



Cabinet Office

# Annual report and accounts 2023 to 2024





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# Annual report and accounts 2023 to 2024

(for period ended 31 March 2024)

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Government Resources and Accounts Act 2000

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This is part of a series of departmental publications which, along with the Main Estimates 2024 to 2025 and the document Public Expenditure: Statistical Analyses 2024, present the government's outturn for 2023 to 2024 and planned expenditure for 2024 2025.



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# Preface

## About this annual report and accounts

The Cabinet Office annual report and accounts provides an explanation of the activities of the Cabinet Office and, where appropriate, the Cabinet Office group.

The group includes several other organisations within the departmental boundary as set out on pages 8 and 9 but most report separately on their activities. When this report refers to the Cabinet Office, it will be discussing the core department, whereas the Cabinet Office group refers to the department and other organisations within the departmental group.

The annual report and accounts provides performance and financial data with analysis to help readers gain an understanding of the work of the Cabinet Office between April 2023 and March 2024 (inclusive). It is divided into three main sections.

The **performance report** includes a summary of how the departmental group is structured followed by a high-level financial summary (financial review), People Survey results, and reports on sustainability and counter fraud.

The **accountability report** is further split into three subsections and includes:

- the corporate governance report where the Cabinet Office reports on the operating structure of the department and important transparency matters such as conflicts of interest and whistle blowing – it also includes a statement of the Accounting Officer’s responsibilities and a governance statement which sets out how the department manages risk

- the remuneration and staff report detailing the pay and benefits received by ministers, executive and non-executive members of the board, disclosures on departmental pay and pensions policies, and details of staff numbers and costs
- the parliamentary accountability and audit report allows readers to understand the department’s expenditure against the funding provided by Parliament by examining the statement of outturn against parliamentary supply, while the certificate and report of the Comptroller and Auditor General to the House of Commons sets out his opinion on the financial statements

The **financial statements** show the department’s group income and expenditure for the financial year, the financial position of the department as at 31 March 2024, and additional information designed to enable readers to understand these results.

# Permanent Secretary's foreword



Since joining the Cabinet Office in April 2024, my priority has been to lead the department through the transition to a new Labour government and to deliver its priorities. While this has inevitably involved some change since the end of the financial year, our core objectives to lead national security strategy, co-ordinate effective decision making across economic and domestic affairs, drive efficiency and reform of the Civil Service and across government, and build national resilience have endured at the heart of what we do.

In 2023 to 2024 the department focused on how government is run, taking steps to modernise and reform the Civil Service and increase the efficiency, effectiveness and accountability of public servants around the UK.

The need for continuous improvement was particularly relevant given the findings of the Infected Blood and Grenfell Inquiries which highlight the need for a Civil Service that lives up to its values and serves all the citizens of the United Kingdom.

Our core work included:

- **National security:** The key driver of activity over 2023 to 2024 was the UK's response to the conflicts in Ukraine and the Middle East, which has required complex and multilateral work across the department. More widely, we made significant progress in stabilising UK Security Vetting and the year saw a refresh of the 2021 Integrated Review and progress in implementing its recommendations.
- **Economic and domestic affairs:** We have continued to serve the cabinet and the government of the day, including major priorities such as illegal migration, prison capacity, industrial action and border management. More widely, we have continued our core role in co-ordinating legislation and servicing the various subcommittees and inter-ministerial groups, and ensured readiness for the General Election.
- **Efficiency and productivity:** We will shortly publish our efficiencies and savings audit for 2022 to 2023, which shows that across our functions we delivered several billion of audited savings, including through the Public Sector Fraud Authority, through the Government Communication Service spending controls and central restructuring, and through the Office of Government Property's efficiency and disposals programme.

