

# **Consolidated Fund**

## Annual Report and Account 2023-24

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Presented to Parliament pursuant to Section 21(1) of the National Loans Act 1968

Ordered by the House of Commons  
to be printed on 12 September 2024



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978-1-5286-5164-6

E03183877

Printed on paper containing 40% recycled fibre content minimum.

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office

# Contents

<b>Performance Report</b>	<b>5</b>
<b>Accountability Report</b>	<b>10</b>
Corporate governance report	10
Parliamentary accountability and audit report	18
<b>Financial Statements</b>	<b>24</b>
Receipts and Payments Account	24
Notes to the Account	25
<b>Glossary</b>	<b>43</b>

# Performance Report

The Performance report includes:

- **Performance overview** which outlines the purpose, activities of the Consolidated Fund (CF).
- **Performance Analysis** which provides a more detailed look at the receipts and payments and core activity of the CF during 2023-24.

## Overview

### Purpose and activities of the Consolidated Fund Account

The CF was first set up in 1787 as, 'One fund into which shall flow every stream of public revenue, and from which shall come the supply for every service'. The basis of the financial mechanism by which the CF is operated is governed by the Exchequer and Audit Departments Act 1866.

In order to separate government revenue and expenditure on the one hand and government borrowing and lending on the other, the National Loans Fund (NLF) was established on 1 April 1968 by the National Loans Act 1968 to account for government borrowing and lending which were until then accounted for within the CF. The accounts for the CF and NLF are now published separately.

Both the CF and NLF are administered by HM Treasury, with the bank accounts maintained at the Bank of England. By virtue of section 19(1) of the National Loans Act 1968, the net liabilities of the NLF are a liability of the CF.



The CF receives the proceeds of most taxation and certain other government receipts, makes issues to finance Supply Services, meets the Standing Services directly charged by statute and reimburses the NLF for net interest costs. The finance needs of the CF are met by the NLF (via the proceeds of borrowing) to the extent that taxation and other receipts are insufficient to meet its outgoings. The CF finishes every day with a nil balance on its bank account because any surpluses or deficits are offset by transfers to or from the NLF.

The receipts of the CF mainly consist of:

- **tax revenues** such as those collected by His Majesty's Revenue and Customs (HMRC)

- other receipts paid over by departments known as **Consolidated Fund Extra Receipts (CFERs)**
- tax-type revenues such as fines, penalties and certain licence fees paid over by departments and known as **Trust Statement income**
- **repayments from the Contingencies Fund**<sup>1</sup> reflecting repayment of funding provided for advances.
- balancing payments from the NLF when daily payments by the CF exceed its receipts (**deficit funding**)

The payments from the CF are mainly for:

- **Supply Services**, which are payments issued to government departments to finance their net expenditure. Parliament votes the necessary financial provision normally through the Supply Estimates process, which confers formal statutory authority through the Supply and Appropriation Acts that follow. There are normally two separate pieces of Supply legislation in each financial year: the Supply and Appropriation (Main Estimates) Act and the Supply and Appropriation (Anticipation & Adjustments) Act. The departments then use the cash for the purposes approved by Parliament.
- **Standing Services**, which are charges exempt from any need to be voted annually by Parliament because it has, by statute, permanently authorised the payments. These include for example the salaries of members of the higher judiciary, expenses of holding general elections and Political and Public salaries and pensions.
- **issues to the Contingencies Fund** to provide funding for advances to departments.
- balancing payments to the NLF when daily receipts into the CF exceed its payments.

The financing needs of the CF are expected to be met over the long term mainly through future tax revenue receipts and other government revenues. Whilst the level of receipts in any year is subject to policy changes and, relatedly the UK's economic position, any shortfall can be met through the issuance of debt from the NLF, the demand for which remains robust. Therefore, in accordance with the Government Financial Reporting Manual, whilst the accounts are prepared on a cash basis it has been concluded that it is appropriate to consider the CF as a going concern.

### Key issues and risks

The key issues and risks facing the CF are considered in the Governance Statement on pages 12 to 17.

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<sup>1</sup> The accounts of the Contingencies Fund are published separately at <https://www.gov.uk/government/collections/hmt-central-funds#contingencies-fund>

## Performance analysis

The outturn for the year shows total payments and total receipts of £856.6 billion each (2022-23: £762.2 billion), including a receipt of £167.6 billion (2022-23: £102.1 billion) from the NLF to cover what would have been the deficit for the year.

The following transactions artificially inflate both receipts and payments:

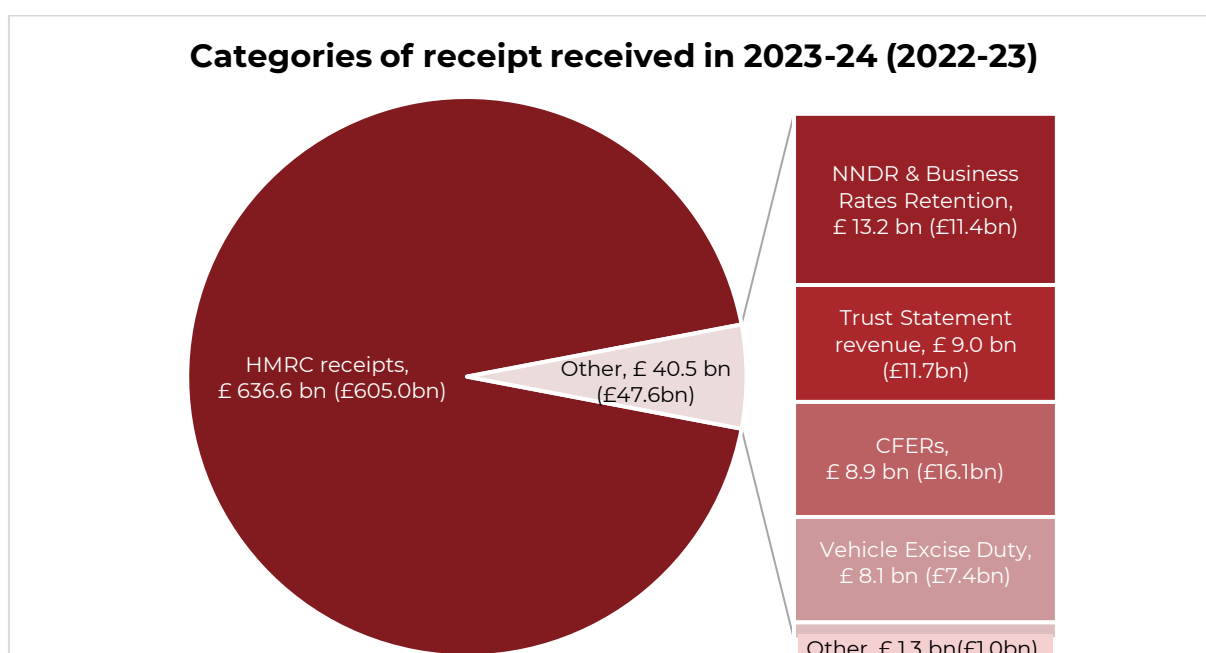
- advances to and repayments from the Contingencies Fund
- advances to HMRC to cover daily revenue shortfalls (as described in Note 2, Tax Revenue to the accounts) having the effect of increasing tax receipts to the CF by funding payments that would otherwise have been funded by HMRC from tax receipts.

Removing these transactions leads to an increase in underlying receipts and a decrease in payments as outlined in the table below:

£'m	Receipts		Payments	
	2023-24	2022-23	2023-24	2022-23
Total receipts / payments	<b>856,641</b>	762,159	<b>856,641</b>	762,159
Less:				
Advances to HMRC	<b>(8,464)</b>	(10,035)	<b>(8,464)</b>	(10,035)
Transactions with the Contingencies Fund	<b>(12,000)</b>	(7,500)	<b>(12,000)</b>	(7,500)
Deficit funding from the NLF	<b>(167,573)</b>	(102,079)	-	-
	<b>668,604</b>	642,545	<b>836,177</b>	744,624

## Receipts

In 2023-24 tax receipts from HMRC remained the most significant form of receipts received by the CF.



