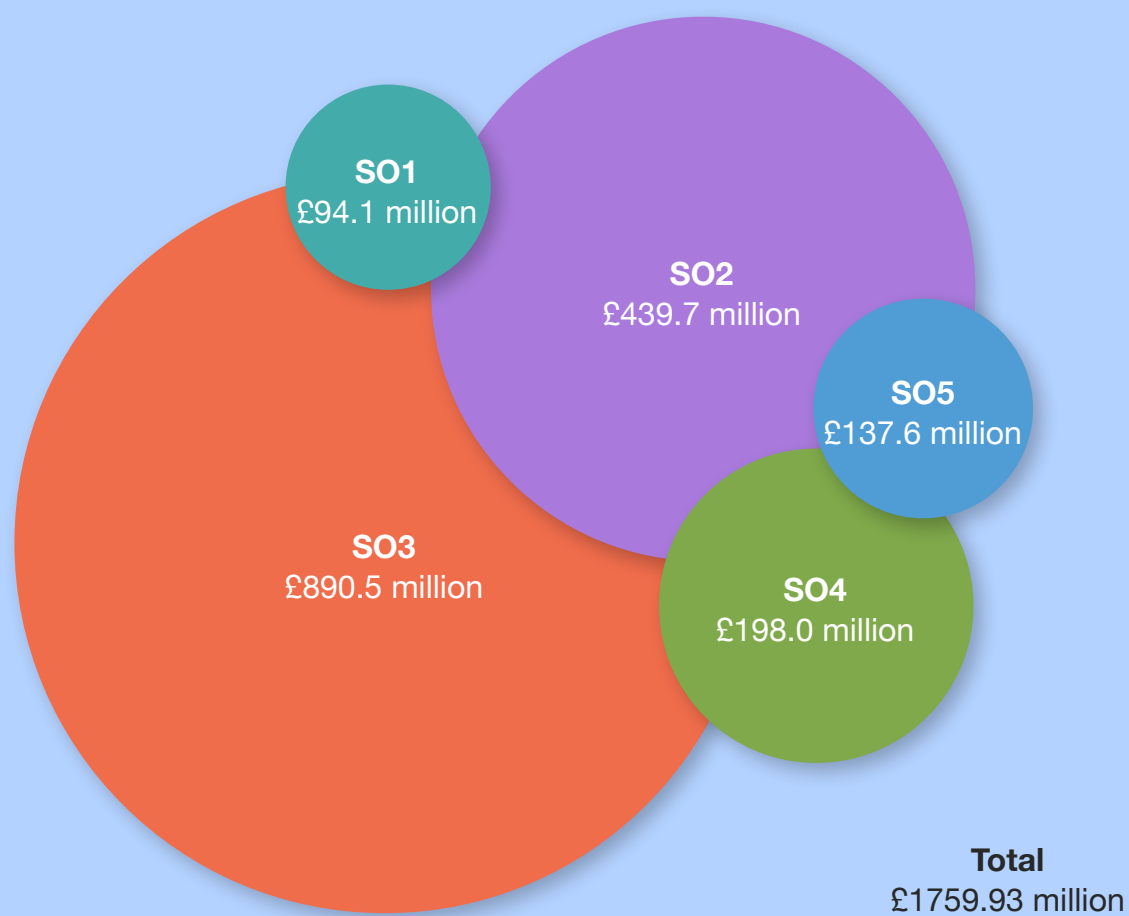
Strategic Objective 4 (SO4)

- EU Exit Implementation Group
- Transition Taskforce
- Taskforce Europe
- Border and Protocol Delivery Group

Strategic Objective 5 (SO5)

- Cabinet Office Strategy, Delivery & Private Office
- Chief Operating Officer's Office
- Assurance, Finance and Controls
- People and Places
- Chief Digital Information Officer
- Analysis

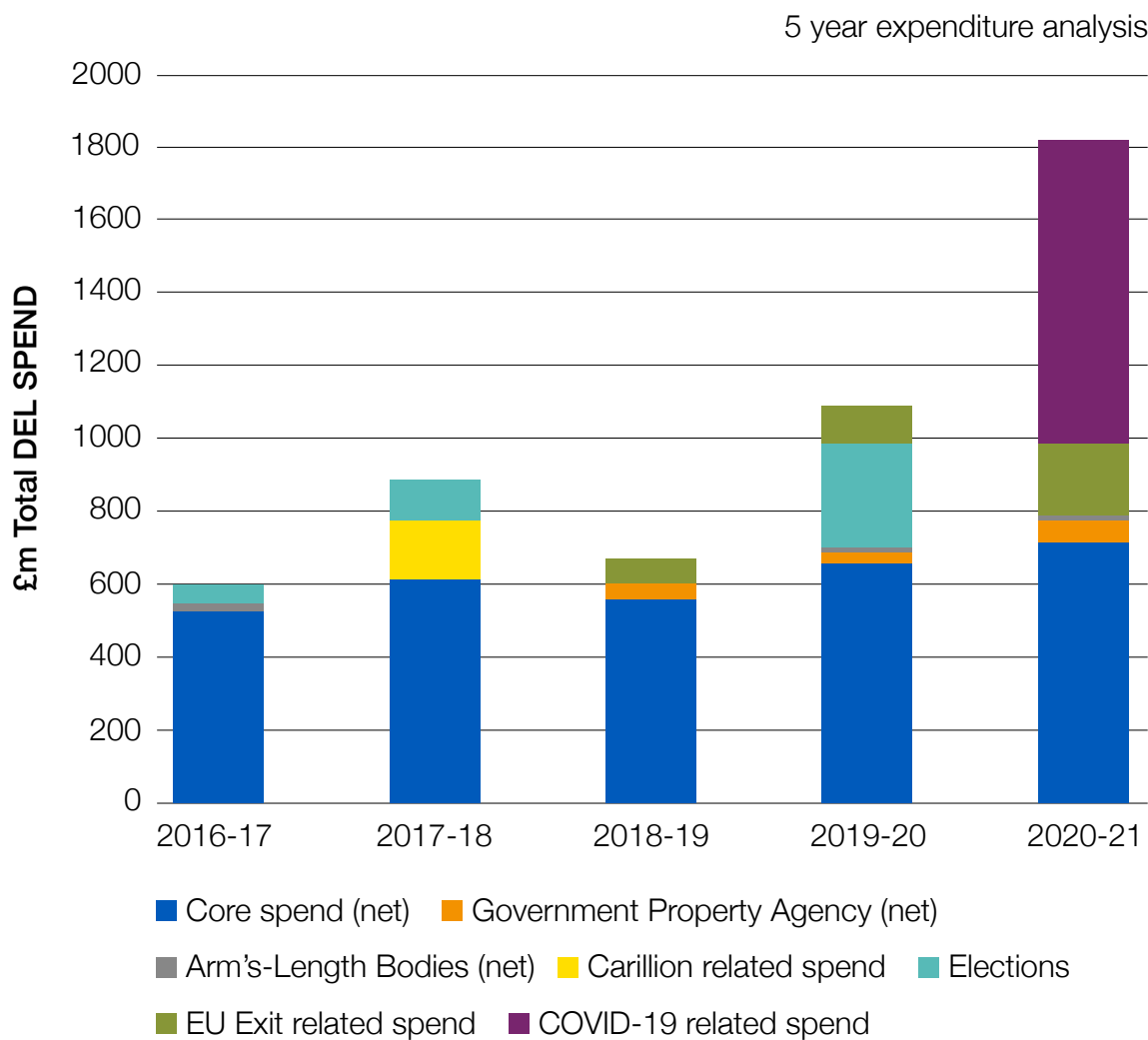
Cabinet Office spend by objective



Long Term Expenditure Trends

The chart below shows overall spending trends for the department over the last five years.

Cabinet Office Expenditure Trends (£ million)



Cabinet Office Expenditure Trends

Alongside the traditional role of the Cabinet Office in policy co-ordination, the department has grown in response to additional major delivery responsibilities over the last five years. This is reflected in our increased headcount and expenditure across this period. Significant areas of spend contributing to the growth over time includes:

Collapse of Carillion: In 2017-18, 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 the Cabinet Office, leading to a significant increase in outturn for that year; we continue to monitor the return of this funding through the sale of assets.

New Executive Agency: In 2018-19, the Cabinet Office became home to the Government Property Agency (GPA), introducing a portfolio-led approach to managing central government property as a strategic asset. This has led to a significant increase in both expenditure and income over the last three years, with an average annual net impact on the Cabinet Office outturn of £41m during the period 2018-21.

UK's exit from the European Union: The Cabinet Office has incurred non-baselined spend relating to the UK's exit from the EU since 2018-19. Spending has increased annually in the lead-up to 31 December 2020. In 2020-21, this included a supplementary estimate reserve claim of £65m to the

Government Communications for the EU Exit Transition Campaign.

Increased election activity: Elections expenditure increased to £290m in 2019-20 as the Cabinet Office administered the cost of the UK parliamentary general election, a police and crime commissioner by-election, three by-elections and a recall petition.

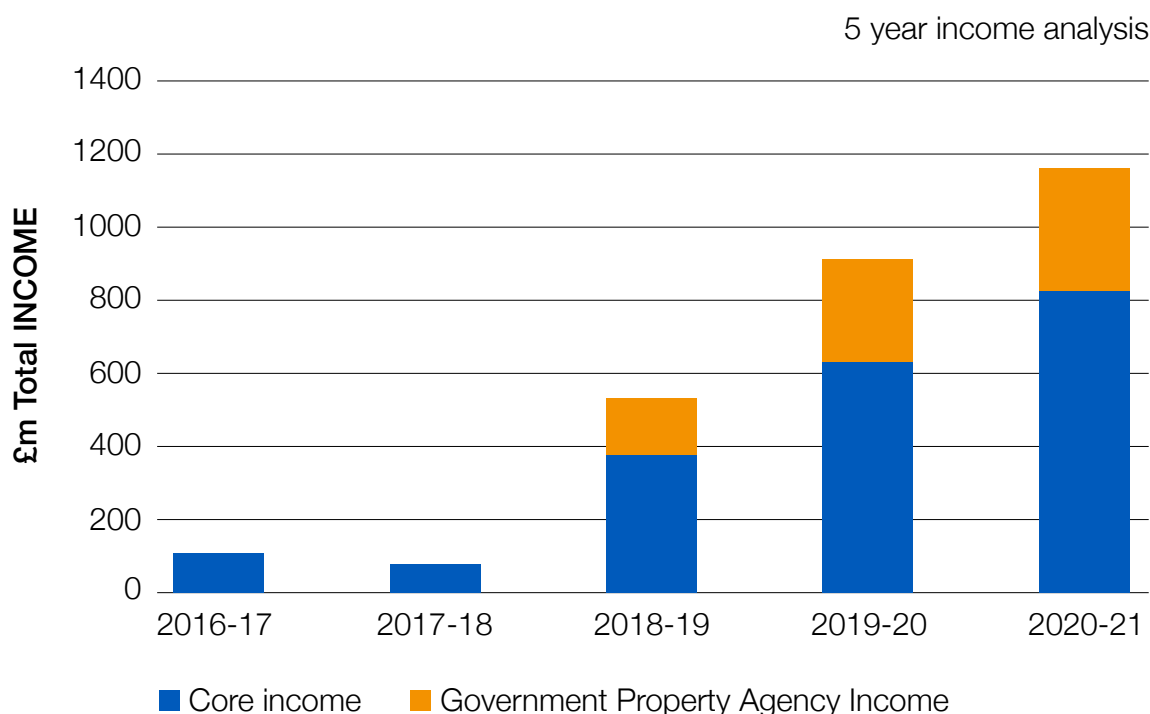
Response to the COVID-19 worldwide pandemic: The COVID-19 pandemic has led to an unprecedented increase in expenditure in 2020-21, largely due to the ventilator challenge programme and the COVID-19 response government communications campaign.

In addition to the areas highlighted above, 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. The Cabinet Office also took responsibility for the border via the Border and Protocol Delivery Group, which joined via a 'machinery of government' transfer from HMRC in 2020-21. The department also houses the Infected Blood and Grenfell Tower independent inquiries.

Alongside our role supporting the Prime Minister and the cabinet, we have continued to play a wider role at the centre of government, co-ordinating delivery and driving change through the government functions. By building strong core functions at the centre of government, we aim to professionalise the Civil Service through improved decision-making, cross-departmental working, organisational

capability, efficiency, resilience and control. In 2016-17, Civil Service HR Expert Service teams started to transfer into the department and in 2017-18, over 400 commercial specialists transferred in from other government departments to form the Government Commercial Organisation (GCO).

We now have a headcount of 9,765 compared with 2,708 in 2016-17, reflecting our developing position as the functional centre for government. Civil Service HR Expert Services and Government Commercial Organisation costs are fully recovered from government departments; this has led to growth in our income over the five-year period.

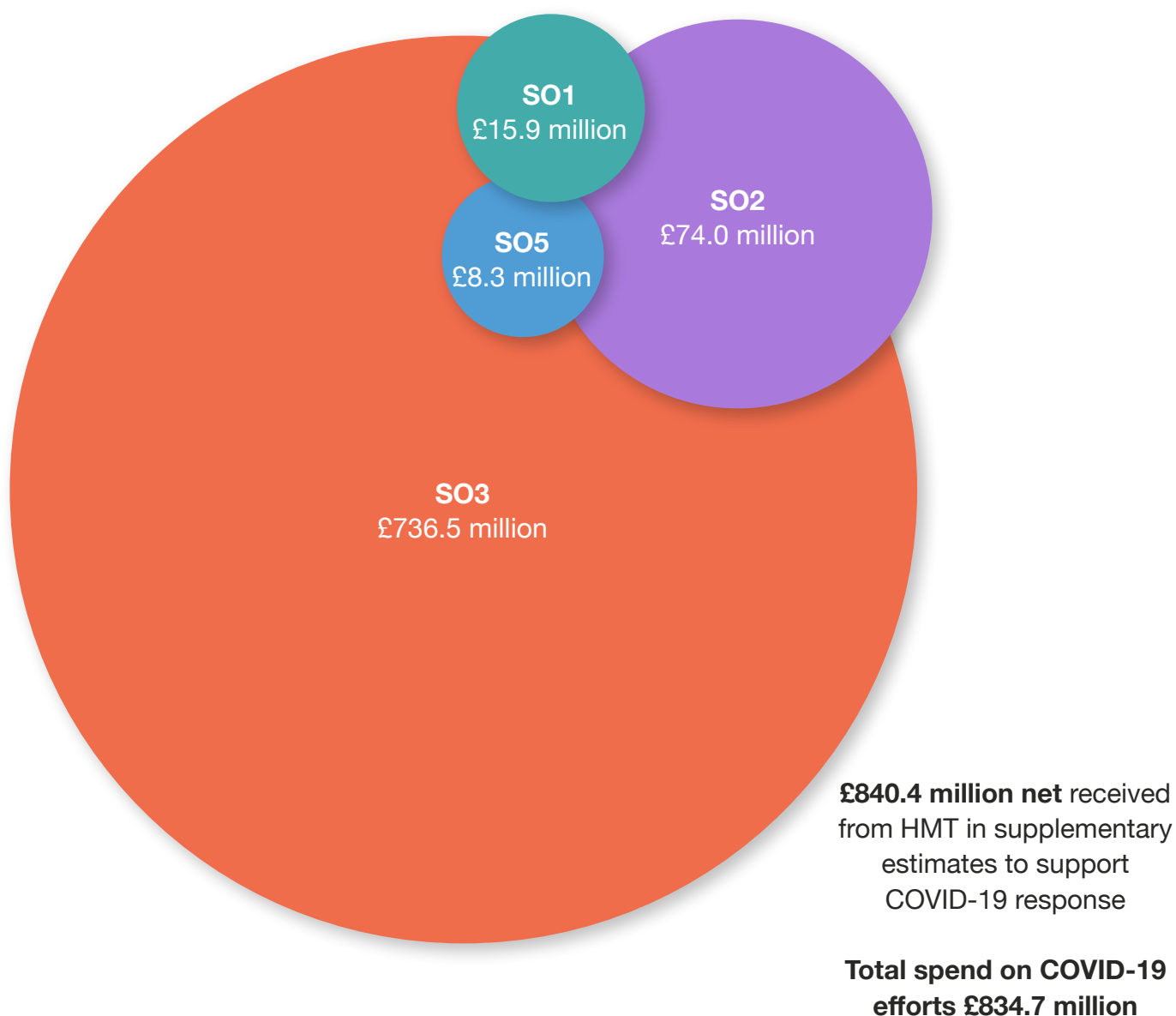


Supporting the Government response to COVID-19

The Cabinet Office has been at the heart of the government's response to COVID-19 from the start of the pandemic. While delivering against the department's individual strategic

objectives, each part of the Cabinet Office has supported a single, wider government objective to overcome the challenges presented by the pandemic.

COVID-19 spend by objective



The Cabinet Office has been at the forefront of tackling COVID-19, one of the biggest peacetime crises faced by this country and the world in modern times. The increased spend on COVID-19 covers all parts of the department. However, key projects have been set out as follows:

(SO2) COVID-19 Taskforce

The COVID-19 Taskforce was created within the Cabinet Office on 20 May 2020 to support the Prime Minister and cabinet in driving and co-ordinating the government's COVID-19 response and recovery policies. Growing to around 320 people, the taskforce combined Civil Service, military and external expertise to provide the best quality support and advice to coordinate the UK Government's collective response to the pandemic, harnessing evidence and action from across government and beyond to maximise health, economic and social outcomes.

The pandemic demanded an unprecedented response. The first weeks of the response were managed on a crisis footing with a large number of civil servants temporarily deployed from other roles. As the position became more stable, a more permanent structure was put in place with clearer boundaries, relationships, ways of working, and processes. This enabled us to plan and manage implementation, decision-making and supporting activity across Whitehall.

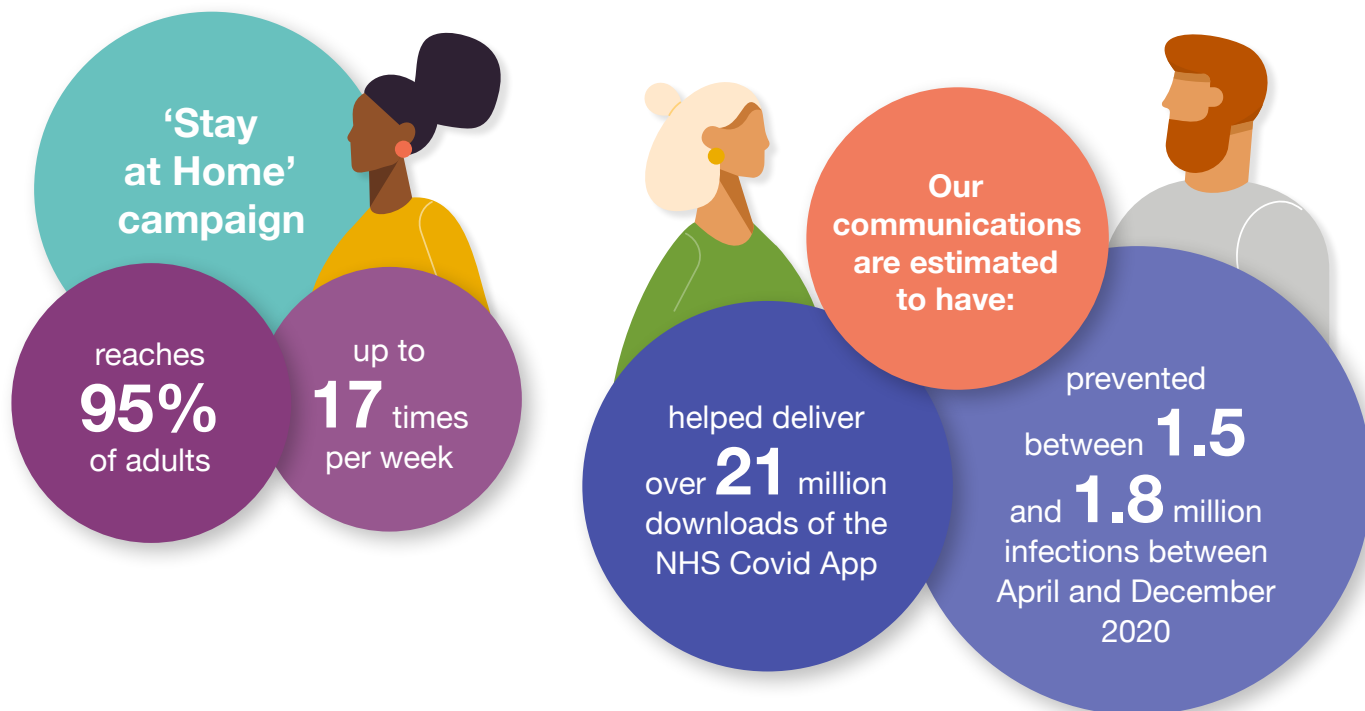
Across both the immediate crisis response and longer term activity, there was a need to support an intensive schedule of cabinet committee meetings; to provide the Prime Minister and others with continuous advice

and information on the pandemic and on the responses by government and others; and to co-ordinate activity and drive policy implementation.

(SO3) Communication Campaigns

The COVID-19 campaign hub within the Government Communications Service (GCS) oversaw the overarching communication response to COVID-19. This included the 'Stay at home' campaign, which reached 95% of adults up to 17 times per week, and a number of supporting campaigns, such as 'Hands, face, space' and 'Let in fresh air'.

The COVID-19 communications campaign was one of the biggest national communications campaigns run from the Cabinet Office, with a total spend of £377.0m. The communications are estimated to have prevented between 1.5 million and 1.8 million infections between April and December 2020 and helped deliver over 21 million downloads of the NHS COVID-19 App.



(SO3) Government Commercial Function

To support COVID-19 activity across government, the Government Commercial Organisation (GCO) Talent Team took a leading role in co-ordinating the numerous commercial resource requirements. To date, over 162 commercial professionals from across the Government Commercial Function (GCF) have been deployed to COVID-19 commercial activities supporting the critical work around testing, PPE, ventilators and hotel quarantine.

A key role of the function is to promote commercial best practice and drive innovation and awareness in procurement. The GCF issued guidance for contracting authorities, setting out the options available to them when undertaking procurements in an emergency, and how to provide payment

relief to their suppliers to ensure service continuity during the COVID-19 outbreak.

Scientific modelling at the start of the coronavirus crisis predicted that the NHS was going to run out of ventilators. In response to this the government launched the Ventilator Challenge, with a call to arms to manufacturers and medical device companies to step up production of existing designs and design new ventilators from scratch. The programme was led by GCF, with support from colleagues from across government, working with UK manufacturers to scale up production of mechanical ventilators for supply to the NHS.

The Cabinet Office convened a 'technical design authority' (the TDA) to assess ventilators and inform decisions on new and existing design proposals for manufacture. This enabled the delivery of 15,154 ventilators, designed and built, within 4.5

months, at a unit price £4,000 lower than the Department of Health and Social Care (DHSC) could procure through normal channels. A total of £290.5m was spent on the Ventilator Challenge in 2020-21.

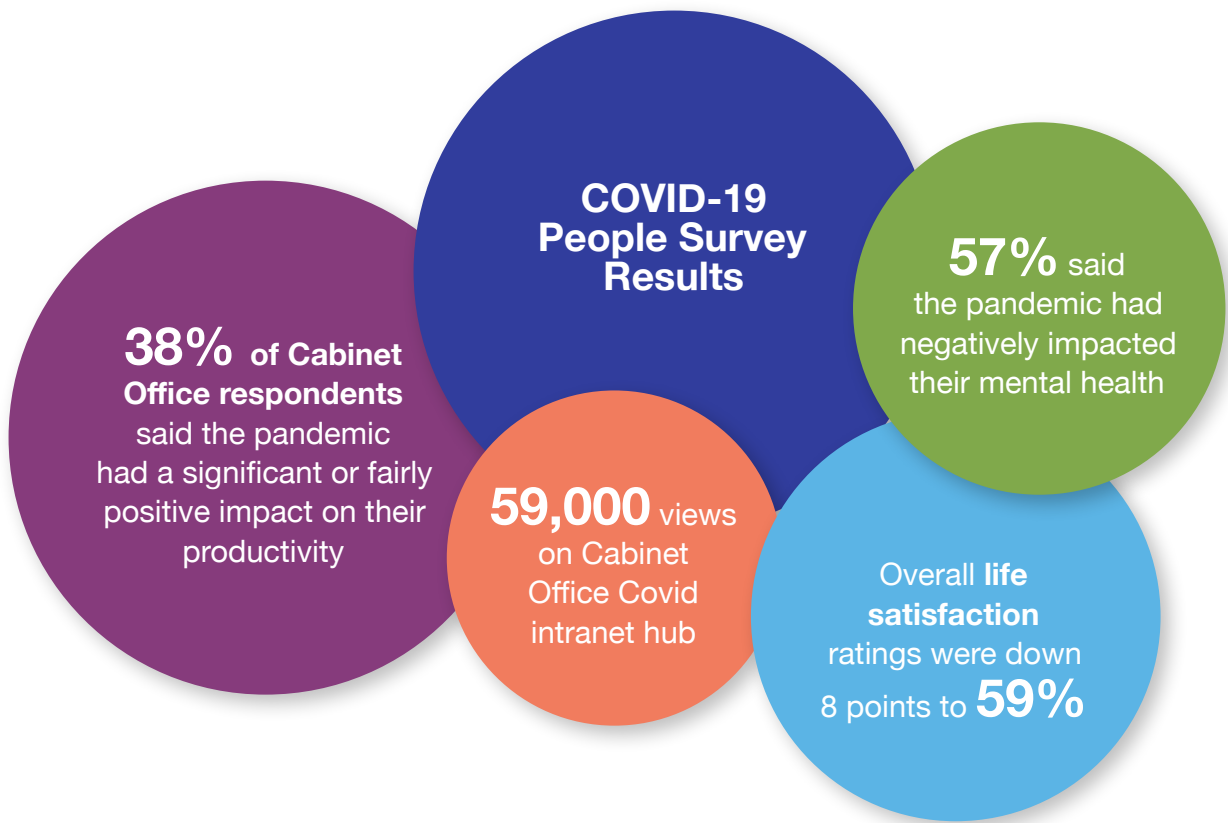
The commercial teams in departments were supported by the GCF central team in the Cabinet Office, which provided cross-cutting functional support, specialist services and expert advice during the crisis. They supported the operationalisation of Test and Trace, increasing the daily testing capacity from 3,000 to 100,000 in six weeks and the procurement of 32 billion pieces of PPE equipment through DHSC. This was achieved by deploying 57 commercial specialists to all COVID-19 Cells to provide additional commercial support for ventilation, testing, Nightingale Hospitals and PPE as well as for the Civil Contingencies Secretariat.

and support the COVID-19 dashboards used across government to monitor the pandemic; and rapidly mobilising and redeploying staff to support COVID-19 activities across the department.

(SO5) Corporate Services

As a department, we moved from being predominantly office-based to working almost entirely remotely in a matter of days, in accordance with public health advice. Corporate Services was instrumental in ensuring this was possible.

Our teams have played a key role in supporting the department's response to COVID-19. This has included: forming the COVID-19 Response Team ensure all our staff could work effectively from home or had alternative COVID-19 secure workplaces to work; ensuring a continuing focus on health, safety and wellbeing through an enhanced wellbeing offer; helping to create



Strategic Objectives

SO1

To maintain and strengthen the integrity of the Union, co-ordinate the security of the realm and sustain a flourishing democracy

UK Governance Group (UKGG)

Despite the disruption caused by COVID-19, an innovative national data matching service was successfully implemented in June 2020, revolutionising how local authorities (LAs) meet annual canvass obligations by enabling them to match their electoral registers against government data. UKGG has been at the forefront of significant legislative changes this year: it supported the introduction of the Parliamentary Constituencies Bill on 19 May 2020, progressing the government's manifesto commitment to update the boundaries of parliamentary constituencies. This work will ensure a near-equal number of electors in each constituency so that

votes cast at elections are equally weighted. Following Royal Assent on 14 December 2020, the four Boundary Commissions launched the Boundary Review, which is due to report by July 2023.

In addition, the group supported the draft legislation published in December 2020 to take forward the manifesto commitment to repeal the Fixed Term Parliaments Act and revive the prerogative power to dissolve parliament. This will restore the practice of parliament being dissolved by the sovereign on the request of the Prime Minister, and governments will (within the life of a Parliament) be able to call an election at a time of their choosing.



The first ever ‘virtual’ British Irish Council Summit was held on 6 November 2021 and hosted by the Scottish Government with a focus on recovery from COVID-19. The delegation was led by the Chancellor of the Duchy of Lancaster, accompanied by the Secretary of State for Northern Ireland and Secretary of State for Scotland. The Council plays an important role in bringing together its eight member administrations to strengthen links and discuss policies of mutual interest.

UKGG has been pivotal in supporting regulatory coherence across the UK after the UK’s departure from the EU, through maintaining collaborative relationships with devolved administrations. The Common Frameworks programme, designed to bring a standardised approach where powers are being returned to the UK, has progressed eight frameworks which have received provisional confirmation status from the Joint Ministerial Committee on EU Negotiations.

More than 100 statutory instruments relating to devolved matters were supported and made in the UK parliament with the agreement of the devolved administrations to ensure that laws work appropriately following exit from the EU.

Government Security Group (GSG)

Government Security Group (GSG) has continued to develop the government security function this year, establishing the structures needed to deliver security across the civil service as efficiently and effectively as possible. The group developed the Government Security Strategy Functional Plan, and a robust governance model driven by threat and risk.

The group worked alongside Government Digital Services to ensure legacy IT

remediation is now at the top of the agenda, by securing over £600 million for departments to invest in remediating systems through the Spending Review 2020.

Five new Government Security Centres (GSeCs) have been launched, delivering shared services for the function to offer security expertise, so reducing duplication of effort and resources. The GSeCs have had a key role in enabling dynamic response to COVID. The Government Security Centre for Cyber carried out targeted campaigns to mitigate cyber risks identified during COVID-19.

UK Security Vetting (UKSV) successfully transferred from the Ministry of Defence to the Cabinet Office in April 2020, overcoming logistical challenges resulting from COVID-19. In support of the wider government response to COVID-19, UKSV had to rapidly rethink its operational delivery, successfully prioritising vetting for critical roles while capacity was built.

GSG, as part of the wider UK negotiating team, negotiated a Security of Information Agreement (SoIA) text as part of the Agreement on Trade and Cooperation to allow the UK and the EU to continue to exchange classified information. This is an essential tool of co-operation in addressing common security threats and sets out standards for the handling and protection of classified information exchanged between the UK and the EU. The SoIA will allow the continued flow of classified information on a number of important topics, including law enforcement, judicial co-operation and intelligence.

To support the design and implementation of HM Government's policies and the Prime Minister's priorities

Cabinet Secretariat

Like the rest of government, the Cabinet Secretariat has faced a challenging year as it supports the government in delivering its agenda, including the benefits of EU Exit, responding to COVID-19, supporting the National Security Council (NSC) in keeping the UK safe and projecting Global Britain, and delivering the UK's presidency of the G7. It has also provided support to the Prime Minister, other ministers, the Cabinet Secretary and Head of the Civil Service, and the Permanent Secretary and Chief Operating Officer of the Civil Service.

A key role of the Cabinet Secretariat is to support the Prime Minister, and collective decision-making by the NSC and Cabinet, on matters of national security. This year the Cabinet Secretariat has supported strategy development and implementation during the political transition in the US; on the international response to COVID-19; on the implications of China's rise and other global shifts; and the increasing threats posed to our cyber security.

It has also led work on the Integrated review of security, defence, development and foreign

policy. This review sets out the Integrated Review sets out a comprehensive framework for the government's approach to national security and how Global Britain will deliver for the British people in an increasingly competitive age. It will shape future spending decisions to be taken in the next Spending Review.

The Civil Contingencies Secretariat (CCS) has led, co-ordinated and supported several major responses this year, including the cross-government planning for EU Exit and COVID-19 responses. Development of the National Situation Centre has progressed this year. This Centre will provide up-to-date and analysed data to Ministers at the point of decision-making during a crisis. Although currently in the development phase, this project will be up and running by the end of summer 2021.

The government's legislative programme in 2020-21 was delivered by the Parliamentary Business and Legislation Secretariat, alongside the Office of the Parliamentary Counsel and the office of the Business Managers. The secretariat has delivered 38 bills through to royal assent in the current parliamentary session, including key pieces of legislation such as the Coronavirus Act 2020

and the European Union (Future Relationship) Act 2020. It has also delivered 1,302 statutory instruments, 263 of these related to the UK's preparation for the end of the transition period, with 332 relating to COVID-19.

Geospatial Commission

In June 2020 the Geospatial Commission published the UK's Geospatial Strategy with a vision that by 2025 the UK has a coherent national location data framework. The strategy outlines nine location data opportunities, which cover key areas of public policy from transport and infrastructure to public health and the environment. It sets out a pathway to the vision through four missions:

1. Promote and safeguard the use of location data
2. Improve access to better location data
3. Enhance capabilities, skills and awareness
4. Enable innovation.

Building on the strategy, the commission undertook a market study to understand where government intervention is needed in the geospatial ecosystem to truly unlock the power of location data. Published in November 2020, it makes a number of further recommendations through an economic focus.

Throughout the year, significant progress was made against all strategy missions. Highlights include working with industry to complete two highly successful pilots to trial and support the development of a national underground asset register in the north-east and London, with preparations on-going for national roll out.

In addition, a £2 million transport innovation competition was launched in partnership with Innovate UK. Twenty-eight winners were awarded with funding to help create solutions to transport challenges and support the future of mobility for the United Kingdom.

The Equality Hub

The new Equality Hub brings together the Disability Unit, Government Equalities Office and Race Disparity Unit. It has a key role in driving Government priorities on equality and opportunity. The Hub has a particular focus on improving the quality of evidence and data about disparities and the types of barriers different people face.

The Government Equalities Office (GEO) continued work this year to support economic empowerment and address workplace equality issues. It piloted schemes across England to support people to return to work after an extended break for caring. This includes participants on the Return to Social Work programme, who returned to support local councils with the COVID-19 response.

GEO worked with the Department for Business, Energy and Industrial Strategy (BEIS) to support the delivery of the Hampton Alexander Review to increase the representation of women on boards and in senior leadership positions in FTSE companies. The 33% target has been exceeded (FTSE350 female board members increasing from 21.9% in 2015 to 34.3%) and there has been significant progress among the two layers beneath board level, improving the supply of future board members.

In July 2020 the Prime Minister's Commission on Race and Ethnic Disparities was established. The Race Disparity Unit was appointed as the secretariat, and has since provided data, analysis and engagement support to the commission, including overseeing a call for evidence which saw one of the largest responses (over 2,300) to a Government-sponsored review in recent times. The report was published on 31st March 2021.

The Race Disparity Unit was appointed co-secretariat, with the Home Office, to the new Windrush cross-Whitehall working group, and has since been providing advice and support on the action plan. This has included supporting improvements to the Windrush compensation scheme (announced in December 2020), and the implementation of a new community grants scheme to provide financial assistance to NGOs and help them apply to the compensation scheme.

Following the publication of Public Health England's report 'Disparities in the risks and outcomes of COVID-19', the Prime Minister and Health Secretary announced in June 2020 that the Race Disparity Unit would support the Minister for Equalities on the government's response to the report. This takes the form of quarterly reports to the Prime Minister detailing the latest data, analysis and research available on the impacts of COVID-19 on different groups (by race, ethnicity, geography, sex and age); and updates on cross-Whitehall improvements to policy development and implementation, communications and outreach. The first two of the quarterly reports were published in October 2020 and February 2021.

To ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of Government

Infrastructure & Project Authority (IPA)

As the government's centre of expertise for infrastructure and major projects, it is IPA's purpose to ensure projects are delivered efficiently and effectively and to drive continuous improvement in the way the government delivers infrastructure and major projects.