- **Reform delivery:** We have made strides in Civil Service reform. We published the Civil Service People Plan, setting out our aims for a clear and targeted learning offer to build the skills it requires to meet the tasks of the future. It also covers our plans to develop our reward and progression strategy to support delivery. Through the Government Digital Service's efforts to develop and implement the One Login system we have onboarded new government services to provide better outcomes for the citizen, including the first set of HM Revenue and Customs services. We continue to drive the location strategy for the Civil Service, with over 18,000 roles now located outside of London, promoting regional development and opportunities. To that end, we have been expanding our second headquarters in Glasgow, which now houses over 800 staff.
- **Inquiries:** We managed the government's response to a number of inquiries in 2024, including the ongoing COVID-19 Inquiry where we co-ordinated the government response to the Module 1 report, and the Infected Blood Inquiry where we prepared our response to the final report and began to lay the groundwork for the launch of the Infected Blood Compensation Authority.
- **Resilience:** We published an implementation update to the 2022 Resilience Framework in December 2023, alongside the Deputy Prime Minister's first annual statement on risks and resilience. We also published the new UK Biological Security Strategy in June 2023 and have extended the capabilities of our crisis response work. We rolled out and tested the nationwide emergency alert system,

and have been developing the Crisis Management Excellence Programme, which in 2023 to 2024 delivered foundational training to around 700 civil servants.

Looking ahead, the transition to a new administration has required us to adapt to ensure our efforts align with future goals. This has involved, among other changes, transferring into the Cabinet Office responsibility for the United Kingdom's relationship with the European Union and union and devolution policy, while beginning the transfer out of the Government Digital Service and the Central Digital and Data Office to form the new Digital Centre of Government.

We have also set up the Mission Delivery Unit and a team focused on public service reform and efficiency, which are working to deliver on the priorities for this government through Mission Boards and integrated work through the Spending Review to best direct cross cutting reform priorities across government.

The Cabinet Office is at the heart of the centre of government, and we will continue to adapt and reform so that we can meet the high expectations of strategy and delivery expected of us.

This report and accounts are a key part of our commitment to transparency and accountability. I hope it provides an interesting and open assessment of the work of the Cabinet Office over the last year alongside our use of taxpayers' resources.

**Catherine (Cat) Little CB**

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

# Performance report



# Performance overview

## Cabinet Office purpose



The Cabinet Office supports the Prime Minister and ensures the effective running of government. It is also the corporate headquarters for government, in partnership with HM Treasury, and it takes the lead in certain critical policy areas.

## Priority outcomes

The Cabinet Office purpose is achieved through its priority outcomes. Under the previous government, the Cabinet Office had the following five priority outcomes:

- 1** Ensure a safe, prosperous and resilient UK by co-ordinating and enabling the implementation of the refreshed Integrated Review and delivering specific national security priorities within it.
- 2** Modernise and reform government, increasing efficiency, effectiveness and accountability and making it easier to benefit from outside expertise and from civil servants based around the UK, recognising the important role of the functions in supporting delivery across the whole of government.
- 3** Modernise the UK border to ensure it is world class and fulfils its function to keep us safe, secure and biosecure while allowing trade flow.
- 4** Advance equality of opportunity across the UK.
- 5** Support the design and delivery of other Prime Minister and government priorities.