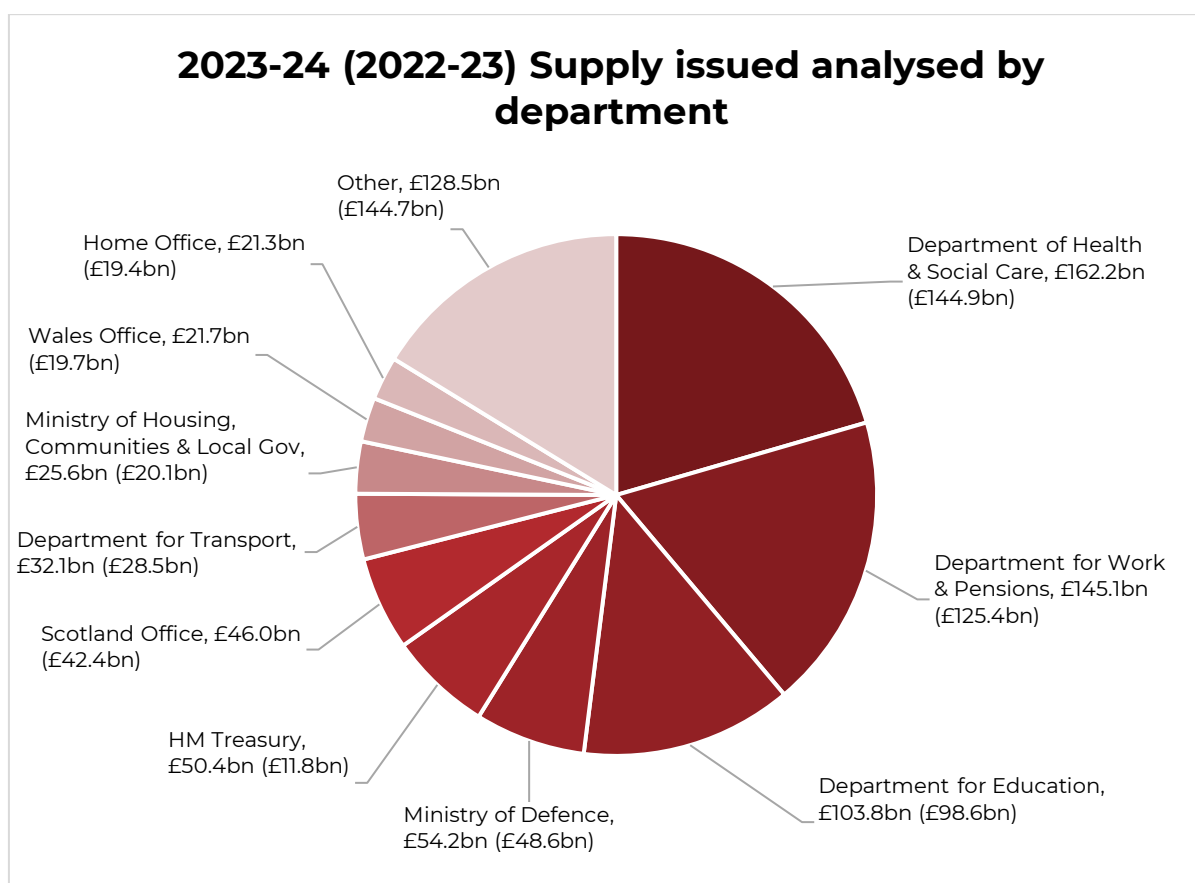


Receipts from HMRC, increased by £31.6 billion when compared to 2022-23. More information on tax revenue is set out in the Annual Report and Accounts and Trust Statement prepared by HMRC<sup>2</sup>.

Other receipts (excluding repayments from the Contingencies Fund and receipts from the NLF to cover the deficit on the CF) decreased by £7.1 billion when compared to the prior year, primarily due to a £9.9 billion fall in CFERs and Trust Statement revenue. Further information on receipts by department is provided in Note 3, Miscellaneous Receipts.

## Payments

**Supply** payments to government departments increased by £86.6 billion to £790.6 billion in 2023-24 (2022-23: £704.0 billion). The chart below summarises the split of supply issued by government department. Prior year comparators are shown in brackets.



Further details on how Supply has been spent and the drivers of year-on-year movements can be found in individual departmental Annual Reports & Accounts.

**Non-supply** payments increased by £3.4 billion to £54.0 billion in 2023-24 (2022-23: £50.6 billion). This was primarily driven by a £7.2 billion increase in payments made to the NLF for net interest payments incurred on that account. Further

<sup>2</sup> <https://www.gov.uk/government/collections/hmrcs-annual-report-and-accounts>

information on the interest cost incurred on NLF borrowing is provided within the NLF Accounts<sup>3</sup>.

### EU withdrawal: the financial settlement

The European Union (Withdrawal Agreement) Act 2020 implements the Withdrawal Agreement. The UK's payments under the financial settlement are primarily covered under HM Treasury's budget and detailed in HM Treasury's Annual Report and Accounts. However, under the main financial provision of the Act, any payment in relation to customs duties on imports from outside the EU before the end of the transition period, are met by the CF. It is currently anticipated that these payments will cease by the end of 2026.

### Long-term expenditure trends

Since the function of the CF is to account for the proceeds of taxation and certain other government receipts, make issues to finance Supply Services, meet the Standing Services directly charged by statute and reimburse the NLF for net interest costs, it has no long-term expenditure trends.

### Sustainability reporting

Operationally, the CF is part of HM Treasury and does not have its own staff or buildings. The Fund's impact on the environment is the same as that of the Department. Further detail on environmental impact and climate change adaptation, including how it is embedded within overall decision making and assurance processes is provided within the HM Treasury's Annual Report and Accounts<sup>4</sup> Performance Report.

**James Bowler**

Accounting Officer  
HM Treasury

6 September 2024

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<sup>3</sup> <https://www.gov.uk/government/collections/hmt-central-funds#national-loans-fund>

<sup>4</sup> <https://www.gov.uk/government/collections/hmt-annual-report>

# Accountability Report

The accountability report contains the following sections:

- **Corporate governance report** which explains the composition and organisation of the CF's governance structures and how they support the achievement of the CF's objectives. It includes the Statement of Accounting Officer's responsibilities and the Governance statement.
- **Parliamentary accountability and audit report** which includes key Parliamentary accountability information on regularity of expenditure and remote contingent liabilities as well as the Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament.

## Corporate governance report

### Directors' report

Operationally, the CF is managed by HM Treasury and staff charged with its oversight are employees of HM Treasury. Separately, the CF makes funding available for certain salaries and pensions but is not an employer. The CF itself has no employees of its own.

### Directors' conflicts of interest

In 2023-24, no material conflicts of interest have been noted by the senior management overseeing the CF.

### Personal data related incidents

The CF had no protected personal data related incidents during 2023-24 (2022-23: nil).

## Statement of Accounting Officer's Responsibilities

Under section 21(1) of the National Loans Act 1968, HM Treasury is required to prepare a statement of Account relating to the CF for each financial year in the form and on the basis considered appropriate by HM Treasury. The Account is prepared on a cash basis and should give a true and fair view of the state of affairs of the CF and of its receipts and payments for the financial year. Notes 7-10 accompanying the Account disclose certain information relating to the CF on an accruals basis to assist preparation of Whole of Government Accounts.

In preparing the Account the Accounting Officer should:

- observe the relevant accounting and disclosure requirements of the Government Financial Reporting Manual (FReM) in so far as they are relevant to the Account and apply suitable accounting policies on a consistent basis.
- make judgements and estimates on a reasonable basis; and

- confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that they are fair, balanced and understandable.

HM Treasury has appointed its Permanent Secretary, James Bowler, as Accounting Officer of the CF. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable and for keeping proper records, are set out in 'Managing Public Money'<sup>5</sup> published by HM Treasury.

### Statement regarding the disclosure of information to auditors

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

I also confirm that the annual report and accounts are fair, balanced, and understandable and I take personal responsibility for judgements required for determining that they are fair, balanced and understandable.

### Audit arrangements

The CF accounts are audited by the Comptroller and Auditor General (C&AG) under the requirements of the National Loans Act 1968. The National Audit Office (NAO) performs the external audit on behalf of the C&AG and bears the cost of that work. No non-audit work was undertaken by the NAO in relation to the CF in 2023-24.