During 2020-21, the IPA has been initiating a change in delivery of major government projects. In support of this, the IPA published a refreshed mandate which clearly defines the roles and responsibilities of both the IPA and departments in relation to the delivery of major projects across six key areas.

Working closely with both the Treasury and Government Commercial Function, the IPA has played a leading role in the publication of the National Infrastructure Strategy, the Construction Playbook, and Project Speed over the past year, all of which clearly

detailed the government's ambition for the country, to build back better.

IPA used EU Transition Period assurance reviews to measure progress against previously agreed project plans and to generate recommendations to improve chances of successful delivery. Thirty-five independent assurance reviews were conducted for 26 programmes in the portfolio. This amounted to over 500 full-time equivalent days of tailored, direct assurance and support to programmes.

Fraud, Error, Debt & Grants (FEDG)

In response to COVID-19, the Counter Fraud Function set up a COVID-19 response team, which led on several key counter-fraud initiatives. These included the set-up of a centralised intelligence service, including the COVID-19 fraud hotline with Crimestoppers, as well as assessment of the fraud risk in over 200 stimulus schemes and maintenance of a global assessment of fraud risk.

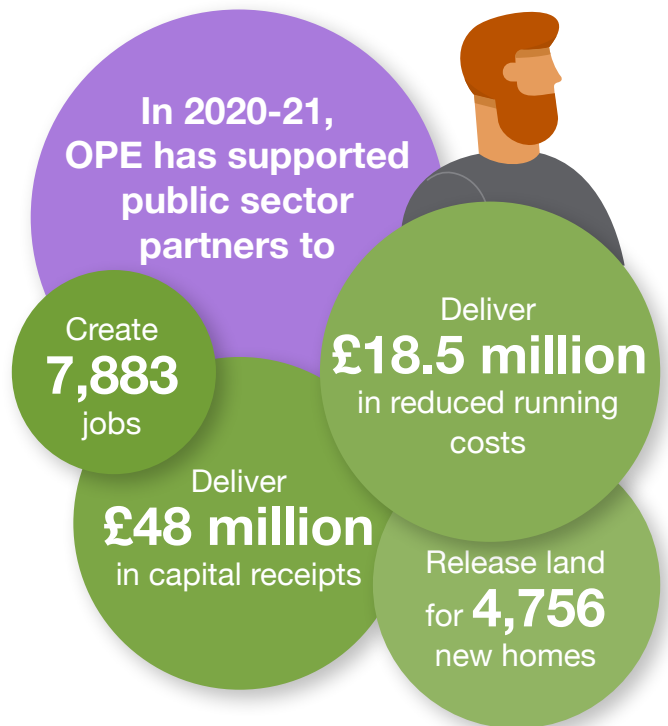
Whilst FEDG is not directly responsible for individual departmental fraud risks, the centralised intelligence service supported government departments in mitigating and managing their risks. This led to the delivery of £139 million savings to date.

This year, the Government Counter Fraud Profession has continued to grow, providing a professional structure for those who work to combat fraud. There are now 6,806 members across a range of public sector organisations.

In 2020-21 FEDG had oversight of £175 billion of grant funding awarded across government. To support departments with the management of grant funding and associated risks, The Government Grants Management Function (GGMF) established a grants pipeline with strengthened controls for the highest-risk schemes and expert advice provided by the Complex Grants Advice Panel. Through this process the GGMF safeguarded and assured the deployment of cross-government COVID-19 response grant schemes to a value of over £152 billion. It also accelerated the planning of high-profile grant schemes to a value of around £6.5 billion to replace EU grant schemes.

To further mitigate the risk of grant fraud, GGMF launched Spotlight, an automated due diligence tool. The tool was made available across all government departments and arms'-length bodies, complementing the existing pre- and post-award checks to highlight areas of risk and inform grant-making decisions. Spotlight prevented the loss of £18m in incorrect grants claims.

Office of Government Property (OGP)



During 2020-21 the Office of Government Property (OGP) continued to lead the Government Property Function, helping build maturity, support civil service transformation and enhance the government estate.

The Places for Growth Programme continued to deliver the government's commitment to move civil servants out of London. Working with departments and the Treasury, the programme secured funding commitment to relocate roles by 2025.

One Public Estate (OPE) has supported public sector partners to deliver £48 million in capital receipts and £18.5 million in reduced running costs while creating 7,883 jobs and releasing land for 4,756 new homes in 2020-21. This year, the programme also worked with the Ministry of Housing,

Communities and Local Government to deliver land for an additional 1,351 homes through the Land Release Fund.

A disposals transparency report was published in February 2021, confirming the function had achieved over £5 billion in receipts between April 2015 and March 2020. Sales of surplus government land and property between April 2019 and March 2020 generated £0.5 billion from 278 sites.

Government Property Agency (GPA)

This year has seen GPA more than double holdings, increasing property under management to a quarter of the Government Office Portfolio, it now manages 22% of the estate across 200 properties. In 2020-21 we increased managed office space by 114%, taking on a further 707,769m² across 14 clients.

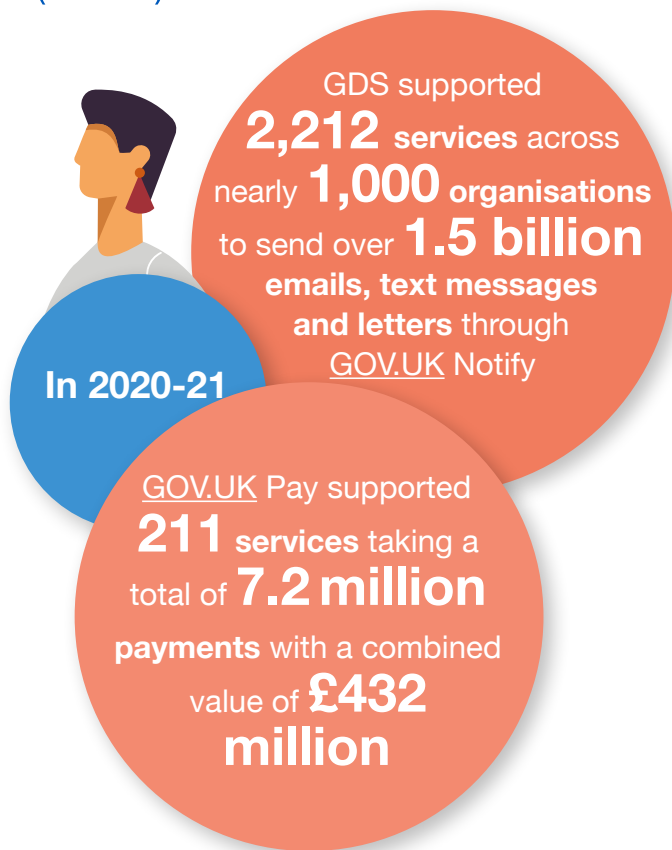
GPA has played a leading role in supporting departments through the COVID-19 pandemic, providing secure working environments for staff who cannot work from home, and a toolkit for those who can to help maximise productivity and focus on wellbeing.

Despite the challenges seen this year GPA started construction on the government hub at Fletton Quays, Peterborough, and a second hub in Croydon. It also made significant progress on the fit-out of the Platform 21 project in Birmingham.

Continuing the Whitehall campus programme that aims to deliver a smaller, better quality and more efficient central London estate, the agency had closed eight central London office buildings by the end of March 2021, including 10 Great George Street and 151 Buckingham Palace Road. This work will be an enabler to increasing social value and driving localised growth across the UK. GPA has now completed work with Simmetrica Jacobs to place a social value against both the government hubs and the Whitehall campus programmes. This additional social value, estimated at £3.5bn (20 year NPV) created by the GPAs' investment programmes will aid in the stimulus of the economy post pandemic, including supporting Small and Medium Enterprises and regionalisation with high levels of spend through industry.



Government Digital Service (GDS)



The Government Digital Service (GDS) delivers critical digital services for government, including [GOV.UK](#), Verify and Notify, which were integral to the effective response to COVID-19 and critical for vaccine rollout and the test and trace service.

GDS rapidly created the new cross-government Shielded Vulnerable People Service platform to support the clinically extremely vulnerable, who were advised to shield during the pandemic. This service facilitated over 4.7 million successful deliveries of food and supplies to vulnerable people in the first wave of the pandemic and continues to facilitate support to those who need to shield.

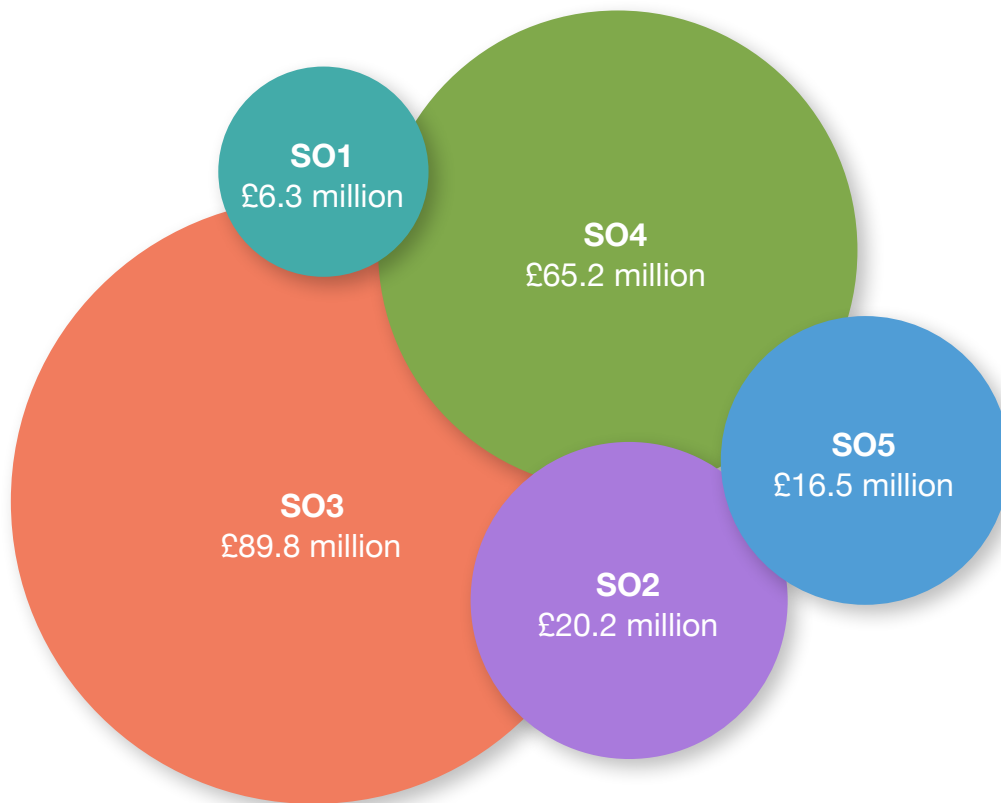
[GOV.UK](#) delivered an extensive programme of activity to maintain critical information and developed a range of services. These include such as [gov.uk/ask](#), which allows people to ask questions of ministers during live press conferences, and a tool to help businesses identify financial support based on their circumstances. COVID-19 content receives an average 14 million weekly views.

A postcode lookup service was built by [GOV.UK](#), so users could check the restrictions in their area. Working with Google, [GOV.UK](#) links were added to coronavirus search results and YouTube videos. All products have seen significant service spikes and have provided critical support to millions of UK citizens.

GDS won many awards this year. Among them was a Public Service Communications award in the data-driven category, recognising the use of data and insight in building deeper connections with audiences. The guidance created and maintained on the [GOV.UK](#) website during the COVID-19 pandemic won the Horace Hockley Award from the Institute of Technical and Scientific Communicators.

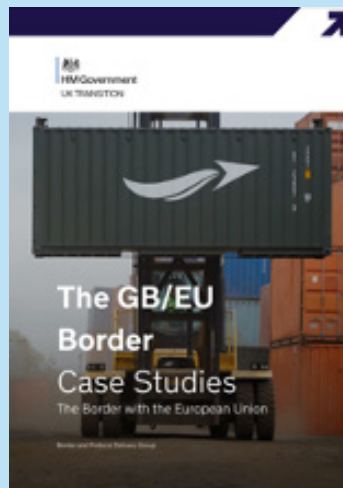
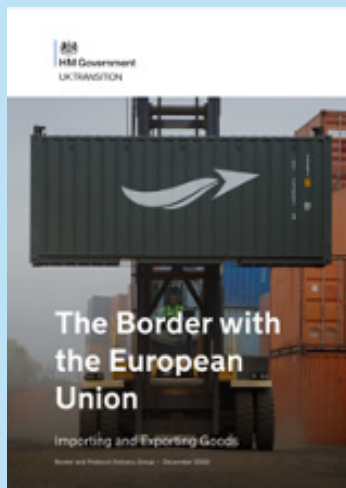
GDS continued to help the Government meet user needs through the design and delivery of great public services. The Data Standards Authority (DSA) was established in April 2020 as a multi-disciplinary team drawn from a variety of data-related backgrounds in technology, strategy and policy. Its aim is to improve and help implement data standards to meet user needs and address challenges collectively. In December 2020 the DSA supported the launch of the National Data Strategy, setting out how best to unlock the power of data for the UK in December 2020.

To 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



Total spend on EU exit activity £198.0 million

The Cabinet Office has a core group of business areas, which primarily focus on EU exit delivery, reportable under SO4. However, EU exit activity is cross-cutting across the department, and so key deliverables within all strategic objectives have been reported in this section.



Border and Protocol Delivery Group (BPDG) (SO4)

The Border and Protocol Delivery Group (BPDG) moved from HMRC to the Cabinet Office in the summer of 2020 by way of a ‘machinery of government’ change. BPDG’s primary objective was to ensure the border operated effectively at the end of the transition period and beyond, and deliver the government’s ambition for the UK to operate the best border in the world by 2025.

BPDG worked successfully across government and with the border industry to ensure that the border was ready for the end of the transition period, with the required systems, infrastructure and resourcing in place. This included creating and monitoring progress against a cross-government integrated delivery plan for the end of the transition period; setting up and running the port Infrastructure Fund and delivering a

programme of engagement events in the UK and the EU to support border industry and business preparations. BPDG also legislated for enhanced cross-government border data sharing, implementing the Border Flow Service and establishing the new Border Operations Centre.

BPDG continued to work across government and with industry partners on longer-term ambitions for the border. It published the 2025 border strategy in December and established the Border Design Authority and the programme to deliver the ‘single trade window’, both key commitments within the strategy.

Transition Taskforce (SO4)

The Transition Taskforce (TTF) was set up following the closure of the Department for Exiting the EU. Its objective was to prepare the UK for the end of the transition period and the adjustment to a new relationship with the EU as an independent country.

Leading work to understand the policy changes required to adapt to life outside the EU, TTF supervised the development and delivery of a transition programme (including oversight from the EU Exit Operations Cabinet Committee). It co-ordinated, and ensured the coherence of, plans across government, in readiness for both a negotiated and non-negotiated outcome to trade talks with the EU. Following the end of the transition period, TTF led work to manage short-term, transition-related disruption and on the government's plans to maximise the opportunities of EU exit.

TTF designed and oversaw a co-ordinated strategy of engagement with key third-party stakeholders, to support their preparation and manage the impact of and adjustment to changes. TTF also supported departments in ensuring that the UK continued to meet its obligations and in representing UK national interests to the EU during the transition period.

TTF oversaw the delivery of all EU exit-related primary and secondary legislation across government. This included the passage of the European Union (Future Relationship) Act 2020, which implemented the Trade and Cooperation Agreement and received Royal Assent on 30 December 2020, as well as more than 200 statutory instruments.

TTF was responsible for the governance of the Joint Committee which oversees the implementation of the Withdrawal Agreement, including the Northern Ireland Protocol setting out the arrangements necessary for continued co-operation between Northern Ireland and the Republic of Ireland to avoid

a hard border, and to protect the 1998 Good Friday Agreement.

Taskforce Europe (TFE) (SO4)

Taskforce Europe (TFE) was formed in early 2020, following ratification of the UK-EU Withdrawal Agreement. Its task was to negotiate an agreement governing the UK and EU's post-Brexit relationship. TFE was itself quite small – around 50 people. It drew on the experience and expertise of over 400 UK experts from across Whitehall during an eight-month long negotiation, conducted in London and Brussels and (in response to COVID-19) over the webex video platform, in response to COVID-19. The result was the UK-EU Trade and Cooperation Agreement (TCA), which was finalised on Christmas Eve 2020 and finally ratified in April 2021.

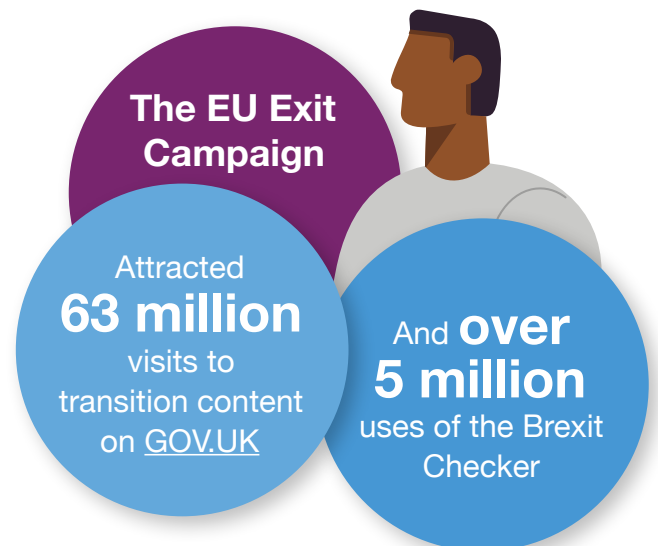
This is the first free trade agreement the EU has concluded, based on zero tariffs and zero quotas. It was successfully negotiated to be based on international law, not EU law, meaning that there is no role for the European Court of Justice and no requirement for the UK to continue following EU law. It includes provisions to support trade in services, recognises UK sovereignty over our fishing waters and includes a commitment to maintain high labour, environment, and climate standards. The UK can now regulate in a way that suits the UK economy and UK businesses. The TCA also allows us to introduce our own modern subsidy system so that the government can better support businesses to grow and thrive.

The TCA is an unusually broad agreement. As well as more standard features of a Free Trade Agreement, it covers law enforcement and judicial cooperation; emerging security challenges, such as cyber and health security; road and air transport; social security; energy; and the UK's participation in Union programmes.

In the first quarter of 2021, the Taskforce morphed into the new EU Secretariat, whose responsibilities include co-ordinating the implementation of the TCA across Government.

EU Exit Communications Campaigns (SO3)

The Government Communications Service (GCS) coordinated and delivered the cross-Whitehall communication campaign to ensure a smooth end to the transition period with the EU. The 'Check Change Go' UK transition campaign was a major cross-government campaign designed to reach diverse audiences, including SMEs, UK nationals living in the EU, and UK citizens planning to travel to the EU for pleasure or business. There was also an additional focus on supporting the Northern Ireland Protocol. Delivery included more than 2,000 engagement activities, supported by dedicated business engagement and an advertising campaign designed to encourage business and citizens to check [GOV.UK](https://www.gov.uk) and use the Brexit checker tool to identify how the end of the transition period might affect them.



The campaign achieved an 86% recognition rate amongst SMEs, driving 63 million visits to transition content on [GOV.UK](https://www.gov.uk), and more than 5 million uses of the Brexit checker tool. Overseas, the campaign has encouraged 72% of UK nationals to complete their residency applications ahead of the June 2021 deadline.

Government Digital Services EU Exit Support GDS (SO3)

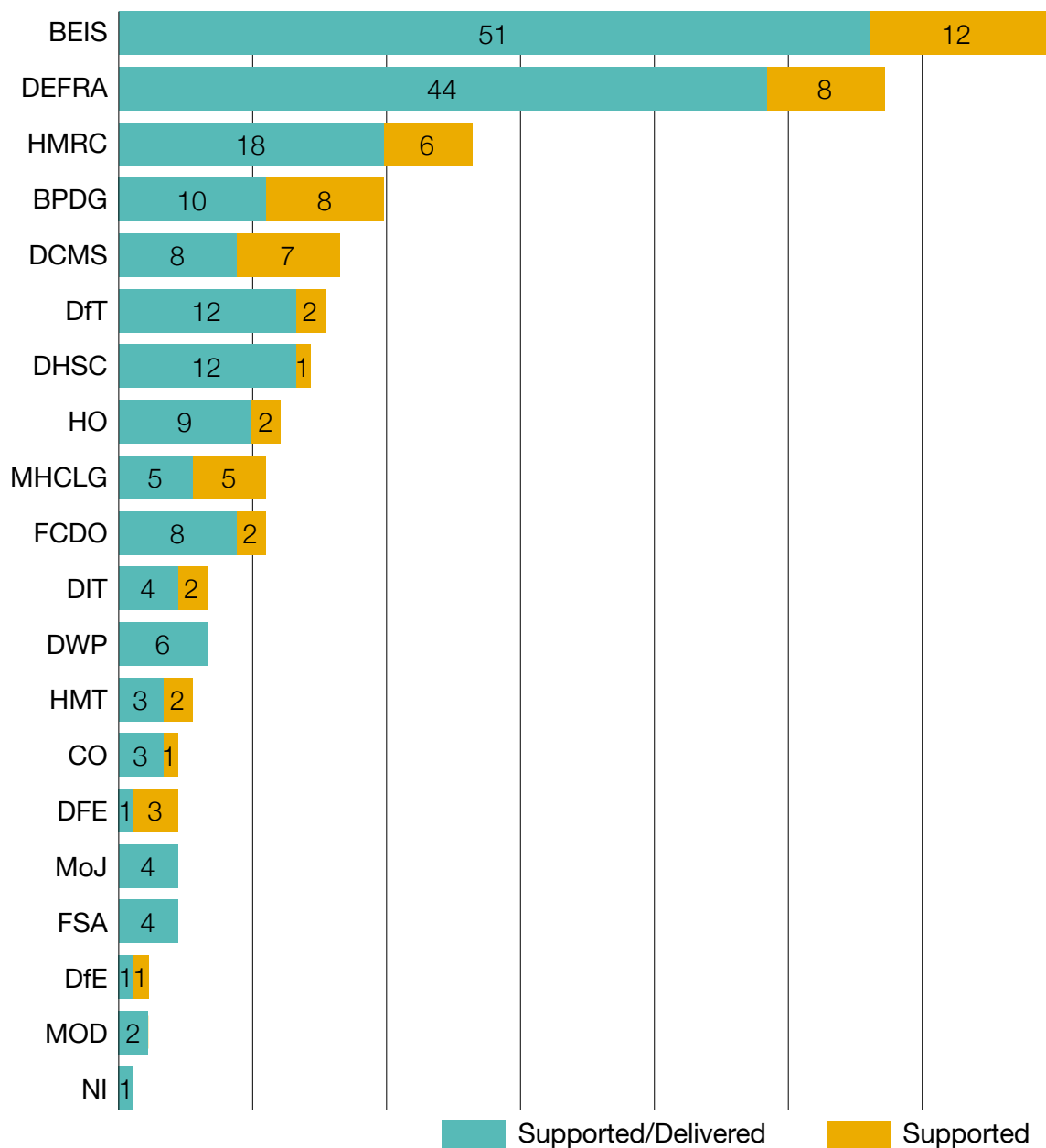
GDS played an advisory role, reporting to the Cabinet Ministerial Committee on EU Exit Operations, advising on the preparedness of HMG's digital portfolio. This consisted of 268 programmes required post-EU exit (see chart opposite). GDS supported the design, build and assurance of these programmes to ensure sustainability and deliverability, to minimise any disruption and to ensure a smooth transition.

GDS supported contingency planning for the potential loss of access to around 360 EU systems, networks and databases in the event of a non-negotiated outcome. It helped

departments identify digital replacements and manual contingencies. To ensure preparedness and business continuity for critical data flows between the UK and EEA countries, GDS led successful technical UK/EU engagement on TESTA-ng, the principal EU computer network and the sole means for accessing critical EU systems.

GOV.UK Pay was used to take payments for Border Force in readiness for EU transition. The service has made it possible for necessary payments to be taken at the border 24/7, and made back office operations more streamlined and efficient, saving valuable time.

Digital Programmes Supported by GDS in preparation for EU exit



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

Cabinet Office Corporate Services teams have continued to make the Cabinet Office a great place to work in what has been a challenging but positive year for the department. Corporate Services teams have had to adopt an agile and responsive approach to the new challenges COVID-19 brought, as well as successfully onboarding a number of new functions to the Cabinet Office. Following the appointment of a new Chief Operating Officer in July 2020, Corporate Services' remit expanded during the course of the year, with the addition of the new Cabinet Office Chief Digital Information Office and the Cabinet Office Analysis and Insight Team.

Assurance, Finance and Controls

Significant progress has been made this year on functional reform and increasing accountability; improving performance reporting; and streamlining and strengthening controls across the department and wider Civil Service.

Internally a new control framework and set of business rules have been developed that come into effect on 1 April 2021. In its role at the centre of government, the team co-ordinated the publication of functional standards, and strengthened and simplified cross-government expenditure controls and processes.

In addition, work to respond to recommendations for reform of the government functions made by Lord Maude was also co-ordinated. Much of this work has been driven by teams in the new Assurance, Finance and Controls Directorate, which has brought together finance, functional strategy and Cabinet Office controls, along with Cabinet Office commercial and security teams.

Following the commissioning of the independent Boardman Review into lessons learnt from COVID-19 related procurements, Cabinet Office Commercial has worked to implement the 28 recommendations from the December 2020 report, making good progress during Q4. Significant progress has been made to standardise commercial processes; introduce KPI reporting for critical 'gold' contracts; and embed commercial considerations in assurance processes.

Cabinet Office Security has continued work to better understand and respond to a complex, dynamic threat landscape and the particular risks presented by increased remote working during COVID-19. Over the year, the function has strengthened physical, people and information security resilience within the department and run a rolling programme of education and communications.

Enhancements to crisis management capability and to recording of information assets have also been made across the year.

Chief Digital Information Office (CDIO)

In October 2020, the Cabinet Office Chief Digital Information Office was established. It brought together as a single function the existing Cabinet Office Digital, Data and Technology teams with some teams previously in Government Digital Service into a single function. Some highlights of the function's successes this year include: enabling rapid mobilisation of remote working for for most Cabinet Office staff at the start of lockdown, improving departmental information management compliance by 23% (now 94%); stabilising and securing the Cabinet Office network and OFFICIAL platform, including delivering a functioning disaster recovery capability; consulting and advising more than 20 digital projects through the CDIO Advisory Board, applying spend controls and aligning with the Cabinet Office Investment and Portfolio Committee; and extending security monitoring capability with new data sources and capability.

The function also supports public services. For example, it added security monitoring for new digital services, including Register to Vote and HGV-Check; completed a technology refresh of the Register to Vote service; and supported the government's COVID-19 dashboard.

Analysis and Insight

COVID-19 meant it had never been more important to know how staff were feeling. The 2020 Civil Service People Survey collected information from 319,935 civil servants from 106 departments and organisations to understand how engaged civil servants felt about their work. Our headline measure of employee engagement across the Civil Service was up 3% to 66% overall, the highest score in the 12 years of the survey. The survey also ensured that even with many staff adopting remote ways of working, the department continued to monitor staff wellbeing. Overall life satisfaction ratings were down 8%, to 59%, following similar trends in the population as a whole during COVID-19, as observed by the Office for National Statistics. The 2020

survey was delivered on a new commercial platform allowing departments quicker access to interactive digital results and dashboards, and at reduced cost.

Strategy, Delivery and Private Office

The Strategy, Delivery and Private Office Directorate supports ministers and senior management in setting the long term direction of the department and driving priorities through corporate planning, reporting frameworks, private office and parliamentary business, as well as project delivery capacity through the Cabinet Office Portfolio Office.



This year, the Strategy Team developed a streamlined plan for the department for 2020-21; led a zero-based budgeting review for the department; and worked collaboratively with HR and finance teams on fiscal events, including the Spending Review, a rapid cross-cutting exercise in response to the settlement and development of a comprehensive workforce transition plan. The team also supported Ministers on emerging and cross-cutting issues across the department – particularly through the work of the Priority Projects Unit.

The Cabinet Office Governance Team completed a full review of the Cabinet Office’s executive governance, refreshing structures, remits and membership of boards; supported the reform of the Cabinet Office board and ensured more consistent support to the Non-Executive Board members; and curated a well-received series of strategy seminars for Permanent Secretaries.

The Private Offices have continued to provide high-quality support to Cabinet Office ministers, and to the Chief Operating Officer of the Civil Service and Cabinet Office Permanent Secretary. The Parliamentary and Correspondence teams have focused on detailed improvement reforms, including modernising the digital systems used to manage and track parliamentary questions and correspondence within the department.

People and Places

People Survey Results 2020

Response Rate

this year **84%**

last year **90%**

Civil Service score **80%**

Cabinet Office people engagement score

this year **63%**

last year **65%**

Civil Service score **66%**



73% of respondents said they were proud to work for the Cabinet Office

The new People and Places directorate has brought together the Cabinet Office HR and Estates teams.

Particular successes this year include: strengthening our wellbeing offer for staff, particularly in response to COVID-19; introducing new diversity priorities; updating our dispute resolution policy to make it easier

for people to raise concerns when they occur and for action to be taken; strengthening our workforce planning capability, including through the introduction of new digital tools; improving our development offer, with a particular focus on line manager capability and and the introduction of a new talent strategy.

The Cabinet Office received a number of external accreditations and awards. We raised our Carer Confident level (supporting staff who are carers) to 'accomplished'. We became the first Civil Service department to meet the Inclusive Employers standard for diversity, earning a bronze award. And we received the award for health and wellbeing strategy of the year from the risk management charity, IIRSM.

In 2020 a new Race Board was created, chaired by the Cabinet Office Race Champion, Simon Tse. In addition, we launched our senior sponsorship scheme where over 30 people from an ethnic minority background were paired up with a Director General. This year the the Cabniet Office is involved in a bespoke pilot talent scheme targeting ethnic minority women, with places for up to 20 participants. The scheme will include leadership masterclasses as well as Senior Civil Service sponsorship.

My Manager results 2020

this year scores **73%**
their highest level ever for the department

last year **71%**



260 managers participated in the Advanced and New Line Manager Training Programme

over **800** managers attended the remote working support workshops

Since the beginning of the COVID-19 in March 2020, the People and Places team has been committed to providing COVID-19 secure workplaces for our people, in line with Government guidelines. Our buildings have

been operating at a reduced occupancy while social distancing measures are in place.

Secure workspaces has been key, and daily site attendance monitoring and recording was

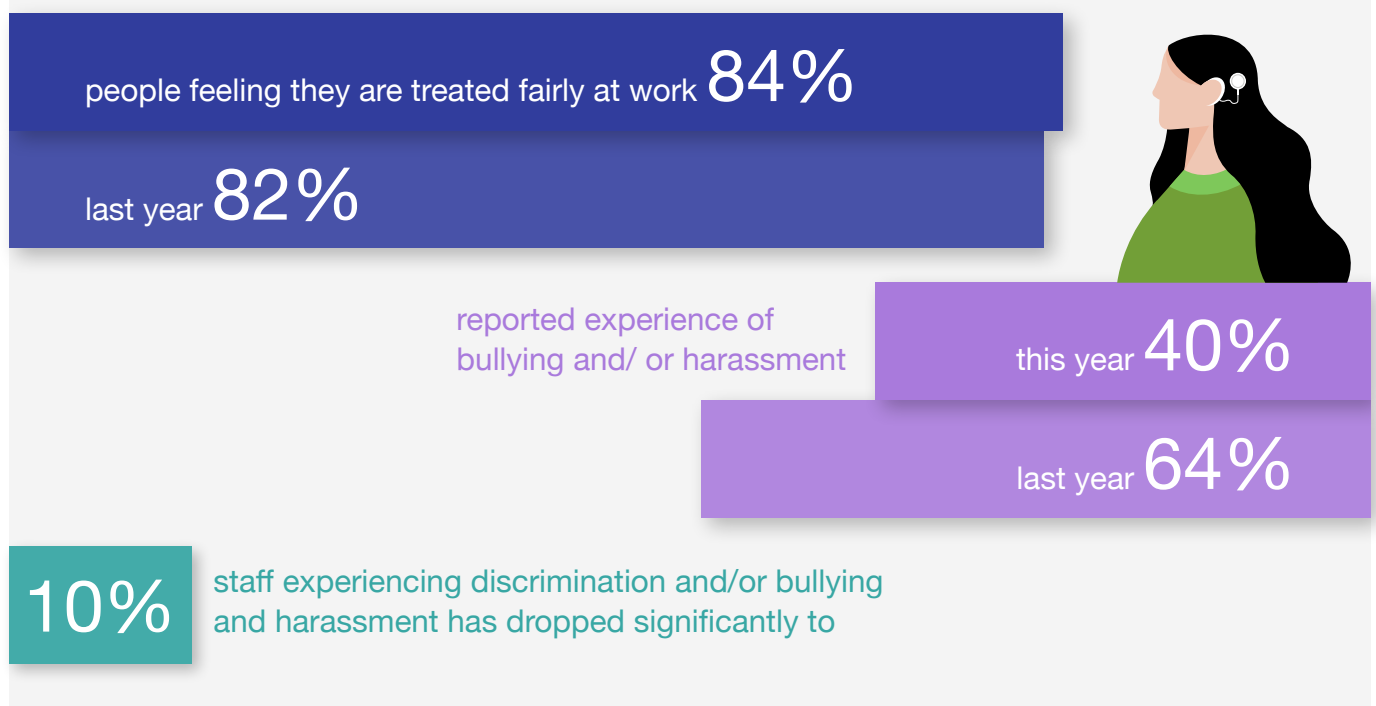
made operational, in line with national Track and Trace guidelines. Additionally measures have been put in place to ensure facilities management contracts meet COVID-19 sanitising and cleaning requirements.

The past year has also seen the Cabinet Office make significant progress in the implementation of its 'Places for Growth' programme, which aims to relocate Civil Service roles out of London to the regions and nations of the UK. In March 2021, the Cabinet Office announced its intention to establish a second flagship headquarters in Glasgow, with at least 500 staff based there by end March 2024. Additionally, building on the first move to a government hub in Bristol in 2019-20, the department moved into HMG Hubs in Edinburgh and Cardiff during the year.

To support the government estates strategy (July 2018) to reduce the central London estate in support of the Whitehall campus programme, the Cabinet Office vacated nine buildings in five locations during 2020-21.

In February 2021, the Cabinet Office, in partnership with the Government Property Agency (GPA), received ISO 14001 re-accreditation of its environmental management system for a further three years. This international standard demonstrates and supports the Cabinet Office and GPA commitment to achieving our environmental and sustainability ambitions.

Bullying and Harassment 2020



Diversity and Inclusion 2020

CO SCS female representation rate is **47.3%**

CS SCS female representation rate is **46.7%**

CO SCS Ethnic Minority Representation Rate

7.9% – 2020

7% – 2019

6.9% Civil Service SCS Ethnic Minority Representation

18.5% Overall CO ethnic minority representation rate in 2020

18% – 2019

CO SCS disability representation rate

2020 – **8.9%**

2019 – **9.1%**

Civil Service SCS disability representation rate of **5.6%**

CO SCS disability representation is the second highest across ministerial departments

12.9%

Overall disability representation



Alex Chisholm, Chief Operating Officer for the Civil Service and Permanent Secretary and Principal Accounting Officer

13 July 2021

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 designated by order made under the GRAA by Statutory Instrument 2020 no 1530 (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 Accounting Officer of the Department is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by 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 Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going concern basis; 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.

HM Treasury has appointed Alex Chisholm, the Permanent Head of the Department as principal Accounting Officer of the department.

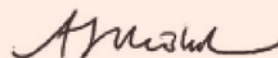
The Principal Accounting Officer of the department has also appointed as Accounting Officers Steven Boyd, Chief Executive of the Government Property Agency, an executive agency; Harry Rich, The Registrar of Consultant Lobbyists, a corporation sole; Peter J. Lawrence OBE, Chief Executive of the Civil Service Commission, an executive non-departmental public body; Alastair Pringle, acting 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.