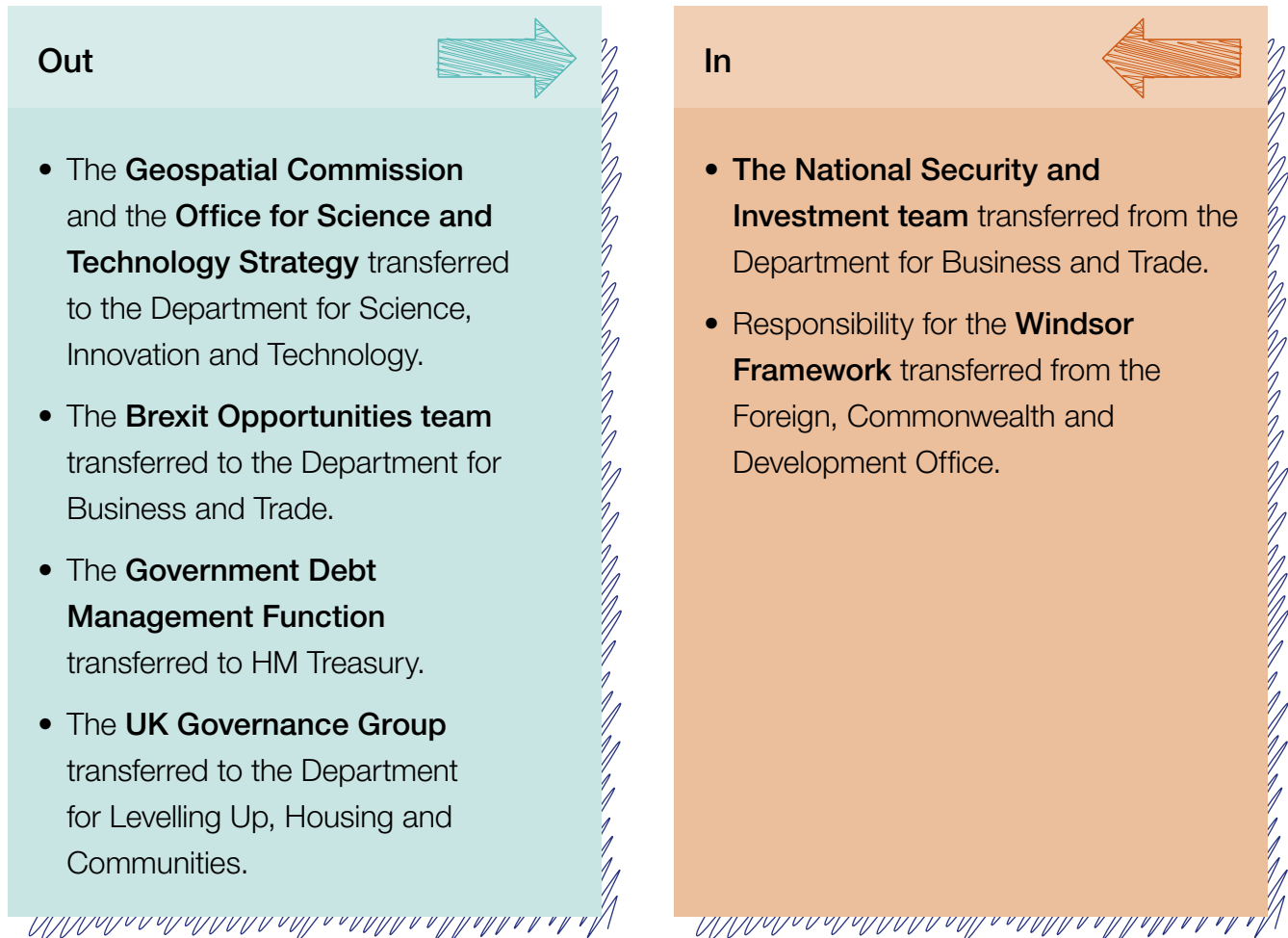
## How our core department was organised

During 2023 to 2024, the core department was made up of the following business units.

<b>Outcome 1</b>	<ul style="list-style-type: none"><li>• Intelligence and Security Committee of Parliament</li><li>• Joint Intelligence Organisation</li><li>• National Security Secretariat</li></ul>
<b>Outcome 2</b>	<ul style="list-style-type: none"><li>• Central Digital and Data Office</li><li>• Government Commercial and Grants Function</li><li>• Government Communication Service</li><li>• Government Digital Service</li><li>• Government People Group</li><li>• Government Security Group</li><li>• Infrastructure and Projects Authority</li><li>• Modernisation and Reform Unit</li><li>• Public Bodies and Priority Projects Unit</li><li>• Public Sector Fraud Authority</li></ul>
<b>Outcome 3</b>	<ul style="list-style-type: none"><li>• Borders Group</li></ul>
<b>Outcome 4</b>	<ul style="list-style-type: none"><li>• Equality Hub</li></ul>
<b>Outcome 5</b>	<ul style="list-style-type: none"><li>• Economic and Domestic Secretariat</li><li>• Government in Parliament Group</li><li>• Office for Veterans' Affairs</li><li>• Prime Minister's Office</li><li>• Propriety and Constitution Group</li><li>• Public Inquiry Response Unit</li></ul>
<b>Corporate enablers</b>	<ul style="list-style-type: none"><li>• Workforce, skills, location</li><li>• Innovation, technology, data</li><li>• Delivery, evaluation, collaboration</li><li>• Sustainability</li></ul>

## Machinery of government transfers

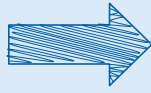
In the 2023 to 2024 financial year, the Cabinet Office was impacted by seven machinery of government transfers, five out of the department and two into the department.



The full impact of these transfers can be seen in note 2 to the financial statements.

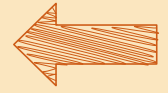
In the 2024 to 2025 financial year the Cabinet Office will be impacted by the following machinery of government transfers.