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<sup>5</sup> <https://www.gov.uk/government/publications/managing-public-money>

## Governance Statement

### Governance Framework

The CF is managed within HM Treasury's overall risk and governance framework as set out in HM Treasury's Annual Report and Accounts 2022-24<sup>6</sup>. This includes HM Treasury Board's assessment of its compliance with the Corporate Governance Code for Central Government Departments<sup>7</sup>.

The Chancellor of the Exchequer, as Minister in charge of HM Treasury, is responsible and answerable to Parliament on all the policies, decisions and actions of HM Treasury, and ultimately of the CF.

As Accounting Officer for the CF, I am personally responsible and accountable to Parliament for the organisation and quality of management of the CF, including its use of public money and the stewardship of its assets, in line with those responsibilities assigned to me in Managing Public Money<sup>8</sup>.

### Audit and Risk Committee (ARC)

ARC supports me and HM Treasury's additional Accounting Officers in their oversight responsibilities on financial reporting, systems of internal control as well as managing risk and governance in relation to:

- HM Treasury Group's Annual Report and Accounts
- Consolidated Fund
- National Loans Fund
- Contingencies Fund
- Exchange Equalisation Account
- Whole of Government Accounts

In accordance with the ARC Handbook<sup>9</sup>, the Committee provides independent challenge on the robustness of the mechanisms in place, and the evidence provided, to deliver the assurance needed by the Board and Departmental Accounting Officers.

ARC provides oversight of activity performed by the Government Internal Audit Agency (GIAA) and approves the Internal Audit Plan for the year which is

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<sup>6</sup> <https://www.gov.uk/government/collections/hmt-annual-report>

<sup>7</sup> <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>

<sup>8</sup> <https://www.gov.uk/government/publications/managing-public-money>

<sup>9</sup> <https://www.gov.uk/government/publications/audit-committee-handbook>

developed to assure key risks and controls. The Group Chief Internal Auditor attends every ARC meeting, updating on the plan and reporting on key controls. The ARC also receives reports on the work of the Fund’s external auditors, the National Audit Office (NAO).

Members of the Committee are appointed by the Chair along with me as Principal Accounting Officer (PAO) of HM Treasury. The Chair of the Committee reports directly to me and is also a Non-Executive member of the HM Treasury Board.

The membership of the ARC at 31 March 2024 was:

<b>Committee member</b>	<b>Role</b>	<b>Expertise</b>
Zarin Patel	Chair of the Audit and Risk Committee	Qualified Chartered Accountant, Managing Transformation, Finance, Investment, Procurement, audit and corporate finance
Edward Braham	Member of the Audit and Risk Committee	Law, Mergers, Acquisition, Savings and Investments.
Jane Hanson CBE	Member of the Audit and Risk Committee	Fellow of the Institute for Chartered Accountants, Commercial, Not-for-profit, Risk, Governance.

The ARC met six times during 2023-24. Pre-meeting discussions with the National Audit Office and Internal Auditors were held where needed. Attendance is outlined in the table below:

<b>Committee member</b>	<b>Attended</b>
Zarin Patel	6/6
Edward Braham	4/6
Jane Hanson	3/3

The ARC has a robust Conflicts of Interest Policy, which requires members to excuse themselves from discussions where potential conflicts may occur. Members are required to inform me about any potential conflicts and highlight these at the start of each meeting as appropriate.

### Internal Audit

During 2023-24, Internal Audit for the CF was provided by GIAA as part of their wider work on the departmental group.

For the CF, an annual risk-based internal audit programme is agreed and developed through consultation with HM Treasury’s senior management team and discussed by directors and Executive Management Board. The work programme always includes a review of the receipts and payments process, due

to the very high value of payments made by the CF. The ARC approved the audit plan for 2023-24 in March 2023.

Chris Westwood, Director of Internal Audit provided his Annual Report and Opinion on the adequacy and effectiveness of the framework of governance, risk management and control operating over the CF to the Accounting Officer and ARC. A substantial opinion was provided for the period 2023-24. This assessment is based on the work that GIAA have conducted during the year in relation to the CF. It provides assurance on the adequacy and effectiveness of the risk management, control and governance framework relevant to the Annual Report and Accounts. There were no matters arising from the work of Internal Audit in the period that would give rise to separate comment in the Governance Statement.

### Management of the Consolidated Fund

The CF is managed by the Treasury Accountant and the Exchequer Funds and Accounts (EFA) team of HM Treasury, overseen by the Group Finance Director. Any matters concerning the CF are reported directly to me.

### Reporting to HM Treasury's Boards

The department has a sound system in place to consider the risks faced, challenge the assumptions made and, where appropriate, offer advice on how best to mitigate them. Within this structure some key positions hold specific accountabilities.

HM Treasury's risk management framework enables the identification and management of risks to the department's strategic objectives. The Framework is underpinned by Directors', Risk Groups' and the Operations Committee's responsibility for monitoring, challenging and reporting on performance against and risks to HM Treasury's objectives.

All key updates on performance and risk for the Executive Management Board (EMB) and Treasury Board (Sub-Committee) (TB(SC)) are shared via the Quarterly Performance and Risk Report, escalating critical issues and risks that exceed the department's risk appetite to enable senior managers to respond appropriately.

In 2023-24, the department embedded an updated approach to the QPRR to include an assessment of progress against the highest priority deliverables set out in the department's Outcome Delivery Plan. This improves the department's central strategic picture of departmental performance and identifying more quickly where objectives may be off-track.

Throughout 2023-24, EMB has taken an active approach to mitigating and managing specific risks and issues through its regular meetings and ad-hoc risk deep-dive meetings.

### Consolidated Fund Risk management

EFA is managed within HM Treasury's risk management framework, as set out in HM Treasury's Annual Report and Accounts.

The **Treasury Accountant** has overall responsibility on a day-to-day basis for risk management of those Funds managed by EFA, and for ensuring that my financial, regularity and propriety responsibilities as Accounting Officer are discharged appropriately. Key operational staff with responsibilities relating to the CF are trained and equipped to manage risk in a way appropriate to their authority and duties.

Risk management is key to all processes within EFA, including business continuity resilience planning for those public funds for which EFA is responsible. **Business continuity resilience** is regularly tested locally and with business partners, and lessons learned feed into improved business continuity processes.

The Treasury Accountant is also chair of the **Public Finance Business Continuity group**, a network that links relevant teams across HM Treasury, the Bank of England, Debt Management Office, NAO, HMRC and Government Banking to ensure business continuity risks are adequately and consistently addressed across all operational partners in the stewardship of Exchequer funds. Annual certificates of assurance are received from all member organisations.

The **risk management strategy** includes periodic horizon scanning to identify any changes in risk exposure, to evaluate the change and to identify appropriate mitigating actions. Significant risk issues are recorded in a risk register and are assessed by likelihood and impact. A risk owner, who is responsible for managing the risk, is assigned to each risk. The risk register is reviewed quarterly by EFA management, and as noted above is circulated to me alongside the quarterly risks and controls report.

### **The system of internal control**

As Accounting Officer, I am responsible for maintaining a sound system of internal control that supports the achievement of the CF's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

The system of internal control is designed to manage risk to an acceptable level, balancing the impact of potential risks with the resources required to manage them, rather than eliminate all risk. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the CF's policies, aims, and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically.

The system of internal control has been in place throughout the year ended 31 March 2024 and up to the date of approval of the financial statements and accords with HM Treasury guidance. During the year there were no significant changes to the control environment.



## Risk profile

The CF is managed generally within the framework of HM Treasury's system of internal control. This framework includes resourcing the administration of the CF, security and the management of risks across the HM Treasury's business.