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 Cabinet Office's assets, are set out in 'Managing Public Money', published by HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that 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.

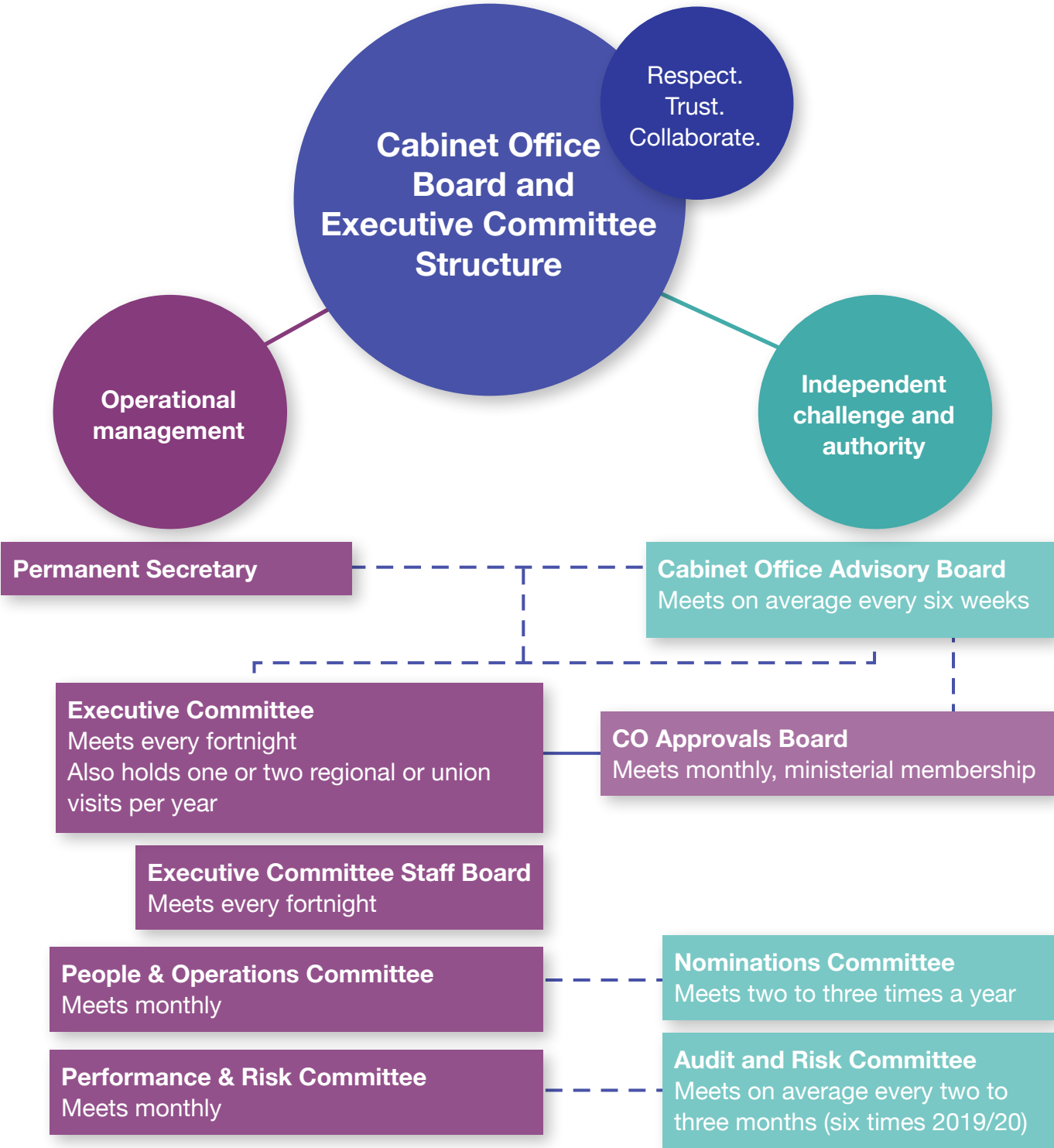


Alex Chisholm,
Chief Operating Officer for the Civil Service and Permanent Secretary and Principal Accounting Officer

13 July 2021

Governance Statement

Governance Structure



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.

Cabinet Office Board

The Cabinet Office Board provides the collective strategic and operational leadership of the Department, bringing together Cabinet Office ministers and senior members of the department's executive leadership team with non-executives from outside government. Its purpose is to provide advice on the Cabinet Office's strategy, 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 six times during 2020-21 and focused on COVID-19, EU transition, the Union and government, functional and departmental modernisation and reform.

During the year five Non Executives joined the board and one departed. In May 2020 Baroness Stuart (Gisela), Henry de Zoete, Baroness Finn (Simone) and Lord Hogan Howe (Bernard) were appointed to the board, and Baroness Stuart was confirmed as the department's Lead Non Executive a few weeks later. In July Lord Nash (John) was appointed Government Lead Non Executive by the Prime Minister, and joined the Cabinet Office Board. Baroness Finn left the board at the end of February 2021 to take up the role of Deputy Chief of Staff to the Prime Minister.

Alex Chisholm joined the Board in April 2020 when he took up his role as Permanent Secretary to the Cabinet Office. In July Mike Parsons left the board when he stood down from his role as Chief Operating Officer to the Cabinet Office, and Sarah Harrison joined having taken up this role the same month.

Board Membership and Attendance

Membership type	Name	Date of In-Year Appointment/ Departure	Number of meetings attended
Ministerial	Rt Hon Michael Gove MP, Chancellor of the Duchy of Lancaster (Chair) ¹		6/6
	Chloe Smith MP, Minister of State		4/5
	Rt Hon Lord Agnew, Minister of State		6/6
	Rt Hon Lord True, Minister of State		4/5
	Julia Lopez MP, Parliamentary Secretary		4/4
	Commander Rt Hon Penny Mordaunt MP, Paymaster General		4/5
Non Executive	The Rt Hon The Baroness Stuart of Edgbaston, CO Lead Non Executive	Appointed 12 May 2020	6/6
	The Lord Nash, Government Lead Non Executive	Appointed 31 July 2020	4/4
	Mike Ashley		5/6
	Baroness Finn	Appointed 12 May 2020 Departed 28 February 2021	6/6
	Lord Hogan-Howe Kt QPM	Appointed 12 May 2020	6/6
	Anand Aithal		6/6
	Karen Blackett OBE		5/6
	Henry de Zoete	Appointed 12 May 2020	6/6
Senior Official	Alex Chisholm, Chief Operating Officer for the Civil Service and Permanent Secretary and Principal Accounting Officer	Appointed 14 April 2020	6/6
	Dame Elizabeth Gardiner DCB QC (Hon), First Parliamentary Counsel		6/6
	Sarah Harrison, Cabinet Office Chief Operating Officer	Appointed 1 July 2020	4/4
	Richard Hornby, Chief Financial Officer		6/6
	Michael Parsons, Chief Operating Officer	Departed 31 July 2020	2/2

1 As per agreement with the Chair, the Cabinet Secretary attends Board by exception. Neither Sir Mark Sedwill or Simon Case were required to attend during 2020-21.

Cabinet Office Audit and Risk Committee

The board is supported by the Cabinet Office Audit and Risk Committee (COARC), which is chaired by Mike Ashley. Baroness Finn and Lord Hogan Howe were appointed to COARC in May 2020, and Anand Aithal was appointed in March 2021 following Baroness Finn's resignation from the board.

COARC's role is to support the Board and Accounting Officer by providing an independent view of the department's financial, risk and control arrangements and to review and make recommendations on the approval of the accounts for Cabinet Office, Registrar of Consultant Lobbyists, Civil Superannuation and Royal Mail Statutory Pension Scheme. During 2020-21 the committee met seven times. Its focus during the year included deep dives on UK security vetting's 'machinery of government' change into the Cabinet Office; the financial performance of the Government Property Agency; cyber security; the pension remedy programme; the implementation of recommendations of the first Boardman review in December 2020 (on Cabinet Office procurement practices); and improvements to the department's risk and assurance activity.

Nominations Committee

The Nominations Committee was established in January 2021 and met twice during Q4. It is responsible for ensuring there are satisfactory systems for identifying and developing leadership and high potential, scrutinising the incentive structure

and succession planning for the board and the senior leadership of the department. It is chaired by Baroness Stuart, with Anand Aithal and Karen Blackett OBE as members. Baroness Finn was also a member until she left the Board in February.

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 departmental staff.

A reform of executive governance was undertaken over the summer of 2020. The membership of ExCo was reduced to 12 and meetings were held fortnightly (previously they were monthly). A senior leadership group (SLG) was established to bring together all senior leaders across the department every month and a staff board, made up of 30 members of staff from different business units, grades and locations across the department, was established in September 2020 to shadow ExCo and bring a different perspective to their decision making.

Due to COVID-19, ExCo was unable to hold any away days or meet with any private sector, third sector or public sector stakeholders.

At each ExCo meeting, the committee received regular updates from its subcommittees which are as follows:

Performance and Risk Committee

In June 2020 Dame Elizabeth Gardiner, Chief Parliamentary Counsel, and Gareth Rhys Williams, Chief Commercial Officer, were appointed co-chairs to this committee. It meets monthly and drives performance against the streamlined delivery plan by reviewing the quarterly performance reports; undertaking deep dives into business units across the department to monitor performance in relation to KPIs and risks; and making recommendations for actions to improve performance.

People and Operations Committee

In August 2020 the People Committee and the Operations Committee were merged to form one committee, which meets monthly. It is co-chaired by Sarah Harrison, Chief Operating Officer, and Peter Lee, interim Director General for UK Governance Group. During 2020-21. Its focus over the year has included the department's inclusion and diversity programme; an action plan to tackle bullying, harassment and discrimination; staff wellbeing during the pandemic and implementing inclusive hybrid working practices; future Cabinet Office location plans; and developing programmes to enable digital transformation and corporate services improvement.

Investment and Portfolio Committee

The Investment and Portfolio Committee (IPC) was chaired by the Chief Financial Officer and reviewed business cases where whole-life costs exceeded £1 million, were novel or contentious, or as requested by the relevant Director General. It had the authority to approve spend of up to £15 million (an increase of £10 million from 2019-20). In April 2021 the IPC was disbanded and a new monthly Cabinet Office Approvals Board (COAB) was established in May, which holds the same powers as the IPC. COAB is chaired by Lord Agnew, Minister of State, and its membership includes the Chancellor of the Duchy of Lancaster, the Permanent Secretary, the Chief Operating Officer, the Chief Finance Officer and the Cabinet Office Human Resources Director.

As with IPC, where whole-life spend exceeds £15 million, further approval is required from the Treasury. During 2020-21 IPC met fortnightly to review, challenge, and, where appropriate, approve business cases. In 2020-21 it reviewed and approved over 120 business cases (double the 2019-20 workload). As well as reviewing investment spend proposals, IPC/COAB 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.

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). Board members (both executive and non-executive) report all potential conflicts of interests as set out in the code. Given the department's focus on COVID-19 and EU exit during the year, the review of board effectiveness will now take place during the summer of 2021. However a Government Internal Audit Agency audit of the Department's central governance took place in February 2020 and a provisional report has returned a moderate rating.

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 quarterly performance and risk reporting; regular updates from the COVID-19 Taskforce; updates from the EU Transition Taskforce; and reporting from our People and Places team on Cabinet Office culture and behaviours, including the annual People Survey. The Governance 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 2020-21, the Elections Claim Unit (ECU) within the Elections Division managed the day-to-day administration involved in the processing and accounting for expense claims received from Returning Officers in England, Wales and Scotland in relation to polls paid out of the Consolidated Fund. The ECU is also responsible for making advance payments to returning officers in relation to those elections. Returning Officers normally have six months from the date of the poll in which to submit their expenses claims. However, given the circumstances during the COVID-19 pandemic, Returning Officers were given a longer deadline to submit their accounts.

The Cabinet Office may impose sanctions if Returning Officers do not submit their claims within the statutory deadline. The Elections Division provides rigorous oversight of the assessment of claims and makes any policy decisions 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.

Risk is managed and recorded through centralised risk registers that are reported quarterly to the Performance and Risk Committee and Executive Committee, along with detailed mitigation plans. As part of quarterly reporting all business units are required to fill in a leadership team risk register. This feeds into a strategic risk register that is also shaped by Executive Committee members, allowing the Executive Committee, the Cabinet Office Audit and Risk Committee and the Cabinet Office Board to remain informed on the key risks to the department and their mitigations.

An internal assurance framework has been developed in conjunction with the risk management approach to clearly define responsibilities and embed a strengthened 'three lines of defence' model across the department. The assurance model examines controls through 14 themes. These have been captured in a set of new business rules that detail the accountabilities of budget holders as part of the delegation process from the Principal Accounting Officer.

To monitor the control themes, each business unit was required to complete a self assessment, the Corporate Management Statement, in February 2021.

The Corporate Management Statement showed a good level of compliance across the themes, with an average 81% assurance score, and highlighted where further work is required. To assure the self assessments, the results are mapped against data held by corporate services, a process that we will further strengthen in 2021-22 in order to fully map areas of best practice and risk.

We work closely with the Government Internal Audit Agency, to support their knowledge of the governance, risk and control framework operating throughout the Department and inform their activity.

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 this year covered expenses, cost recovery, government security group, cyber security, commercial, public appointments and asset sales.

A number of additional reviews with a focus on COVID-19 and EU exit activities were carried out by by GIAA. These included included an advisory report for Civil Service HR on the effectiveness of measures taken to assess and respond to risks the resilience of CSHR Expert Services in coping with demands placed on it by the pandemic

and EU exit work. GIAA also carried out a targeted review of the awarding of PPE contracts. This assessed the design and effectiveness of controls that were in operation during the pandemic, and their compliance with 'Managing Public Money' and the department's own procurement policy.

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 2020-21 is 'moderate'.

Even though the opinion remained the same as last year, the department has continued to make improvements to our governance, risk management and control environment throughout the past year to support the delivery of our objectives.

Although significant progress has been recognised across a number of areas, there remains scope for improvement. In particular we will:

- drive forward actions set out in the commercial blueprint to consolidate commercial activity across the department and put in place a robust governance and reporting framework
- increased clarity and controls around expense claims and the department's travel and subsistence policies
- strengthen the governance and risk management structure for the Government Security Group in light of its recent expansion which covers a wider breadth of activity across Government

The department's external audit function is provided on behalf of parliament by the Comptroller and Auditor General, supported by staff from the National Audit Office (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 2019-20, the NAO recognised that the Cabinet Office has demonstrated ongoing improvements to financial processes and controls. However, they did note a number of remaining concerns, summarised under the following themes:

- concerns with shared services provision for issuing and maintaining employee contracts
- the risks associated with the consolidation of Government Property Agency into the department group
- issues with consolidation and restatements following Machinery of Government changes

These issues have been addressed through a joint programme of improvements led by the Cabinet Office and the Government Property Agency senior leadership teams to review processes and increase engagement across the departmental group. Furthermore, significant transformation activity is taking place to strengthen commercial processes, governance and support across the department.

Through 2020-21 NAO published two investigations and seven value for money reports relating to Cabinet Office wholly or in part. A number of these relate to a

programme of work to be undertaken by the NAO to support parliament in its scrutiny of the government's response to COVID-19.

The investigations are factual reports and have supported us in responding to emerging issues. Reports this year included an investigation into government procurement during the COVID-19 pandemic; and an investigation into how government increased the number of ventilators available to the NHS in response to COVID-19.

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 seven value for money studies published this year covered:

- managing PFI assets and services as contracts end
- specialist skills in the Civil Service
- achieving government's long-term environmental goals
- achieving Net Zero
- learning for government from EU Exit preparations
- the UK border: preparedness for the end of the transition period
- overview of the UK government's response to the COVID-19 pandemic

Government awarded around £18 billion of contracts using emergency procurement regulations to buy goods, services and works to support its response to the pandemic. In March 2020, the Cabinet Office issued information and guidance on public procurement regulations and responding to COVID-19. The NAO

investigation sets out the facts relating to government procurement, in response to concerns raised about transparency and the risks to public money from the use of emergency procurement legislation.

The investigation found specific examples of insufficient documentation surrounding key decisions such as choice of supplier or identification and management of potential conflicts of interest. It also found that a number of contracts were awarded retrospectively or were not published in a timely manner. Due to the lack of adequate documentation, NAO could not provide assurance that the government adequately mitigated the increased risks arising from emergency procurement or applied appropriate commercial practices in all cases.

The Cabinet Office commissioned Nigel Boardman, a Non-Executive Director at the Department for Business, Energy and Industrial Strategy, to undertake a review of the Cabinet Office's procurement processes, focusing on a number of contracts let during the early stages of the government's COVID-19 response. The report was published in December 2020 with 28 recommendations covering three main areas:

- existing procurement law and policy for contracting in a time of crisis
- Cabinet Office's own process and governance with relation to this law and guidance
- the management of actual or perceived conflicts of interest in a procurement context

Good progress has been made with 24 out of 28 recommendations completed by the end May 2021. The Cabinet Office Audit and Risk Committee maintains oversight of the progress made against the implementation of the Boardman review recommendations.

The NAO investigation published in September 2020 examines how the government used public money to increase the number of ventilators available to the NHS. In March 2020, the Cabinet Office launched the Ventilator Challenge to encourage UK businesses to design and manufacture ventilators at an intense pace. The programme was started with the objective of securing as many ventilators as possible, as quickly as possible, as necessary to safeguard public health. The NAO noted that this approach resulted in the overall costs of the programme being higher than expected, but also acknowledged the programme maintained a sufficient record of its rationale, the key spending decisions taken and the information used to base those on.

The NAO value for money report, achieving government's long-term environment goals, examines how government has set itself up to deliver its long-term environmental goals. It concludes much progress needs to be made before government can be confident the right framework is in place to deliver on its aspirations and ensure value for money from the funding it has committed to environmental projects. The NAO acknowledges the demands of responding to the COVID-19 pandemic have slowed the momentum which had started to develop, but progress was already slower than government had intended.

The subsequent NAO report, 'Achieving Net Zero', published in December 2020, builds on the achieving long-term environmental goals report to highlight the main risks the government needs to manage to achieve net zero. The report acknowledges the cross-government nature of the challenge and government's reorganisation of its approach to tackling climate change. The report also notes core departments have yet to put in place all essential components for effective cross-government working, such as integrated planning and progress monitoring, and processes to manage interdependencies.

The department is responding to this through a new set of Outcome Delivery Plans (ODPs). The new structure for ODPs connects each aspect of the department's work directly with the tangible changes, focusing on real-world outcomes, and demonstrating how the priority outcomes of the Cabinet Office contribute to the UN Sustainable Development Goals. The Cabinet Office has outlined sustainability as one of four enablers which will underpin its ability to deliver its plans. This includes making the government estate net zero and empowering Cabinet Office colleagues to challenge and improve sustainability, while contributing to improving education, awareness-raising and human and institutional capacity on climate change. The ODP was published in May 2021.

From 1 January 2021 the UK ceased to be part of the EU single market and customs union. The NAO report, the UK border: preparedness for the end of the transition period, assessed the progress of departments in implementing the

changes required to manage the border after the end of the transition period and associated risks. The report recognised that departments built on their no-deal planning and, although hampered by the challenges of COVID-19, good progress was made towards implementing changes to systems, infrastructure and resources. The report also states that a significant amount of money was required to mitigate significant risks linked to time pressures and uncertainty. This could have been avoided if the government had addressed issues sooner and made better preparations.

The NAO study, learning for the government from EU Exit preparations, published in September 2020, drew on the breadth of the NAO's EU Exit work to set out key learning points to support the civil service's work on EU Exit. These are summarised in nine insights which fall into four key areas: planning, oversight, collaboration and financial management.

Border and Protocol Delivery Group (BPDG) worked across Government and with the border industry to ensure that the border was ready for the end of the transition period. This included the creation and monitoring progress against a cross-Government Integrated Delivery Plan for the end of the transition period, setting up and running the Port Infrastructure Fund and delivering a programme of engagement events in the UK and the EU to support border industry and business preparations. BPDG continues to work across government and with industry partners on HMG's longer term ambitions for the border. BPDG published the 2025 Border Strategy in December and established a Border Design Authority as a coordinating body for the

design of the border to ensure that border policies and processes are coherent and work effectively together across all public sector bodies.

Building on a previous NAO report on capability in the civil service published in 2017, the NAO examined specialist skills in the Civil Service. The report acknowledges positive developments and improvements made by the Cabinet Office to set clear expectations for functions' activities and reporting, also noting the functions are now more established as the means for developing specialist skills and expertise in government. However, there is more work required to make functions part of departments' business as usual and improve reporting on functional performance, costs and benefits.

To further strengthen and simplify cross-government expenditure controls and processes and embed the functional agenda, the Assurance, Finance and Controls team co-ordinated the publication of functional standards and is supporting the department in undertaking work to address the recommendations on the reform of the government functions by Lord Maude.

In addition to external audit functions, I also take account of other external or independent reports where appropriate. On the 28th April the Prime Minister appointed Lord Geidt to the role of Independent Adviser on Ministers' Interests and requested that an investigation was completed on payments relating to the refurbishment of No.11 Downing Street, an investigation that, on this occasion, was relevant to me as Accounting Officer. As concluded by Lord Geidt, although a

ministerial interest did arise, no conflict (or reasonably perceived conflict) arose as a result of these interests in relation to payments made, including those made by Cabinet Office. I have also taken account of this independent review, insofar as it relates to officials and following Lord Geidt's recommendation I fully support the Cabinet Secretary in reviewing processes aimed at improving internal control further throughout the next financial year.

Significant risks identified during the year

Due to its position at the centre of government, the risk profile for the Cabinet Office is far broader than in most departments. A quarterly process is used to identify and report overarching strategic risks that could have a significant adverse impact on the department's ability to operate or meet its strategic priorities.

External threat factors

At the heart of government, the Cabinet Office leads the national response to large events and challenges. In 2020, the department quickly reorganised its priorities to deal with the COVID-19 pandemic alongside continuing to support the negotiation of the future relationship with the European Union and preparing the country for the end of the transition period. The following sets out some examples of how risks are closely monitored and strategic plans are adapted as appropriate.

- COVID-19: The Cabinet Office has a number of cross-government responsibilities and operates functions that provide services to other government departments. In 2020-21, the department played a key role in co-ordinating the COVID-19 response and activity, and prioritising public safety. Risk management activities were focused on threats arising from the pandemic directly and threats that were strongly related to, or intensified by, the pandemic. This included sustaining overall operational resilience and providing conditions to safely run May 2021 elections
- European Union transition: The ending of the transition period meant a change to aspects of the risk profile, including those associated with negotiating trade agreements. The Department continues to manage risks related to potential disruption to supply chains and the implementation of the wider border operating model
- Third party suppliers: The department remains alert to operational risks that would arise from insolvency of a third party supplier, such as 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
- Cyber security: An intensifying risk of cyber security incidents within Cabinet Office due to the vulnerability of legacy IT systems is being managed through a multi-layered approach with a coherent and detailed departmental roadmap

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- The 26th UN Climate Change Conference of the Parties (COP26) that the UK will host in Glasgow, November 2021 is a large, complex programme with commensurate risk profile and will continue to be a critical part of forward-looking risk management throughout 2021.

Internal threat factors

Change Risk:

The pace of delivery and change specifically related to re-prioritisation of Cabinet Office colleagues to address COVID-19 crisis and EU transition work, has resulted in risks linked to resource, funding and overall strategy delivery. The pace of change has created a risk of staff burnout, with impacts on productivity and wellbeing. This has also resulted in increased pressures and reduced resources available for delivery of core Cabinet Office objectives. Acknowledging the competing pressures, inherent due to the central position of the Cabinet Office, departmental priorities are kept under review and robust assurance and control frameworks are being put in place.

Data Management Risk:

The amount of information held by the Government is growing in terms of volume, complexity and variety. Effective use of accurate data is key to support operations and deliver strategy. Ineffective data management and storage, carry associated risks of multiple legal and compliance issues. A long-term data strategy is being implemented alongside a control and management programme.

Ministerial Directions and Minutes

During 2020-21 there was one ministerial direction published on 15 December 2020. This direction was made by the Prime Minister to the Permanent Secretary of the Cabinet Office on 4 March 2020 and related to legal proceedings in the case of a special adviser. At the time the direction could not be published due to reasons of confidentiality, but it was published shortly after the proceedings concluded.

A minute was published on 8 July 2020 from the Prime Minister to the Permanent Secretary of the Cabinet Office to approve the £248,189 compensation payable to Lord Sedwill following his early departure as Cabinet Secretary and National Security Adviser. This decision was made in line with advice from Civil Service HR and legal teams.

Managing Conflicts of Interests and Business Appointments

All staff are subject to the department's conflict of interests (COI) policy which is closely aligned to the Civil Service Code. Delegated budget holders are responsible for overseeing adherence to the COI policy and maintaining records for their business areas. Assurance on COI policies and record keeping is provided annually by budget holders to the accounting officer annually through the Corporate Management Statement (CMS).

As set out in the Business Appointment Rules (BAR) for Civil Servants, an application under the rules is only required from those at SCS2 level and below (and equivalents) if the individual's circumstances match one or more of a series of 'trigger points'. Cabinet Office HR policy team advises on and provides assurance on the BAR process; in complex cases the Propriety and Ethics team is consulted.

In compliance with Business Appointment rules, the department is transparent in the advice given to individual applications for senior staff, including special advisers [<https://www.gov.uk/guidance/crown-servants-new-jobs-and-business-appointments>]. Advice regarding specific business appointments is included in the Civil Service Management Code and published on <https://www.gov.uk/government/publications/civil-servants-terms-and-conditions> and in the Code of Conduct for Special Advisers published on <https://www.gov.uk/government/publications/special-advisers-code-of-conduct>.

Whistleblowing

In line with other government departments, Cabinet Office has continued to promote 'raising a concern' procedures. Owing to the pandemic, the Civil Service Employee Policy team postponed the annual 'Speak Up!' campaign which had been due to take place in September 2020. However, the Cabinet Office has produced and published a range of communications throughout the year, including a number of messages from senior leaders encouraging people to 'Speak Up!'. These messages were issued as part of the anti-bullying week campaign in November 2020 and following the People Survey in December 2020. In addition, we ran a 'Raising Issues' workshop, which signposted attendees to our Speak Up flow diagram, highlighting the most appropriate routes through which to raise a concern. In February 2021 we ran 'Speak Up! fortnight', which included a blog from our 'Speak up! Champion'.

We have also recently agreed and introduced protocols for the Permanent Secretary's office and senior leadership group to ensure that where they are approached directly about such issues, those concerns are addressed appropriately and the employee receives the advice they need to seek a resolution.

Civil Service employees will sometimes write to the Permanent Secretary and other senior leaders asking them to intervene in cases where the employee has an issue that they want support to resolve. Sometimes, these cases relate to:

- potential wrongdoing – when an individual has been asked to do something, or is aware of the actions of others, which they consider to be fundamentally wrong,

illegal, has the potential to endanger others or breach the values of the Civil Service Code. This also includes cases of ‘whistleblowing’, where there is a clear public interest consideration.

The response will vary depending on whether the individual is employed by the Cabinet Office or another Civil Service organisation, and whether the issue relates to a management decision or potential wrongdoing. Although each case should be judged on its individual circumstances, the protocols seek to set out the general approach the Permanent Secretary’s office and other senior leaders should take to handle these cases. The aim is to ensure that the issues are addressed appropriately, and the employee receives the advice they need to seek a resolution.

During the year 2020-21, we have had two concerns raised, neither of which has resulted in legal action.

Fraud

The Cabinet Office has a zero-tolerance policy approach to those who commit fraud. All staff are required to act with honesty, integrity and to safeguard the public resources they are responsible for.

As part of the counter-fraud strategy, the department carried out a post-event assurance exercise across Cabinet Office COVID-19 spend areas to ensure that the risks of internal and external fraud were minimised. The exercise found appropriate internal controls were in place for all expenditure, and instances of fraud were detected. The Cabinet Office continues

to work on its commitments regarding counter-fraud, bribery and corruption, and to develop awareness and detection across the department.

Data Losses

The Cabinet Office continues to actively manage risks around data breaches and data losses following the publication of the independent review ‘Building Trust in Digital Government’ by Adrian Joesph in April 2020, and the recommended actions to further improve what was considered adequate guidance and process within the department.

In response to the recommendations, a team of subject matter experts were brought together and have completed a programme of works to strengthen personal data protection and reduce the risk of data loss.

The outcomes of this programme include:

The appointment of a Chief Data Officer who has introduced updates to processes and cultural recommendations that have aligned data strategies to Cabinet Office values and Digital Government ambitions.

Creation of a Data structure within the Digital and Technology team, included within this has been, the establishment of a Data Privacy and Compliance team whose remit it is to support the Data Protection Officer; and deliver a number of activities including self assessment, risk assessment, thematic testing, and to provide support and advice to ensure data compliance across the Cabinet Office.

During 2020-21 no incidents of loss of sensitive data have been reported to the Information Commissioner's Office.

Data Modelling & Quality Assurance

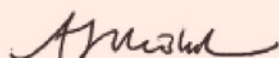
Quality assurance of business critical models in Cabinet Office follows a consistent process and complies with the AQuA book guidance on producing quality analysis for government. Our Analysis and Insight team provides independent assurance for business critical models within the department, a list of which is publicly available and is currently being updated. This list identifies business critical models in use across the Cabinet Office. Cabinet Office business critical models are signed off as fit for use by a panel including the Senior Responsible Owner and a Senior Civil Service Analyst.

Conclusion

This has been a pivotal year for the Cabinet Office, particularly in our role at the heart of the government's response to COVID-19 and supporting the UK's exit from the European Union. I would like to thank Cabinet Office staff for their efforts, adaptability and skills in supporting departmental delivery and the maintenance of an effective control environment over the last year.

The department has continued to make significant improvements this year to strengthen our control environment and to ensure we can identify and respond to risks effectively. The leadership role we play in setting and monitoring standards means we must always strive for excellence and as we move into the next financial year, we will continue to enhance our controls with the introduction of the business rules and strengthened assurance framework.

The work delivered in 2020-21 to further improve the governance arrangements and controls within the department and the priority placed on these across all areas of the department have allowed me to assure myself of departmental governance, risk management and internal controls processes, and I am satisfied that the mechanisms in place to manage risks are adequate.



Alex Chisholm

Chief Operating Officer for the Civil Service
and Permanent Secretary and Principal
Accounting Officer

13 July 2021

Accountability Report

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
- 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 2020-21 relate to their performance during 2019-20.

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: www.civilservicecommission.org.uk.

1.3. Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the ministers and most senior management (that is, board members) of the department. The following were Cabinet Office ministers or members of the department's board during the 2020-21 financial year.

Cabinet Office ministers

The Rt Hon Michael Gove MP

Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office

The Rt Hon Alok Sharma MP

Minister without Portfolio – COP26 President Designate

From 8 January 2021

The Rt Hon Lord Frost CMG PC

Minister of State at the Cabinet Office

From 1 March 2021

Commander The Rt Hon Penny Mordaunt MP

Paymaster General

Chloe Smith MP

Minister of State for the Constitution and Devolution

The Rt Hon The Lord Agnew of Oulton DL

Minister of State for Efficiency and Transformation

The Lord True CBE

Minister of State 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 The Baroness Evans of Bowes Park MBE PC

Leader of the House of Lords and Lord Keeper of the Privy Seal

Julia Lopez MP

Parliamentary Secretary for the Cabinet Office

Cabinet Office board members

Simon Case CVO

Cabinet Secretary and Head of the Civil Service and National Security Adviser
From 9 September 2020

The Rt Hon The Lord Sedwill KCMG

Cabinet Secretary and Head of the Civil Service and National Security Adviser
Until 9 September 2020

Alex Chisholm

Chief Operating Officer for the Civil Service, Permanent Secretary and Principal Accounting Officer
From 14 April 2020

Sir John Manzoni KCB

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

Sarah Harrison

Chief Operating Officer
From 13 July 2020

Mike Parsons

Chief Operating Officer
Until 12 July 2020

Dame Elizabeth Gardiner DCB QC (Hon)

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

Richard Hornby

Chief Financial Officer

Non-executive directors

The Lord Nash

Government Lead Non-Executive
From 31 July 2020

The Rt Hon The Baroness Stuart of Edgbaston

Cabinet Office Lead Non-Executive
From 12 May 2020

Mike Ashley

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

Karen Blackett OBE

Non-Executive Board Member

Anand Aithal

Non-Executive Board Member

Henry de Zoete

Non-Executive Board Member
From 12 May 2020

The Baroness Finn of Swansea

Non-Executive Board Member
From 12 May 2020, until 28 Feb 2021

Lord Hogan-Howe of Sheffield Kt QPM

Non-Executive Board Member
From 12 May 2020

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

Single total figure of remuneration

Ministers	Salary		Benefits in kind		Pensions benefits ¹		Total	
	(to nearest £)	(to nearest £100)	(to nearest £)	(to nearest £100)	(to nearest £1,000)	(to nearest £1,000)	(to nearest £)	(to nearest £100)
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
The Rt Hon Michael Gove MP	67,505	45,003 ²	–	–	17,000	9,000	84,000	54,000
The Rt Hon Alok Sharma MP	11,251 ³	–	–	–	4,000	–	16,000	–
The Rt Hon. Lord Frost CMG PC ⁴	9,033 ⁵	–	–	–	2,000	–	11,000	–
The Rt Hon Penny Mordaunt MP	31,680	4,097 ⁶	–	–	8,000	2,000	39,000	6,000
Chloe Smith MP Minister of State for the Constitution and Devolution	31,680	4,097 ⁷	–	–	8,000	1,000	39,000	5,000
Parliamentary Secretary (Minister for the Constitution)	–	19,417 ⁸	–	–	–	5,000	–	24,000
The Rt Hon The Lord Agnew of Oulton ⁹	36,366	4,703 ¹⁰	–	–	–	–	36,000	5,000
The Lord True CBE	81,485	8,195 ¹¹	–	–	29,000	5,000 ¹²	110,000	13,000
The Rt Hon Jacob Rees-Mogg MP	31,680	21,801 ¹³	–	–	–	–	32,000	22,000
The Rt Hon Baroness Evans of Bowes Park MBE PC ¹⁴	108,180	108,180 ¹⁵	–	–	26,000	27,000	134,000	131,000
Julia Lopez MP	22,375	2,893 ¹⁶	–	–	5,000	1,000	28,000	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 following month at the appropriate salary along with any arrears.

- 1 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.
- 2 The figure quoted is for the period 24 July 2019 to 31 March 2020. The full-year equivalent is £67,505.
- 3 The figure quoted is for the period 8 January 2021 to 31 March 2021. The full-year equivalent is £67,505.
- 4 The figure quoted includes Lord Office Holders' Allowance of £4,030, which is the reduced rate for Lords ministers whose main home is within Greater London.
- 5 The figure quoted is for the period 1 March 2021 to 31 March 2021. The full-year equivalent is £104,360.
- 6 The figure quoted is for the period 13 February 2020 to 31 March 2020. The full-year equivalent is £31,680.
- 7 The figure quoted is for the period 13 February 2020 to 31 March 2020. The full-year equivalent is £31,680.
- 8 The figure quoted is for the period 1 April 2019 to 12 February 2020. The full-year equivalent is £22,375.
- 9 The figure quoted is Lord Office Holders' Allowance of £3,030 per month, which is the reduced rate for Lords ministers whose main home is outside Greater London.
- 10 19-20 Restated. Lord Office Holders' Allowance Arrears for the period 14 February 2020 to 31 March 2020 of £4,703.
- 11 The figure quoted is for the period 13 February 2020 to 31 March 2020. The full-year equivalent is £81,485.
- 12 Restated to include pension benefits relating to 2019-20 but paid in 2020-21.
- 13 The figure quoted is for the period 24 July 2019 to 31 March 2020. The full-year equivalent is £31,680.
- 14 The figure quoted includes Lord Office Holders' Allowance of £3,820 per annum, which is the reduced rate for Lords ministers whose main home is within Greater London.
- 15 2019-20 restated to include Lord Office Holders' Allowance of £3,820, which is the reduced rate for Lord's ministers whose main home is within Greater London.
- 16 The figure quoted is for the period 13 February 2020 to 31 March 2020. The full-year equivalent is £22,375.