## Out



- The **Government Digital Service**, the **Central Digital and Data Office** and the **Incubator for Artificial Intelligence** will transfer to the Department for Science, Innovation and Technology.
- The **Office for Veterans' Affairs** will transfer to the Ministry of Defence.

## In

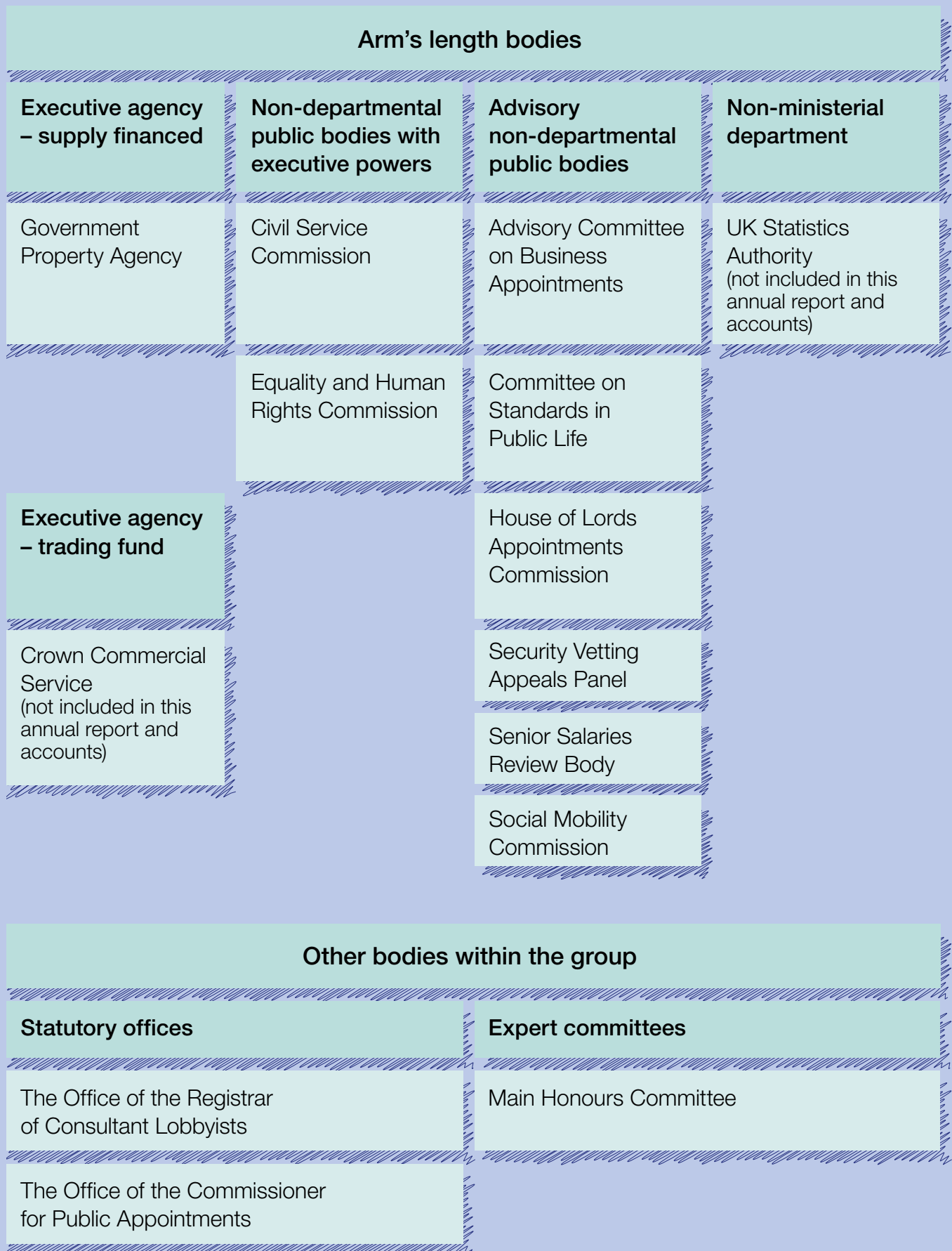


- Responsibility for the **United Kingdom's relationship with the European Union** will transfer from the Foreign, Commonwealth and Development Office.
- Responsibility for **union and devolution policy across Scotland, Wales and Northern Ireland** will move from the Ministry of Housing, Communities and Local Government.
- The **Government Car Service** will transfer from the Department of Transport.