The key risks in managing the CF and their associated controls are shown in the table below:

Risk Category	Mitigating actions & controls
<b>Irregularity of transactions</b> (including fraudulent or erroneous payments)	Clear separation of duties is enforced by appropriate user permissions within the accounting system and payment approval panels.  Separately, in accordance with legislation, the C&AG (through the NAO Exchequer Section) approves the regularity of CF payments in advance and reconciles CF transactions on a daily basis. This is not part of the internal control environment but provides additional assurance to Parliament as to the legality of payments made.
<b>Incorrect accounting</b>	Application controls exist within the IT system used to manage financial transactions and account for receipts and payments of the CF.  Monthly management accounts for the CF are provided to me. The accounting for any unusual transactions is suitably considered.
<b>Failure of IT systems</b>	The network infrastructure, which is provided by an outsourced supplier, has a high level of resilience including a near instant failover should an issue arise.
<b>Failure to provide an effective service in adverse circumstances, including disasters</b>	To ensure operational resilience in key areas in the event of a business continuity incident, staff within EFA are trained to provide cover for times when other staff members are absent.  Business continuity arrangements are regularly reviewed and tested within the framework of HM Treasury's corporate Business Continuity Plan and facilities.
<b>Failure of principal counterparties to provide agreed services</b>	Well-developed Service Level Agreements are in place with principal counterparties. They cover details of the monitoring and control arrangements that both parties are expected to observe.
<b>Information risk</b>	Data and information risk are managed in accordance with Treasury policies, which involve a range of controls to prevent unauthorised disclosures. These include encryption, and physical and IT security. HM Treasury adheres to Cabinet Office guidelines.  EFA's own Data Handling Policy identifies risks specific to EFA. This policy is reviewed as required.

## Review of effectiveness

In line with HM Government guidance, set out within the Corporate Governance Code of Good Practice for central government departments, I have reviewed the effectiveness of the system of internal control.

My review is informed by the work of GIAA who provided positive assurance as to the management and control of the CF in 2023 and EFA management who have responsibility for the development and maintenance of the internal control framework, as well as comments made by external auditors in their management letter and other reports.

I have been supported by HM Treasury Group ARC and risk owners in addressing weaknesses and ensuring continuous improvement of the system is in place. Information about the effectiveness of HM Treasury's overall system of governance including board effectiveness, attendance, compliance with the Corporate Governance Code and quality of management information reviewed is reported in HM Treasury's Annual Report and Accounts.

No significant internal control issues, including data-related incidents, have been identified in 2023-24, and no significant new risks specific to the operational management and performance of the CF have been identified in the year. No ministerial directions have been given in 2023-24.

In my opinion, the system of internal control was effective throughout the financial year and remains so on the date I sign this report.

## Parliamentary accountability and audit report

### Regularity of payments (audited)

The receipts and payments of the CF were applied to the purposes intended by Parliament.

### Losses and special payments (audited)

During 2023-24, £2.1 million (2022-23 nil) of irrecoverable debt relating to fines levied on solicitors, payable to the CF was written off. During the financial year the CF had no special payments totalling over £300,000 (2022-23: £nil).

### Fees and charges (audited)

The CF does not have any fees or charges.

### Remote contingent liabilities (audited)

The CF has one contingent liability, relating to UK coins in circulation that falls outside the scope of IAS 37 as the possibility of an outflow of resources is remote. However, disclosure is necessary under Parliamentary accountability requirements.

#### UK Coins in Circulation

As at 31 March 2024 the estimated total face value of coins in circulation was £4.6 billion (2022-23 £4.6 billion). The CF has potential liability in respect of returned and damaged coins and if coins are redeemed. The value of returned, damaged and redeemed coins paid in 2023-24 was £0.02 billion (2022-23 £0.02 billion) (see Notes 6a and 9). The probability of a material liability in respect of coinage is considered remote.

### Functional Standards

Operationally, the CF is part of HM Treasury. Further information on the Department's application of the Government Functional Standards is provided within the Parliamentary accountability and audit report included in the HM Treasury Annual Report and Accounts.

**James Bowler**

Accounting Officer  
HM Treasury

6 September 2024

# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

## Opinion on financial statements

I certify that I have audited the financial statements of the Consolidated Fund for the year ended 31 March 2024 under the National Loans Act 1968.

The financial statements comprise the Consolidated Fund's

- Receipts and Payments account; and
- the related notes 1 to 6; the accruals-based disclosures in notes 7 to 10; and the notes 11 to 13, including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the National Loans Act 1968.

In my opinion, the financial statements:

- properly present the Consolidated Fund's receipts and payments for the year ended 31 March 2024; and
- have been properly prepared in accordance with the National Loans Act 1968.

## Opinion on regularity

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

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. 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 am independent of the Consolidated Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. In applying the Ethical Standards, I have considered the potential implications for my audit arising from entering into a loan staff arrangement with the Office of Value for Money within HM Treasury from September 2024. The Consolidated Fund is administered by HM Treasury. The loan staff arrangement concerns one of my directors and is for an initial period of 12 months. I am satisfied that appropriate safeguards have been implemented to protect my and the NAO team's independence and objectivity throughout the audit. 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 Consolidated Fund'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 Consolidated Fund'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 Consolidated Fund is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## **Other Information**

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

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 subject to audit have been properly prepared; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## **Matters on which I report by exception**

In the light of the knowledge and understanding of the Consolidated Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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

- adequate accounting records have not been kept by the Consolidated Fund or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within HM Treasury from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements and Annual Report which are in accordance with the applicable financial reporting framework; and
- assessing the Consolidated Fund'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 Consolidated Fund 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 National Loans Act 1968.

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud*

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

*Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud*

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Consolidated Fund's accounting policies;
- inquired of management, the Consolidated Fund's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Consolidated Fund's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Consolidated Fund's controls relating to the Consolidated Fund's compliance with the National Loans Act 1968 and Managing Public Money.
- inquired of management, the Consolidated Fund's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Consolidated Fund for fraud and identified the greatest potential for fraud in the following areas: revenue recognition and posting of unusual journals. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I also obtained an understanding of the Consolidated Fund's framework of authority and other legal and regulatory frameworks in which the Consolidated Fund operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Consolidated Fund. The key laws and regulations I considered in this context included the National Loans Act 1968, Supply and Appropriation (Main Estimates) Act

2023, Supply and Appropriation (Anticipation and Adjustments) Act 2024 and Managing Public Money.

*Audit response to identified risk*

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having a direct effect on the financial statements;
- I enquired of management and the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

*Other auditor's responsibilities*

I am required to obtain sufficient appropriate evidence to give reasonable assurance that 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.

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

9 September 2024

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



# Financial Statements

## Receipts and Payments Account for the year ended 31 March 2024

	Notes	2023-24 £m	2022-23 £m
<b>Receipts</b>			
<b>Tax Revenue</b>			
HMRC	2	<b>636,615</b>	605,018
Vehicle Excise Duty	2	<b>8,112</b>	7,448
Business Rates Retention/National Non-Domestic Rates	2	<b>13,175</b>	11,388
		<b>657,902</b>	<b>623,854</b>
<b>Other Receipts</b>			
Repayments from the Contingencies Fund		<b>12,000</b>	7,500
Miscellaneous receipts	3	<b>19,166</b>	28,726
Deficit met from the National Loans Fund		<b>167,573</b>	102,079
		<b>856,641</b>	<b>762,159</b>
<b>Payments</b>			
<b>Supply Services</b>			
	4	<b>790,604</b>	704,023
<b>Standing Services</b>			
Advances to HMRC in support of revenue	2	<b>8,464</b>	10,035
Payments to the National Loans Fund for net interest payments		<b>45,136</b>	37,973
Payments to the European Union	5	<b>33</b>	2,334
Other Standing Services	6a	<b>404</b>	294
		<b>844,641</b>	<b>754,659</b>
<b>Issues to the Contingencies Fund</b>		<b>12,000</b>	7,500
<b>Total Payments</b>		<b>856,641</b>	<b>762,159</b>

The notes on pages 25 to 42 form part of this Account.

**James Bowler**

Accounting Officer  
HM Treasury

6 September 2024

## Notes to the Account

### 1. Accounting Policies

These accounts are prepared on a cash basis under section 21(1) of the National Loans Act 1968 as an account of payments and receipts.

In addition, accruals-based disclosures are made at notes 7-10 to assist preparation of Whole of Government Accounts. They are restricted to those items not disclosed in departmental Annual Reports and Accounts or elsewhere. These items include liabilities in respect of pensions paid directly from the CF, coinage issued and redeemed, and any other liabilities met by the CF. These disclosures have been prepared on an accruals basis under the historical cost convention, modified to account for the revaluation of investments. There is limited direct read-across between the accruals-based notes 7-10 and the cash-based CF Receipts and Payments account. References are given where there is a direct read-across to notes 3 and 6a.