1.5. Remuneration (salary, benefits in kind and pensions) of official board members (audited)

The figures presented below relate only to the amounts received during the period the individuals were board members.

Single total figure of remuneration

Board members	Salary (£000)		Non-consolidated payments (£000)		Benefits in kind ¹⁷ (to nearest £100)		Pensions benefits ¹⁸ (to nearest £1,000)		Total (£000)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Simon Case CVO ¹⁹	110 – 115 ²⁰	–	–	–	18,100	–	67,000	–	195 – 200	–
The Rt Hon The Lord Sedwill KCMG ¹⁹	415 – 420 ²¹	210 – 215	15 – 20	15 – 20	22,100	31,600	69,000	104,000	525 – 530	360 – 365
Alex Chisholm	195 – 200 ²²	–	15 – 20	–	–	–	76,000	–	290 – 295	–
Sir John Manzoni KCB	5 – 10 ²³	235 – 240	–	–	–	–	3,000	92,000	10 – 15	330 – 335
Sarah Harrison	100 – 105 ²⁴	–	–	–	–	–	37,000	–	135 – 140	–
Mike Parsons	45 – 50 ²⁵	160 – 165	0 – 5	5 – 10	–	–	7,000	24,000	55 – 60	170 – 175
Dame Elizabeth Gardiner DCB QC (Hon)	180 – 185	175 – 180	15 – 20	15 – 20	–	–	96,000	88,000	295 – 300	280 – 285

Single total figure of remuneration

Board members	Salary (£000)		Non-consolidated payments (£000)		Benefits in kind ¹⁷ (to nearest £100)		Pensions benefits ¹⁸ (to nearest £1,000)		Total (£000)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Richard Hornby	145 – 150	35 – 40 ²⁶	0 – 5	–	–	–	57,000	14,000	205 – 210	45 – 50

17 See 1.7 Benefits in kind below.

18 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

19 As per agreement with the Chair, the Cabinet Secretary attends the Board by exception. Neither Lord Sedwill nor Simon Case were required to attend during 2020-21.

20 The figure quoted is for the period 9 September 2020 to 31 March 2021. The full year equivalent is £200,000 – 205,000.

21 The figure quoted is for the year 1 April 2020 to 9 September 2020. The full year equivalent is £210,000 – 215,000. The combined figure includes salary of £115,000 – £120,000, a severance payment of £248,089.43 and compensation in lieu of notice of £53,170.74.

22 The figure quoted is for the period 14 April 2020 to 31 March 2021. The full year equivalent is £200,000 – 205,000.

23 The figure quoted is for the period 1 April 2020 to 13 April 2020. The full year equivalent is £235,000 – 240,000. Sir John Manzoni stepped down from his role on the Board and as Permanent Secretary on 13 April 2020 but remained in an advisory role during the COVID-19 crisis until 13 July 2020, receiving a salary of £55,000 – 60,000.

24 The figure quoted is for the period 13 July 2020 to 31 March 2021. The full year equivalent is £140,000 – 145,000.

25 The figure quoted is for the period 1 April 2020 to 12 July 2020. The full year equivalent is £160,000 – 165,000.

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

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 (£81,932 from 1 April 2020) 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. Lord Sedwill and Simon Case had the use of an allocated car in the circumstances permitted by the Civil Service Management Code. Lord Sedwill and Simon 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 Lord Sedwill and Simon was calculated in accordance with the relevant instructions published by HMRC and the 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 2020-21 relate to performance in 2019-20 and the comparative payments reported for 2019-20 relate to performance in 2018-19. This is consistent with the approach adopted in previous years.

1.9. Fair pay disclosure (audited)

	2020-21	2019-20
Band of highest paid board member's total remuneration (£000)	250 – 255	255 – 260
Median remuneration (£)	39,520	38,435
Remuneration ratio	6.40	6.70

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 2020-21 was £250,000 – £255,000 (2019-20: £255,000 – £260,000). This was 6.40 times (2019-20: 6.70 times) the median remuneration of the workforce, which was £39,520 (2019-20: £38,435).

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

In 2020-21, two (2019-20: two) employees received remuneration in excess of the highest paid board member. The remuneration of Cabinet Office employees ranged from £19,118 – £303,750 (2019-20: £18,890 – £296,500).

Total remuneration at 31 March 2021 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.

1.10. Fees paid to non-executive board members (audited)

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.

£

Non-Executive Board Members	Annual fee entitlement	Fees paid 2020-21	Fees paid 2019-20
The Rt Hon The Lord Nash of Ewelme ²⁷ Government Lead Non-Executive Board Member	20,000	Waived	–
The Rt Hon The Baroness Stuart of Edgbaston ²⁸ Cabinet Office Lead Non-Executive Board Member	20,000	17,742	–
Mike Ashley Non-Executive Board Member	15,000	15,000	15,000
Chair of the Audit and Risk Committee	5,000	5,000	5,000
Karen Blackett OBE Non-Executive Board Member	15,000	15,000	15,000
Anand Aithal Non-Executive Board Member	15,000	15,000	15,000
Henry de Zoete Non-Executive Board Member	15,000	13,306	–
The Baroness Finn of Swansea ²⁹ Non-Executive Board Member	15,000	12,056	–
Lord Hogan-Howe of Sheffield ³⁰ Non-Executive Board Member	15,000	13,307 ³¹	–

27 Appointed Government Lead Non-Executive Board member on 31 July 2020.

28 Appointed Cabinet Office Lead Non-Executive Board member on 12 May 2020.

29 Appointed Non-Executive Board member on 12 May 2020 and left 28 Feb 2021.

30 Appointed Non-Executive Board member on 12 May 2020.

31 Lord Hogan-Howe also claimed expenses of £695.50 which is not included in this figure.

1.11. Pension benefits of ministers (audited)

Ministers	Accrued pension at age 65 as at 31 March 2021	Real increase in pension at age 65	CETV at 31 March 2021	CETV at 31 March 2020	Real increase in CETV
	£000	£000	£000	£000	£000
The Rt Hon Michael Gove MP	15 – 20	0 – 2.5	226	204	9
The Rt Hon Alok Sharma MP	0 – 5	0 – 2.5	51	47	2
The Rt Hon Lord Frost CMG PC	0 – 5	0 – 2.5	2	–	1
The Rt Hon Penny Mordaunt MP	0 – 5	0 – 2.5	62	53	3
Chloe Smith MP	0 – 5	0 – 2.5	45	38	2
The Lord True CBE	0 – 5	0 – 2.5	37	5	23
The Lord Agnew of Oulton	–	–	–	–	–
The Rt Hon Jacob Rees-Mogg MP	–	–	–	–	–
The Rt Hon Baroness Evans of Bowes Park MBE	25 – 30	0 – 2.5	297	269	10
Julia Lopez MP	0 – 5	0 – 2.5	4	1	1

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.³²

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 MPs' 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 MPs' 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.

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.

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

1.15. Pension benefits of official board members (audited)

Boarding members	Accrued pension at pension age as at 31 March 2021 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31 March 2021 £000	CETV at 31 March 2020 £000	Real increase in CETV £000	Employer contribution to partnership pension account Nearest £100
Simon Case CVO	35 – 40	2.5 – 5	450	396	33	–
The Rt Hon The Lord Sedwill KCMG	100 – 105	2.5 – 5	1,740	1,679	52	–
Alex Chisholm	35 – 40	2.5 – 5	478	404	43	–
Sir John Manzoni KCB	35 – 40	0 – 2.5	548	548	2	–
Sarah Harrison	60 – 65	0 – 2.5	1,093	1,034	22	–
Mike Parsons ³³	–	–	–	–	–	7,000
Dame Elizabeth Gardiner DCB QC (Hon)	80 – 85 plus a lump sum of 165 – 170	5 – 7.5 plus a lump sum of 2.5 – 5	1,556	1,431	66	–
Richard Hornby	15 – 20	2.5 – 5	197	150	31	–

33 Mike Parsons is not a member of the PCSPS and has a partnership pension account.

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 funds 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 some time between 1 June 2015 and 1 February 2022. Because the government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between

1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below).

All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) 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 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on 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 an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

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 their buying additional pension benefits at their own cost. CETVs are worked out in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from lifetime allowance tax, which may be due when pension benefits are taken.

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, or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement). It uses common market valuation factors for the start and end of the period.

1.19. Compensation for loss of office (audited)

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 2020 to 31 March 2021. Further details about compensation for loss of office payments can be found at legislation.gov.uk.

Ministers	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 ³⁵	262,185

Officials	Severance Payment (to nearest £)
The Rt Hon The Lord Sedwill KCMG ³⁴	248,089

For the financial year 2019-20 the following severance payments were made.

- 34 Awarded redundancy and compensation in lieu of notice of £53,171 left under redundancy terms on 9 September 2020.
- 35 Awarded redundancy and compensation in lieu of notice of £45,450, left under voluntary redundancy terms on 31 March 2020.

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](https://www.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.

Special Adviser

The Cabinet Office maintains a register of government Special Advisers' interests, which contains details of company directorships and other significant interests held by Special Advisers. A copy is deposited in the House of Commons library annually and it is published on [GOV.UK](https://www.gov.uk) shortly afterwards.

2. Staff report

The following sections report upon the departmental group and are subject to audit.

2.1. Staff costs (audited)

£000	Permanently employed staff	Others	Special advisers	Ministers	2020-21	2019-20 Restated ³⁶
Wages, salaries and fees	452,141	–	8,584	872	461,597	392,982
Social security costs	51,283	296	1,034	100	52,713	44,280
Apprenticeship levy	2,323	–	–	–	2,323	1,925
Other pension costs	108,023	151	2,342	–	110,516	95,612
Untaken annual leave	9,366	–	–	–	9,366	2,047
Agency/temporary	–	61,860	–	–	61,860	69,021
Chair's and Commissioner's emoluments	346	–	–	–	346	423
Termination benefits	839	–	24	–	863	2,056
Subtotal	624,321	62,307	11,984	972	699,584	608,346
Inward secondments	–	13,695	–	–	13,695	8,403
Total	624,321	76,002	11,984	972	713,279	616,749
Less: Recoveries in respect of outward secondments	–	(3,315)	–	–	(3,315)	(3,012)
Total staff costs	624,321	72,687	11,984	972	709,964	613,737
Staff engaged on capital projects	(7,846)	(646)	–	–	(8,492)	(7,185)
Total net staff costs	616,475	72,041	11,984	972	701,472	606,552

36 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 special advisers working in all government departments. Special advisers remain employed by the respective departments of their appointing minister.

During the year, costs of £110,515,475 were incurred in respect of pensions (2019-20 restated: £95,611,952). Of this amount, £105,297,595 (2019-20 restated: £91,408,459) was borne by the core department, £2,540,086 (2019-20: £1,831,696) was borne by the Government Property Agency, £2,432,185 (2019-20: £2,141,091) was borne by the Equality and Human Rights Commission, £224,988 (2019-20: £210,925) was borne by the Civil Service Commission and £20,621 (2019-20: £19,781) 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.³⁷

For the period 1 April 2020 to 31 March 2021, employers' contributions of £104,446,948 were payable to the PCSPS (2019-20 restated: £92,229,215) 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 2020-21 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 2020 to 31 March 2021, employers' contributions of £1,012,285 (2019-20 restated: £896,589) 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 £36,193 (2019-20 restated: £43,134), 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.

37 Full web address: www.civilservicepensionscheme.org.uk/about-us/resource-accounts.

Contributions due to the partnership pension providers at 31 March 2021 were £84,820 (31 March 2020 restated: £75,144). Contributions prepaid as at the same date were £nil (31 March 2020: £nil). Special advisers' pension costs incurred during the period 1 April 2019 to 31 March 2020 were £2,342,254 (2019-20: £1,467,000).

Two individuals (2019-20: three individuals) retired early on ill-health grounds during the period 1 April 2020 to 31 March 2021; the resulting additional accrued pension liabilities amounted to £7,758 (2019-20: £7,938).

2.2. Reporting of Civil Service and other compensation schemes – exit packages (audited)

Permanently employed staff, special advisers and ministers

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.

Exit package cost band	Departmental Group 2020-21			Departmental Group 2019-20		
	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	–	1	1	–	3	3
£10,000 – £25,000	–	2	2	–	39	39
£25,001 – £50,000	–	3	3	–	18	18
£50,001 – £100,000	–	2	2	–	7	7
£100,001 – £150,000	–	2	2	–	–	–
£150,001 – £200,000	–	–	–	–	–	–
£200,001 – £250,000	–	1	1	–	–	–
£250,001 – £300,000	–	–	–	–	1	1
Total number of exit packages	–	11	11	–	68	68
Total cost (£)	–	862,767	862,767	–	2,092,455³⁸	2,092,455³⁸

38 Includes 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 2020-21 (2019-20 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 2020-21 two members of staff 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.

Termination benefits are based on length of service and capped at six months' salary. If a special adviser returns to work for the government following the receipt of a severance payment, the payment is required to be repaid, less a deduction in lieu of wages for the period until their return.

2.3. Average number of persons employed (audited)

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.

	Permanently employed staff	Commissioners	Others ³⁹	2020-21 Total	2019- 20 Total Restated ⁴⁰
Core Department	8,752	–	496	9,248	8,052
Government Property Agency	178	–	23	201	137
Arm's Length Bodies ⁴¹	218	12	5	235	229
Staff engaged on capital projects	77	–	4	81	77
Total	9,225	12	528	9,765	8,495
Of which:					
Core Department and Agency	9,007	–	523	9,530	8,266
Other designated bodies	218	12	5	235	229
Total	9,225	12	528	9,765	8,495

Headcount in the table above 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 8,495 in 2019-20 (restated) to 9,765 in 2020-21 is largely attributable to the transfer of UK Security Vetting from the Ministry of

Defence to Government Security Group, additional recruitment in the COVID Taskforce and additional commercial specialists in the Government Commercial Function.

39 Includes agency staff, interim managers, specialist contractors and consultants.

40 Restated, see Note 2 of the Financial Statement.

41 The costs of the Civil Service Commission, The Equality and Human Rights Commission and The Registrar of Consultant Lobbyists are reported in this line.

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 2021.

Grade	2020-21	2019-20
Ministers ⁴²	13	7
Special advisers ⁴³	61	55

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 2021. The total includes 47 staff (2019-20: 49) 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	2020-21	2019-20 ⁴⁴
Permanent Secretary	5	5
SCS 3	29	29
SCS 2	119	106
SCS 1	387	358
Total	540	498

An increase of 42 SCS since 2019-20 is principally a consequence of a general increase in the size of the department. In particular, 18 in our COVID Taskforce and 17 in the Government Property Agency. SCS numbers are 5% of the total workforce.

42 Includes all Ministers working on behalf of the Cabinet Office even if remunerated by another Department.

43 This figure includes Special Advisers who work within the Cabinet Office departmental boundary – Special Advisers appointed to the Prime Minister, the Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office, the COP26 President-Designate, the Leader of the House of Lords, the Minister of State the Rt Hon Lord Frost CMG, the Minister Without Portfolio, the Leader of the House of Commons and the Parliamentary Secretary to the Treasury (Chief Whip). It does not include Special Advisers within other Government Departments.

44 Restated to include Border Delivery Group, see Note 2 of the Financial Statements.

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 2020 to 31 March 2021.

No.	Men		Women		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Official Board members	6	6	2	6	8	12
Senior civil servants	305	265	274	250	579	515
All staff	5,346	4,532	6,111	5,175	11,457	9,707

%	Men		Women	
	2020-21	2019-20	2020-21	2019-20
Official Board members	75.0	50.0	25.0	50.0
Senior civil servants	52.7	51.5	47.3	48.5
All staff	46.7	46.7	53.3	53.3

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

2.7.1.

For all temporary off-payroll appointments as of 31 March 2021, earning at least £245 per day.

2020-21 No.	Core Department	Executive Agency	Arm's length bodies	Total Group
No. of existing engagements as of 31 March 2021	745	31	–	776
<i>Of which:</i>				
No. that have existed for less than one year at time of reporting	199	24	–	223
No. that have existed for between one and two years at time of reporting	266	7	–	273
No. that have existed for between two and three years at time of reporting	169	–	–	169
No. that have existed for between three and four years at time of reporting	70	–	–	70
No. that have been existed for four or more years at time of reporting	41	–	–	41

2.7.2. ⁴⁵

For all temporary off-payroll appointments engaged at any point during the year ended 31 March 2021 and earning at least £245 per day.

2020-21 No.	Core Department	Executive Agency	Arm's length bodies	Total Group
No. of new engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021	216	24	–	240
<i>Of which:</i>				
No. where off payroll legislation does not apply	–	1	–	1
No. assessed as in-scope of IR35 ⁴⁵	61	20	–	81
No. assessed as out-of-scope of IR35 ⁴⁵	155	3	–	158
No. of engagements reassessed for compliance or assurance purposes during the year	–	–	–	–
Of which: No. of engagements that saw a change to IR35 status following review	–	–	–	–
No. of engagements where the status was disputed under provisions in the off-payroll legislation	–	–	–	–
Of which: No. of engagements that saw a change to IR35 status following review	–	–	–	–

⁴⁵ 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.

2.7.3.

For any off-payroll engagements of board members and/or senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021.

2020-21 No.	Core Department	Executive Agency	Arm's length bodies	Total Group
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	40	11	–	51

2.8. Staff loans

The table below shows the number of staff loaned to or loaned out from the Cabinet Office at 31 March 2021.

No.	Staff loaned in by grade		Staff loaned out by grade	
	Headcount	FTE	Headcount	FTE
SCS 3	5	5	1	1
SCS 2	15	15	1	1
SCS 1	53	52.46	1	1
Band A	264	261.01	2	1.8
SEO	78	77.22	–	–
HEO	102	101.54	–	–
EO	29	28.78	–	–
AO	4	4	–	–
Total	550	545.01	5	4.8

2.9. Sickness and absence

The sickness absence figure for the rolling 12 months to 31 March 2021 stands at 1.95 (2.47 for the rolling 12 months to 31 March 2020) average working days lost per member of staff.

2.10. Monitoring spending on consultancy and temporary staff

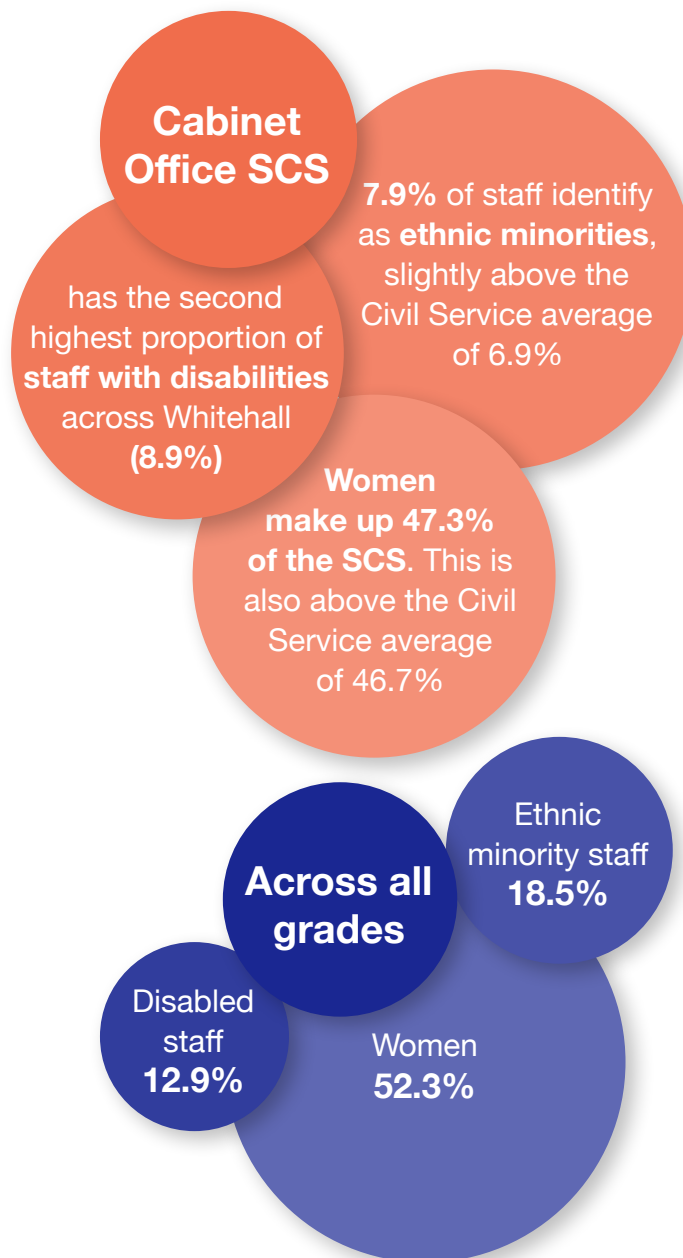
Professional services external resources can generally be split into two broad categories. Temporary staff includes temporary workers, interim managers and specialist contractors who are used to cover business-as-usual or service delivery activities within an organisation. Consultancy includes staff who provide objective advice relating to strategy, structure, management or operations of an organisation and may include the identification of options with recommendations. Consultancy and temporary staff are procured as required and costs can therefore fluctuate depending on the needs of the department.

Expenditure on consultancy increased from £38.841 million in 2019-20 (restated) to £79.779 million in 2020-21 which was mostly attributed to an increase in the reliance on expert advice and consultancy relating to tackling the COVID-19 worldwide pandemic.

Expenditure on temporary staff decreased from £69.021 million in 2019-20 (restated) to £61.896 million in 2020-21 due to a drive in civil servant recruitment in order to reduce reliance on temporary staff. Payments totalling £0.362 million were made to

suppliers for contingent workers impacted by COVID-19 as per government procurement policy (44 cases).

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 second highest proportion of staff with disabilities across Whitehall (8.9%).

The proportion of Cabinet Office SCS staff identifying as ethnic minorities is 7.9% which is slightly above the Civil Service average of 6.9%. Women make up 47.3% of the SCS. This is also above the Civil Service average of 46.7%. Across all grades disabled staff make up 12.9%. Ethnic minority staff make up 18.5% of the total workforce and women now make up 52.3% of all staff (SCS data for Cabinet Office relate to March 2020 and are sourced from Cabinet Office SCS data collections – gov.uk/government/publications/civil-service-diversity-inclusion-dashboard/civil-service-diversity-and-inclusion-dashboard).

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. The Cabinet Office is a Level 3 Disability Confident Leader and was reaccredited in January 2021. The Disability Confident scheme (formerly known as the guaranteed interview scheme) 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.

2.13. Disability

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 Cabinet Office.gov.uk email address can access the Business Disability Forum member hub dashboard. This provides access to a wide range of member resources, including mental health toolkit, infographics, videos, best practice and legal case studies.

The Civil Service has rolling targets for new entrants 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 second highest proportion of staff with disabilities across Whitehall (8.9%). It also has the third highest proportion of staff with disabilities within the Civil Service at Grade 6 and 7, at 14.8% (SCS data for Cabinet Office relate to March 2020 and are sourced from Cabinet Office SCS data collections).

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 adaptations to the working environment required by any member of staff, including those identifying with disabilities.

The Cabinet Office is also a member of PurpleSpace. PurpleSpace is the world's only networking and professional development hub for disabled employees, network and resource group leaders and allies from all sectors and trades. Through membership, the Cabinet Office benefits from supporting employee network and resource group leaders to build vibrant disability networks that help colleagues to bring their authentic selves to work.

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. 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).

2.14. 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. Four accidents were reported, of which none was reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

2.15. 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.

2.15.1. Relevant union officials

Total number of employees who were relevant union officials between 1 April 2020 and 31 March 2021.

	2020-21 No.	2019-20 No.
Employees who were relevant union officials during the relevant period ⁴⁶	18	14
Full-time equivalent employee number	17.42	13.6

2.15.2. Percentage of time spent on facility time

For employees who were relevant union officials employed between 1 April 2020 and 31 March 2021, percentage of their working hours on spent on facility time.

	2020-21 No.	2019-20 No.
0%	–	2
1% – 50%	18	12
51% – 99%	–	–
100%	–	–

2.15.3. Percentage of pay bill spent on facility time

For employees who were relevant union officials employed between 1 April 2020 and 31 March 2021, percentage of pay bill spent on facility time.

	2020-21 No.	2019-20 No.
The total cost of facility time (£000)	31	24
The total annual pay bill for Cabinet Office (£000) ⁴⁷	377,353	448,851
The percentage of the total pay bill spent on facility time (%)	0.01%	0.005%

2.15.4. Paid trade union activities

For employees who were relevant union officials employed between 1 April 2020 and 31 March 2021, percentage of time spent on paid trade union activities.

	2020-21 No.	2019-20 No.
Time spent on paid trade union activities as a percentage of total paid facility time hours (%)	41.72%	25.11%

46 See Note 2.1 and exclude 'Others'.

47 See Note 2.1 and exclude 'Others'.

3. Statement of outturn against parliamentary supply

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the *Government Financial Reporting Manual* requires the department to prepare a statement of outturn against parliamentary supply (SOPS) and supporting notes.

The SOPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

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

Should an entity exceed the limits set by its Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SOPS mirrors the Supply Estimates, published on [GOV.UK](https://www.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 statement of consolidated net expenditure (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).

The Cabinet Office strategic objectives as described in the performance report align to the following Estimate rows in the SOPS.

1. Maintain the integrity of the union, coordinate the security of the realm and sustain a flourishing democracy - A
2. Support the design and implementation of the government's policies and the Prime Minister's priorities - B
3. Ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of government - C
4. 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 - B
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 - D

Summary of resource and capital outturn 2020-21

£000

2020-21
2019-20
Restated⁴⁸

	SOPS Note	Outturn			Estimate			Outturn vs Estimate: saving/(excess)			Outturn
		Voted	Non-voted	Total	Voted	Non-voted	Total	Voted	Non-voted	Total	Total
Departmental Expenditure Limit											
Resource	1.1	1,459,837	(3,253)	1,456,584	1,573,363	27,323	1,600,686	113,526	30,576	144,102	1,023,970
Capital	1.2	373,339	–	373,339	387,439	–	387,439	14,100	–	14,100	112,984
Total DEL		1,833,176	(3,253)	1,829,923	1,960,802	27,323	1,988,125	127,626	30,576	158,202	1,136,954
Annually Managed Expenditure											
Resource	1.1	110,297	–	110,297	320,224	–	320,224	209,927	–	209,927	17
Capital	1.2	–	–	–	–	–	–	–	–	–	–
Total AME		110,297	–	110,297	320,224	–	320,224	209,927	–	209,927	17
Total budget											
Total resource	1.1	1,570,134	(3,253)	1,566,881	1,893,587	27,323	1,920,910	323,453	30,576	354,029	1,023,987
Total capital	1.2	373,339	–	373,339	387,439	–	387,439	14,100	–	14,100	112,984
Total budget expenditure		1,943,473	(3,253)	1,940,220	2,281,026	27,323	2,308,349	337,553	30,576	368,129	1,136,971

48 Restated due to Machinery of Government changes: see Note 2 to the accounts.

£000

2020-21
2019-20
Restated⁴⁸

	SOPS Note	Outturn			Estimate			Outturn vs Estimate: saving/(excess)			Outturn
		Voted	Non- voted	Total	Voted	Non- voted	Total	Voted	Non- voted	Total	Total
Non-Budget Expenditure											
Total resource		(28,175)	–	(28,175)	–	–	–	28,175	–	28,175	–
Total non- budget expenditure		(28,175)	–	(28,175)	–	–	–	28,175	–	28,175	–
Total budget and non- budget expenditure		1,915,298	(3,253)	1,912,045	2,281,026	27,323	2,308,349	365,728	30,576	396,304	1,136,971

Figures outlined in shaded areas cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual, available on [GOV.UK](https://www.gov.uk), for detail on the control limits voted by Parliament.

Net cash requirement 2020-21

£000				2020-21	2019-20 Restated ⁴⁹
	SOPS Note	Outturn	Estimate	Outturn vs Estimate: saving/(excess)	Outturn
Net Cash Requirement	3	1,635,946	2,098,870	462,924	846,926

Administration costs 2020-21

£000				2020-21	2019-20 Restated ⁴⁹
	SOPS Note	Outturn	Estimate	Outturn vs Estimate: saving/(excess)	Outturn
Administration costs	1.1	371,835	381,087	9,252	332,281

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.

49 Restated due to Machinery of Government changes: see Note 2 to the accounts.

The Department has prior period adjustments (PPAs) resulting from Machinery of Government changes and a reclassification of consideration receivable from the sale of part of Cabinet Office's business and related assets (Swirl portfolio) in 2013-14 (see Note 2 to the accounts). It is proper for the department to seek parliamentary authority for the provision that should have been sought previously. For 2019-20, the following such PPAs have been made.

The PPA resulting from Machinery of Government changes has been included within voted Supply in the Estimate.

The PPA related to the recognition of consideration receivable has resulted in a reduction against non-budget expenditure outturn in 2020-21. The amount disclosed recognises the financial asset at fair value through profit and loss, removing income recognised in prior years.

PPA Description	Resource/Capital	DEL/AME	Amount (£000)
Border and Protocol Delivery Group MoG	Resource	DEL	32,433
AXELOS consideration (2019-20)	Resource	DEL	7,503
AXELOS consideration (Cumulative net at 1 April 2019)	Resource	DEL	(35,678)

Notes SOPS1 to SOPS4 form part of these accounts.

Notes to the Statement of Outturn against Parliamentary Supply

SOPS 1. Outturn detail by Estimate Line

SOPS 1.1. Analysis of resource outturn by Estimate Line

£000

2020-21
2019-20
Restated⁵⁰

Spending in Departmental Expenditure Limit	Administration						Programme			Outturn		Estimate	Outturn
	Gross	Income	Net	Gross	Income	Net	Net Total Outturn	Total Virements ⁵¹	Total Estimate	Total Estimate including virements	Outturn vs Estimate saving/ (excess) ⁵²	Total	
	Voted DEL												
A: Maintain the integrity of the Union, coordinate the security of the realm and sustain a flourishing democracy	20,944	(143)	20,801	152,133	(82,540)	69,593	90,394	90,522	12,963	103,485	13,091	116,673	

50 Restated due to Machinery of Government changes: see Note 2 to the accounts.

51 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](https://www.gov.uk).

52 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.

£000

2020-21
2019-20
Restated⁵⁰

Spending in Departmental Expenditure Limit	Administration						Programme			Outturn	Estimate	Outturn
	Gross	Income	Net	Gross	Income	Net	Net Total Outturn	Total Virements ⁵¹	Total Estimate	Total Estimate including virements	Outturn vs Estimate saving/ (excess) ⁵²	Total
	B: Support the design and implementation of HM Government's policies and the Prime Minister's priorities	145,230	(11,129)	134,101	249,927	(4,151)	245,776	379,877	408,777	10,133	418,910	39,033
C: Ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of Government	372,344	(320,754)	51,590	773,898	(39,416)	734,482	786,072	860,107	(28,819)	831,228	45,216	260,461
D: Ensure the effective running of the Department and contribute to the Government's cross-cutting priorities	130,863	(13,523)	117,340	47,533	(14,497)	33,036	150,376	149,233	5,721	154,954	4,578	49,096
E: Executive Agency – GPA	366,872	(332,959)	33,913	–	–	–	33,913	44,383	–	44,383	10,470	25,114
F: ALBs (net)	14,362	(272)	14,090	5,343	(228)	5,115	19,205	20,341	2	20,343	1,138	19,492
Total Voted	1,050,615	(678,780)	371,835	1,228,834	(140,832)	1,088,002	1,459,837	1,573,363	–	1,573,363	113,526	731,371

£000

2020-21
2019-20
Restated⁵⁰

Spending in Departmental Expenditure Limit	Administration						Programme			Outturn		Estimate		Outturn
	Gross	Income	Net	Gross	Income	Net	Net Total Outturn	Total Virements ⁵¹	Total Estimate	Total Estimate including virements	Outturn vs Estimate saving/ (excess) ⁵²	Total		
Non-voted DEL														
Returning Officers' expenses, England, Wales and Scotland														
G: Elections, of which														
- 2019 UK Parliamentary General election	-	-	-	(7,387)	-	(7,387)	(7,387)	-	-	-	7,387	153,150		
- 2017 UK Parliamentary General election	-	-	-	(64)	-	(64)	(64)	-	-	-	64	(1,005)		
- UK Parliamentary by-elections	-	-	-	(7)	-	(7)	(7)	250	-	250	257	716		
- Petition to recall an MP	-	-	-	(6)	-	(6)	(6)	250	-	250	256	132		
- 2019 European Parliamentary election	-	-	-	(1,337)	-	(1,337)	(1,337)	-	-	-	1,337	134,706		
- Police and Crime Commissioner by elections	-	-	-	(105)	-	(105)	(105)	-	-	-	105	2,067		
- 2020 Postponed Police and Crime Commissioner elections	-	-	-	3,420	-	3,420	3,420	24,560	-	24,560	21,140	-		
- Elections bank charges	-	-	-	1	-	1	1	-	-	-	(1)	1		

£000

2020-21
2019-20
Restated⁵⁰

Spending in Departmental Expenditure Limit	Administration						Programme			Outturn	Estimate	Outturn
	Gross	Income	Net	Gross	Income	Net	Net Total Outturn	Total Virements ⁵¹ Estimate	Total Estimate including virements	Outturn vs Estimate saving/ (excess) ⁵²	Total	
H: UK Members of the European Parliament	–	–	–	2,232	–	2,232	2,232	2,500	–	2,500	268	2,832
I: Consolidated Fund Extra Receipts	–	–	–	–	–	–	–	(237)	–	(237)	(237)	–
Total non-voted DEL	–	–	–	(3,253)	–	(3,253)	(3,253)	27,323	–	27,323	30,576	292,599
Total DEL	1,050,615	(678,780)	371,835	1,225,581	(140,832)	1,084,749	1,456,584	1,600,686	–	1,600,686	144,102	1,023,970
Annually Managed Expenditure												
J: Cabinet Office AME	–	–	–	4,503	–	4,503	4,503	21,431	7,602	29,033	16,928	2,044
Commission for Equality and Human Rights AME	–	–	–	(57)	–	(57)	(57)	–	–	–	57	(278)
K: Government Property Agency AME	–	–	–	105,851	–	105,851	105,851	298,793	(7,602)	291,191	192,942	(1,749)
Total AME	–	–	–	110,297	–	110,297	110,297	320,224	–	320,224	209,927	17
Non Budget Spending												
Prior Period adjustment	–	(28,175)	(28,175)	–	–	–	(28,175)	–	–	–	28,175	–
Total Non Budget	–	(28,175)	(28,175)	–	–	–	(28,175)	–	–	–	28,175	–
Total resource	1,050,615	(706,955)	343,660	1,335,878	(140,832)	1,195,046	1,538,706	1,920,910	–	1,920,910	382,204	1,023,987

Explanations between Estimate and 2020-21 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	2020-21 Outturn	2020-21 Estimate	Variance	Explanation
A: Integrity of the Union, security and democracy	90,394	90,522	128	
B: HM Gov's policies and the PM's priorities	379,877	408,777	28,900	This variance is driven by delayed projects within the Geospatial Commission and receipt of income relating to cross-government geospatial data. Additionally, we saw lower than expected spend in the Transition Taskforce and lower than expected venue costs for the Infected Blood and Grenfell Inquiries.
C: Efficiency of Government	786,072	860,107	74,035	The variance is primarily driven by reduced spend on public communication campaigns delivered through a more collaborative approach. This included underspends on COVID-19 public information, EU exit and transition campaigns.
D: Effective running of the Department	150,376	149,233	(1,143)	A general increase in staff and an updated annual leave policy, permitting staff to carry over an increased number of leave days, has culminated in additional expenditure relating to the annual leave accrual. Estates have also seen higher than budgeted costs for fitting out building space in order to make them COVID-19 secure.
E: Executive Agency – GPA	33,913	44,383	10,470	The variance is driven by lower non-cash depreciation spend, however we have also seen increased revenue in this area associated with recoveries of property costs.
F: ALBs (net)	19,205	20,341	1,136	
G: Elections	(5,485)	25,060	30,545	Due to COVID-19, the 2020 Police and Crime Commissioners elections were cancelled resulting in reduced spend.
H: UK MEPs	2,232	2,500	268	
I: CFER	–	(237)	(237)	
J: Cabinet Office AME	4,503	21,431	16,928	This underspend is attributable to the devaluation of assets via indexation, property desktop devaluation, and provisions forecasts for dilapidation liabilities which have not fully materialised.