Further details of these announcements can be found in note 25 to the financial statements.

# How the Cabinet Office group is structured

The Cabinet Office works closely with 11 arm's length bodies and three other public bodies which make up the group.



The Government Property Agency (GPA) and the Crown Commercial Service are executive agencies that each publish separate annual reports and accounts. The GPA is consolidated into the Cabinet Office annual report and accounts, but as a trading fund the Crown Commercial Service reports separately.

The two non-departmental public bodies with executive powers, the Civil Service Commission and the Equality and Human Rights Commission (EHRC), publish their own accounts and are consolidated into these accounts.

The UK Statistics Authority is an arm's length body of the Cabinet Office but, due to its status as a non-ministerial department, it produces its own annual report and accounts and is not included in the consolidated group accounts.

Six further advisory non-departmental public bodies are part of the core department in these accounts and do not produce their own accounts.

There are a further three bodies which make up the group and are not formally classified as arm's length bodies. All are included in the group account, but the Office of the Registrar of Consultant Lobbyists also publishes its own account.

Further detail on the Cabinet Office's structure can be found in note 24 to the financial statements.



# Financial review

Each year Parliament approves the total funds available to the Cabinet Office group to spend against specific objectives (within agreed budgetary limits). It is against these limits that the group, as guided by HM Treasury's spending control framework, is held accountable for its performance and the use of taxpayers' funds.

The group is allocated an expenditure budget through the Estimate process. This budget consists of departmental expenditure limits (DEL). DEL is split into resource DEL,

expenditure expensed in the current year on day-to-day resources and administration costs, and capital DEL, expenditure which is spent on investment and things that will create growth in the future.

The group also receives a budget for expenditure which is volatile or demand-led in a way that the department cannot directly control, such as impairment of assets or provisions expense. This is known as annually managed expenditure (AME).

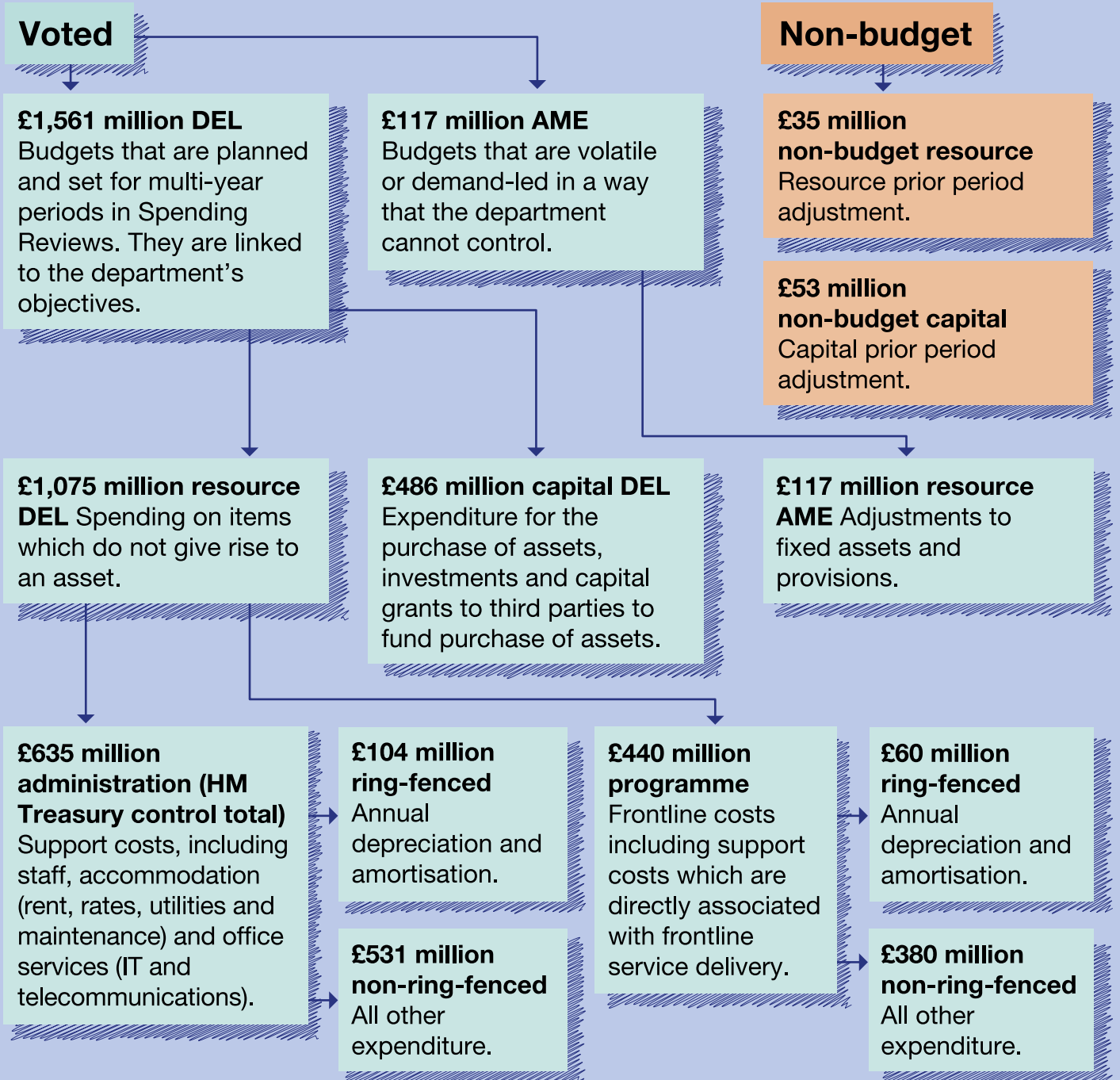
	Budget (£m)	Outturn (£m)	Variance (£m)
<b>Total departmental spending</b>			
Resource DEL	1,095	1,075	20
Capital DEL	648	486	162
<b>Total DEL</b>	<b>1,743</b>	<b>1,561</b>	<b>182</b>
Resource AME	297	117	180
Capital AME	30	-	30
<b>Total AME</b>	<b>327</b>	<b>117</b>	<b>210</b>
<b>Total budget</b>	<b>2,070</b>	<b>1,678</b>	<b>392</b>
Non-budget resource DEL <sup>1</sup>	-	35	(35)
Non-budget capital DEL <sup>1</sup>	-	(53)	53
<b>Total non-budget<sup>1</sup></b>	<b>-</b>	<b>(18)</b>	<b>18</b>