### 1.2 New accounting standards and applicable accounting standards and interpretations issued but not yet adopted

#### IFRS 17 Insurance Contracts

IFRS 17 was issued in May 2017 and applies to the public sector for annual reporting periods beginning on or after 1 January 2025. IFRS 17 was effective from 1 January 2023 for entities applying IFRS, however mandatory adoption is delayed by two years for the public sector. This reflects the additional time needed to assess its application in the public sector and provide a similar implementation period to the private sector, following the finalised adapted standard.

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard.

The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

This standard is not expected to have a material impact on the CF financial statements because the CF does not have, nor plan to sign any insurance contracts in the foreseeable future.

#### IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure of Financial Statements was issued in April 2024 and applies to annual reporting periods beginning on or after 1 January 2027 (Subject to UK and Financial Reporting Advisory Board (FRAB) endorsement). IFRS 18 sets out general and specific requirements for the presentation and disclosure of information in general purpose financial statements.

The objective of IFRS 18 Presentation and Disclosure of Financial Statements is to improve comparability of financial performance between organisations applying IFRS. Once effective, it will replace IAS 1 Presentation of Financial Statements. The impact of adopting this standard is still being assessed. The CF does not intend to early adopt IFRS 18 Presentation and Disclosure of Financial Statements.

#### IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 Subsidiaries without Public Accountability: Disclosures was issued in May 2024 and applies to annual reporting periods beginning on or after 1 January 2027 (subject to UK and Financial Reporting Advisory Board (FRAB) endorsement). The Standard permits certain eligible subsidiaries to apply reduced disclosure requirements when preparing their financial statements. The CF does not intend to early adopt IFRS 19 Subsidiaries without Public Accountability: Disclosures and given it has no subsidiaries the standard is not expected to impact the financial statements.

There are no other IFRS or IFRIC interpretations not yet effective that would be expected to have a material impact on the CF.

## 2. Tax Revenue

Detailed breakdowns of tax revenues paid into the CF are set out in Trust Statements prepared by the receiving departments. These departments are:

- His Majesty's Revenue and Customs (HMRC)
- Driver and Vehicle Licensing Agency (DVLA)
- Ministry of Housing, Communities and Local Government (MHCLG).

Tax receipts collected by HMRC are subject to an estimation process applied by HMRC to distinguish between tax receipts and national insurance contributions which are also collected by HMRC. Cash paid over to the CF by HMRC in any reporting period may include amounts later identified as National Insurance contributions which are then repaid to the National Insurance Fund.

HMRC is empowered to receive funding from the CF to meet its cash needs on days when its revenue-related outflows exceed its receipts. Some £8.5 billion was advanced from the CF for this purpose in 2023-24 (£10.0 billion in 2022-23).

### 3. Miscellaneous receipts

	Notes	2023-24 £m	2022- 23 £m
Consolidated Fund Extra Receipts (CFERs)		8,860	16,058
Trust Statement revenue		8,999	11,700
United Kingdom coinage issued	9	8	56
Crown Estate surplus revenue		483	302
Current year over-issues of Supply repaid	4	229	60
Prior year over-issues of Supply repaid	4	15	49
Miscellaneous		572	501
<b>Total</b>		<b>19,166</b>	<b>28,726</b>

CFERs comprise:

- Negative Supply (for Departments that end the year with a negative net cash requirement outturn);
- departmental income that falls outside the ambit of the Estimates or is in excess of the amounts allowed to be retained under agreement with HM Treasury; and
- fines, levies and penalties considered insufficiently material to be reported in a Trust Statement.

**Trust Statement Revenue** comprises fines, levies and penalties considered sufficiently material to be reported in a Trust Statement. The figures above exclude Trust Statement revenue included within Tax Revenue on the face of the Receipts and Payments account and already reported in Note 2, Tax Revenue.

The following analysis sets out the receipts surrendered to the five highest surrendering departments during 2023-24.

### Receipts surrendered to the Consolidated Fund

Remitter			2023-24	2022-23
	CFERs	Trust Statement	Total	Total
	£m	£m	£m	£m
NHS Pension Scheme	4,325	-	4,325	4,350
Department for Energy Security and Net Zero <sup>10</sup>	704	3,550	4,254	6,862
BBC Licence Fee	-	3,666	3,666	3,749
Ministry of Housing, Communities and Local Government	1,338	-	1,338	2,510
Home Office	205	774	979	977
	<b>6,572</b>	<b>7,990</b>	<b>14,562</b>	18,448
Other	2,288	1,009	3,297	9,310
<b>Total</b>	<b>8,860</b>	<b>8,999</b>	<b>17,859</b>	27,758

Note that receipts are recorded against the remitting entity even where that entity is part of a wider group which may also generate remittances. Further information on receipts surrendered can be found in individual department's Annual Report & Accounts.

#### 4. Analysis of Supply Services

Note 4a shows receipts and payments of supply in a financial year whilst Note 4b analyses the receipts and payments of Supply according to the year for which the Supply was granted

##### 4a Supply Services issues and repayments

	Notes	2023-24 £m	2022-23 £m
<b>Supply Issues</b>			
For current year		790,604	704,023
For previous year		-	-
Supply Services issued		<b>790,604</b>	704,023
Current year over-issues of Supply repaid	3	(229)	(60)
Prior year over-issues of Supply repaid	3	(15)	(49)
<b>Net Supply Services issued</b>		<b>790,360</b>	703,914

<sup>10</sup> Prior year figures relate to receipts surrendered by The Department for Business, Energy & Industrial Strategy. The majority of these receipts relate to activities now undertaken by Department for Energy Security and Net Zero however the figure has not been restated.

#### 4b Supply Services analysed by period

Year for which Supply granted	2023-24 £m	2022-23 £m	2022-21 £m
Positive Net Cash Requirement	<b>835,123</b>	768,165	760,697
Negative Net Cash Requirement	<b>(3,508)</b>	(3,562)	(3,904)
Excess Vote	<b>n/a</b>	-	-
Total Net Supply granted by Parliament	<b>831,615</b>	764,603	756,793
Surplus not required (as reported)	<b>n/a</b>	(52,262)	(65,475)
Revised Total Net Cash Requirement outturns reported by government departments	<b>n/a</b>	712,341	691,318

#### Analysed by Year of Payment/(Receipt):

2020-21	Issues made in year		686,443
	Current year over-issues surrendered in cash		-
	Prior year issues applied to a subsequent year		23,389
	Prior year over- issues surrendered in cash		(5)
2022-23	Issues made in year	704,023	-
	Current year over-issues surrendered in cash	(60)	-
	Prior year issues applied to a subsequent year	18,509	(18,509)
	Prior year over- issues surrendered in cash	(49)	-
2023-24	Issues made in year	<b>790,604</b>	-
	Current year over-issues surrendered in cash	<b>(229)</b>	-
	Prior year issues applied to a subsequent year	<b>10,082</b>	(10,082)
	Prior year over- issues surrendered in cash	<b>(15)</b>	-
Total		<b>n/a</b>	712,341
			691,318

The Net Cash Requirement for 2023-24 will not be finalised until all government departments have published their accounts. Therefore, this figure and the subsequent analysis is noted as not yet available (n/a). This will be published in the 2024-25 CF Account.

Excess Votes are always approved in March of the following year; therefore, any adjustments to Supply in respect of Excess Votes will always be recorded as an adjustment to the previous year's figures.

## 4c Departmental Drawings

The following analysis sets out the cash supplied to the ten highest drawing departments during 2023-24. Details of how Supply has been spent can be found in each of the respective departmental Annual Reports and Accounts.

### Cash Supplied by the Consolidated Fund

	2023-24 £m	2022-23 £m
Department of Health and Social Care	162,150	144,900
Department for Work and Pensions	145,074	125,383
Department for Education	103,822	98,552
Ministry of Defence	54,150	48,572
HM Treasury	50,350	11,828
Scotland Office	45,970	42,364
Department for Transport	32,068	28,529
Ministry of Housing, Communities and Local Government	25,559	20,091
Wales Office	21,670	19,692
Home Office	21,314	19,378
	<b>662,127</b>	559,289
Other	128,477	144,734
<b>Total</b>	<b>790,604</b>	704,023

## 5. Payments under the European Union (EU) Withdrawal Agreement Financial Settlement

The financial settlement represents a settlement of the UK's financial commitments to the EU and the EU's financial commitments to the UK, which result from the UK's participation in the EU budget, and other commitments relating to our former EU membership.