Estimate sub-heading	2020-21 Outturn	2020-21 Estimate	Variance	Explanation
Commission for Equality and Human Rights AME	(57)	–	57	
K: Government Property Agency AME	105,851	298,793	192,942	AME was requested to cover the impairment of properties transferred to the GPA prior to the reporting date. Some properties were impaired to fair value by the originating department prior to transfer and therefore lower than anticipated impairments were required.
Prior period adjustment	(28,175)	–	28,175	
Resource outturn against budget	1,538,706	1,920,910	382,204	

Explanations of variances between 2020-21 and 2019-20 resource outturn

Estimate sub-heading	2020-21 Outturn	2019-20 Outturn	Variance	Explanation
A: Integrity of the Union, security and democracy	90,394	116,673	26,279	During the year the National Security Secretariat was reclassified into Objective B resulting in the transfer of spend and ultimately reduced spend in Objective A.
B: HM Gov's policies and the PM's priorities	379,877	260,535	(119,342)	Expenditure against Objective B has significantly increased due to activity relating to COP26. In addition, we have seen the Border and Protocol Delivery Group transferred into Cabinet Office and the reclassification of the Cabinet Secretariat and National Security Secretariat resulting in increased expenditure compared to 2019-20.
C: Efficiency of Government	786,072	260,461	(525,611)	The COVID-19 response has increased expenditure against Objective C. This increase comprises the costs of the public information campaign, the ventilator challenge and the establishment of the COVID-19 Taskforce and International Joint Comparators Unit.
D: Effective running of the Department	150,376	49,096	(101,280)	Responding to the COVID-19 pandemic and making buildings COVID-19 secure along with the increased annual leave accrual previously mentioned has resulted in increased spend in 2020-21. Cabinet Office also continues to receive returned funds from the insolvency service relating to the liquidation of Carillion. In 2019-20 £18 million of income was retained, but in 2020-21 all funds were returned to the consolidated fund.
E: Executive Agency – GPA	33,913	25,114	(8,799)	This increase is due to the growth of GPA and the acquiring of more properties during 2020-21, alongside an increase in staff and operations to cover this expansion.

SOPS 1.2. Analysis of net capital outturn by Estimate line

£000		2020-21	2019-20					
			Restated ⁵³					
Spending in Departmental Expenditure Limit	Outturn		Estimate	Outturn				
	Gross	Income	Net Total Outturn	Total Estimate	Virements	Total Estimate including virements	Outturn vs Estimate saving/ (excess)	Total
Voted DEL								
A: Maintain the integrity of the Union, security and democracy	10,055	–	10,055	3,500	6,555	10,055	–	12,678
B: HM Government's policies and the PM's priorities	147,958	(5)	147,953	146,750	1,203	147,953	–	82,028
C: Efficiency of Government	194,050	–	194,050	202,160	(8,110)	194,050	–	9,545
D: Ensure the effective running of the Department	1,148	–	1,148	–	1,148	1,148	–	904
E: Executive Agency – GPA	774,388	(754,640)	19,748	34,529	(796)	33,733	13,985	7,829
F: ALBs (net)	385	–	385	500	–	500	115	–
Total DEL	1,127,984	(754,645)	373,339	387,439	–	387,439	14,100	112,984

53 Restated due to Machinery of Government changes: see Note 2 to the accounts.

Explanations between Estimate and 2020-21 capital outturn before adjustment for virements

Estimate sub-heading	2020-21 Outturn	2020-21 Estimate	Variance	Explanation
A: Integrity of the Union, security and democracy	10,055	3,500	(6,555)	In 2020-21 we reclassified expenditure from resource to capital within Government Security Group relating to the capitalisation of additional high-security laptops required as a consequence of COVID-19 resulting in a variance against budget.
B: HM Gov's policies and the PM's priorities	147,953	146,750	(1,203)	The Government undertook a wider refurbishment of rooms within 9 Downing Street (formerly the Privy Council Offices), a Grade 1 listed building, this financial year resulting in increased capital expenditure (see Note 6.4 to the Financial Statements).
C: Efficiency of Government	194,050	202,160	8,110	The Office of Government Property received a capital budget transfer from the Ministry of Housing, Communities and Local Government for the One Public Estate programme. Grants paid out were made as resource grants leading to an underspend in capital.
D: Effective running of the Department	1,148	–	(1,148)	This capital expenditure is driven by requirements for VIP transport aircraft service for the Prime Minister and Ministerial/VIPs.
E: Executive Agency – GPA	19,748	34,529	14,781	Due to delays to projects arising from COVID-19, including the Bristol 2 and Birmingham 2 programmes we have seen spend moved into future years resulting in reduced spend for the current year.
F: ALBs (net)	385	500	115	
Capital outturn against budget	373,339	387,439	14,100	

Explanations of capital variances between 2020-21 and 2019-20 outturn

Estimate sub-heading	2020-21 Outturn	2019-20 Outturn	Variance	Explanation
A: Integrity of the Union, security and democracy	10,055	12,678	2,623	The reclassification of the Cabinet Secretariat and the National Security Secretariat into Objective B have contributed to a £3 million decrease in capital expenditure in this objective when compared to the 2019-20 outturn.
B: HM Gov's policies and the PM's priorities	147,953	82,028	(65,925)	An increased number of geospatial projects with additional spend on the Public Sector Geospatial Agreement contract and a change in VAT treatment on the contract contributed to an overall increase from the previous year.
C: Efficiency of Government	194,050	9,545	(184,505)	This increase has been driven by the impact of COVID-19 and the Government Commercial Function's expenditure relating to the procurement of Personal Protective Equipment and the Ventilator Challenge.
D: Effective running of the Department	1,148	904	(244)	
E: Executive Agency – GPA	19,748	7,829	(11,919)	Building capital costs were reclassified from Objective D to E in 2020-21 resulting in increased capital expenditure compared to 2019-20. In addition, we also saw increased spend on the Hubs programme in 2020-21.
F: ALBs (net)	385	–	(385)	

SOPS 2. Reconciliation of net outturn

SOPS 2.1. 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		2020-21	2019-20
	Note	Outturn	Estimate
			Restated ⁵⁴
			Outturn
Total resource outturn in Statement of Outturn against Parliamentary Supply	SOPS1.1	1,566,881	1,920,910
Non Budget		(28,175)	–
		1,538,706	1,920,910
Add:			
Capital Grants	4	135,773	–
Dividends received from associates	10	14,935	–
Research and Development (capital under ESA10 definition) ⁵⁵	4	51,183	–
Geospatial data (capital under ESA10 definition) ⁵⁵	4	140,441	173,610
Less:			
Prior Period Adjustments		28,175	–
Fair value (gain) / loss on financial assets – associate put options (non-cash)	11.1,11.2	42,591	–
Capital grant income	5	(732,576)	–
UK members of the European Parliament salaries and pension	SOPS1.1	(2,232)	(2,500)
Share of associates' profit	10	(18,597)	–
Profit on disposal of the site at Sunningdale Park	4	–	(31,588)
Government Property Agency – gain on Transfer of Function of Whitehall District Heating System	SOCNE	–	–
Utilisation of provisions offset by receivable		506	–
GPA lease incentive receipt		(517)	–
Elimination Adjustment ⁵⁶		(9,907)	–
Net expenditure in Consolidated Statement of Comprehensive Net Expenditure	SOCNE	1,188,481	2,092,020
			1,031,639

54 Restated due to Machinery of Government changes: see Note 2 to the accounts.

55 Research and development costs have been classified to capital budgets under ESA 10 as set out in the Consolidated Budgeting Guidance.

56 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.

SOPS 2.2. Reconciliation of net capital outturn to accounts

£000		2020-21	2019-20	
	Note	Estimate	Restated ⁵⁷	
		Outturn	Outturn	
Total capital outturn in Statement of Outturn against Parliamentary Supply	SOPS1.2	373,339	387,439	
Comprises:				
Property, plant and equipment				
– Additions	6	178,520	540,142	22,565
– Donations	6	6	–	6
– Disposals	6	–	–	(44)
– Capital grant in kind Transfers from other Government Departments	6	605,746	–	20,024
Intangible assets				
– Additions	7	12,266	–	16,735
Capital grants				
– Capital grant expenditure	4	9,761	–	1,634
– Capital grant in kind expenditure	4	126,012	–	–
– Capital grant income	5	(812)	(17,707)	(1,862)
– Capital grant income – donated assets	SOCNE	–	(134,996)	(3,920)
– Capital grant in kind income – transfers from other Government Departments	5	(731,764)	–	(21,631)
– GPA prepayment offset by capital grant in kind income		–	–	5,522
– GPA capital grant income in respect of lease incentive		(18,020)	–	(504)
Research and Development (Capital under ESA10 definition) ⁵⁸	4	51,183	–	–
Geospatial data (capital under ESA10 definition) ⁵⁸	4	140,441	–	74,459
		373,339	387,439	112,984

57 Restated due to Machinery of Government changes: see Note 2 to the accounts.

58 Research and development costs have been classified to capital budgets under ESA 10 as set out in the Consolidated Budgeting Guidance.

SOPS 3. 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				2020-21
	Note	Outturn	Estimate	Outturn vs Estimate: saving/ (excess)
Total Resource outturn	SOPS1.1	1,566,881	1,920,910	354,029
Total Capital outturn	SOPS1.2	373,339	387,439	14,100
Accruals to cash adjustments:				
<i>Adjustments to remove non-cash items:</i>				
Depreciation	6	(35,975)	(348,931)	(312,956)
Amortisation	7	(12,567)	–	12,567
Revaluation – property, plant and equipment	4	(85,684)	–	85,684
Bad debt write-off	4	(703)	–	703
Write-off – property, plant and equipment	4	(6,305)	–	6,305
Write-off – intangible assets	4	(2,197)	–	2,197
New provisions and in year adjustments	4	(20,194)	(42,419)	(22,225)
Impairment for trade receivables	4	(4,938)	–	4,938
Assets classified as held for sale – gain / (loss) in fair value	4	(100)	–	100
Audit fee	4	(727)	(620)	107
Notional Expenditure Digital Apprenticeship Service	4	(571)	–	571
Notional Income Digital Apprenticeship Service	5	571	–	(571)

£000				2020-21
	Note	Outturn	Estimate	Outturn vs Estimate: saving/ (excess)
Adjustments for ALBs:				
Remove voted resource and capital		(1,857)	(20,841)	(18,984)
Add cash grant-in-aid		2,447	20,555	18,108
Remove EHRC resource and capital		(17,677)	–	17,677
Add EHRC non cash adjustment and working capital		479	–	(479)
Add EHRC grant in aid		17,098	–	(17,098)
Remove EHRC interest cost on pension scheme liabilities		(25)	–	25
Add GPA capital grant income in respect of lease incentive		18,020	–	(18,020)
Add GPA lease incentive receivable		(517)	–	517
Utilisation of provisions offset by receivable		506	–	(506)
Adjustment to reflect movements in working balances:				
Increase / (Decrease) in inventories		189	–	(189)
Increase / (Decrease) in trade receivables		(13,149)	185,000	198,149
Increase / (Decrease) in non-current receivables		21,500	–	(21,500)
(Increase) / Decrease in trade payables		(53,985)	25,000	78,985
(Increase) / Decrease in non-current payables		(52,656)	–	52,656
Remove voted resource and capital accrual		(131)	–	131
Use of provisions	16, 19	102	–	(102)
Elimination adjustment		(10,365)	–	10,365
Net Total		1,680,809	2,126,093	445,284

£000				2020-21
	Note	Outturn	Estimate	Outturn vs Estimate: saving/ (excess)
Removal of non-voted budget items:				
Salary and pension costs of the UK members of European Parliament	SOPS2.1	(2,232)	(2,500)	(268)
Returning Officers' expenses, England, Wales and Scotland				
– 2019 UK Parliamentary general election	4, SOPS1.1	7,387	–	(7,387)
– 2017 UK Parliamentary general election	4, SOPS1.1	64	–	(64)
– UK Parliamentary by-elections	4, SOPS1.1	7	(250)	(257)
– UK Parliamentary re-call petitions	4, SOPS1.1	6	(250)	(256)
– 2019 European Parliamentary election	4, SOPS1.1	1,337	–	(1,337)
– 2019 Police and Crime Commissioner elections	4, SOPS1.1	105	–	(105)
– 2020 postponed Police and Crime Commissioner elections	4, SOPS1.1	(3,420)	(24,460)	(21,040)
– Election bank charges	4, SOPS1.1	(1)	–	1
Registrar of Consultant Lobbyists				
– Cash surrendered to the Consolidated Fund	15, SOPS4	(152)	–	152
– Cash surrenderable to the Consolidated Fund – registration fees	15, SOPS4	156	–	(156)
– Cash surrenderable to the Consolidated Fund – civil penalties	15, SOPS4	5	–	(5)
– Non-voted resource income	SOPS1.1	–	237	237
Amounts due to the Consolidated Fund receivable from disposals		(48,125)	–	48,125
Net cash requirement		1,635,946	2,098,870	462,924

Net cash requirement is under budget by £462.924 million due to the movement in working capital (£308.601 million) being lower than budgeted for, plus underspends on voted resource (£140.223 million) and capital (£14.100 million).

SOPS 4. 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 2020-21		Outturn 2019-20	
		Accruals	Cash basis	Accruals	Cash basis
Disposal of financial assets					
Disposal of shareholding in MyCSP Limited	10, 15	–	4,000	–	–
Disposal of non-financial assets					
Sale of Sunningdale Park	12, 15	–	7,425	48,400	26,125
Recoveries from Carillion plc in liquidation	15	25,000	25,000	22,000	22,000
Returning Officers' expenses England, Wales and Scotland					
Forfeited deposits					
– 2019 UK Parliamentary general election		–	–	602	602
– UK Parliamentary by-elections		–	–	10	10
– 2019 European Parliamentary election		–	–	195	195
Forfeited deposits Receivable					
– 2019 UK Parliamentary election		4	16	20	–
Registrar of Consultant Lobbyists					
Registration fees from consultant lobbyists	15	156	156	150	150
Civil penalties applied to consultant lobbyists	15	5	5	2	2
Total amount payable to the Consolidated Fund		25,165	36,602	71,379	49,084

Income payable to the Consolidated Fund

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 1 March in 2021, 2022 and 2023.

Recoveries from Carillion plc in liquidation

Cabinet Office received £25 million which is surrenderable to the Consolidated Fund. See Note 15 to the Financial Statements.

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 for 2020-21 was £16,000 (2019-20: £807,000).

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 £155,836 (2019-20: £150,415).

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 £5,055 (2019-20: £2,150).

4. Parliamentary accountability disclosures

The parliamentary accountability disclosures are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

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 shown in the following tables are for the departmental group.

4.1.1. Losses statement (audited)

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

	2020-21	2019-20
	Departmental Group	Departmental Group
Total number of losses	487	77
Total value of losses (£000)	158,844	154

Details of closed cases over £300,000

12 months to 31 Mar 2021	2020-21
£000	Departmental Group
Constructive losses incurred on the Ventilator Challenge Programme	143,136
Write off of carrying value of face covering manufacturing machines	6,305
Constructive losses incurred due to Police and Crime Commissioner aborted election costs	3,401
Abandonment of a Recruitment Digital Services intangible software asset at the development stage	1,745
Constructive losses incurred on the Face Covering Programme	962
Constructive losses incurred due to a cancelled COVID-19 Christmas communications campaign following a government change to restrictions	473
Abandonment of a National Leadership Centre intangible software asset at the development stage	355

4.1.2. Special payments (audited)

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

	2020-21	2019-20
	Departmental Group	Departmental Group
Total number of special payments	22	49
Total value of special payments (£000)	96	78

4.2. Fees and charges (audited)

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	2020-21	2019-20 Restated
	Departmental Group	Departmental Group
Full cost of service to other Government Departments		
Government Commercial Organisation	114,940	78,651
Civil Service HR	106,689	104,999
Government Security Group	76,404	–
Government Business Services	25,088	19,988
Government Digital Services	25,490	–
CDIO/Digital and Technology Team	6,986	4,623
Total service cost	355,597	208,261
Less: income received		
Government Commercial Organisation	(113,721)	(78,700)
Civil Service HR	(107,719)	(103,847)
Government Security Group	(80,993)	–
Government Business Services	(25,126)	(20,375)
Government Digital Services	(24,418)	–
CDIO/Digital and Technology Team	(6,000)	(4,605)
Total income	(357,977)	(207,527)
Net deficit / (surplus)	(2,380)	734

Government Commercial Organisation

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 based on the headcount of the GCO Specialists deployed in a department to fund the operational costs incurred in the running of the GCO. Also included against GCF in Note 5. to the Accounts (Income) is the Complex Transactions team which increases commercial capability on complex deals by providing direct commercial support to departments.

Civil Service HR

Civil Service HR (CSHR) is accountable for cross-Civil Service HR policy and the provision of HR Services, and is the centre of the Civil Service HR Profession and Function. CSHR share HR expertise and maximise buying power across the Civil Service in a joined-up and effective manner, to deliver professional and more efficient HR services. CSHR receives fees for bespoke services from a 'menu' (including Fast stream recruitment) which are charged directly to other Government bodies for the services they request.

Government Security Group

The Government Security Group income is derived from working across government in relation to Transforming Government Security, security vetting and provision of secure IT to allow sharing of information at certain classification levels.

The perceived surplus within the Government Security Group in Financial Year 2020-21 is due to £4 million of expenditure which has been capitalised and will be released over the next three years.

Government Business Services

The Government Recruitment Services team within Government Business Services provide a range of expert attraction, recruitment and pre-employment checking services, supporting around 70% of the Civil Service to deliver their strategic priorities. They maximise buying power across the Civil Service as a shared service provider. They operate on a full cost recovery basis through a combination of fixed fee and bespoke charging.

Government Digital Services

Government Digital Service (GDS) receives fees from [GOV.UK Notify](#) which enables service teams across government to send text messages, emails or letters to their users. The charge is based on the volume of messages sent and is calculated to cover the costs of the service. Also included against GDS in Note 5. to the Accounts (Income) are [GOV.UK Verify](#) and the GDS Academy.

Chief Digital Information Officer

The Chief Digital Information Officer (CDIO) provides a fully managed IT service to the Crown Commercial Service and the Department for Digital, Culture, Media & Sport, recovering all costs.

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

4.3. Remote contingent liabilities

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.

COVID-19 Indemnity for Returning Officers and Counting Officers at local government elections and referendums in England

For the purposes of local government elections and referendums in England, Returning Officers 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. Existing insurance that covers Returning Officers and Counting Officers in discharging their statutory duties at local elections will not, in most cases, cover them against claims in relation to COVID-19. The Cabinet Office has provided a specific and limited indemnity to Returning Officers and Counting Officers at local government elections and referendums in England taking place between 6 May 2021 and 4 May 2022 (both dates inclusive). The indemnity covers, subject to exclusions, Returning Officers and Counting Officers in respect of losses, liabilities, damages,

costs, and/or reasonable expenses in claims that may be made against or incurred by the Returning Officer or Counting Officer where COVID-19 has been contracted due to participation in the election or referendum process; and challenges against the conduct of the election brought where a link with COVID-19 is alleged, and which arise in relation to the Returning Officer's discharge of responsibilities.

Indemnity for Returning Officers at the UK parliamentary elections

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 has provided an indemnity to Returning Officers for UK parliamentary elections. 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 1 May 2024.

Indemnity for Returning Officers at the Police and Crime Commissioner elections, May 2021

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 has provided an indemnity to Police Area Returning Officers and Local Returning Officers for the Police and Crime Commissioner elections to be held on 6 May 2021. 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 has 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 on 2 May 2024.

Indemnity for Petition Officers

The Cabinet Office has provided an indemnity to Petition Officers for any recall petition that may be held before 6 May 2024. For the purposes of recall petitions, Petition 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 signing locations to recall petition complaints, challenging the outcome of a petition and associated legal costs. The Cabinet Office has not provided an indemnity for Petition Officers previously as the recall petition legislation came into effect only in 2015.

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. The indemnity is 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.

Indemnity for Ventilator Provider, 2020

In agreeing the emergency provision of ventilators, Cabinet Office have provided indemnities. Indemnity one is for the third party Intellectual Property Rights for the designers of the rapidly manufactured ventilator systems (RMVSs) and for the contract manufacturers of RMVS. The basic functionality of a ventilator is well understood and we believe that the risk here is low. Indemnity two is for the product liability for the designers of the RMVS and for the contract manufacturers of RMVS. The need is driven by the unprecedented speed of the development of this medical device compared to typical development times frequently measured in months and years. This indemnity was issued as part of contracts signed 26 March to 28 March 2020. Where the Cabinet Office extend the provisions of these now standard terms for accelerated manufacturing process, similar indemnities will be offered.

Commercially Sensitive

Cabinet Office have entered into contingent liabilities by offering contractual guarantee limitations to supplier liabilities. There are some liabilities where details are not given due to reasons of commercial sensitivity, of which the likelihood of a future outflow of

economic resources is considered remote and unquantifiable.

Protocol on Ireland and Northern Ireland

The European Commission has sent a letter of formal notice to the United Kingdom with regard to measures taken by the Government in March to avoid disruption to critical goods flows in Northern Ireland. This marks the beginning of a formal infringement process against the United Kingdom.

The Government is defending its position robustly, and a remote contingent liability exists in 2020-21 pending the outcome of this process.

4.4. Entities outside the departmental boundary

Executive agency – Crown Commercial Service

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. 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](https://www.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](https://www.gov.uk) website.



Alex Chisholm

Chief Operating Officer for the Civil Service and Permanent Secretary and Principal Accounting Officer

13 July 2021

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 2021 under the Government Resources and Accounts Act 2000. 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 2020. 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. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting

Standards as interpreted by HM Treasury's Government Financial Reporting Manual.

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 the Departmental Group's affairs as at 31 March 2021 and of the Department's net expenditure and Departmental Group's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2021 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law 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 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Cabinet Office in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Cabinet Office's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Cabinet Office's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Cabinet Office is adopted in consideration of the requirements set out in HM Treasury's Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent

otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- 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; and
- the information given in the Directors', Performance, Governance 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

In the light of the knowledge and understanding of the Cabinet Office and its environment obtained in the course of the audit, I have not identified

material misstatements in the Directors', Performance, Governance and Accountability Reports. 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
- certain disclosures of remuneration specified by HM Treasury's Government Financial Report Manual are not made; 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.

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 in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the Cabinet Office's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Cabinet Office will not continue to be provided in the future.

Auditor’s responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- Inquiring of management, the Cabinet Office’s head of internal audit and those charged with governance, including

obtaining and reviewing supporting documentation relating to the Cabinet Office’s policies and procedures relating to:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Group’s controls relating to the Government Resources and Accounts Act 2000 and Managing Public Money;
- discussing among the engagement team including significant component audit teams and involving relevant internal and external specialists, including property valuation and financial instrument valuation experts, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and significant estimates;
 - obtaining an understanding of the Cabinet Office and group’s framework of authority as well as other legal and regulatory frameworks that the Cabinet Office and Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental

effect on the operations of the Cabinet Office and Group. The key laws and regulations I considered in this context included the Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2020, employment law and tax legislation; and

- other risk assessment procedures performed relating to fraud, non-compliance with laws and regulations and regularity, including: review of board minutes, attending the Audit and Risk Committee; enquiries of management, internal audit and those charged with governance; review of significant and unusual transactions; and review of segregation of duties and mitigating controls.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant

transactions that are unusual or outside the normal course of business; and

- other audit procedures responsive to the risk of fraud, non-compliance with laws and regulation or irregularity as appropriate, including testing of significant and unusual transactions and including an assessment of the regularity of transactions tested.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General National Audit Office

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

14 July 2021

Financial Statements

Consolidated Statement of comprehensive net expenditure

For the year ended 31 March 2021

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		2020-21	2020-21	2019-20 Restated	2019-20 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Revenue from contracts with customers	5	(598,569)	(597,785)	(472,747)	(472,114)
Other operating income	5	(144,974)	(144,513)	(129,069)	(129,001)
Non-cash income	5	(732,381)	(732,335)	(22,021)	(21,967)
Total operating income	5	(1,475,924)	(1,474,633)	(623,837)	(623,082)
Staff costs	4	686,831	701,472	592,776	606,552
Grants	4	64,076	44,532	59,290	37,625
Purchase of goods and services	4	1,295,192	1,298,429	543,401	547,896
Rentals under operating leases	4	158,836	159,131	121,201	121,333
Geospatial data	4	146,727	146,727	80,544	80,544
Returning Officers' expenses, England, Wales and Scotland	4	(5,485)	(5,485)	289,767	289,767

£000		2020-21	2020-21	2019-20 Restated	2019-20 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Depreciation, impairment and property gains	4	273,969	274,481	14,074	14,579
Provisions and other non-cash costs	4	21,474	21,492	791	631
Total operating expenditure	4	2,641,620	2,640,779	1,701,844	1,698,927
Net operating expenditure		1,165,696	1,166,146	1,078,007	1,075,845
Transfer of function		–	–	(3,920)	(3,920)
Total non-operating gain		–	–	(3,920)	(3,920)
Finance income		(2,932)	(2,932)	(1,913)	(1,913)
Finance expenditure		1,248	1,248	14	14
Non-cash interest cost on pension scheme liabilities		–	25	–	40
Net finance expenditure		(1,684)	(1,659)	(1,899)	(1,859)
Share of associates' results	10	(18,597)	(18,597)	(18,973)	(18,973)
Fair value (gain) / loss on financial assets – associate put options	11.1, 11.2	42,591	42,591	(19,454)	(19,454)
Net associates (non-cash)		23,994	23,994	(38,427)	(38,427)
Net expenditure for the year		1,188,006	1,188,481	1,033,761	1,031,639

£000		2020-21	2020-21	2019-20 Restated	2019-20 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Other comprehensive income					
Items that will not be reclassified to net operating expenditure:					
Net (gain) / loss on revaluation of:					
– Property, plant and equipment	4, 6	6,042	6,042	(10,986)	(11,008)
– Intangible assets	7	(475)	(475)	(1,025)	(995)
Share of associates foreign exchange (gain) / loss	10	40	40	(31)	(31)
Actuarial (gain) / loss on pension scheme liabilities		–	39	–	82
Total other comprehensive income		5,607	5,646	(12,042)	(11,952)
Comprehensive net expenditure for the year		1,193,613	1,194,127	1,021,719	1,019,687

Notes 1 to 25 form part of these accounts.

Consolidated statement of financial position

As at 31 March 2021

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 2021	As at 31 March 2021	As at 31 March 2020 Restated	As at 31 March 2020 Restated	As at 1 April 2019 Restated	As at 1 April 2019 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Non-current assets							
Property, plant and equipment	6	1,015,637	1,016,517	366,783	367,778	346,352	347,637
Intangible assets	7	32,764	33,081	34,646	34,977	29,068	29,188
Investments in associates	10	71,392	71,392	67,770	67,770	66,190	66,190
Trade and other receivables	14	120,377	120,436	98,936	98,936	62,553	62,612
Other financial assets	11.2	39,751	39,751	25,086	25,086	350	350
Total non-current assets		1,279,921	1,281,177	593,221	594,547	504,513	505,977

£000		As at 31 March 2021	As at 31 March 2021	As at 31 March 2020 Restated	As at 31 March 2020 Restated	As at 1 April 2019 Restated	As at 1 April 2019 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Current assets							
Assets classified as held for sale	12	1,300	1,300	–	–	16,812	16,812
Inventories		608	608	419	419	569	569
Trade and other receivables	14	442,381	443,029	530,470	531,129	248,590	248,962
Other financial assets	11.1	9,410	9,410	66,666	66,666	71,948	71,948
Cash and cash equivalents	13	47,073	47,158	140,464	140,649	76,535	76,561
Total current assets		500,772	501,505	738,019	738,863	414,454	414,852
Total assets		1,780,693	1,782,682	1,331,240	1,333,410	918,967	920,829
Current liabilities							
Trade and other payables	15	(483,247)	(485,315)	(575,256)	(576,903)	(299,043)	(302,115)
Provisions	16	(15,454)	(15,454)	(2,674)	(2,674)	(2,759)	(2,979)
Retirement benefit obligations	19	–	(100)	–	(98)	–	(100)
Total current liabilities		(498,701)	(500,869)	(577,930)	(579,675)	(301,802)	(305,194)

£000		As at 31 March 2021	As at 31 March 2021	As at 31 March 2020 Restated	As at 31 March 2020 Restated	As at 1 April 2019 Restated	As at 1 April 2019 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Total assets less current liabilities		1,281,992	1,281,813	753,310	753,735	617,165	615,635
Non-current liabilities							
Trade and other payables	15	(66,712)	(66,732)	(14,065)	(14,076)	(4,000)	(4,018)
Provisions	16	(78,249)	(78,477)	(65,728)	(65,908)	(37,732)	(37,913)
Retirement benefit obligations	19	–	(1,325)	–	(1,362)	–	(1,335)
Total non-current liabilities		(144,961)	(146,534)	(79,793)	(81,346)	(41,732)	(43,266)
Total assets less total liabilities		1,137,031	1,135,279	673,517	672,389	575,433	572,369
Taxpayers' equity and other reserves							
General fund		734,379	732,565	576,943	575,753	489,624	486,443
Revaluation reserve		402,652	402,714	96,574	96,636	85,809	85,926
Total equity		1,137,031	1,135,279	673,517	672,389	575,433	572,369

Notes 1 to 25 form part of these accounts.



Alex Chisholm, Chief Operating Officer for the Civil Service and Permanent Secretary and Principal Accounting Officer

Consolidated statement of cash flows

For the year ended 31 March 2021

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		2020-21	2020-21	2019-20 Restated	2019-20 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Cash flows from operating activities					
Net operating expenditure	CSo CNE	(1,165,696)	(1,166,146)	(1,078,007)	(1,075,845)
Adjustments for non-cash expenditure	4	295,443	295,973	14,865	15,210
Adjustments for non-cash income	5	(732,381)	(732,335)	(22,021)	(21,967)
Remove dividend income	5	(14,500)	(14,500)	(14,475)	(14,475)
Increase in trade and other receivables	14	66,648	66,600	(318,263)	(318,491)
<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	5,126	5,158	28,049	28,049

£000		2020-21	2020-21	2019-20 Restated	2019-20 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
– Movement in amounts relating to provision for credit losses	4	(4,938)	(4,938)	(338)	(338)
– Amounts relating to bad debt write-off	4	(703)	(703)	(471)	(471)
– Amounts relating to prepayments offset by capital grant in kind income		–	–	5,522	5,522
– Discount of receivable from Equiniti Ltd	4	–	–	212	212
– (Increase)/ Decrease of discount of receivable from sale of Sunningdale Park	14	–	–	(1,552)	(1,552)
– Associate dividends receivable	10	306	306	–	–
(Increase) / decrease in inventories		(189)	(189)	150	150
Increase in trade and other payables	15	(39,362)	(38,932)	286,278	284,846
<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	46,497	46,497	1,079	1,079
– Amounts payable to the Consolidated Fund	15	40,700	40,694	(46,360)	(46,361)

£000		2020-21	2020-21	2019-20 Restated	2019-20 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
– Movement in capital accruals relating to investing activities		(6,098)	(6,098)	(5,132)	(5,132)
– Amounts relating to deemed cash settlement from 2018-19 transfer of function from Cabinet Office	SoC TE	–	–	(31)	(31)
Use of provisions	16, 17	(2)	(102)	(95)	(253)
Net cash inflow / (outflow) from operating activities		(1,509,149)	(1,508,715)	(1,150,590)	(1,149,848)
Cash flows from investing activities					
Purchase of non-financial assets					
– Purchase of property, plant and equipment	6	(178,242)	(178,520)	(22,405)	(22,565)
– Purchase of intangible assets	7	(12,160)	(12,266)	(16,460)	(16,735)
Proceeds from disposal of non-financial assets					
– Proceeds from disposal of property, plant and equipment		–	–	43	44
Dividends received from Crown Commercial Service	5	14,500	14,500	14,475	14,475
Dividends received from associates	10	14,629	14,629	17,424	17,424

£000		2020-21	2020-21	2019-20 Restated	2019-20 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Proceeds from disposal of site at Sunningdale Park		–	–	48,400	48,400
Movement in capital accruals		6,098	6,098	5,132	5,132
Net cash inflow / (outflow) from investing activities		(155,175)	(155,559)	46,609	46,175
Cash flows from financing activities					
From the Consolidated Fund (Supply) – current year	CSo CTE	1,589,449	1,589,449	877,652	877,652
From the Consolidated Fund (Non-supply) – current year	CSo CTE	20,500	20,500	258,772	258,772
From the Consolidated Fund (Supply) in respect of Machinery of Government transfer of function		–	–	30,075	30,075
Interest income	CSo CNE	2,932	2,932	1,913	1,913
Interest expense	CSo CNE	(1,248)	(1,248)	(14)	(14)
Net financing		1,611,633	1,611,633	1,168,398	1,168,398

£000		2020-21	2020-21	2019-20 Restated	2019-20 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Net increase / (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(52,691)	(52,641)	64,417	64,725
Payment of amounts due to the Consolidated Fund	15	(40,700)	(40,850)	(488)	(637)
Net increase / (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund	13	(93,391)	(93,491)	63,929	64,088
Cash and cash equivalents at the beginning of the period	13	140,464	140,649	76,535	76,561
Cash and cash equivalents at the end of the period	13	47,073	47,158	140,464	140,649

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 2021

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
Balance at 1 April 2019 – restated		489,624	85,809	575,433
Net Parliamentary Funding – drawn down	CSoCF	877,652	–	877,652
Amounts relating to Machinery of Government transfer of functions	2	30,075	–	30,075
Net Parliamentary Funding – deemed		61,509	–	61,509
Supply payable adjustment		(60,430)	–	(60,430)
Cash surrenderable to the Consolidated Fund	10	(48,400)	–	(48,400)
Net expenditure for the year	CSoCNE	(1,033,761)	–	(1,033,761)
Non-cash charges – auditors' remuneration	4	710	–	710
Notional Corporate Services Recharges	5	(54)	–	(54)

£000		General Fund	Revaluation Reserve	Taxpayers' Equity
	Note	Core Department and agency	Core Department and agency	Core Department and agency
Returning Officers' expenses, England, Wales and Scotland				
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
Movements in Reserves				
Net gain / (loss) on revaluation of property, plant and equipment	CSoCNE	–	10,986	10,986
Net gain / (loss) 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)
Balance at 31 March 2020 – restated		576,943	96,574	673,517
Net Parliamentary Funding – drawn down	CSoCF	1,589,449	–	1,589,449
Net Parliamentary Funding – deemed	15	60,430	–	60,430

£000		General Fund	Revaluation Reserve	Taxpayers' Equity
	Note	Core Department and agency	Core Department and agency	Core Department and agency
Supply payable adjustment	15	(13,933)	–	(13,933)
Net expenditure for the year	CSoCNE	(1,188,006)	–	(1,188,006)
Non-cash charges – auditors' remuneration	4	727	–	727
Notional Corporate Services Recharges	5	(46)	–	(46)
Returning Officers' expenses, England, Wales and Scotland				
Consolidated Fund Standing Services – non supply – drawn down:				
– 2019 UK Parliamentary General elections		25,000	–	25,000
– 2017 UK Parliamentary General elections		(3,200)	–	(3,200)
– 2019 European Parliamentary elections		(1,300)	–	(1,300)
Movements in Reserves				
Net gain / (loss) on revaluation of property, plant and equipment	CSoCNE		(6,042)	(6,042)
Net gain / (loss) on revaluation of intangible assets	CSoCNE		475	475
Share of associates foreign exchange gains / (losses)	CSoCNE		(40)	(40)
Transfers between reserves – asset transfers		(316,196)	316,196	–
Transfers between reserves – other transfers		4,511	(4,511)	–
Balance at 31 March 2021		734,379	402,652	1,137,031

Notes 1 to 25 form part of these accounts.