<sup>1</sup> Non-budget expenditure is related to prior period adjustments. See note 2 to the financial statements for more detail.

A full analysis and explanation of the variances can be found in the statement of outturn against parliamentary supply. The diagram below explains the different budgets managed by the department, their purpose and the outturn.



**£1,660 million total net expenditure**  
 Total amount that the department spends less any income received. This is split into categories of expenditure: DEL and AME (voted and non-voted).

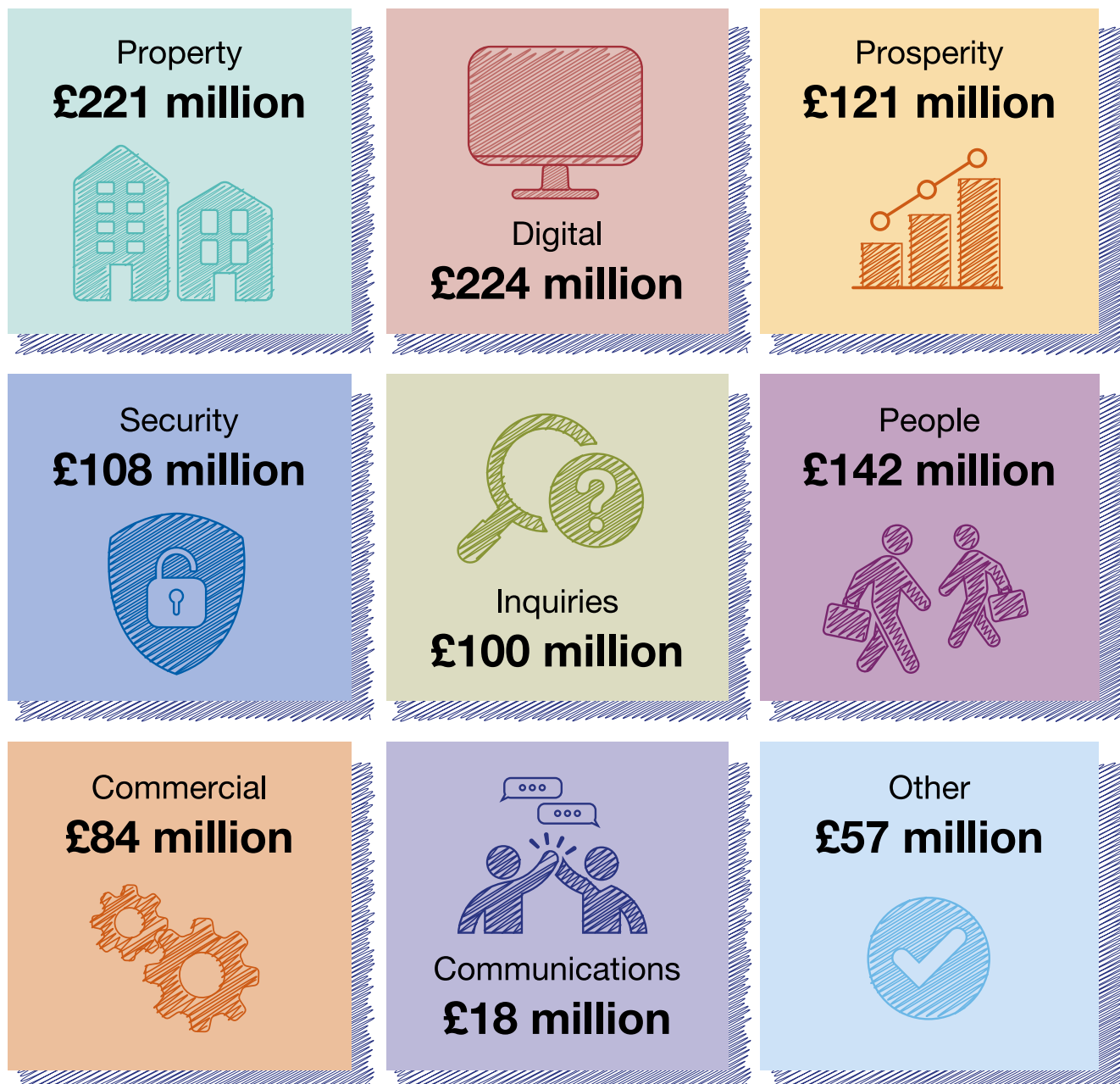


# Performance analysis

## How Cabinet Office group spends its money

### Resource DEL

We can further breakdown the £1,075 million resource spend into the following spend categories.