When the Withdrawal Agreement was signed on 24 January 2020, it put the financial settlement into legal form, in the context of an overall agreement under Article 50 and the framework for the Future Relationship. The European Union (Withdrawal Agreement) Act 2020 implements the Withdrawal Agreement. Accordingly, payment of customs duties on imports from outside the EU before the end of the transition period are met by the Consolidated Fund.

A total of £0.03 billion was paid to the EU in 2023-24 (2022-23: £2.3 billion, including £2.3 billion relating to settlement of an infraction case).

The remainder of the UK's payments under the financial settlement are primarily covered by HM Treasury's budget and detailed in HM Treasury's Annual Report and Accounts<sup>11</sup>. In addition, the Government presents a holistic account of the financial settlement in the annual statement to Parliament about the EU Budget<sup>12</sup>.

## 6a Other Consolidated Fund Standing Services payments

	Notes	2023-24 £'000	2022-23 £'000
<b>Annuities and Pensions</b>			
Royal Household Pension Scheme	7d	5,099	4,608
Pensions for Judicial Services <sup>1</sup>	8	95,612	90,184
Members of the European Parliament pensions	7d	1,939	2,120
Political and Public Service pensions	8	529	541
Civil List pensions	8	143	131
<b>Salaries and Allowances</b>			
Courts of Justice <sup>2</sup>		189,231	174,651
Political and Public	6b	1,491	1,477
<b>Miscellaneous Services</b>			
Election and referendum expenses		68,724	980
Royal Mint (redeemed coinage)	9	18,223	19,547
Miscellaneous refunds		23,000	96
Total		<b>403,991</b>	<b>294,335</b>

<sup>1</sup> Pensions for Judicial Services includes pensions of previous Lord Chancellors.

<sup>2</sup> Courts of Justice salaries includes the salary of the Lord Chancellor.

Political and Public Service Payments reported in note 6a comprise payments to the holders of political posts or public offices and associated employers' national insurance contributions for which specific statutory powers exist enabling the CF to make such payments.

<sup>11</sup> <https://www.gov.uk/government/collections/hmt-annual-report>

<sup>12</sup> <https://www.gov.uk/government/collections/eu-annual-statement>



## 6b Political and Public Service Payments

	<b>2023-24</b> <b>£</b>	2022-23 £
Holders of Political Posts - payments	433,629	418,596
Holders of Political Posts - employers' national insurance	49,625	51,567
Public Office holders - payments	901,883	891,219
Public Office holders - employers' national insurance	106,073	115,142
<b>Total</b>	<b>1,491,210</b>	<b>1,476,524</b>

The figures above exclude payments and associated employers' national insurance for the Lord Chancellor which are shown in table 6bi below. These are instead included with Courts of Justice salaries rather than Political and Public in note 6a.

The payments to office holders are shown below and do not include employers' national insurance contributions. In line with the rest of the CF account, these are reported on a payments basis. Any backdated payments are reported in the year they are paid. Where an individual joins or leaves mid-month, funding for payment can be provided outside the standard payroll process (referred to as advanced funding). Such funding is subsequently recovered and accounted for in Note 3 Miscellaneous income.

### 6bi Payments to holders of Political Posts

	<b>2023-24</b> <b>Salary</b> <b>£</b>	2022-23 Salary £
Sir Keir Starmer <i>Leader of the Opposition – HOC</i>	55,335	55,335
The Rt Hon Baroness Smith of Basildon <sup>1</sup> <i>Leader of the Opposition – HOL</i>	109,477	107,917
The Rt Hon Sir Alan Campbell MP <i>Opposition Chief Whip – HOC</i>	35,117	34,367
Lilian Greenwood MP <sup>2</sup> <i>Opposition Deputy Chief Whip – HOC (to September 2023)</i>	19,016	20,043

	<b>2023-24 Salary £</b>	2022-23 Salary £
Holly Lynch MP <i>Opposition Deputy Chief Whip - HOC (from September 2023)</i>	11,594	-
The Rt Hon Lord Kennedy <sup>1</sup> <i>Opposition Chief Whip – HOL</i>	101,991	101,991
Mark Tami MP <i>Opposition Pairing Whip – HOC</i>	20,479	20,043
The Rt Hon Sir Lindsay Hoyle MP <i>Speaker – HOC</i>	80,620	78,900
<b>Subtotal</b>	<b>433,629</b>	418,596
Rt Hon Dominic Raab <sup>3&amp;4</sup> <i>Lord Chancellor (to September 2022 and from October 2022 - April 2023)</i>	28,178	75,338
Rt Hon Brandon Lewis CBE <sup>5</sup> <i>Lord Chancellor (from September- October 2022)</i>	-	34,364
Rt Hon Alex Chalk <i>Lord Chancellor (from April 2023)</i>	63,755	-
<b>TOTAL</b>	<b>91,933</b>	109,702

<sup>1</sup> The figures include the Lords Office-holder's Allowance of £36,366 per annum.

<sup>2</sup> Current year figure includes advanced funding of £5,065 which was returned to the CF in year and is included in note 3 "Miscellaneous". The balance also includes a severance payment of £5,065.

<sup>3</sup> Current year figure includes advanced funding of £7,551 which was returned to the CF in year and is included in note 3 "Miscellaneous". The balance also includes a severance payment of £16,876.

<sup>4</sup> Prior year figure includes a severance payment of £16,876, of which £7,833 was voluntarily repaid in November 2022 following reappointment as Lord Chancellor. The amount repaid to the CF is included in prior year figures within note 3 "Miscellaneous".

<sup>5</sup> Prior year figure includes advanced funding of £2,820 and an overpayment of £5,625. Both amounts were returned to the CF in year and are included in prior year figures within note 3 "Miscellaneous". The balance also includes a severance payment of £16,876.

Pensions are paid from the CF to former Prime Ministers, Speakers and Lord Chancellors in accordance with legislation (Note 8, Other Pensions). The CF does not pay any other expenses or allowances or make any other payments to MPs.

## 6bii Payments to Public Office holders

	<b>2023-24 Salary £</b>	2022-23 Salary £
Gareth Davies <sup>1</sup> <i>Comptroller and Auditor General</i>	<b>225,500</b>	220,000
Rob Behrens, CBE <sup>2</sup> <i>Parliamentary and Health Service Ombudsman (to March 2024)</i>	<b>171,125</b>	171,125
Virginia McVea <i>Northern Ireland Chief Electoral Officer (to April 2023)</i>	<b>545</b>	98,070
Sarah Ling <sup>3</sup> <i>Interim Northern Ireland Chief Electoral Officer (from April to August 2023)</i>	<b>45,125</b>	-
David Marshall <i>Northern Ireland Chief Electoral Officer (from August 2023)</i>	<b>55,083</b>	-
John Edwards <sup>4</sup> <i>Information Commissioner</i>	<b>200,000</b>	200,000
Dame Fiona Reynolds <i>Chair of the National Audit Office</i>	<b>41,200</b>	40,271
John Pullinger CB <sup>5</sup> <i>Electoral Commission Chair</i>	<b>80,681</b>	71,805
Alex Attwood <sup>5</sup> <i>Electoral Commissioner (fee based)</i>	<b>9,459</b>	12,736
Dame Sue Bruce <sup>5</sup> <i>Electoral Commissioner (fee based)</i>	<b>12,186</b>	8,756
Sarah Chambers <sup>5</sup> <i>Electoral Commissioner (fee based)</i>	<b>10,265</b>	6,965
Roseanna Cunningham <sup>5</sup> <i>Electoral Commissioner (fee based) (from Oct 2022)</i>	<b>958</b>	4,577
Alasdair Morgan <sup>5</sup> <i>Electoral Commissioner (fee based) (to Sept 2022)</i>	<b>138</b>	4,776
Dr Katy Radford <sup>5</sup> <i>Electoral Commissioner (fee based)</i>	<b>12,587</b>	12,139
Chris Ruane <sup>5</sup> <i>Electoral Commissioner (fee based) (from Nov 2022)</i>	<b>12,268</b>	4,179
Professor Dame Elan Closs Stephens CBE <sup>5</sup> <i>Electoral Commissioner (fee based)</i>	<b>4,611</b>	11,144

	<b>2023-24</b>	2022-23
	<b>Salary</b>	Salary
	<b>£</b>	£
Robert Vincent CBE <sup>5</sup> Electoral Commissioner ( <i>fee based</i> ) (to December 2023)	<b>10,068</b>	7,562
Carole Mills <sup>5</sup> Electoral Commissioner ( <i>fee based</i> ) (from January 2024)	<b>1,314</b>	-
Joan Walley <sup>5</sup> Electoral Commissioner ( <i>fee based</i> ) (to Oct 2022)	<b>216</b>	8,159
Lord Gilbert of Panteg <sup>5</sup> Electoral Commissioner ( <i>fee based</i> )	<b>8,554</b>	8,955
	<b>901,883</b>	891,219

<sup>1</sup> Salary details for the Comptroller and Auditor General (C&AG) and Chair of the NAO are also disclosed in the National Audit Office Annual Report and Accounts.