Departmental Group for the year ended 31 March 2021

£000		General Fund	Revaluation Reserve	Taxpayers' Equity
	Note	Department Group	Department Group	Department Group
Balance at 1 April 2019 – restated		486,443	85,926	572,369
Net Parliamentary Funding – drawn down	CSoCF	877,652	–	877,652
Amounts relating to Machinery of Government transfer of functions	2	30,075	–	30,075
Net Parliamentary Funding – deemed		61,509	–	61,509
Supply payable adjustment		(60,430)	–	(60,430)
Cash surrenderable to the Consolidated Fund	10	(48,550)	–	(48,550)
Net expenditure for the year	CSoCNE	(1,031,639)	–	(1,031,639)
Non-cash charges – auditors' remuneration	4	710	–	710
Returning Officers' expenses, England, Wales and Scotland				
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

£000		General Fund	Revaluation Reserve	Taxpayers' Equity
	Note	Department Group	Department Group	Department Group
Movements in Reserves				
Net gain / (loss) on revaluation of property, plant and equipment	CSoCNE	–	11,008	11,008
Net gain / (loss) on revaluation of intangible assets	CSoCNE	–	995	995
Share of associates foreign exchange gains / (losses)	CSoCNE	–	31	31
Actuarial gain / (loss) on pension scheme liabilities	CSoCNE	(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)
Balance at 31 March 2020 – restated		575,753	96,636	672,389
Net Parliamentary Funding – drawn down	CSoCF	1,589,449	–	1,589,449
Net Parliamentary Funding – deemed	15	60,430	–	60,430
Supply payable adjustment	15	(13,933)	–	(13,933)
Cash surrenderable to the Consolidated Fund	15	(156)	–	(156)
Net expenditure for the year	CSoCNE	(1,188,481)	–	(1,188,481)
Non-cash charges – auditors' remuneration	4	727	–	727

£000		General Fund	Revaluation Reserve	Taxpayers' Equity
	Note	Department Group	Department Group	Department Group
Returning Officers' expenses, England, Wales and Scotland				
Consolidated Fund Standing Services – non supply – drawn down:				
– 2019 UK Parliamentary General elections		25,000	–	25,000
– 2017 UK Parliamentary General elections		(3,200)	–	(3,200)
– 2019 European Parliamentary elections		(1,300)	–	(1,300)
Movements in Reserves				
Net gain / (loss) on revaluation of property, plant and equipment	CSoCNE	–	(6,042)	(6,042)
Net gain / (loss) on revaluation of intangible assets	CSoCNE	–	475	475
Share of associates foreign exchange gains / (losses)	CSoCNE	–	(40)	(40)
Actuarial gain / (loss) on pension scheme liabilities	CSoCNE	(39)	–	(39)
Transfers between reserves – asset transfers		(316,196)	316,196	–
Transfers between reserves – other transfers		4,511	(4,511)	–
Balance at 31 March 2021		732,565	402,714	1,135,279

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 2020-21 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 2020 Spending Review which set out budgets for 2021-22 and parliament has authorised spending for 2021-22 in the Central Government Main Supply Estimates 2021-22 (HC 14).

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.

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 EHRC and its legacy organisations 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 it 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.

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

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. This means the budgeting treatment will differ from the accounting treatment shown in these statements. In 2020-21 GPA elected to do this with an incentive payment made for Bristol Temple Quays House and Birmingham, Platform 21.

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 desktop valuation exercises undertaken by independent qualified valuation experts without re-inspection, or by reference to published indices reflecting current prices on an active market for similar property.

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. Further information regarding the 2020-21 art and antique valuation approach can be found in Note 1.33.

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 within the following ranges:

Freehold buildings, including dwellings	10 to 60 years
Leasehold building improvements	over the remaining term of the lease
Information technology and office equipment	3 to 14 years
Plant and machinery	3 to 25 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 associated revaluation reserves are also transferred in full with a corresponding opposite entry debited from the General Fund upon transfer. For details of property, plant and equipment donated to GPA in 2020-21, see Note 6.5. 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 reporting periods are greater than three months apart, the associate prepares for the department unaudited financial statements as at the department's reporting date. 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

In accordance with IFRS 9 as adapted by the FReM, the department has developed a provision matrix to estimate Expected Credit Losses 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. We have assessed the impact of the pandemic on our expected credit losses. There has been no material impact on our trade receivables, and therefore have made no adjustments to our matrix.

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 in the Financial Statements. 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 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 (0.95)% (2019-20:(0.5)%) in real terms effective from 31 March 2021. 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 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. In 2020-21 all employees' annual leave years were harmonised to end on 31 March 2021. The average number of days leave not taken for each grade is calculated from a random sampling exercise performed 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 it can be demonstrated that a “transfer of function” has taken place within a departmental group the transfer has been applied as transfer by absorption, with net assets being brought onto the accounts at carrying value from the date of transfer and recognition of a non-operating gain (or loss) on transfer.

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.

Freehold properties on boarded from other government entities are subject to measured surveys and valuations by Montagu Evans agreed with the transferring department who also recognises any impairment or revaluation immediately before transfer with the transfer being at fair value in accordance with the FReM.

IAS 16 treatment for property, plant and equipment

IAS 16 Property, Plant and Equipment has been applied to all of the property, plant and equipment held by the 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 desktop valuation exercises undertaken by independent qualified valuation experts without re-inspection, or by reference to published indices reflecting current prices on an active market for similar property.

COVID-19 continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, lockdowns have been applied to varying degrees and to reflect further waves of COVID-19; although these may imply a new stage of the pandemic, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the reporting date property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, valuations are not reported as being subject to material valuation uncertainty.

Put Options

The department has the contractual benefit of put options in relation to its investments in certain associate companies. Under these put options Cabinet Office can require the co-investors in its associates to purchase its investments in those associates at the higher of associate specific contractually set

formula values linked to the associates' net cash or debt positions and earnings or fair value of Cabinet Office's equity shareholding as determined by an independent expert. The put options are not capable of separate realisation; they can only be realised together with the underlying investments to which they are linked.

In valuing put options, Cabinet Office has made assumptions about the future performance of some of its associates based on the best and reasonably available evidence. Sensitivity surrounding assumptions about future earnings, choice of discount rates, selection of the most appropriate measurement date, valuation based on formula values or fair values and management judgement when assessing for indicators of impairment could have a significant effect on the fair value of the reported derivative financial assets.

Sensitivity analysis regarding judgements and key sources of estimation uncertainty of put option valuations can be found in Note 11 Financial assets.

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.

Art and antiques valuations

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.

Since the outbreak of the COVID-19 pandemic, the Cabinet Office has been operating with limited estate access. Consequently, the scheduled quinquennial art and antique valuation for 2020-21 has not been practicable and has been deferred to 2021-22.

Historic insurance 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. An intervening indexation for 2020-21 has not been applied due to the absence of a range of reflective indices, in accordance with past consultation with Government Art Collection. Given the unknown future impact of COVID-19, the Cabinet Office will keep the valuation of its art and antiques under frequent review.

1.34. Impending application of newly issued accounting standards not yet effective

The following standard is expected to be applied in 2022-23 following HM Treasury consultation, effective 1 April 2022.

IFRS 16 Leases

IFRS 16 deals with the definition of a lease and recognition and measurement of leases, 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 19 November 2020 to further defer the implementation of IFRS 16 in central government until 1 April 2022. This represents a further 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 £1 billion through the recognition of lessee contracts on 1 April 2022.

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.

The 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, the Cabinet Office expects to reclassify a large portion of its sublease arrangements as finance leases. Leased right of use assets of a total value of £0.4 billion will be derecognised and subsequent net investments in subleases will be recognised.

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 2020-21 a number of Machinery of Government changes affected Cabinet Office, as follows:

Entity	Exporting Department	Importing Department
Border and Protocol Delivery Group	Her Majesty's Revenue and Customs	Cabinet Office
Government use of data	Department for Digital, Culture, Media and Sport	Cabinet Office

Border and Protocol Delivery Group

A Prime Ministerial written statement on 11 June 2020 announced that responsibility for the Border Delivery Group, now known as the Border and Protocol Delivery Group, had transferred from Her Majesty's Revenue and Customs to the Cabinet Office. This change was effective immediately 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. Existing ministerial responsibilities remain unchanged.

Government use of data

A Prime Ministerial written statement on 22 July 2020 announced that responsibility for government use of data has transferred from the Department for Digital, Culture, Media and Sport (DCMS) to the Cabinet Office. DCMS will retain responsibility for data policy for the economy and society. This change will help ensure that government data is used most effectively to drive policy making and service delivery. There were, however, no prior period transactions or balances to transfer nor any movement of staff associated

with this change, so no restatements have resulted from this transfer.

Prior year restatement – AXELOS consideration

In 2020-21 Cabinet Office along with the National Audit Office reassessed an accounting judgment from 2016-17 relating to consideration receivable on the sale of part of Cabinet Office's business and related assets (Swirl portfolio). This has resulted in the removal of a previously disclosed contingent asset and the recognition of a financial asset under IFRS9.

The total consideration receivable from 1 January 2017 – 31 December 2023 is £65.8 million. The present value of the £65.8 million consideration, which is £51.239 million has been recognised as a financial asset at fair value through profit and loss in a prior year and the income recognised in all periods since 2017-18 has been reversed. As at 1 April 2019, the financial asset measured at fair value through profit and loss, is £33.3 million. At 31 March 2020, the financial asset is valued at £25.8 million (see Note 14).

2.1. Restated Consolidated Statement of Comprehensive Net Expenditure

Departmental core and agency for the year ended 31 March 2020

£000	2019-20 Published Accounts	Prior Year Restatement	BPDG MOG	Elimination between CO and BPDG	2019-20 Restated Accounts
Revenue from contracts with customers	(479,918)	–	–	7,171	(472,747)
Other operating income	(138,701)	9,400	–	232	(129,069)
Non-cash income	(22,021)	–	–	–	(22,021)
Total operating income	(640,640)	9,400	–	7,403	(623,837)
Staff costs	585,354	–	7,442	(20)	592,776
Grants	59,290	–	–	–	59,290
Purchase of goods and services	525,890	–	22,228	(4,717)	543,401
Rentals under operating leases	121,201	–	292	(292)	121,201
Geospatial data	80,544	–	–	–	80,544
Returning Officers' expenses, England, Wales and Scotland	289,767	–	–	–	289,767
Depreciation, impairment and property gains	14,074	–	–	–	14,074
Provisions and other non-cash costs	791	–	–	–	791
Total operating expenditure	1,676,911	–	29,962	(5,029)	1,701,844
Net operating expenditure	1,036,271	9,400	29,962	2,374	1,078,007
Transfer of function	(3,920)	–	–	–	(3,920)
Total non-operating gain	(3,920)	–	–	–	(3,920)
Finance income	(16)	(1,897)	–	–	(1,913)
Finance expenditure	14	–	–	–	14
Net finance expenditure	(2)	(1,897)	–	–	(1,899)

£000	2019-20 Published Accounts	Prior Year Restatement	BPDG MOG	Elimination between CO and BPDG	2019-20 Restated Accounts
Share of associates results (non-cash)	(18,973)	–	–	–	(18,973)
Fair value gain on financial assets – associate put options (non-cash)	(19,454)	–	–	–	(19,454)
Net associates (non-cash)	(38,427)	–	–	–	(38,427)
Net expenditure for the year	993,922	7,503	29,962	2,374	1,033,761
Net gain on revaluation of property, plant and equipment	(10,986)	–	–	–	(10,986)
Net gain on revaluation of intangible assets	(1,025)	–	–	–	(1,025)
Share of associates foreign exchange gain	(31)	–	–	–	(31)
Total other comprehensive income	(12,042)	–	–	–	(12,042)
Comprehensive net expenditure for the year	981,880	7,503	29,962	2,374	1,021,719

Departmental Group for the year ended 31 March 2020

£000	2019-20 Published Accounts	Prior Year Restatement	BPDG MOG	Elimination between CO and BPDG	2019-20 Restated Accounts
Revenue from contracts with customers	(479,285)	–	–	7,171	(472,114)
Other operating income	(138,633)	9,400	–	232	(129,001)
Non-cash income	(21,967)	–	–	–	(21,967)
Total operating income	(639,885)	9,400	–	7,403	(623,082)
Staff costs	599,130	–	7,442	(20)	606,552
Grants	37,625	–	–	–	37,625
Purchase of goods and services	530,385	–	22,228	(4,717)	547,896
Rentals under operating leases	121,333	–	292	(292)	121,333
Geospatial data	80,544	–	–	–	80,544
Returning Officers' expenses, England, Wales and Scotland	289,767	–	–	–	289,767
Depreciation, impairment and property gains	14,579	–	–	–	14,579
Provisions and other non-cash costs	631	–	–	–	631
Total operating expenditure	1,673,994	–	29,962	(5,029)	1,698,927
Net operating expenditure	1,034,109	9,400	29,962	2,374	1,075,845
Transfer of function	(3,920)	–	–	–	(3,920)
Total non-operating gain	(3,920)	–	–	–	(3,920)
Finance income	(16)	(1,897)	–	–	(1,913)
Finance expenditure	14	–	–	–	14
Finance expenditure – non-cash interest cost on pension scheme liabilities	40	–	–	–	40
Net finance expenditure	38	(1,897)	–	–	(1,859)
Share of associates results (non-cash)	(18,973)	–	–	–	(18,973)
Fair value gain on financial assets – associate put options (non-cash)	(19,454)	–	–	–	(19,454)
Net associates (non-cash)	(38,427)	–	–	–	(38,427)
Net expenditure for the year	991,800	7,503	29,962	2,374	1,031,639

£000	2019-20 Published Accounts	Prior Year Restatement	BPDG MOG	Elimination between CO and BPDG	2019-20 Restated Accounts
Net gain on revaluation of property, plant and equipment	(11,008)	–	–	–	(11,008)
Net gain on revaluation of intangible assets	(995)	–	–	–	(995)
Share of associates foreign exchange gain	(31)	–	–	–	(31)
Net loss / (gain) on pension scheme liabilities	82	–	–	–	82
Total other comprehensive income	(11,952)	–	–	–	(11,952)
Comprehensive net expenditure for the year	979,848	7,503	29,962	2,374	1,019,687

2.2. Restated Consolidated Statement of financial position

Departmental core and agency as at 31 March 2020

£000	2019-20 Published Accounts	Prior Year Restatement	BPDG MOG	Elimination between CO and BPDG	2019-20 Restated Accounts
Property, plant and equipment	366,783	–	–	–	366,783
Intangible assets	34,646	–	–	–	34,646
Investments in associates	67,770	–	–	–	67,770
Trade and other receivables	80,344	18,592	–	–	98,936
Other financial assets	25,086	–	–	–	25,086
Total non-current assets	574,629	18,592	–	–	593,221
Inventories	419	–	–	–	419
Trade and other receivables	523,236	7,234	–	–	530,470
Other financial assets	66,666	–	–	–	66,666
Cash and cash equivalents	140,464	–	–	–	140,464
Total current assets	730,785	7,234	–	–	738,019
Total assets	1,305,414	25,826	–	–	1,331,240
Trade and other payables	(573,070)	2,350	(5,620)	1,084	(575,256)
Provisions	(2,674)	–	–	–	(2,674)
Total current liabilities	(575,744)	2,350	(5,620)	1,084	(577,930)
Total assets less current liabilities	729,670	28,176	(5,620)	1,084	753,310
Trade and other payables	(14,065)	–	–	–	(14,065)
Provisions	(65,728)	–	–	–	(65,728)
Total non-current liabilities	(79,793)	–	–	–	(79,793)

£000	2019-20 Published Accounts	Prior Year Restatement	BPDG MOG	Elimination between CO and BPDG	2019-20 Restated Accounts
Total assets less liabilities	649,877	28,176	(5,620)	1,084	673,517
Taxpayers' equity and other reserves					
General fund	553,303	28,176	(5,620)	1,084	576,517
Revaluation reserve	96,574		–	–	96,574
Total equity	649,877	28,176	(5,620)	1,084	673,517

Departmental Group as at 31 March 2020

£000	2019-20 Published Accounts	Prior Year Restatement	BPDG MOG	Elimination between CO and BPDG	2019-20 Restated Accounts
Property, plant and equipment	367,778	–	–	–	367,778
Intangible assets	34,977	–	–	–	34,977
Investments in associates	67,770	–	–	–	67,770
Trade and other receivables	80,344	18,592	–	–	98,936
Other financial assets	25,086	–	–	–	25,086
Total non-current assets	575,955	18,592	–	–	594,547
Inventories	419	–	–	–	419
Trade and other receivables	523,895	7,234	–	–	531,129
Other financial assets	66,666	–	–	–	66,666
Cash and cash equivalents	140,649	–	–	–	140,649
Total current assets	731,629	7,234	–	–	738,863
Total assets	1,307,584	25,826	–	–	1,333,410
Trade and other payables	(574,717)	2,350	(5,620)	1,084	(576,903)
Provisions	(2,674)	–	–	–	(2,674)
Retirement Benefit Obligations	(98)	–	–	–	(98)
Total current liabilities	(577,489)	2,350	(5,620)	1,084	(579,675)
Total assets less current liabilities	730,095	28,176	(5,620)	1,084	753,735
Trade and other payables	(14,076)	–	–	–	(14,076)
Provisions	(65,908)	–	–	–	(65,908)
Retirement Benefit Obligations	(1,362)	–	–	–	(1,362)

£000	2019-20 Published Accounts	Prior Year Restatement	BPDG MOG	Elimination between CO and BPDG	2019-20 Restated Accounts
Total non-current liabilities	(81,346)	–	–	–	(81,346)
Total assets less liabilities	648,749	28,176	(5,620)	1,084	672,389
Taxpayers' equity and other reserves					
General fund	552,113	28,176	(5,620)	1,084	575,753
Revaluation reserve	96,636		–	–	96,636
Total equity	648,749	28,176	(5,620)	1,084	672,389

2.3. Restated Consolidated Statement of cash flows

Departmental core and agency for the year ended 31 March 2020

£000	2019-20 Published Accounts	Prior Year Restatement	BPDG MOG	Elimination between CO and BPDG	2019-20 Restated Accounts
Cash flows from operating activities					
Net operating expenditure	(1,036,271)	(9,400)	(29,962)	(2,374)	(1,078,007)
Adjustments for non-cash expenditure	14,865	–	–	–	14,865
Adjustments for non-cash income	(22,021)	–	–	–	(22,021)
Remove dividend income	(14,475)	–	–	–	(14,475)
Increase in trade and other receivables	(324,626)	7,503	–	(1,140)	(318,263)
Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure					
Amounts relating to long term and short term debtors which offset dilapidation provision	28,049	–	–	–	28,049
Movement in amounts relating to provision for credit losses	(338)	–	–	–	(338)
Amounts relating to bad debt write-off	(471)	–	–	–	(471)
Decrease in inventories	150	–	–	–	150
Amounts relating to prepayments offset by capital grant in kind income	5,522	–	–	–	5,522
Discount of receivable from Equiniti Ltd	212	–	–	–	212
Discount of receivable from sale of Sunningdale Park	(1,552)	–	–	–	(1,552)
Increase in trade and other payables	282,877	–	(113)	3,514	286,278

£000	2019-20 Published Accounts	Prior Year Restatement	BPDG MOG	Elimination between CO and BPDG	2019-20 Restated Accounts
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure					
Amounts due to the Consolidated Fund for Supply	1,079	–	–	–	1,079
Amounts payable to the Consolidated Fund	(46,360)	–	–	–	(46,360)
Movement in capital accruals relating to investing activities	(5,132)	–	–	–	(5,132)
Amounts relating to deemed cash settlement from 2018-19 transfer of function from Cabinet Office	(31)	–	–	–	(31)
Use of provisions	(95)	–	–	–	(95)
Net cash inflow / (outflow) from operating activities	(1,118,618)	(1,897)	(30,075)	–	(1,150,590)
Cash flows from investing activities					
Purchase of property, plant and equipment	(22,405)	–	–	–	(22,405)
Purchase of intangible assets	(16,460)	–	–	–	(16,460)
Proceeds on disposal of property, plant and equipment	43	–	–	–	43
Dividends received from Crown Commercial Service	14,475	–	–	–	14,475
Dividends received from associates	17,424	–	–	–	17,424
Proceeds from disposal of site at Sunningdale Park	48,400	–	–	–	48,400
Movement in capital accruals	5,132	–	–	–	5,132
Net cash inflow / (outflow) from investing activities	46,609	–	–	–	46,609
Cash flows from financing activities					

£000	2019-20 Published Accounts	Prior Year Restatement	BPDG MOG	Elimination between CO and BPDG	2019-20 Restated Accounts
From the Consolidated Fund (Supply)	877,652	–	–	–	877,652
From the Consolidated Fund (Non-supply)	258,772	–	–	–	258,772
From the Consolidated Fund (Supply) in respect of Machinery of Government transfer of function	–	–	30,075	–	30,075
Interest income	16	1,897	–	–	1,913
Interest expense	(14)	–	–	–	(14)
Net financing	1,136,426	1,897	30,075	–	1,168,398
Net increase / (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund	64,417	–	–	–	64,417
Payment of amounts due to the Consolidated Fund – disposal of property	(488)	–	–	–	(488)
Net increase / (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund	63,929	–	–	–	63,929
Cash and cash equivalents at the beginning of the period	76,535	–	–	–	76,535
Cash and cash equivalents at the end of the period	140,464	–	–	–	140,464

Departmental Group for the year ended 31 March 2020

£000	2019-20 Published Accounts	Prior Year Restatement	BPDG MOG	Elimination between CO and BPDG	2019-20 Restated Accounts
Cash flows from operating activities					
Net operating expenditure	(1,034,109)	(9,400)	(29,962)	(2,374)	(1,075,845)
Adjustments for non-cash expenditure	15,210	–	–	–	15,210
Adjustments for non-cash income	(21,967)	–	–	–	(21,967)
Remove dividend income	(14,475)	–	–	–	(14,475)
Increase in trade and other receivables	(324,854)	7,503	–	(1,140)	(318,491)
Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure					
Amounts relating to long term and short term debtors which offset dilapidation provision	28,049	–	–	–	28,049
Movement in amounts relating to provision for credit losses	(338)	–	–	–	(338)
Amounts relating to bad debt write-off	(471)	–	–	–	(471)
Decrease in inventories	150	–	–	–	150
Amounts relating to prepayments offset by capital grant in kind income	5,522	–	–	–	5,522
Discount of receivable from Equiniti Ltd	212	–	–	–	212
Discount of receivable from sale of Sunningdale Park	(1,552)	–	–	–	(1,552)
Increase in trade and other payables	281,445	–	(113)	3,514	284,846
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure					
Amounts due to the Consolidated Fund for Supply	1,079	–	–	–	1,079
Amounts payable to the Consolidated Fund	(46,361)	–	–	–	(46,361)

£000	2019-20 Published Accounts	Prior Year Restatement	BPDG MOG	Elimination between CO and BPDG	2019-20 Restated Accounts
Movement in capital accruals relating to investing activities	(5,132)	–	–	–	(5,132)
Amounts relating to deemed cash settlement from 2018-19 transfer of function from Cabinet Office	(31)	–	–	–	(31)
Use of provisions	(253)	–	–	–	(253)
Net cash inflow / (outflow) from operating activities	(1,117,876)	(1,897)	(30,075)	–	(1,149,848)
Cash flows from investing activities					
Purchase of property, plant and equipment	(22,565)	–	–	–	(22,565)
Purchase of intangible assets	(16,735)	–	–	–	(16,735)
Proceeds on disposal of property, plant and equipment	44	–	–	–	44
Dividends received from Crown Commercial Service	14,475	–	–	–	14,475
Dividends received from associates	17,424	–	–	–	17,424
Proceeds from disposal of site at Sunningdale Park	48,400	–	–	–	48,400
Movement in capital accruals	5,132	–	–	–	5,132
Net cash inflow / (outflow) from investing activities	46,175	–	–	–	46,175
Cash flows from financing activities					
From the Consolidated Fund (Supply)	877,652	–	–	–	877,652
From the Consolidated Fund (Supply) in respect of Machinery of Government transfer of function	–	–	30,075	–	30,075
From the Consolidated Fund (Non-supply)	258,772	–	–	–	258,772
Interest income	16	1,897	–	–	1,913

£000	2019-20 Published Accounts	Prior Year Restatement	BPDG MOG	Elimination between CO and BPDG	2019-20 Restated Accounts
Interest expense	(14)	–	–	–	(14)
Net financing	1,136,426	1,897	30,075	–	1,168,398
Net increase / (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund	64,725	–	–	–	64,725
Payment of amounts due to the Consolidated Fund	(637)	–	–	–	(637)
Net increase / (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund	64,088	–	–	–	64,088
Cash and cash equivalents at the beginning of the period	76,561	–	–	–	76,561
Cash and cash equivalents at the end of the period	140,649	–	–	–	140,649

2.4. Restated Consolidated Statement of financial position

Departmental core and agency as at 1 April 2019

£000	2018-19 Published Accounts	Prior Year Restatement	BPDG MOG	Elimination between CO and BPDG	2018-19 Restated Accounts
Property, plant and equipment	346,352	–	–	–	346,352
Intangible assets	29,068	–	–	–	29,068
Investments in associates	66,190	–	–	–	66,190
Trade and other receivables	36,727	25,826	–	–	62,553
Other financial assets	350	–	–	–	350
Total non-current assets	478,687	25,826	–	–	504,513
Assets held for sale	16,812	–	–	–	16,812
Inventories	569	–	–	–	569
Trade and other receivables	242,227	7,503	–	(1,140)	248,590
Other financial assets	71,948	–	–	–	71,948
Cash and cash equivalents	76,535	–	–	–	76,535
Total current assets	408,091	7,503	–	(1,140)	414,454
Total assets	886,778	33,329	–	(1,140)	918,967
Trade and other payables	(300,258)	2,350	(5,733)	4,598	(299,043)
Provisions	(2,759)	–	–	–	(2,759)
Total current liabilities	(303,017)	2,350	(5,733)	4,598	(301,802)
Total assets less current liabilities	583,761	35,679	(5,733)	3,458	617,165
Trade and other payables	(4,000)	–	–	–	(4,000)
Provisions	(37,732)	–	–	–	(37,732)

£000	2018-19 Published Accounts	Prior Year Restatement	BPDG MOG	Elimination between CO and BPDG	2018-19 Restated Accounts
Total non-current liabilities	(41,732)	–	–	–	(41,732)
Total assets less liabilities	542,029	35,679	(5,733)	3,458	575,433
Taxpayers' equity and other reserves					
General fund	456,220	35,679	(5,733)	3,458	489,624
Revaluation reserve	85,809	–	–	–	85,809
Total equity	542,029	35,679	(5,733)	3,458	575,433

Departmental Group as at 1 April 2019

£000	2018-19 Published Accounts	Prior Year Restatement	BPDG MOG	Elimination between CO and BPDG	2018-19 Restated Accounts
Property, plant and equipment	347,637	–	–	–	347,637
Intangible assets	29,188	–	–	–	29,188
Investments in associates	66,190	–	–	–	66,190
Trade and other receivables	36,786	25,826	–	–	62,612
Other financial assets	350	–	–	–	350
Total non-current assets	480,151	25,826	–	–	505,977
Assets held for sale	16,812	–	–	–	16,812
Inventories	569	–	–	–	569
Trade and other receivables	242,599	7,503	–	(1,140)	248,962
Other financial assets	71,948	–	–	–	71,948
Cash and cash equivalents	76,561	–	–	–	76,561
Total current assets	408,489	7,503	–	(1,140)	414,852
Total assets	888,640	33,329	–	(1,140)	920,829
Trade and other payables	(303,330)	2,350	(5,733)	4,598	(302,115)
Provisions	(2,979)	–	–	–	(2,979)
Retirement benefit obligations	(100)	–	–	–	(100)
Total current liabilities	(306,409)	2,350	(5,733)	4,598	(305,194)
Total assets less current liabilities	582,231	35,679	(5,733)	3,458	615,635
Trade and other payables	(4,018)	–	–	–	(4,018)
Provisions	(37,913)	–	–	–	(37,913)
Retirement benefit obligations	(1,335)	–	–	–	(1,335)

£000	2018-19 Published Accounts	Prior Year Restatement	BPDG MOG	Elimination between CO and BPDG	2018-19 Restated Accounts
Total non-current liabilities	(43,266)	–	–	–	(43,266)
Total assets less liabilities	538,965	35,679	(5,733)	3,458	572,369
Taxpayers' equity and other reserves					
General fund	453,039	35,679	(5,733)	3,458	486,443
Revaluation reserve	85,926	–	–	–	85,926
Total equity	538,965	35,679	(5,733)	3,458	572,369

2.5. Restated headcount

Departmental core and agency for the year ended 31 March 2020

	2019-20 Published Accounts	BPDG MOG	2019-20 Restated Accounts
Permanently employed staff	7,635	116	7,751
Commissioners	–	–	–
Others	515	–	515
Total	8,150	116	8,266

Departmental Group for the year ended 31 March 2019

	2019-20 Published Accounts	BPDG MOG	2019-20 Restated Accounts
Permanently employed staff	7,834	116	7,950
Commissioners	12	–	12
Others	533	–	533
Total	8,379	116	8,495

3. Statement of net outturn by operating segment

3.1. Resource

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.

and is reconciled to net operating costs at SOPS2.1. Capital Departmental Expenditure Limit is reconciled to the accounts at Note SOPS2.2.

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

£000				
Operating segment	Gross resource expenditure	Gross resource income	2020-21 Net resource outturn	2019-20 Net resource outturn restated
A. Maintain the integrity of the Union, coordinate the security of the realm and sustain a flourishing democracy	158,175	(82,833)	75,342	401,269
B. Support the design and implementation of HM Government's policies and the Prime Minister's priorities	406,407	(15,630)	390,777	273,634
C. Ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of Government	1,124,758	(360,170)	764,588	244,546
D. Ensure the effective running of the Department and contribute to the Government's cross-cutting priorities	176,691	(28,020)	148,671	47,557
E. Executive Agency – Government Property Agency	353,139	(332,959)	20,180	11,697
Subtotal	2,219,170	(819,612)	1,399,558	978,703
Ring-fenced depreciation, amortisation, and impairment				
A. Maintain the integrity of the Union, coordinate the security of the realm and sustain a flourishing democracy	13,655	–	13,655	9,775
B. Support the design and implementation of HM Government's policies and the Prime Minister's priorities	6,449	–	6,449	4,621
C. Ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of Government	21,485	–	21,485	15,915
D. Ensure the effective running of the Department and contribute to the Government's cross-cutting priorities	1,705	–	1,705	1,540
E. Executive Agency – Government Property Agency	13,732	–	13,732	13,416
Subtotal Ring-fenced depreciation, amortisation, and impairment	57,026	–	57,026	45,267
Total	2,276,196	(819,612)	1,456,584	1,023,970

3.2. Capital

£000				
Operating segment	Gross capital expenditure	Gross capital income	2020-21 Net capital outturn	2019-20 Net capital outturn restated
A. Maintain the integrity of the Union, coordinate the security of the realm and sustain a flourishing democracy	10,055	–	10,055	12,678
B. Support the design and implementation of HM Government's policies and the Prime Minister's priorities	148,343	(5)	148,338	82,028
C. Ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of Government	194,050	–	194,050	9,545
D. Ensure the effective running of the Department and contribute to the Government's cross-cutting priorities	1,148	–	1,148	904
E. Executive Agency – Government Property Agency	774,388	(754,640)	19,748	7,829
Total	1,127,984	(754,645)	373,339	112,984

4. Expenditure

£000		2020-21	2020-21	2019-20 Restated	2019-20 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Staff costs					
Wages, salaries and fees		451,982	461,597	383,917	392,982
Social security costs		51,610	52,713	43,297	44,280
Apprenticeship levy		2,292	2,323	1,897	1,925
Other pension costs		107,838	110,516	93,240	95,612
Untaken annual leave		9,248	9,366	2,054	2,047
Agency/temporary		61,061	61,860	67,833	69,021
Chairs and Commissioner's emoluments		28	346	90	423
Termination benefits		863	863	2,093	2,056
Inward secondments		13,535	13,695	8,403	8,403
Recoveries in respect of outward secondments		(3,134)	(3,315)	(2,863)	(3,012)
Staff engaged on capital projects		(8,492)	(8,492)	(7,185)	(7,185)
Total staff costs¹		686,831	701,472	592,776	606,552
Grants					
Resource grants to local authorities		26,071	26,071	32,944	32,944
Resource grants to private sector and non- profit bodies		7,574	7,574	1,876	1,876
Resource grants to central Government bodies		–	–	79	79
Capital grants to ALBs and other central Government bodies		9,761	9,761	1,634	1,634
Grant-in-aid to the Chequers Trust		916	916	882	882
Grant-in-aid to Civil Service welfare bodies		210	210	210	210

£000		2020-21	2020-21	2019-20 Restated	2019-20 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Grant-in-aid to Arm's length bodies ²		19,544	–	21,665	–
Total grants³		64,076	44,532	59,290	37,625
Goods and services					
Accommodation and utilities					
– Core Department ⁴		55,784	56,113	29,604	29,924
– Executive Agency		127,529	127,529	110,863	110,863
IT costs		163,343	164,084	77,302	78,103
Professional services		120,305	121,079	81,838	83,440
Supplies and services		476,044	476,916	75,600	76,385
Clinical and Medical		101,651	101,651	–	–
Research and Development		51,183	51,183	–	–
Consultancy		79,799	79,799	38,836	38,841
Business rates		47,779	47,925	37,555	37,603
Pensions administration					
– PCSPS and CSOPS4CSOPS ⁵		24,328	24,328	26,795	26,795
– Royal Mail Statutory Pension Scheme		5,018	5,018	6,066	6,066
Other staff-related costs		35,790	36,084	32,597	33,017
Travel, subsistence and hospitality		3,783	3,788	24,591	25,033
Lord Lieutenants' expenses		1,248	1,248	1,251	1,251
Grant fund management		1,037	1,037	–	–
Public Duty Cost Allowance	4.1	571	571	503	503
Auditors' remuneration and expenses – arm's length bodies		–	76	–	72
Total goods and services		1,295,192	1,298,429	543,401	547,896
Rentals under operating leases					

£000		2020-21	2020-21	2019-20 Restated	2019-20 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
– Core Department		9,677	9,972	2	134
– Executive Agency		149,159	149,159	121,199	121,199
Total rentals under operating leases		158,836	159,131	121,201	121,333
Geospatial data					
Geospatial data capital (under ESA10 definition)		140,441	140,441	74,459	74,459
Geospatial data resource		6,286	6,286	6,085	6,085
Total geospatial data		146,727	146,727	80,544	80,544
Returning Officers' expenses, England, Wales and Scotland					
(includes conduct of the poll and Royal Mail costs)					
2019 UK Parliamentary general election		(7,387)	(7,387)	153,150	153,150
2017 UK Parliamentary general election		(64)	(64)	(1,005)	(1,005)
UK Parliamentary by-elections					
– Richmond Park		–	–	(17)	(17)
– Lewisham East		(2)	(2)	–	–
– Peterborough		–	–	199	199
– Newport West		–	–	312	312
– Brecon & Radnorshire		(5)	(5)	222	222
Petition to recall a Member of Parliament					
– Peterborough		–	–	133	133
– Brecon & Radnorshire		(6)	(6)	(1)	(1)
2019 European Parliamentary election		(1,337)	(1,337)	134,706	134,706
Police and Crime Commissioner by-elections		(105)	(105)	2,067	2,067
2020 postponed Police and Crime Commissioner by-electionselection		3,420	3,420	–	–
Elections bank charges		1	1	1	1
Total Returning Officers' expenses		(5,485)	(5,485)	289,767	289,767
Depreciation, impairment and property gains					
Depreciation	6	35,582	35,975	29,691	30,158

£000		2020-21	2020-21	2019-20 Restated	2019-20 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Amortisation	7	12,448	12,567	13,255	13,288
Impairment					
– Property, plant and equipment	6, 8	–	–	1,775	1,775
– Intangible assets	7, 8	–	–	85	85
– Trade receivables	8, 14.3	4,938	4,938	338	338
Revaluation of property, plant and equipment assets	8	85,684	85,684	(4)	(4)
Write off					
– Property, plant and equipment	6, 8	6,305	6,305	–	–
– Intangible assets	7,8	2,197	2,197	–	–
– Bad debt		703	703	471	471
Net loss on disposal of property, plant and equipment		–	–	–	5
Gain on disposal of financial assets		–	–	(5)	(5)
Gain on disposal of assets held for sale		–	–	(31,588)	(31,588)
Loss on change in fair value of assets held for sale		100	100	–	–
Carbon dioxide emissions allowances surrendered	7	–	–	56	56
Capital grant in kind – Property, plant and equipment		126,012	126,012	–	–
Total depreciation, impairment and property gains		273,969	274,481	14,074	14,579
Provisions and other non-cash costs					
Provisions provided for in year and written back	16	20,176	20,191	(43)	(206)
Borrowing costs		–	3	–	3

£000		2020-21	2020-21	2019-20 Restated	2019-20 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Discount of receivable from Equiniti Ltd		–	–	(212)	(212)
Auditors' remuneration and expenses – Core Department ⁶		727	727	710	710
Notional Digital Apprenticeship service grant	5	571	571	336	336
Total provisions and other non-cash costs		21,474	21,492	791	631
Total expenditure		2,641,620	2,640,779	1,701,844	1,698,927

- 1 Further analysis is located in Note 2 of the Remuneration and staff report and Note 1.2 (Special payments) of the Parliamentary accountability disclosures.
- 2 Grant-in-aid to arm's length bodies has been eliminated on consolidation; Registrar of Consultant Lobbyists, £0.197 million (2019-20: £0.225 million), Civil Service Commission, £2.249 million (2019-20: £2.225 million), Equality and Human Rights Commission £17.098 million (2019-20: £19.225 million).
- 3 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.
- 4 The Cabinet Office has a £30,000 budget each year for the upkeep of the dwellings within No 11 Downing Street. During 2020-21 Cabinet Office spent £28,647 with Mitie Facilities Management Limited at the request of the Prime Minister, which included painting and sanding of floorboards. Additional invoices for the refurbishment work undertaken on the No 11 Downing Street residence were received and paid for by the Cabinet Office and subsequently recharged to the Conservative Party in July 2020. In March 2021, the supplier refunded the Cabinet Office, and the Cabinet Office refunded the Conservative Party, with all final costs of wider refurbishment met by the Prime Minister personally. More details can be found at <https://www.gov.uk/government/publications/annual-report-of-the-independent-adviser-on-ministers-interests-may-2021>.
- 5 Principal Civil Service Pension Scheme and Civil Servants and Others Pension Scheme.
- 6 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 (2019-20: £nil). The total group fee comprises: Cabinet Office £0.320 million (2019-20: £0.380 million), Government Property Agency £0.195 million (2019-20: £0.120 million), Civil Service Pension Scheme £0.160 million (2019-20: £0.160 million) and Royal Mail Pension Scheme £0.052 million (2019-20: £0.050 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

£	2020-21	2019-20
The Rt Hon. Sir John Major	115,000	115,000
The Rt Hon. Tony Blair	115,000	115,000
The Rt Hon. Gordon Brown	114,712	114,802
The Rt Hon. David Cameron	113,423	111,457
The Rt Hon. Theresa May MP	57,832	34,836
Staff pension costs	55,381	11,500
Total	571,348	502,595

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.