<sup>2</sup> Salary details for the Parliamentary and Health Service Ombudsman are also disclosed in the Parliamentary and Health Service Ombudsman Annual Report and Accounts

<sup>3</sup> Payment of the salary of the interim Northern Ireland Chief Electoral Officer was made via an agency and therefore the sums disclosed include employers' national insurance contribution. These sums were initially paid directly by the Electoral Office for Northern Ireland and were then reimbursed by the CF.

<sup>4</sup> Salary details for the Information Commissioner are also disclosed in the Information Commissioner's Annual Report and Financial Statements

<sup>5</sup> Details of the salary of the Electoral Commission Chair and Electoral Commissioners' fees are also disclosed in the Electoral Commission Annual Report and Accounts.

Pensions are payable from the CF to former Comptrollers and Auditors General, Parliamentary Commissioners, Information Commissioners, Northern Ireland Chief Electoral Officers and Chairs of the Electoral Commission. The pension entitlement at retirement is calculated in accordance with the Principal Civil Service Pension Scheme. Subsequent increases in pensions are paid by the Civil Service Superannuation Vote, not by the CF.

Notes 7 to 10 below are prepared on an accruals basis; references are given to Notes 3 and 6a where there is a direct read-across to them.

## 7. Unfunded pension arrangements

The CF pays as a Standing Service the pension benefits of those Royal Household (RH) employees who entered employment before 31 March 2001 under the Royal Household Pension Scheme (RHPS) and the pension benefits of those Members of the European Parliament (MEPs) who had accrued benefits before 2009 or who elected to continue to participate in the European Parliament (UK Representatives) Pension Scheme when EU-wide pension arrangements were set up in 2009. Both schemes are now closed to new members. Pension benefits are based on final pensionable salary and/or career average. The following data for pension liabilities, which are accounted for as unfunded defined benefit arrangements, is in accordance with IAS 19 Employee Benefits. The liabilities are measured on an actuarial basis using the Projected Unit Credit Method and discounted using the rate advised by HM Treasury. Actuarial gains and losses are recognised in full as they occur.

### 7a Actuarial assessment assumptions

A full actuarial assessment was performed by the Government Actuary's Department for the European Parliament (UK Representatives) Pension Scheme as at 31 March 2024. For the Royal Household Pension Scheme, the actuary rolled forward the results of the full actuarial assessment as at 31 March 2022 to determine the approximate position as at 31 March 2024. The major assumptions used by the actuary for both schemes are shown below.

	<b>At March 2024</b>	At March 2023
	<b>% per annum</b>	% per annum
Rate of increase in salaries (MEPs)	N/A	N/A
Rate of increase in salaries (RH)	3.55	3.65
Discount rate	5.10	4.15

### Life Expectancy

The assumed life expectancy at age 65 of MEP pensioners retiring in normal health was as follows:

	<b>At 31 March 2024</b>		At 31 March 2023	
	<b>Men (years)</b>	<b>Women (years)</b>	Men (years)	Women (years)
Current pensioners	23.7	25.3	23.6	25.2
Future pensioners	24.1	25.7	24.0	25.6

The assumed life expectancy at age 60 of Royal Household pensioners retiring in normal health was as follows:

	<b>At 31 March 2024</b>		At 31 March 2023	
	<b>Men (years)</b>	<b>Women (years)</b>	Men (years)	Women (years)
Current pensioners	26.7	28.2	26.6	28.1
Future pensioners	28.5	29.9	28.4	29.8

Three further assumptions were used by the actuary for the Royal Household Pension Scheme:

	<b>At 31 March 2024</b>	At 31 March 2023
	<b>% per annum</b>	% per annum
Rate of increase in pension payments	2.55	2.40
Inflation assumption	2.55	2.40
Discount rate net of price inflation	2.45	1.70

## 7b Expenditure and income

	<b>RH</b>	<b>MEPs</b>	<b>2023-24</b>	2022-23
	<b>£'000</b>	<b>£'000</b>	<b>Total £'000</b>	Total £'000
<b>Expenditure</b>				
Current service costs (including member contributions)	315	-	315	751
Interest on scheme liability	3,372	972	4,344	2,418
Total expenditure	<b>3,687</b>	<b>972</b>	<b>4,659</b>	3,169
<b>Income</b>				
Pension contributions receivable				
Employers' contributions	233	-	233	287
Employees' contributions	63	-	63	74
Total income	<b>296</b>	<b>-</b>	<b>296</b>	361
<b>Net expenditure</b>	<b>3,391</b>	<b>972</b>	<b>4,363</b>	2,808

### 7c Movement in liabilities during the year

	<b>RH</b>	<b>MEPs</b>	<b>2023-24</b>	2022-23
	<b>£'000</b>	<b>£'000</b>	<b>Total</b>	Total
			<b>£'000</b>	£'000
Scheme Liability at beginning of the year	(83,615)	(24,381)	(107,996)	(158,928)
Current service cost	(252)	-	(252)	(677)
Past service cost	-	-	-	-
Employee contributions	(63)	-	(63)	(74)
Net individual pension transfers-out	-	-	-	-
Benefit payments	5,081	1,939	7,020	6,718
Other finance charges – interest	(3,372)	(972)	(4,344)	(2,418)
<b>Total</b>	<b>(82,221)</b>	<b>(23,414)</b>	<b>(105,635)</b>	<b>(155,379)</b>
Actuarial gain / (loss) (note 7e)	4,626	505	5,131	47,383
<b>Liability at end of year</b>	<b>(77,595)</b>	<b>(22,909)</b>	<b>(100,504)</b>	<b>(107,996)</b>

The liability at the end of the year is based on actuarial assessments as at 31 March 2024. The decrease in both scheme liabilities is primarily due to the increase in discount rate.

### 7d Analysis of pension benefits paid by the Consolidated Fund

This table provides details of cash payments made by the CF in relation to Royal Household and MEPs' pensions as disclosed above. The pension increase element of MEPs' pensions is disclosed in the Civil Service Superannuation Annual Report & Account.

	<b>RH</b>	<b>MEPs</b>	<b>2023-24</b>	2022-23
	<b>£'000</b>	<b>£'000</b>	<b>Total</b>	Total
			<b>£'000</b>	£'000
Total pension paid	4,547	3,055	7,602	7,086
Commutation and lump sum benefits	552	-	552	594
Net individual pension transfers-out	-	-	-	-
<b>Total pension benefits paid</b>	<b>5,099</b>	<b>3,055</b>	<b>8,154</b>	<b>7,680</b>
Less: increase element of MEPs' pensions disclosed in the Civil Service Superannuation Annual Report & Account	-	(1,116)	(1,116)	(952)
<b>Total borne by the Consolidated Fund (note 6a)</b>	<b>5,099</b>	<b>1,939</b>	<b>7,038</b>	<b>6,728</b>

## 7e Analysis of actuarial gains/(losses) on unfunded pension schemes

	<b>RH</b>	<b>MEPs</b>	<b>2023-24</b>	2022-23
	<b>£'000</b>	<b>£'000</b>	<b>Total</b>	Total
			<b>£'000</b>	£'000
(Loss) / gain arising on scheme liabilities	(3,221)	(1,543)	(4,764)	(6,856)
Changes in assumptions underlying the present value of liabilities	7,847	2,048	9,895	54,239
<b>Total</b>	<b>4,626</b>	<b>505</b>	<b>5,131</b>	<b>47,383</b>

## 8. Other pensions

In addition to the pensions described in Note 7, Unfunded pension arrangements, the CF also makes payments in relation to:

### i. Pensions for judicial services

Liabilities in respect of this scheme are included in the Judicial Pension Scheme Annual Report & Account. Payments from the CF in respect of this scheme in 2023-24 amounted to £95.6million (£90.2 million in 2022-23). These include pension payments made in respect of former Lord Chancellors.

### ii. Civil List 'pensions'

These are not pensions in the accepted sense. They represent awards for distinguished service to the arts and science and are payable for the life of the recipient. In total, a sum of £143,000 was paid from the CF in 2023-24 in respect of these pensions (£131,000 in 2022-23). This is not material to the CF.

### iii. Pensions for Parliamentary Officers for political and civil services provided

These relate to pensions for former Prime Ministers, Speakers, Comptrollers and Auditors General, Parliamentary Commissioners, Information Commissioners, Northern Ireland Chief Electoral Officers and Chairs of the Electoral Commission. In total, a sum of £529,000 was paid from the CF in 2023-24 in respect of these pensions (£541,000 in 2022-23) and is not material to the CF.

IAS 19 disclosures have not been provided for these payments either because they are reported in a separate account or because they are not material to the CF.



The table below summarises the number of former office holders or surviving dependents receiving a pension from the CF and the total amount paid in the current and prior financial years.

	2023-24			2022-23		
	Political offices	Other	Total	Political offices	Other	Total
Number of pensioners	7	16	<b>23</b>	7	15	22
Pension paid from CF (£'000)	235	294	<b>529</b>	262	279	541

The actuarial liability falling on the CF across all these schemes has been assessed at £6.0 million at 31 March 2024 - £0.1 million attributable to holders of offices as at 31 March 2024 and £5.9 million attributable to former holders of offices or the surviving widows of former office holders (£6.6 million at 31 March 2023 - £0.2 million attributable to holders of offices as at 31 March 2023 and £6.4 million attributable to former holders of offices or the surviving widows of former office holders). This also is not material to the CF.

Prior to the Public Service Pensions Act 2013, former Prime Minister, Speaker and Lord Chancellor office-holders were entitled to a pension from the CF. The entitled pension was half of the entitled salary per year irrespective of length of service, payable for life after leaving office. Under the 2013 Act, pension arrangements for office-holders who took up post after 1 April 2015 are no longer being paid from the Consolidated Fund. This is now provided and paid entirely from the Parliamentary Contributory Pension Fund (PCPF).

The pension entitlement at retirement for other public office holders is calculated in accordance with the Principal Civil Service Pension Scheme rules and will be paid by the CF. Subsequent increases in pensions are paid by the Civil Service Superannuation vote, not by the CF.

The following public office holders who held posts during the year are entitled to a pension payable from the CF.

	<b>Total accrued pension at age 65 at 31 March 2024 or end date</b>	<b>Real increase in pension at age 65</b>	<b>CETV at 31 March 2024 or end date</b>	CETV at 31 March 2023 or start date <sup>13</sup>	<b>Real increase in CETV</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	£'000	<b>£'000</b>
Gareth Davies <sup>1</sup> <i>Comptroller and Auditor General</i>	n/a	n/a	n/a	n/a	n/a
Rob Behrens <sup>1</sup> <i>Parliamentary and Health Service Ombudsman</i>	n/a	n/a	n/a	n/a	n/a
John Edwards <i>Information Commissioner</i>	10-15	2.5-5	187	100	65
Dr David Marshall <i>Northern Ireland Chief Electoral Officer (from August 2023)</i>	0-5	0-2.5	21	-	17
Virginia McVea <i>Northern Ireland Chief Electoral Officer (to April 2023)</i>	10-15	0-2.5	217	214	3

<sup>1</sup> Gareth Davies –Comptroller & Auditor General and Rob Behrens - Parliamentary and Health Service Ombudsman have waived their entitlement to the pension due to them as post holders.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are a member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV payment is made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. This disclosure is provided for completeness purposes only as the pensions payable from the CF are not transferable. The real increase in CETV excludes the effects of inflation and contributions paid by the member and uses common market valuation factors for the start and end of the period.

<sup>13</sup> Figures have been restated where the administrator has made retrospective updates to the data.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2024.

## 9. Coinage issued and redeemed

Amounts received by the Royal Mint from banks and other financial institutions for the face value of coins issued is payable to the CF and the face value of coins redeemed by the Royal Mint is a charge on the CF. The cost of minting the coinage is reported in HM Treasury's Annual Report & Accounts.

### Sums due to the Consolidated Fund

£'m	Notes	2023-24	2022-23
<b>Balance at 1 April</b>		<b>2</b>	1
Coins issued		<b>8</b>	56
Cash received by Consolidated Fund	3	<b>(8)</b>	(56)
Coins redeemed		<b>(18)</b>	(19)
Cash paid by Consolidated Fund	6a	<b>18</b>	20
<b>Balance at 31 March</b>		<b>2</b>	2

## 10. Events after the Reporting Period

There are no events after the reporting period to report.

## 11. Related Parties

The CF has transactions with most government departments and central government bodies. HM Treasury has a custodian role with the CF which is outside the scope of IAS 24.

## 12. Date of Authorisation for Issue of Account

These financial statements have been authorised for issue by the Accounting Officer on the same date as the Comptroller and Auditor General's Certificate and Report.

# Appendix A – Glossary

<b>Consolidated Fund Extra Receipt (CFER)</b>	Receipts which are outside the ambit of the Estimate and cannot be used to support expenditure of a department.
<b>Consolidated Fund Standing Services</b>	Spending which doesn't require annual approval by Parliament because other legislation provides for its funding without annual approval in Estimates.
<b>Contingencies Fund</b>	A fund used by HM Treasury to support emergency spending in advance of approval by Parliament.
<b>Estimate</b>	A statement of how much money the government needs in the coming financial year, and for what purpose(s), by which parliamentary authority is sought for the planned level of expenditure by a government department.
<b>Excess vote</b>	Where a department has spent more - as recorded in its audited end year accounts - than was voted by Parliament in Estimates, or has spent beyond the coverage of its ambit i.e., its voted authority has been exceeded.
<b>Financial Reporting Manual (FRM)</b>	A technical guide for producing the accounts of public bodies.
<b>Main Estimate</b>	The means through which departments seek parliamentary approval for their spending plans for the year ahead. Presented to Parliament within five weeks of the Budget Statement.
<b>Managing Public Money</b>	A publication produced by HM Treasury which is concerned with regularity and propriety and sets out the main principles for dealing with resources used by public sector bodies.
<b>National Audit Office (NAO)</b>	Office of the Comptroller and Auditor General, which audits accounts of government bodies and carries out value for money inspections within the bodies it audits
<b>National Loans Fund (NLF)</b>	The fund through which passes most of the government's borrowing transactions and some domestic lending transactions.
<b>Net Cash Requirement</b>	The limit voted by Parliament reflecting the maximum amount of cash that can be released from the Consolidated Fund to a department in support of expenditure in its Estimate. In the case of a negative net cash requirement,

the department must generate a surplus of at least that amount.

**Supplementary Estimate**

The means by which departments seek to amend parliamentary authority provided through Main Estimates by altering the limits on resources, capital and/or cash or varying the way in which provision is allocated. Normally presented in January each year.

**Supply**

The process whereby Parliament gives statutory authority for both the consumption of resources (for resource and capital purposes) and for cash to be drawn from the Consolidated Fund.

**Trust Statement**

A Trust Statements is a set of financial statements separate from a department's normal accounts and are required for departments which collect taxation, fines and penalties. They report on the revenue collected by a department on behalf of government, which it is required to pay over to the Consolidated Fund.

**Vote on Account**

Presented to Parliament by HM Treasury in January to provide necessary provision for voted resources, capital and cash for each departmental Estimate in the early months of the following financial year. For each department it generally seeks up to 45 per cent of the amounts voted in the current year's Main Estimate.

### **HM Treasury contacts**

This document can be downloaded from [www.gov.uk](http://www.gov.uk)

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978-1-5286-5164-6

E03183877