In addition to the PDCA paid, former Prime Ministers are entitled to claim a pension allowance to contribute towards their office staff pension costs. This pension allowance is limited to a maximum of 10% of their office cost allowance. Allowance amounts relating to staff pensions were held by the department on behalf of the Office of Sir John Major covering the period 1 April 2001 to 31 March 2020. These were paid in 2020-21.

5. Income

£000		2020-21	2020-21	2019-20 Restated	2019-20 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Revenue from contracts with customers					
Pensions					
Central management of Civil Service pension arrangements		34,061	34,061	38,405	38,405
Royal Mail Statutory Pension Scheme		–	–	(89)	(89)
Sales of services					
Government Commercial Function		116,258	116,258	86,507	86,507
The Government Security Group		80,804	80,804	27,464	27,464
Government Digital Service		31,748	31,748	10,353	10,353
Government Communications		17,118	17,118	17,555	17,555
Office of the Parliamentary Counsel		7,760	7,760	7,608	7,608
Chief Digital Information Officer		5,931	5,931	4,576	4,576
Geospatial Commission		3,433	3,433	–	–
Government Business Services		2,494	2,494	–	–
Infrastructure and Projects Authority		1,523	1,523	1,686	1,686
National Fraud Initiative		1,245	1,245	1,473	1,473
Civil Contingencies Training		560	560	2,071	2,071

£000		2020-21	2020-21	2019-20 Restated	2019-20 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Civil Service HR					
HR Expert Services – Fast Stream		86,276	86,276	88,528	88,528
Other HR Expert Services		43,762	43,762	40,502	40,502
Other Civil Service HR		5,118	5,118	6,785	6,785
Non-rental income from properties					
– Core Department		784	296	1,108	785
– Agency		149,868	149,868	136,243	136,243
Income payable to the Consolidated Fund					
Registration fees from consultant lobbyists		(3)	147	3	148
Other revenue from contracts with customers					
Cost recoveries		9,829	9,383	1,969	1,514
Total revenue from contracts with customers		598,569	597,785	472,747	472,114
Other operating income					
Rental income from properties					
– Core Department		181	(400)	392	62
– Agency		129,481	129,481	94,140	94,140
Income from associates					
Framework fees in respect of Integrated Debt Services Limited		–	–	200	200
Dividends					
Dividend from Crown Commercial Service	11.2	14,500	14,500	14,475	14,475

£000		2020-21	2020-21	2019-20 Restated	2019-20 Restated
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Income from grants					
Resource grant for the Equality and Human Rights Commission		–	120	–	218
Capital grants from other Government Departments for the fit out of properties		812	812	1,862	1,862
Other income					
Official Receiver – Carillion plc in liquidation		–	–	18,000	18,000
Other income from Equality and Human Rights Commission		–	–	–	44
Total other income		144,974	144,513	129,069	129,001
Non-cash income					
Notional Digital Apprenticeship Service grant	4	571	571	336	336
Capital grant in kind – Transfer of assets from other Government Departments		731,764	731,764	21,631	21,631
Notional corporate services recharge to ALB's	4	46	–	54	–
Total non-cash income		732,381	732,335	22,021	21,967
Total operating income		1,475,924	1,474,633	623,837	623,082

Income streams – 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

Pensions

The Cabinet Office is responsible for the management of the Principal Civil Service Pension Scheme (PCSPS) and the Royal Mail Statutory Pension Scheme (RMSPS). MyCSP Ltd provides administration services for PCSPS and Capita Pension Solutions for RMSPS. The PCSPS directly funds its scheme management costs whereas the

Cabinet Office is directly responsible for the RMSPS administration costs.

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 based on the headcount of the GCO specialists deployed in a department to fund the operational costs incurred in the running of the GCO. Also included in GCF income is the Complex Transactions team which increases commercial capability on complex deals by providing direct commercial support to departments.

Government Security Group

The Government Security Group income is derived from working across government in relation to Transforming Government Security, security vetting and provision of secure IT to allow sharing of information at certain classification levels.

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 International 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.

Government Digital Service

Government Digital Service (GDS) receives income from various sources including: [GOV.UK Verify](#), which provides a common citizen identity assurance for departmental services, enabling complex and risky transactions, such as financial transactions or where personal data is being shared, to go online; [GOV.UK Notify](#), which enables service teams across government to send text messages, emails or letters to their users; and the GDS Academy, which 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 at full cost recovery from other government departments.

Chief Digital Information Officer

The Chief Digital Information Officer (CDIO) provides a fully managed IT service to the Crown Commercial Service and the Department for Digital, Culture, Media & Sport, recovering all costs.

Geospatial Commission

Our public sector contracts cover the whole of GB and provide access to the whole of the public sector across Great Britain. As the procurement of data is a devolved matter, our income is derived from Scottish and Welsh governments who we charge for the access

to the data through our contracts. This delivers increased value for money.

Government Business Services

Government Recruitment Service (GRS), within the Government Business Services unit, provides a range of expert attraction, recruitment and pre-employment checking services, supporting around 70% of the Civil Service to deliver their strategic priorities. They maximise buying power across the Civil Service as a shared service provider. GRS operates on a full cost recovery basis through a combination of fixed fee and bespoke charging.

Infrastructure and Projects Authority

Infrastructure and Projects Authority (IPA) income is received from recharging the costs of expert consultants with specialist knowledge and skills, which are required by the IPA to undertake assurance reviews for major government projects. In addition, IPA recovers its costs incurred in delivering advice and training support to overseas institutions in support of trade missions involving national infrastructure planning and UK infrastructure expertise overseas.

National Fraud Initiative

The National Fraud Initiative 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 Training

The Civil Contingencies Secretariat (CCS) receives income via The Emergency Planning College – UK Resilience Academy which is the national centre for resilience learning and development. It provides training, exercising and advisory services to organisations in the UK and around the world.

Civil Service HR

CSHR is accountable for cross-Civil Service HR policy and the provision of HR Services, and is the centre of the Civil Service HR Profession and Function. Civil Service HR share HR expertise and maximise buying power across the Civil Service in a joined-up and effective manner, to deliver professional and more efficient HR services. CSHR Income is driven in two ways: all departments pay towards a number of ‘core’ services through a memorandum of understanding; government departments and agencies that require additional and bespoke services from a ‘menu’ (including Fast Stream recruitment) are recharged directly for the services they request.

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.

Income streams – Other operating income

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 2020-21 the Official Receiver returned £25 million (2019-20: £40 million) to the Cabinet Office through asset realisations which is surrenderable to the Consolidated Fund; see SOPS 4 in the Notes to the Statement of Outturn against Parliamentary Supply. In 2020-21, £nil (2019-20: £18 million) was retained as income to the Cabinet Office.

Dividends

The dividend which Cabinet Office receives from Crown Commercial Service (CCS) increased to £14.500 million in 2020-21 (2019-20: 14.475 million). It covered the costs of the Complex Transaction, Continuous Improvement, Markets and Suppliers and Policy teams which previously transferred from CCS to Cabinet Office and included 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 2020-21

Departmental Group £000	Land	Buildings	Leasehold improvements	Dwellings	Information technology	Plant and machinery	Clinical and medical ⁷	Furniture and fittings	Art and antiques	Payments on account and assets under construction	2020-21 Total
Cost or valuation											
At 1 April 2020 – restated	76,621	141,930	118,450	31,038	84,130	4,210	–	7,746	5,636	6,879	476,640
Additions	–	1,316	263	–	9,804	6,871	126,012	954	–	33,300	178,520
Donations	–	–	–	–	–	–	–	–	6	–	6
Disposals ⁸	–	–	(1,514)	–	(11,130)	–	–	(114)	–	–	(12,758)
Write offs	–	–	–	–	–	(6,871)	–	–	–	–	(6,871)
Impairments	–	(84,569)	(757)	(103)	–	(157)	–	(45)	–	–	(85,631)
Reclassifications	–	4,243	230	–	3,819	–	–	105	–	(8,524)	(127)
Reclassifications to assets held for sale	(500)	(900)	–	–	–	–	–	–	–	–	(1,400)
Transfer of function and capital grant in kind ^{9,10}	285,491	437,171	4,531	–	–	4,371	(126,012)	194	–	–	605,746
Revaluations ¹¹	(2,621)	(12,080)	2,597	(5,342)	3,469	175	–	744	–	–	(13,058)
At 31 March 2021	358,991	487,111	123,800	25,593	90,092	8,599	–	9,584	5,642	31,655	1,141,067
Depreciation											
At 1 April 2020 – restated	–	31,264	23,366	10,533	41,219	230	–	2,250	–	–	108,862
Charged in year	–	5,945	13,981	(850)	14,612	761	–	1,526	–	–	35,975
Disposals ⁸	–	–	(1,514)	–	(11,130)	–	–	(114)	–	–	(12,758)
Write offs	–	–	–	–	–	(566)	–	–	–	–	(566)
Impairment	–	–	–	–	–	–	–	–	–	–	–
Reclassifications	–	48	(48)	–	–	–	–	–	–	–	–

Departmental Group £000	Land	Buildings	Leasehold improvements	Dwellings	Information technology	Plant and machinery	Clinical and medical ⁷	Furniture and fittings	Art and antiques	Payments on account and assets under construction	2020-21 Total
Revaluations ¹¹	–	(8,324)	1,344	(1,061)	828	20	–	230	–	–	(6,963)
At 31 March 2021	–	28,933	37,129	8,622	45,529	445	–	3,892	–	–	124,550
Carrying amount at 31 March 2021	358,991	458,178	86,671	16,971	44,563	8,154	–	5,692	5,642	31,655	1,016,517
Carrying amount at 31 March 2020 – restated	76,621	110,666	95,084	20,505	42,911	3,980	–	5,496	5,636	6,879	367,778
Asset financing:											
Owned	358,991	458,178	86,671	16,971	44,563	8,154	–	5,692	5,642	31,655	1,016,517
Carrying amount at 31 March 2021	358,991	458,178	86,671	16,971	44,563	8,154	–	5,692	5,642	31,655	1,016,517
Of the total:											
Department	30,690	45,788	8,598	10,051	40,409	–	–	1,933	5,584	703	143,756
Executive Agency	328,301	412,390	77,824	6,920	3,738	8,154	–	3,560	58	30,936	871,881
Other designated bodies	–	–	249	–	416	–	–	199	–	16	880
Carrying amount at 31 March 2021	358,991	458,178	86,671	16,971	44,563	8,154	–	5,692	5,642	31,655	1,016,517

7 Clinical and medical relate to the production of mechanical ventilators.

8 Disposals include retired assets; their values are fully written down and they are no longer in use.

9 Additions to transfer of function and capital grant in kind relate to assets donated to the GPA. See Note 6.5.

10 Disposals via transfer of function and capital grant in kind relate to the transfer of mechanical ventilators to Department of Health and Social Care.

11 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.

Consolidated 2019-20 – restated

Departmental Group £000	Land Buildings	Leasehold improvements	Dwellings	Information technology	Plant and machinery	Clinical and medical	Furniture and fittings	Art and antiques	Payments on account and assets under construction	2019-20 Total
Cost or valuation										
At 1 April 2019	73,527	114,480	100,632	27,844	91,457	290	–	6,194	5,838	10,656 430,918
Additions	–	42	4,048	–	2,734	–	–	668	–	15,073 22,565
Donations	–	–	–	–	–	–	–	–	6	– 6
Disposals ¹²	–	–	–	–	(820)	–	–	(223)	(39)	– (1,082)
Write offs	–	–	–	–	–	–	–	–	–	– –
Impairments	–	–	(107)	–	(2,237)	–	–	–	(169)	(15) (2,528)
Reclassifications ¹³	–	8,062	11,393	–	(7,156)	–	–	452	–	(18,835) (6,084)
Transfer of function and capital grant in kind ¹⁴	–	13,036	2,442	–	–	3,920	–	626	–	– 20,024
Revaluations ¹⁵	3,094	6,310	42	3,194	152	–	–	29	–	– 12,821
At 31 March 2020	76,621	141,930	118,450	31,038	84,130	4,210	–	7,746	5,636	6,879 476,640
Depreciation										
At 1 April 2019	–	27,098	11,290	8,996	34,474	35	–	1,388	–	– 83,281
Charged in year	–	3,306	12,137	551	12,903	195	–	1,066	–	– 30,158
Disposals ¹²	–	–	–	–	(819)	–	–	(219)	–	– (1,038)
Write offs	–	–	–	–	–	–	–	–	–	– –
Impairment	–	–	(14)	–	(739)	–	–	–	–	– (753)
Reclassifications ¹³	–	83	(83)	–	(4,595)	–	–	–	–	– (4,595)
Revaluations ¹⁵	–	777	36	986	(5)	–	–	15	–	– 1,809

Departmental Group £000	Land	Buildings	Leasehold improvements	Dwellings	Information technology	Plant and machinery	Clinical and medical	Furniture and fittings	Art and antiques	Payments on account and assets under construction	2019-20 Total
At 31 March 2020	–	31,264	23,366	10,533	41,219	230	–	2,250	–	–	108,862
Carrying amount at 31 March 2020	76,621	110,666	95,084	20,505	42,911	3,980	–	5,496	5,636	6,879	367,778
Carrying amount at 31 March 2019	73,527	87,382	89,342	18,848	56,983	255	–	4,806	5,838	10,656	347,637
Asset financing:											
Owned	76,621	110,666	95,084	20,505	42,911	3,980	–	5,496	5,636	6,879	367,778
Carrying amount at 31 March 2020	76,621	110,666	95,084	20,505	42,911	3,980	–	5,496	5,636	6,879	367,778
Of the total:											
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
Carrying amount at 31 March 2020	76,621	110,666	95,084	20,505	42,911	3,980	–	5,496	5,636	6,879	367,778

12 Disposals include retired assets; their values are fully written down and they are no longer in use.

13 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.

14 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); HM Revenue and Customs (£0.626 million); and Department for International Trade (£0.089 million).

15 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.

6.1. 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 determined by reference to desktop valuation exercises undertaken by independent qualified valuation experts without re-inspection or 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 non-current assets are revalued annually using indices published by the Office for National Statistics or RICS Building Cost Information Service where a suitable index exists for the respective asset category.

6.2. Assets under construction

Assets under construction of £31.655 million (2019-20: £6.879 million) relate to building improvement works at Cabinet Office properties and Cabinet Office IT projects which have yet to come into use.

6.3. Leasehold Improvements

Leasehold improvements relate to the following buildings:

Building £000	2020-21	2019-20 Restated
10 South Colonnade, London	65,976	73,206
10 Victoria Street, London	4,729	5,247
Clive House, London	4,394	–
Dorland House, London	2,322	3,576
The Whitechapel Building, London	2,300	2,652
Fleetbank House, London	2,138	4,189
Other	4,812	6,214
Total	86,671	95,084

6.4. 9 Downing Street modernisation

The government undertook a wider refurbishment of rooms within 9 Downing Street (formerly the Privy Council Offices), a Grade 1 listed building; the building had not been renovated substantively for almost 50 years. This involved one-off capital works, including improvements to heating and ventilation, roof repairs and floor reinforcement. Listed building works involve greater expense, in order to maintain and protect the building's heritage. The refurbishment also involved setting up a media room for press events; such works included audio-visual equipment, internet infrastructure, electrical works and lighting. The media room is now in regular use, and

helps the government communicate to the public and be accountable for its actions.

Included within assets under construction, the total cost of the modernisation works across 9 Downing Street has a value of £4.050 million (including VAT), and has subsequently been reclassified to buildings (£2.287 million), information technology (£1.658 million), and furniture and fittings (£0.105 million).

6.5. Asset transfers

The GPA was donated assets to the value of £731.758 million (2019-20: £21.626 million). No restrictions have been placed on these assets by the donor. £5.500 million is in respect of an operating lease premium and treated as a prepayment instead of property, plant and equipment.

	Note	2020-21 £000	2019-20 £000
Statement of Financial Position			
Increase in non-current assets			
Property, plant and equipment	6		
Department for Education (DfE)		214,000	20,229
Department for Business, Energy & Industrial Strategy (BEIS)		9,500	–
Companies House		13,650	–
Crown Prosecution Service (CPS)		3,882	–
Department for Environment, Food & Rural Affairs (DEFRA)		14,005	–
Department of Health and Social Care (DHSC) – HQ		76,800	–
Department of Health and Social Care (DHSC) – Retained Estate		2,590	–
Department for International Trade (DIT)		17,650	–
Foreign, Commonwealth & Development Office (FCDO)		275,578	–
Home Office		14,490	–
Land Registry		52,752	–
Ministry of Justice (MoJ)		4,574	–
National Health Service (NHS B&T)		2,750	–
National Health Service (NHS BSA)		4,850	–
National Health Service (NHS Digital)		1,775	–
National Savings and Investments (NS&I)		2,177	–
UK Research and Innovation (UKRI)		19,100	–
Other		1,635	1,397
Total increase in non-current assets		731,758	21,626
Recognition of these non-current assets is fully supported by capital grant in kind income recognised in the SoCNE			
Statement of Comprehensive Net Expenditure			
Capital Grant in Kind Income	5	(731,758)	(21,626)
Total Capital Grant in Kind Income		(731,758)	(21,626)
Transfer of revaluations reserves through general fund			
General Fund		316,196	1,183
Revaluation Reserve		(316,196)	(1,183)

7. Intangible assets

Consolidated 2020-21

Departmental Group £000	Purchased software licences	IT software	Carbon reduction commitment	Website	Payments on account and assets under construction	2020-21 Total
Cost or valuation						
At 1 April 2020 – restated	214	34,476	439	5,411	20,052	60,592
Additions	–	123	–	–	12,143	12,266
Donations	–	–	–	–	–	–
Allowances purchased	–	–	–	–	–	–
Disposals ¹⁶	–	(13,323)	(439)	(3,035)	–	(16,797)
Write offs	–	–	–	–	(2,197)	(2,197)
Impairment ¹⁷	–	–	–	–	–	–
Reclassifications	331	15,738	–	2,784	(18,726)	127
Revaluations ¹⁷	–	797	–	113	–	910
At 31 March 2021	545	37,811	–	5,273	11,272	54,901
Amortisation						
At 1 April 2020 – restated	5	22,127	439	3,044	–	25,615
Charged in year	128	9,914	–	2,525	–	12,567
Allowances surrendered	–	–	–	–	–	–
Disposals ¹⁶	–	(13,323)	(439)	(3,035)	–	(16,797)
Write offs	–	–	–	–	–	–
Impairment ¹⁷	–	–	–	–	–	–
Reclassifications	–	–	–	–	–	–
Revaluations ¹⁷	–	402	–	33	–	435
At 31 March 2021	133	19,120	–	2,567	–	21,820

Departmental Group £000	Purchased software licences	IT software	Carbon reduction commitment	Website	Payments on account and assets under construction	2020-21 Total
Carrying amount at 31 March 2021	412	18,691	–	2,706	11,272	33,081
Carrying amount at 31 March 2020 – restated	209	12,349	–	2,367	20,052	34,977
Asset financing:						
Owned	412	18,691	–	2,706	11,272	33,081
Carrying amount at 31 March 2021	412	18,691	–	2,706	11,272	33,081
Of the total:						
Department	152	18,374	–	2,706	10,715	31,947
Executive Agency	260	–	–	–	557	817
Other designated bodies	–	317	–	–	–	317
Carrying amount at 31 March 2021	412	18,691	–	2,706	11,272	33,081

16 Disposals include retired assets; their values are fully written down and they are no longer in use.

17 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.

Consolidated 2019-20 – restated

Departmental Group £000	Purchased software licences	IT software	Carbon reduction commitment	Website	Payments on account and assets under construction	2019-20 Total
Cost or valuation						
At 1 April 2019	–	28,247	439	6,776	15,425	50,887
Additions	214	1,391	–	–	15,130	16,735
Donations	–	–	–	–	–	–
Allowances purchased	–	–	–	–	–	–
Disposals ¹⁸	–	(10,651)	–	(3,830)	–	(14,481)
Write offs	–	–	–	–	–	–
Impairment ¹⁹	–	(112)	–	–	(56)	(168)
Reclassifications	–	14,225	–	2,306	(10,447)	6,084
Revaluations ¹⁹	–	1,376	–	159	–	1,535
At 31 March 2020	214	34,476	439	5,411	20,052	60,592
Amortisation						
At 1 April 2019	–	17,418	383	3,898	–	21,699
Charged in year	5	10,343	–	2,940	–	13,288
Allowances surrendered	–	–	56	–	–	56
Disposals ¹⁸	–	(10,650)	–	(3,830)	–	(14,480)
Write offs	–	–	–	–	–	–
Impairment ¹⁹	–	(83)	–	–	–	(83)
Reclassifications	–	4,595	–	–	–	4,595
Revaluations ¹⁹	–	504	–	36	–	540
At 31 March 2020	5	22,127	439	3,044	–	25,615

Departmental Group £000	Purchased software licences	IT software	Carbon reduction commitment	Website	Payments on account and assets under construction	2019-20 Total
Carrying amount at 31 March 2020	209	12,349	–	2,367	20,052	34,977
Carrying amount at 31 March 2019	–	10,829	56	2,878	15,425	29,188
Asset financing:						
Owned	209	12,349	–	2,367	20,052	34,977
Carrying amount at 31 March 2020	209	12,349	–	2,367	20,052	34,977
Of the total:						
Department	209	12,204	–	2,367	19,866	34,646
Executive Agency	–	–	–	–	–	–
Other designated bodies	–	145	–	–	186	331
Carrying amount at 31 March 2020	209	12,349	–	2,367	20,052	34,977

18 Disposals include retired assets; their values are fully written down and they are no longer in use.

19 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.

7.1. 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 £11.272 million (2019-20: £20.052 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. Disposals in 2020-21 relate to surrendered allowances fully amortised at nil net book value.

7.5. Material intangibles

Description	Carrying amount £000	Remaining amortisation period
<u>GOV.UK</u> – Websites	6,779	3 years
Cross Government Secure IT – Software	4,464	4 years
<u>GOV.UK</u> Platform as a Service – Software	3,230	3 years
Learning Platform for Government – Software	2,987	3 years
Single Operating Platform – Software	2,328	2.6 years

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).

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 the government 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.

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).

Government Business Services 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 following the migration to cloud infrastructure.

8. Impairments

£000		2020-21	2020-21	2019-20	2019-20
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Charged to Consolidated Statement of Comprehensive Net Expenditure					
– Impairment of property, plant and equipment	4	–	–	1,775	1,775
– Impairment of intangible assets	4	–	–	85	85
– Impairment of trade receivables	14.3	5,641	5,641	860	860
– Impairment of trade receivables – write back	14.3	(703)	(703)	(522)	(522)
– Revaluation of property, plant and equipment	4	85,684	85,684	(4)	(4)
– Write off of property, plant and equipment	4	6,305	6,305	–	–
– Write off of Intangible assets	4	2,197	2,197	–	–
Total charged to Consolidated Statement of Comprehensive Net Expenditure		99,124	99,124	2,194	2,194
Taken through revaluation reserve		17,209	17,209	–	31
Total		116,333	116,333	2,194	2,225

Impairment of property, plant and equipment

Write-off of £6.305 million (2019-20: nil) relates to a loss in value of face-covering manufacturing machines. Prior year impairment of £1.775 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.

GPA onboarded Old Admiralty Building (OAB) in March 2021 from Department for Education (DfE). OAB had been undergoing significant refurbishment designed in light of the Listed status of the building. The value on transfer (£214 million) represents a fair value determined by a professional valuation. Following a subsequent professional valuation at the reporting date, the asset was impaired to £134 million to reflect its market value in existing use and is shown above within revaluation of property, plant and equipment. The asset has remained in Government ownership throughout.

Impairment of intangible assets

Write-off of £2.197 million (2019-20: nil) relates to the abandonment of Cabinet Office agile IT projects under construction. Prior year impairment of £0.085 million relates to the impairment of IT software and licenses considered no longer eligible for grouping and the impairment of cross government agile IT projects.

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. The risks associated with vacant space are mitigated in a number of ways. Tenants remain liable for the void cost as part of their occupation agreement if they exit early. Onboarded departments retain the risk until March 2021 or the financial year after on-boarding. The GPA retains some of the risks for hubs and risks for Whitehall Campus. The GPA expect to have a small level of vacant space during 2021-22. The expected vacant space mainly relates to properties where there is ongoing major transformation and refurbishment works which will deliver long term savings.

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	Shared Services Connected Limited	AXELOS Limited	Behavioural Insights Limited	Integrated Debt Services Limited	Crown Hosting Data Centres Limited	Total Departmental Group
Cost or valuation							
At 1 April 2019		12,626	48,943	1,377	3,088	156	66,190
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)	SoCNE	–	–	31	–	–	31
At 31 March 2020		18,627	44,936	1,733	2,208	266	67,770
Dividend received		–	(14,073)	(360)	–	(502)	(14,935)
Share of results	SoCNE	6,334	9,559	680	1,422	602	18,597
Share of FX Gains/(Losses)	SoCNE	–	–	(40)	–	–	(40)
At 31 March 2021		24,961	40,422	2,013	3,630	366	71,392

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.

The Cabinet Office Commercial Models Team has stewardship of the Cabinet Office's shareholdings in these associate companies and manages relationships with their directors.

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 2021 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 the higher of a formula value based on a multiple of adjusted earnings and net cash/borrowings and fair value based on 25% of the sale value of the whole company as determined by an independent expert.

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 2020 audited financial statements have been used and adjustments have been made for the effects of transactions between 1 January and 31 March 2021. SSCL's published accounts may be found at: 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 2021 or the previous year.

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' 2020 audited financial statements have been used and adjustments have been made for the effects of transactions between 1 January and 31 March 2021. AXELOS' published accounts may be found at: 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 2021.

The department has the benefit of a put option, giving it the right but not the obligation to sell its 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.

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 2021 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 the higher of a formula value based on a multiple of adjusted earnings and net cash/borrowings and fair value based on 25% of the fair market value of the whole company (assuming a willing buyer and willing seller) as determined by an independent expert.

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 2020 unaudited financial statements have been used and adjustments have been made for the effects of transactions between 1 January and 31 March 2021. IDS's published accounts may be found at: 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 2021 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 the higher of a formula value based on a multiple of adjusted earnings and net cash/borrowings and fair value based on 25.1% of the fair market value of the whole company (assuming a willing buyer and willing seller) as determined by an independent expert.

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 2020 audited financial statements have been used and adjustments have been made for the effects of transactions between 1 July June 2020 and 31 March 2021. CHDC's published accounts may be found at: companieshouse.gov.uk.

11. Financial assets

11.1. Current assets

Derivative financial assets at fair value through profit or loss

The department has the contractual benefit of current put options in relation to its investments in certain associates.

£000	Total
	Departmental group
Balance at 1 April 2019	71,948
Fair value gain/(loss) on financial assets – associate put options	(5,282)
Balance at 31 March 2020	66,666
Fair value gain/(loss) on financial assets – associate put options	(51,220)
Reclassification	(6,036)
Balance at 31 March 2021	9,410

As at 31 March 2021, put options were exercisable in relation to the department's investments in Behavioural Insights Limited (exercisable indefinitely) and Integrated Debt Services Limited (exercisable until 31 August 2021).

Under these put options it can require the co-investors in its associates to purchase its investments in those associates at the higher of associate specific contractually set formula values linked to the associates' net cash or debt positions and earnings (applicable to both BIT and IDS) or fair value of Cabinet Office's equity shareholding as determined by an independent expert (applicable to IDS only). The put options are not capable of separate realisation; they can

only be realised together with the underlying investments to which they are linked.

The corresponding derivative financial assets are stated at the formula values of the respective put options, net of the carrying value of the investment in the associate, discounted back to the reporting date for put options where a future measurement date has been used, and net of any impairments associated with indicators linked to the co-investors' assessed ability to satisfy their obligations under the options if called.

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.

In valuing put options, Cabinet Office has made assumptions about the future performance of some of its associates based on the best and reasonably available evidence. Sensitivity surrounding assumptions about future earnings, choice of discount rates, selection of the most appropriate measurement date, valuation based on formula values or fair values and management judgement when assessing for indicators of impairment could have a significant effect on the fair value of the reported derivative financial assets.

A 5% increase/decrease in the discount rate applied to put options would result in a £0.154 million decrease or £0.168 million increase in formula value respectively. A 5% increase/decrease in forecast earnings applied to put options would result in a £0.499 million increase/decrease in formula value respectively.

Derivative financial assets relating to put options expected to be exercised, lapse or be otherwise realised within 12 months of the reporting date are presented as current financial assets.

No decision had been made to exercise any of these options.

The 2020-21 change in fair value includes derecognition of the derivative financial asset relating to AXELOS following the decision to allow the put option to lapse upon expiration on 28 February 2021. This is due to options which were being investigated, including the sale of shares.

The 2020-21 change in fair value also includes the reclassification of the current derivative financial asset relating to Crown Hosting Data Centres Limited to non-current which is not expected to be realised within a period of 12 months.

11.2. Non-current assets

Derivative financial assets at fair value through profit or loss

The department has the contractual benefit of non-current put options in relation to its investments in certain associates.

£000	Total Departmental group
Balance at 1 April 2019	–
Fair value gain/(loss) on financial assets – associate put options	24,736
Balance at 31 March 2020	24,736
Fair value gain/(loss) on financial assets – associate put options	8,629
Reclassification	6,036
Balance at 31 March 2021	39,401

As at 31 March 2021, a put option is exercisable in relation to the department's investment in Crown Hosting Data Centres Limited (exercisable indefinitely).

The Cabinet Office has a put option in Shared Services Connected Limited (SSCL) which is exercisable between 1 January 2022 and 1 January 2024.

Under these put options Cabinet Office can require the co-investors in its associates to purchase its investments in those associates at the higher of associate specific contractually set formula values linked to the associates' net cash or debt positions and earnings or fair value of Cabinet Office's equity shareholding as determined by an independent expert. The put options are not capable of separate realisation; they can

only be realised together with the underlying investments to which they are linked.

The corresponding derivative financial assets are stated at the formula values of the respective put options, net of the carrying value of the investment in the associate, discounted back to the reporting date for put options where a future measurement date has been used, and net of any impairments associated with indicators linked to the co-investors' assessed ability to satisfy their obligations under the options if called.

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.

In valuing put options, Cabinet Office has made assumptions about the future performance of some of its associates based on the best and reasonably available evidence. Sensitivity surrounding assumptions about future earnings, choice of discount rates, selection of the most appropriate measurement date, valuation based on formula values or fair values and management judgement when assessing for indicators of impairment could have a significant effect on the fair value of the reported derivative financial assets.

A 5% increase/decrease in the discount rate applied to put options would result in a £2.211 million decrease or £2.398 million increase in formula value respectively. A 5% increase/decrease in forecast earnings applied to put options would result in a £2.235 million increase/decrease in formula value respectively.

Derivative financial assets relating to put options expected to be exercised, lapse or be otherwise realised in a period in excess of 12 months of the reporting date are presented as non-current financial assets.

No decision had been made to exercise any of these options.

The 2020-21 change in fair value includes the reclassification of the current derivative financial asset relating to Crown Hosting Data Centres Limited to non-current which is not expected to be realised within a period of 12 months.

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
Balance at 1 April 2019		350
Additions		–
Impairment	4	–
Balance at 31 March 2020		350
Additions		–
Impairment	4	–
Balance at 31 March 2021		350

In accordance with the FReM, the Cabinet Office's investment in the Crown Commercial Service is shown at its historical cost.

A dividend of £14.500 million (2019-20: £14.475 million) is receivable for the year ended 31 March 2021; see Note 5. It covered the costs of the Complex Transaction, Continuous Improvement, Markets and Suppliers and Policy teams which previously transferred from CCS to Cabinet Office and included 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.

12. Assets classified as held for sale

£000		Total
	Note	Departmental group
Balance at 1 April 2019		16,812
Transfer from property, plant and equipment	6	–
Change in fair value	4	–
Disposal		(16,812)
Balance at 31 March 2020		–
Transfer from property, plant and equipment	6	1,400
Change in fair value	4	(100)
Disposal		–
Balance at 31 March 2021		1,300

National Savings and Investments, Blackpool

During the year GPA was commissioned to dispose of the former National Savings and Investments offices in Blackpool. The property was onboarded to GPA and subsequently transferred to assets held for sale once the relevant criteria were satisfied. The property is available for sale in its present condition, is being actively marketed and is expected to be disposed of within 12 months of its classification as an asset held for sale. Immediately before transferring to held for sale, the property was revalued to its market value, incurring an impairment of £0.777 million. After transferring to assets held for sale, it was then revalued to its fair value less costs to sell, incurring a further impairment of £0.100 million. Both impairments were charged to the SoCNE. No other assets are held for sale.

13. Cash and cash equivalents

£000	Note	Total	Total
		Core Department and agency	Departmental group
Balance at 1 April 2019		76,535	76,561
Net change in cash and cash equivalent balances		63,929	64,088
Balance at 31 March 2020		140,464	140,649
Net change in cash and cash equivalent balances		(93,391)	(93,491)
Balance at 31 March 2021		47,073	47,158
The following balances at 31 March were held at:			
Government Banking Service – supply – Cabinet Office		(83,800)	(83,800)
Government Banking Service – supply – Government Property Agency		105,318	105,318
Government Banking Service – supply – Equality and Human Rights Commission		–	85
Government Banking Service – non-supply – consolidated fund standing services – elections – Returning Officers' expenses, England, Wales and Scotland		25,555	25,555
Balance at 31 March 2021		47,073	47,158

14. Trade receivables, financial and other assets

£000		2020-21		2019-20 Restated		2018-19 Restated	
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Current – amounts falling due within one year							
VAT		12,823	12,814	6,085	6,074	6,727	6,723
Trade receivables		22,866	23,030	17,568	17,608	9,671	9,547
Contract receivables		103,231	103,231	111,739	111,739	74,383	74,383
Deposits and advances		310	310	999	1,005	802	802
Other receivables		8,471	8,460	7,736	7,738	9,980	9,990
Current lease incentive receivable		601	601	9,367	9,367	–	–
Deferred consideration upon disposal of shareholdings in MyCSP Ltd		–	–	4,000	4,000	–	–
Deferred consideration upon disposal of site at Sunningdale Park		6,905	6,905	6,658	6,658	–	–
Prepayments		39,366	39,878	80,040	80,567	23,048	23,443
Accrued income		34,424	34,416	39,981	40,024	29,578	29,673
Contract assets – accrued income		105,486	105,486	74,940	74,992	55,073	55,073
Amounts from other Government Departments to offset provisions		10,121	10,121	2,608	2,608	2,415	2,415
Axelos deferred consideration receivable	14.1	6,976	6,976	7,234	7,234	7,503	7,503
Carillion working capital receivable	14.2	7,515	7,515	–	–	–	–
Returning Officers' expenses, England, Wales and Scotland							

£000		2020-21		2019-20 Restated		2018-19 Restated	
	Note	Core Departmental group	Departmental group	Core Departmental group	Departmental group	Core Departmental group	Departmental group
		and agency	and agency	and agency	and agency	and agency	and agency
Advances to Returning Officers							
- 2019 UK Parliamentary general election		81,073	81,073	80,792	80,792	-	-
- 2017 UK Parliamentary general election		-	-	5,936	5,936	28,874	28,874
- UK Parliamentary by-elections		232	232	443	443	365	365
- Petition to recall an MP		267	267	267	267	167	167
- 2019 European Parliamentary election		-	-	72,339	72,339	-	-
- Police and Crime Commissioner by-elections		1,714	1,714	1,714	1,714	-	-
Amounts due from Returning Officers							
- 2017 UK Parliamentary general election		-	-	24	24	4	4
Total current assets		442,381	443,029	530,470	531,129	248,590	248,962
Non-current – amounts falling due after more than one year							
Deferred Consideration		7,160	7,160	14,065	14,065	3,788	3,788
Amounts from other Government Departments to offset provisions		58,410	58,410	60,796	60,764	32,939	32,908
Prepayments, deposits and advances		5,459	5,518	5,483	5,515	-	90
Non-current lease incentive receivable		23,499	23,499	-	-	-	-

£000	Note	2020-21		2019-20 Restated		2018-19 Restated	
		Core Department and agency	Departmental group	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Axelos deferred consideration receivable		11,615	11,615	18,592	18,592	25,826	25,826
Carillion working capital receivable		14,234	14,234	–	–	–	–
Total non-current – amounts falling due after more than one year		120,377	120,436	98,936	98,936	62,553	62,612
Total		562,758	563,465	629,406	630,065	311,143	311,574

14.1. Axelos Consideration

Cabinet Office is to be paid £65.800 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 part of Cabinet Office's business and related assets (Swirl portfolio) in 2013-14. Payment is contingent on the profits of AXELOS Limited.

At 31 March 2021, the financial asset measured at fair value through profit and loss is valued at £18.6 million.

The fair value of the financial asset is calculated using Level 3 inputs within the IFRS 13 Fair Value hierarchy and is based on techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

When calculating fair value, Cabinet Office has made assumptions about the future performance of AXELOS based on the best and reasonably available evidence. Sensitivity surrounding assumptions about future earnings, choice of discount rate, and management judgement when assessing for indicators of impairment could have a significant effect on the fair value of the financial asset.

HM Treasury's discount rate of 3.7% for financial instruments has been used to calculate fair value. A 1% increase/decrease in the discount rate applied to the financial asset would result in a £1.548 million decrease or £1.707 million increase in fair value respectively.

14.2. Official Receiver – Carillion plc in liquidation

Following the collapse of Carillion in January 2018, the Cabinet Office provided the Official Receiver with a grant of £150 million as working capital to maintain public service continuity when managing the liquidation.

The net Cabinet Office contribution as at 31 March 2021 is £74.5 million, following recoveries from the Official Receiver of £25 million in 2020-21, £40 million in 2019-20 and £10.5 million in 2018-19.

The Official Receiver continues to progress the liquidation and is seeking to recoup his operating costs through liquidation of assets. Based on the latest estimate of the expected cost of the liquidation to the Cabinet Office, a financial asset of £21.749 million has been recognised, representing the remaining expected recoveries, and is measured at fair value through profit and loss.

All recoveries are to be returned to the Consolidated Fund, therefore as well as recognising a financial asset, Cabinet Office have also recognised a corresponding increase in Consolidated Fund Extra Receipts (CFER) payable. This will remain subject to uncertainty until the liquidation is concluded and any gains or losses in the valuation of the financial asset will be reflected in the CFER Payable.

The fair value of the financial asset is calculated using Level 3 inputs within the IFRS 13 Fair Value hierarchy and is based on techniques which use inputs which have a significant effect on the recorded fair value

that are not based on observable market data.

When calculating fair value, Cabinet Office has made assumptions about the eventual cost and time to complete the liquidation based on the best and reasonably available evidence. Sensitivity surrounding assumptions of the eventual cost of the liquidation, time to complete, choice of discount rate, and management judgement when assessing for indicators of impairment could have a significant effect on the fair value of the financial asset.

HM Treasury's discount rate of 3.7% for financial instruments has been used to calculate fair value. A 1% increase/decrease in the discount rate applied to the financial asset would result in a £0.408 million decrease or £0.421 million increase in fair value respectively. A 5% increase/decrease in the expected cost of the liquidation would result in a £1.087 million decrease/increase in fair value respectively.

14.3. 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		2020-21		2019-20 Restated		2018-19 Restated	
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group	Core Department and agency	Departmental group
At 1 April		6,753	6,753	6,415	6,415	6,566	6,566
Provided in the year	4, 8	5,641	5,641	914	914	177	177
Provisions utilised in the year	4, 8	(868)	(868)	(528)	(528)	(319)	(319)
Provisions debts recovered	4, 8	165	165	(48)	(48)	(9)	(9)
At 31 March		11,691	11,691	6,753	6,753	6,415	6,415

Departmental Group	Provision %			Provision £'000 2020-21			
	Private sector	Public sector	Other Govt Dept	Private sector	Public sector	Other Govt Dept	Total
Trade receivables							
Current to 60 days	2%	–	–	50	–	–	50
61 – 90 days	10%	–	–	12	–	–	12
91 – 180 days	30%	50%	–	94	1,451	–	1,545
> 180 days	100%	100%	–	1,018	1,343	–	2,361
> 361 days	–	–	100%	–	–	1,797	1,797
Total trade receivables				1,174	2,794	1,797	5,765
Other receivables							
Current to 60 days	2%	–	–	23	–	–	23
61 – 150 days	10%	–	–	34	–	–	34
151 – 331 days	30%	–	–	64	–	–	64
> 180 days	100%	–	–	–	–	–	–
> 331 days	100%	–	–	1,121	–	–	1,121
Total other receivables				1,242	–	–	1,242
Government property Agency Trade Receivables ²⁰				–	151	4,529	4,680
Total receivables				2,416	2,945	6,326	11,687
Accrued income				4	–	–	4
Grand total				2,420	2,945	6,326	11,691

20 Government property Agency apply a separate risk based approach to providing for credit losses.

Departmental Group	Provision %			Provision £'000			2019-20
	Private sector	Public sector	Other Govt Dept	Private sector	Public sector	Other Govt Dept	Total
Trade receivables							
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
Total trade receivables				953	1,549	2,726	5,228
Other receivables							
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
Total other receivables				1,525	–	–	1,525
Grand total				2,478	1,549	2,726	6,753

15. Trade payables, financial and other liabilities

£000		2020-21	2019-20	Restated	2018-19	Restated	
	Note	Core Department and agency	Depart- mental group	Core Depart- ment and agency	Depart- mental group	Core Depart- ment and agency	Depart- mental group
Current – amounts falling due within one year							
Other taxation and social security		15,167	15,418	12,052	12,407	9,719	9,983
Contract liabilities under IFRS 15 Revenue from contracts with customers		16,858	16,858	7,415	7,426	12,398	12,398
Trade payables		40,026	39,901	29,940	29,947	36,183	36,919
Cash collected from lobbyists by Cabinet Office on behalf of the Registrar of Consultant Lobbyists		162	–	152	–	150	–
Refunds due to Consultant Lobbyist		–	2	–	–	–	–
Other payables		19,247	19,811	11,827	11,800	8,091	8,273
Other payables in respect of Machinery of Government transfers		11,342	11,342	5,602	5,602	1,796	1,796
Accruals		202,114	203,059	115,343	116,139	109,074	110,730
Accrual for untaken annual leave		19,478	19,860	10,230	10,494	8,175	8,447
Deferred income		9,603	9,626	32,263	32,504	10,029	9,991
Current lease incentive payable		1,991	2,018	9,319	9,319	–	–
Amounts issued from the Consolidated Fund for supply but not spent at year end – Cabinet Office		13,933	13,933	60,430	60,430	61,509	61,509
Amounts payable to the Consolidated Fund – receivable	SOPS4	14,419	14,419	10,658	10,658	488	488
Amounts payable to the Consolidated Fund – received	SOPS4	7,425	7,581	48,125	48,275	–	149
Amounts payable to the Consolidated Fund – civil penalties received from consultant lobbyists	SOPS4	–	5	–	2	–	1

£000		2020-21	2019-20 Restated	2018-19 Restated			
	Note	Core Department and agency	Departmental group	Core Department and agency	Departmental group	Core Department and agency	Departmental group
Returning Officers' expenses, England, Wales and Scotland							
Accruals and other payables							
– 2019 UK Parliamentary general election		105,448	105,448	113,096	113,096	–	–
– 2017 UK Parliamentary general election		–	–	8,027	8,027	40,788	40,788
– UK Parliamentary by-elections		332	332	658	658	421	421
– Petition to recall an MP		348	348	354	354	222	222
– 2019 European Parliamentary election		–	–	97,690	97,690	–	–
– Police and Crime Commissioner by-elections		5,350	5,350	2,054	2,054	–	–
Forfeited deposits – Non voted receipts surrenderable to the Consolidated Fund							
– 2019 UK Parliamentary general election		4	4	21	21	–	–
Total current liabilities		483,247	485,315	575,256	576,903	299,043	302,115
Non-current – amounts falling due after more than one year							
Non-current lease incentive payable		45,317	45,337	–	11	–	18
Amounts Payable to the Consolidated Fund – proceeds receivable from sale of shareholdings in MyGSP Ltd	14	–	–	–	–	4,000	4,000
Amounts Payable to the Consolidated Fund – receivable		21,395	21,395	14,065	14,065	–	–
Total non-current liabilities		66,712	66,732	14,065	14,076	4,000	4,018
Total		549,959	552,047	589,321	590,979	303,043	306,133

16. Provisions for liabilities and charges

£000	Specific dilapidations	Early departures	Onerous lease	Other provisions	Total
	Departmental group	Departmental group	Departmental Group	Departmental group	Departmental group
Balance at 1 April 2019 – restated	40,320	96	–	476	40,892
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
Balance at 31 March 2020 – restated	68,511	2	–	69	68,582
Provisions offset by receivables	5,158	–	–	–	5,158
Provided in the year	15,380	–	7,985	936	24,301
Provisions not required written back	(4,047)	–	–	(63)	(4,110)
Provisions utilised in the year	–	(2)	–	(1)	(3)
Borrowing costs	3	–	–	–	3
Balance at 31 March 2021	85,005	–	7,985	941	93,931
Of which:					
Core Department and agency	84,777	–	7,985	941	93,703
Arm's length bodies	228	–	–	–	228
Balance at 31 March 2021	85,005	–	7,985	941	93,931
Core Department and agency	68,331	2	–	69	68,402

£000	Specific dilapidations	Early departures	Onerous lease	Other provisions	Total
	Departmental group	Departmental group	Departmental Group	Departmental group	Departmental group
Arm's length bodies	180	–	–	–	180
Balance at 31 March 2020 – restated	68,511	2	–	69	68,582
Core Department and agency	40,139	96	–	256	40,491
Arm's length bodies	181	–	–	220	401
Balance at 1 April 2019 – restated	40,320	96	–	476	40,892
Of which:					
Current liability	12,700	–	1,818	936	15,454
Non-current liability	72,305	–	6,167	5	78,477
Balance at 31 March 2021	85,005	–	7,985	941	93,931
Current liability	2,608	2	–	64	2,674
Non-current liability	65,903	–	–	5	65,908
Balance at 31 March 2020 – restated	68,511	2	–	69	68,582
Current liability	2,415	93	–	471	2,979
Non-current liability	37,905	3	–	5	37,913
Balance at 1 April 2019 – restated	40,320	96	–	476	40,892

Analysis of expected timing of discounted flows – 2020-21

£000	Specific dilapidations	Early departures	Onerous lease	Other provisions	Total
	Departmental group	Departmental group	Departmental Group	Departmental group	Departmental group
Not later than one year	12,700	–	1,818	936	15,454
Later than one year and not later than five years	17,562	–	6,167	2	23,731
Later than five years	54,743	–	–	3	54,746
Balance at 31 March 2020	85,005	–	7,985	941	93,931

Analysis of expected timing of discounted flows – 2019-20

£000	Specific dilapidations	Early departures	Onerous lease	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
Balance at 31 March 2019 – restated	68,511	2	–	69	68,582

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 14).

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. All payments have been made against the provision at 31 March 2021.

Onerous lease

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

Other provisions

One contract is in perpetuity, with £500 per year being paid to the Gresham Estate, and is provided for accordingly; the figure for amounts due later than five years is only provided for seven years and therefore reflected as such in the tables on the previous page.

Cabinet Office has legal provisions subject to legal privilege for which details are not given to avoid prejudicing the position of the Department, of which the likelihood of future outflow of economic resources is considered probable. The financial estimate of this liability has been reliably estimated at £0.935 million.

17. Contingent assets

The Cabinet Office have no contingent assets.

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.

IR35

Since April 2017 the responsibility for assessment of employment status of contingent workers is the public sector body. The department is responsible for deciding whether engagements are inside of the off-payroll working rules or not, and informing

the fee-paying agency so appropriate deductions can be made.

Since 2019 HMRC has been undertaking audit compliance work on our determinations for workers engaged since April 2017. The department applied the off-payroll rules with care. However it may be liable for any tax unpaid as a result of an incorrect determination passed to the fee-paying agency. We are therefore disclosing an unquantifiable liability in respect of tax and NI that would have been paid to HMRC had the engagements been considered inside scope of IR35.

Legally privileged

Cabinet Office has contingent liabilities subject to legal privilege for which details are not given to avoid prejudicing the position of the department, of which the likelihood of future outflow of economic resources is considered unlikely. The financial estimate of this liability has been estimated at £0.780 million.

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 2021.

£000	Note	Total Core Department and agency	Total Restated Departmental group
Balance at 1 April 2019 – restated		–	1,435
Provisions utilised in the year		–	(97)
Net interest		–	40
Actuarial (gain) / loss		–	82
Balance at 31 March 2020 – restated		–	1,460
Provisions utilised in the year		–	(99)
Net interest		–	25
Actuarial (gain) / loss		–	39
Balance at 31 March 2021		–	1,425
Of which:		–	
Core Department and agency		–	–
Arm's length bodies		–	1,425
Balance at 31 March 2021		–	1,425
Core Department and agency		–	–
Arm's length bodies		–	1,460
Balance at 31 March 2020 – restated		–	1,460
Core Department and agency		–	–
Arm's length bodies		–	1,435
Balance at 1 April 2019 – restated		–	1,435
Of which:		–	
Current liability		–	100
Non-current liability		–	1,325

£000	Note	Total Core Department and agency	Total Restated Departmental group
Balance at 31 March 2021		–	1,425
Current liability		–	98
Non-current liability		–	1,362
Balance at 31 March 2020 – restated		–	1,460
Current liability		–	100
Non-current liability		–	1,335
Balance at 1 April 2019 – restated		–	1,435

Analysis of expected timing of discounted flows – 2020-21

£000	Retirement benefit obligations Departmental group
Not later than one year	100
Later than one year and not later than five years	410
Later than five years	915
Balance at 31 March 2021	1,425

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
Balance at 31 March 2020 – restated	1,460

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	2020-21	2020-21	2019-20	2019-20
Obligations under operating leases for the following periods comprise:	Core Dept and agency	Dept'l group	Core Dept and agency	Dept'l group
Land and buildings				
Not later than one year	84,537	84,145	94,215	93,831
Later than one year and not later than five years	233,358	232,723	223,010	222,002
Later than five years	184,956	184,956	245,000	245,000
Total	502,851	501,824	562,225	560,833

The GPA leases out all of its properties under operating leases for average lease terms of 4 years 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
Obligations under operating leases for the following periods comprise:	Core Dept and agency	Dept'l group	Core Dept and agency	Dept'l group
Land and buildings				
Not later than one year	128,490	128,707	137,249	137,486
Later than one year and not later than five years	402,856	403,054	359,900	360,297
Later than five years	456,264	456,264	452,677	452,677
Other				
Not later than one year	8,932	8,932	561	561
Later than one year and not later than five years	8,862	8,862	1,450	1,450
Later than five years	–	–	–	–
Total	1,005,404	1,005,819	951,837	952,471

The GPA has various operating leases under non-cancellable operating lease agreements. The average lease term is 4 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.

and Ministerial/VIP air booking travel requirements.

GPA as 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.

Included in other operating lease commitments is a dedicated wet lease VIP transport aircraft service for Prime Minister

21. Commitments under private finance initiative (PFI) contracts

Commitments ceased in 2018-19.

Sunningdale Park site

The sale of the site was completed on 20 February 2020.

22. Capital and other financial commitments

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	2020-21	2020-21	2019-20	2019-20
	Core Dept and agency	Dept'l group	Core Dept and agency	Dept'l group
Property, plant and equipment	8,558	8,891	131,374	131,374
Intangible assets ²¹	130	189	644	644
Total	8,688	9,080	132,018	132,018

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.

21 Intangible asset commitments relate to Cabinet Office IT and cross-government 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	2020-21	2020-21	2019-20	2019-20
	Core Dept and agency	Dept'l group	Core Dept and agency	Dept'l group
Not later than one year	250,551	250,551	255,436	255,436
Later than one year and not later than five years	584,136	584,136	499,162	499,162
Later than five years	439,982	439,982	458,315	458,315
Total	1,274,669	1,274,669	1,212,913	1,212,913

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 facilities management, 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. In such circumstances forecast usage is used to calculate the commitment and this is 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 Office, the Government Legal Department, Foreign, Commonwealth and Development Office, the Ministry of Defence, the Department for International Development and the Home Office.

The main customers of the Cabinet Office were the Ministry of Defence, the Crown Commercial Service (CCS), the Home Office, HM Revenue and Customs, 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.

Shared Services – 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 £7.491 million (2019-20: £7.675 million) and it has future commitments with SSCL totalling £17.541 million (2019-20: £16.881 million).

A financial asset with AXELOS is disclosed at Note 14. Cabinet Office expenditure with AXELOS during the 2020-21 financial year was £nil (2019-20: nil).

Behavioural Insights – Programme evaluation services were received from BIL. Cabinet Office expenditure with BIL during the 2020-21 financial year was £1.447 million (2019-20: £2.223 million).

Debt services – IDSL provide a range of debt management and collection services. Cabinet Office expenditure with IDSL during the 2020-21 financial year was £nil (2019-20: nil).

Data hosting – 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 2020-21 financial year was £1.071 million (2019-20: £0.349 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.

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](https://www.gov.uk/government/property-agency) – 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; and 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; and 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.

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.

Returning Officers' expenses, England, Wales and Scotland

The Cabinet Office Annual Report and Accounts include Returning Officers' Expenses, for England, Wales and Scotland. 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. Reports published to date as follows are published on [GOV.UK](https://www.gov.uk).

- Cost of the 2014 European Parliamentary elections (published December 2016)
- Cost of the 2015 UK Parliamentary General elections (published June 2018)

These will be followed by the following reports which will be published in due course:

- Cost of the 2016 Police and Crime Commissioner elections
- Cost of the 2017 UK Parliamentary General elections
- Cost of the 2019 European Parliamentary elections

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 transfers

Social Mobility Commission

In a written Prime Ministerial Statement on 17 December 2020, it was announced that the sponsorship and secretariat of the Social Mobility Commission will move to the Cabinet Office to become part of the new Equality Hub. This machinery of government change will put the commission's work at the heart of government and ensure that our commitment to levelling up and equality of opportunity is the responsibility of all departments. This change is also in line with the recommendation from the Commission on Race and Ethnic Disparities. The change took effect on 1 April 2021.

Prosperity Fund

In a written ministerial statement on 25 March 2021, it was announced that the cross-government prosperity fund arrangement will end on 31 March and prosperity programming will move to the Foreign,

Commonwealth and Development Office (FCDO) as part of a machinery of government transfer. The transfer will help drive strategic coherence across Official Development Assistance (ODA) programmes. This will allow the Foreign Secretary to make decisions on aid to implement the UK government's Integrated Review of Security, Defence, Development and Foreign Policy. This change took effect on 1 April 2021.

GREAT Britain and Northern Ireland campaign

In a written Prime Ministerial statement on 20 April 2021, it was announced that policy responsibility for the GREAT Britain and Northern Ireland campaign will transfer from the Department for International Trade to the Cabinet Office. This change was effective immediately.

Future government commitment

GOV.UK Verify

In a written ministerial statement on 27 April 2021, it was announced that the government has decided to extend the current GOV.UK Verify service, enabling new users to sign up until April 2022 and existing users to sign in until April 2023. During this time the development of a new cross-government single sign-on and digital identity assurance pilot will commence. Building on our experiences of Verify, the Government Digital Service is collaborating with other departments to develop the first phase of a new system that will make it easier for people to access government services online. £10.519 million has since been allocated to GOV.UK Verify for 2021-22.

Sale of shares in Associate companies

AXELOS Ltd

In June 2021, Cabinet Office conditionally agreed to sell its 49% stake in AXELOS Limited to PeopleCert International Limited, a member of the PeopleCert group. This is part of a joint sale with Capita of the whole of AXELOS, valuing the business at £380 million on a cash free, debt free basis. AXELOS staff and senior management will be transferring with the business. Subject to the timely satisfaction of conditions the sale is expected to complete in July.

Sale of the Cabinet Office stake will generate cash proceeds of approximately £175 million. Cabinet Office has also received cash dividends of approximately £10.7 million this year making total cash receipts of some £185.7 million. As part of the sale Cabinet Office will also receive accelerated settlement of outstanding deferred consideration of £25.850 million owed to it by AXELOS dating from the formation of the joint venture.

In connection with the sale, the Cabinet Office will indemnify the purchaser to the extent that the provision already made by Axelos to settle its contribution to the Capita Group pension scheme is inadequate. It is not expected however that any liability under the indemnity will be material.

Government Property Agency

Asset transfers

Inter-departmental transfers for properties were issued in May 2021 with an effective transfer date of 1 April 2021 for Aragon Court, Peterborough and Smedley Hydro, Southport from the Home Office; and Gwydyr House, London from the Office of the Secretary of State for Wales. The net book value of these properties upon transfer is £11.385 million.

Annex A

Regulatory reporting: Core expenditure tables

Table 1 – Cabinet Office total departmental spending 2016-17 to 2021-22

£000	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Outturn ²²	Outturn ²²	Outturn ²²	Outturn ²²	Outturn	Plans
Resource DEL						
Maintain the integrity of the Union, coordinate the security of the realm and sustain a flourishing democracy	90,984	91,458	128,539	116,673	90,394	80,682
Support the design and implementation of HM Government's policies and the Prime Minister's priorities	81,681	132,326	205,930	254,861	379,877	566,856
Ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of Government	192,835	189,961	206,930	254,081	786,072	345,230
Ensure the effective running of the Department and contribute to the Government's cross-cutting priorities	71,267	216,421	82,075	49,096	150,376	196,032
Government Property Agency – Executive agency	–	–	23,165	25,114	33,913	8,458
Arm's length bodies (net)	18,646	13,305	1,817	19,492	19,205	18,352
Elections	47,706	116,790	(291)	289,767	(5,485)	84,400

£000	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Outturn ²²	Outturn ²²	Outturn ²²	Outturn ²²	Outturn	Plans
UK members of the European Parliament ²³	2,145	2,038	2,116	2,832	2,232	–
Cabinet Office CFER	(128)	(131)	(140)	–	–	–
Total resource DEL	505,136	762,168	649,400	1,025,916	1,456,584	1,300,010
Of which:						
Staff costs ²⁴	214,971	342,430	414,359	599,130	671,526	6,764
Purchase of goods and services	322,719	469,110	570,375	564,764	1,297,739	1,462,527
Income from sales of goods and services	(111,478)	(74,927)	(375,553)	(159,293)	(241,337)	(557,781)
Current grants to local Government (net)	33,919	39,833	17,896	32,944	25,757	–
Current grants to persons and non-profit bodies (net)	3,589	3,811	1,225	1,876	8,701	–
Current grants abroad (net)	–	1,531	(493)	–	–	–
Rentals	19,152	30,650	(7,408)	(48,437)	10,629	–
Depreciation ²⁵	22,272	34,917	51,528	45,267	57,027	71,726
Other resource ²⁶	(8)	(85,187)	(22,529)	(10,335)	(373,458)	(316,774)
Cabinet Office AME	(4,885)	13,975	(1,411)	1,766	4,446	1
Government Property Agency – Executive agency – (AME)	–	–	(14,374)	(1,749)	105,851	1,499
Total resource AME	(4,885)	13,975	(15,785)	17	110,297	1,500
Of which:						
Depreciation ²⁵	(118)	(846)	(1,093)	(1,270)	80,000	1,500
Take-up of provisions	(128)	15,518	(14,197)	2,154	30,386	–
Release of provision	(4,583)	(697)	(495)	(867)	(89)	–
Other resource ²⁶	(56)	–	–	–	–	–
Total resource budget	500,251	776,143	633,615	1,025,933	1,566,881	1,301,510
Of which:						
Depreciation ²⁵	22,154	34,071	50,435	43,997	57,027	73,226
Capital DEL						
Maintain the integrity of the Union, coordinate the security of the realm and sustain a flourishing democracy	19,214	25,198	14,417	12,678	10,055	3,195

£000	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Outturn ²²	Outturn ²²	Outturn ²²	Outturn ²²	Outturn	Plans
Support the design and implementation of HM Government's policies and the Prime Minister's priorities	75,484	77,198	90,890	82,028	147,953	177,270
Ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of Government	17,903	86,292	15,031	9,545	194,050	38,700
Ensure the effective running of the Department and contribute to the Government's cross-cutting priorities	8,327	4,520	(7,194)	904	1,148	12,640
Government Property Agency – Executive agency	–	–	18,499	7,829	19,748	196,960
Arm's length bodies (net)	391	245	–	–	385	–
Total capital DEL	121,319	193,453	131,643	112,984	373,339	428,765
Of which:						
Staff costs (ESA10) ²⁴	87	110	–	–	–	–
Purchase of goods and services (ESA10)	73,258	75,344	88,391	74,459	191,623	–
Capital support for local Government (net)	–	2,127	1,000	–	–	–
Capital grants to persons & non-profit bodies (net)	(1,625)	(9,052)	–	(48)	(6)	–
Capital receipts from private sector companies	–	–	(8,515)	–	–	–
Purchase of assets	49,599	124,955	64,778	40,940	590,948	559,105
Income from sales of assets	–	(31)	(7)	(39)	12,373	(30,340)
Other capital	–	–	(14,004)	(2,328)	(411,599)	–
Total capital budget	121,319	193,453	131,643	112,984	373,339	428,765
Total Departmental spending²⁷	599,416	935,525	714,823	1,094,920	1,883,193	1,657,049
Of which:						
Total DEL	604,183	920,704	729,515	1,093,633	1,772,896	1,657,049
Total AME	(4,767)	14,821	(14,692)	1,287	110,297	–

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- 22 Prior year Departmental spending has been restated for Machinery of Government transfers of function. Non-budget expenditure prior year adjustments have not been restated in these tables.
- 23 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.
- 24 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'.
- 25 Includes impairments.
- 27 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 2016-17 to 2021-22

£000	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Outturn ²⁸	Outturn ²⁸	Outturn ²⁸	Outturn ²⁸	Outturn	Plans
Resource DEL						
Maintain the integrity of the Union, coordinate the security of the realm and sustain a flourishing democracy	37,970	29,650	32,844	40,262	20,801	40,770
Support the design and implementation of HM Government's policies and the Prime Minister's priorities	68,214	104,220	126,724	138,004	134,101	370,290
Ensure the delivery of the finest public services by attracting and developing the best public servants and improving the efficiency of Government	47,627	46,651	39,675	46,281	51,590	61,300
Ensure the effective running of the Department and contribute to the Government's cross-cutting priorities	66,033	65,649	68,239	81,212	117,340	131,982
Government Property Agency – Executive agency	–	–	8,348	13,089	33,913	8,458
Arm's length bodies (net)	14,125	10,325	1,647	13,874	14,090	2,636
Cabinet Office CFER	–	–	–	–	–	–
Total administration budget	233,969	256,495	277,477	332,722	371,835	615,436
Of which:						
Staff costs ²⁹	139,829	248,244	290,749	429,688	474,725	5,484
Purchase of goods and services	168,388	224,941	326,938	321,197	344,708	680,412
Income from sales of goods and services	(102,164)	(56,027)	(332,951)	(111,964)	(141,389)	(333,956)
Current grants to persons and non-profit bodies (net)	–	–	–	–	400	–
Rentals	15,130	14,677	(10,521)	26,779	10,680	–

£000	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Outturn ²⁸	Outturn ²⁸	Outturn ²⁸	Outturn ²⁸	Outturn	Plans
Depreciation ³⁰	12,721	12,985	20,528	18,937	17,874	31,774
Other resource	65	(188,325)	(17,266)	(351,915)	(335,163)	231,722

28 Prior year Departmental spending has been restated for Machinery of Government transfers of function. Non-budget expenditure prior year adjustments have not been restated in these tables.

29 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'.

30 Includes impairments.

Annex B

Other reporting

Freedom of Information

The Freedom of Information (FOI) team handled 20% more FOI requests than the previous year (increased from 1,949 in 2019-20 to 2,346 in 2020-21). The Data Transparency Team oversaw the successful publication of quarterly cross-government transparency returns, improving timeliness and quality of the data.

Ministerial correspondence

In 2020-21 the Cabinet Office received 4,699 items of correspondence that required a ministerial response (an increase of 364% compared to 2019-20) and responded to 58% of these cases within 20 working days (equal to performance for 2019-20).

Public correspondence

In 2020-21 the Cabinet Office received 8,927 items of public correspondence cases that required a response (an increase of 489% compared to 2019/20) and responded to 84% of these cases within 20 working days (an increase of 43 percentage points compared to 2019-20).

Parliamentary Questions

In 2020-21 the Cabinet Office received 2175 parliamentary questions (an increase of 62% compared to 2019/20) and responded to 75% of these PQs within the deadline set by parliament (a decrease of 13 percentage points compared to 2019-20).

Total number of PQs received in 2020-21:
2,175 – 1,628 in House of Commons, 547 in House of Lords

Number of those cases responded to within the Parliamentary deadline: **1,155 in House of Commons, 470 in House of Lords**

Performance % for 2020-21: **71% in House of Commons, 86% in House of Lords.**

General Data Protection Regulation

During the period 2020-21 there have been no incidents of loss of sensitive data from the Cabinet Office reportable to the Information Commissioner's Office (ICO).

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 2020-21 by the Department for Environment, Food and Rural Affairs (DEFRA).

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 2020-21, the Cabinet Office has made grants totalling £0.266 million (2019-20: £0.600 million) to organisations under the provisions of the Charities Act 2006. In all cases, the funding matched 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 £0.110 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 objectives.

A grant of £0.100 million was paid to the Civil Service Sports Council (CSSC) to encourage and co-ordinate 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.

A grant of £0.037m was paid to Advonet, with the purpose of assisting the development and testing of a self-advocacy skills training course for LGBT people with mental health problems, learning disabilities or on the autistic spectrum.

A grant of £0.014m was paid to Stonewall for an anti-homophobic, biphobic and transphobic bullying programme.

A further grant of £0.005m was made to Mind to develop, deliver and evaluate a group-based intervention, targeting and enhancing self-compassion skills with LGBT people who experience mental health problems.

Annex D

Reporting of information on arm's-length bodies

This additional reporting for 2020-21 is in response to a ministerial request to improve transparency of reporting at group level. The departments is required to report total

operating income, total operating expenditure and net expenditure for the year and staff numbers and costs for each component arm's-length body.

				Permanently employed staff		Other staff	
	Total Operating Income	Total Operating Expenditure	Net Expenditure for the year	Number of Employees	Staff Costs	Number of Employees	Staff Costs
Core department	(465,764)	2,228,837	1,753,073	8,823	597,469	500	79,768
Executive agency – GPA	(1,069,491)	482,386	(587,105)	184	13,436	23	5,676
ALB – EHRC	(168)	17,435	17,267	197	12,090	5	777
ALB – CSC	–	2,257	2,257	31	1,651	–	–
ALB – ROCL	(150)	255	105	2	122	–	–
Group eliminations	60,940	(90,391)	(29,451)	–	–	–	(1,024)
Total	(1,474,633)	2,640,779	1,166,146	9,237	624,768	528	85,197