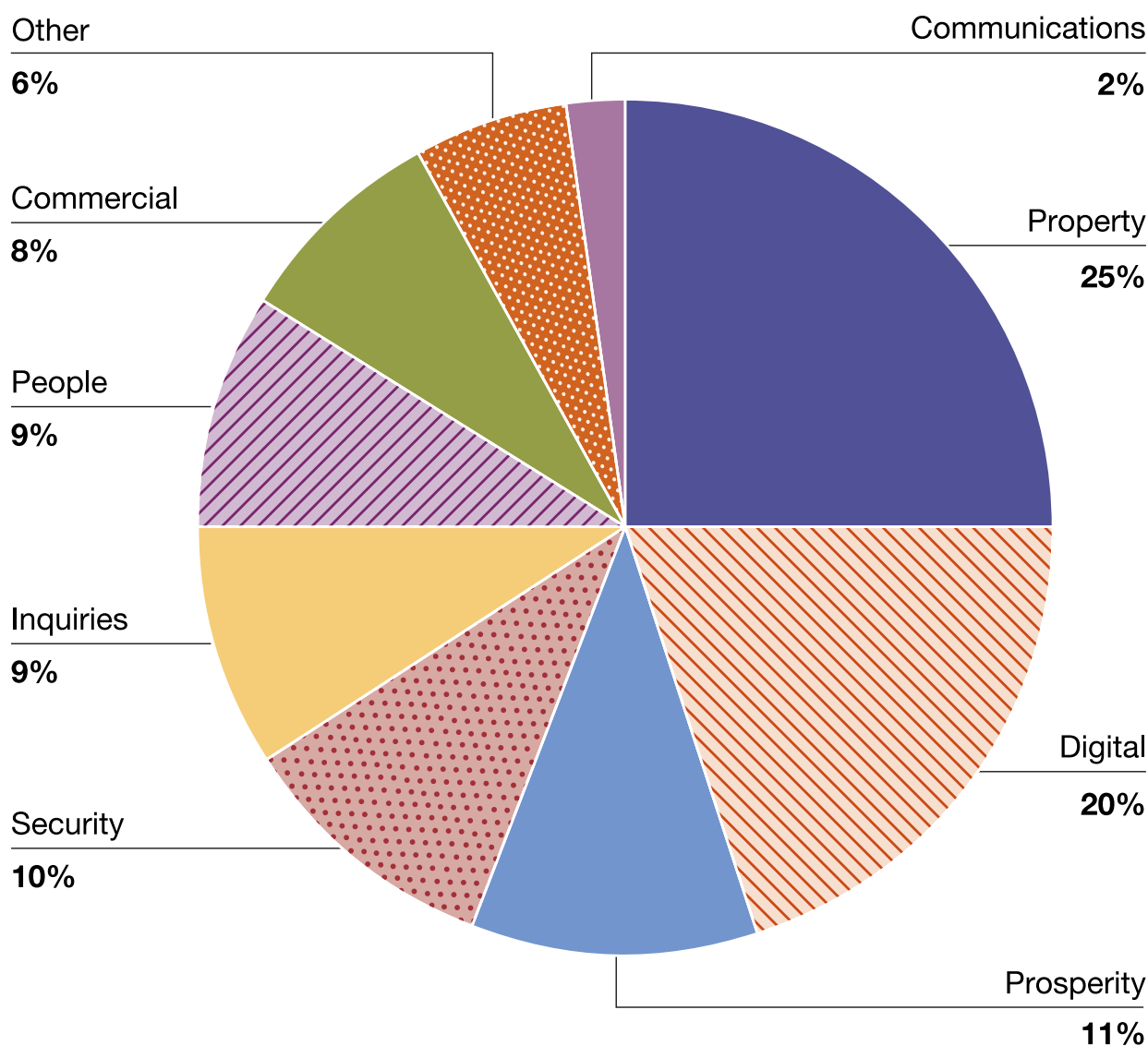


- £221 million was spent on property services through the GPA and the Office of Government Property. This includes the onboarding and upkeep of properties on the GPA property portfolio. (Priority outcome 2)
- £224 million was spent on digital services, including the management of government websites such as GOV.UK through the Government Digital Service, plus digital activities through the Central Digital and Data Office and Cabinet Office Digital, the department's internal IT service. (Priority outcome 2)
- £121 million was spent supporting the Cabinet and the Prime Minister on the prosperity of the UK through the Cabinet Secretaries Group, the Prime Minister's Office, the Delivery Group, the Economic and Domestic Secretariat, the Union and Constitution Group, and the Borders, Trade and Brexit Opportunities Group. (Priority outcomes 3 and 5)
- £108 million was spent on national security and intelligence through the National Security Secretariat, the Joint Intelligence Organisation and the Government Security Group. (Priority outcome 1)
- £100 million was spent on supporting inquiries including the Infected Blood Inquiry, the Grenfell Tower Inquiry, the COVID-19 Inquiry and the Public Inquiries Response Unit. (Priority outcome 5)
- £142 million was spent on government-wide people services, including the costs of office space for Cabinet Office staff through the Government People Group, the Equality Hub, the EHRC, the Office for Veterans' Affairs and the Cabinet Office internal people and places division. (Priority outcomes 2 and 4)



- £84 million was spent on project assurance and commercial activities through the Infrastructure and Projects Authority, Civil Service modernisation and reform, the Government Commercial Function, and the joint Cabinet Office and HM Treasury Commercial Unit. This included strengthening the use of data and AI across government through the publication of the Data Analytics and AI in Project Delivery Framework. (Priority outcome 2)

- £18 million was spent on communications through the Government Communication Service, Government in Parliament Group, and the Cabinet communications team. (Priority outcome 2)
- The remaining £57 million was spent across the department's other business units and arm's length bodies, including the Civil Service Commission, the Office of the Registrar of Consultant Lobbyists, the Public Bodies Unit and the Public Sector Fraud Authority, as well as the management of the department through the Chief Operating Officer's Office and the Strategy, Finance and Performance Directorate. (Priority outcomes 2 and 5)

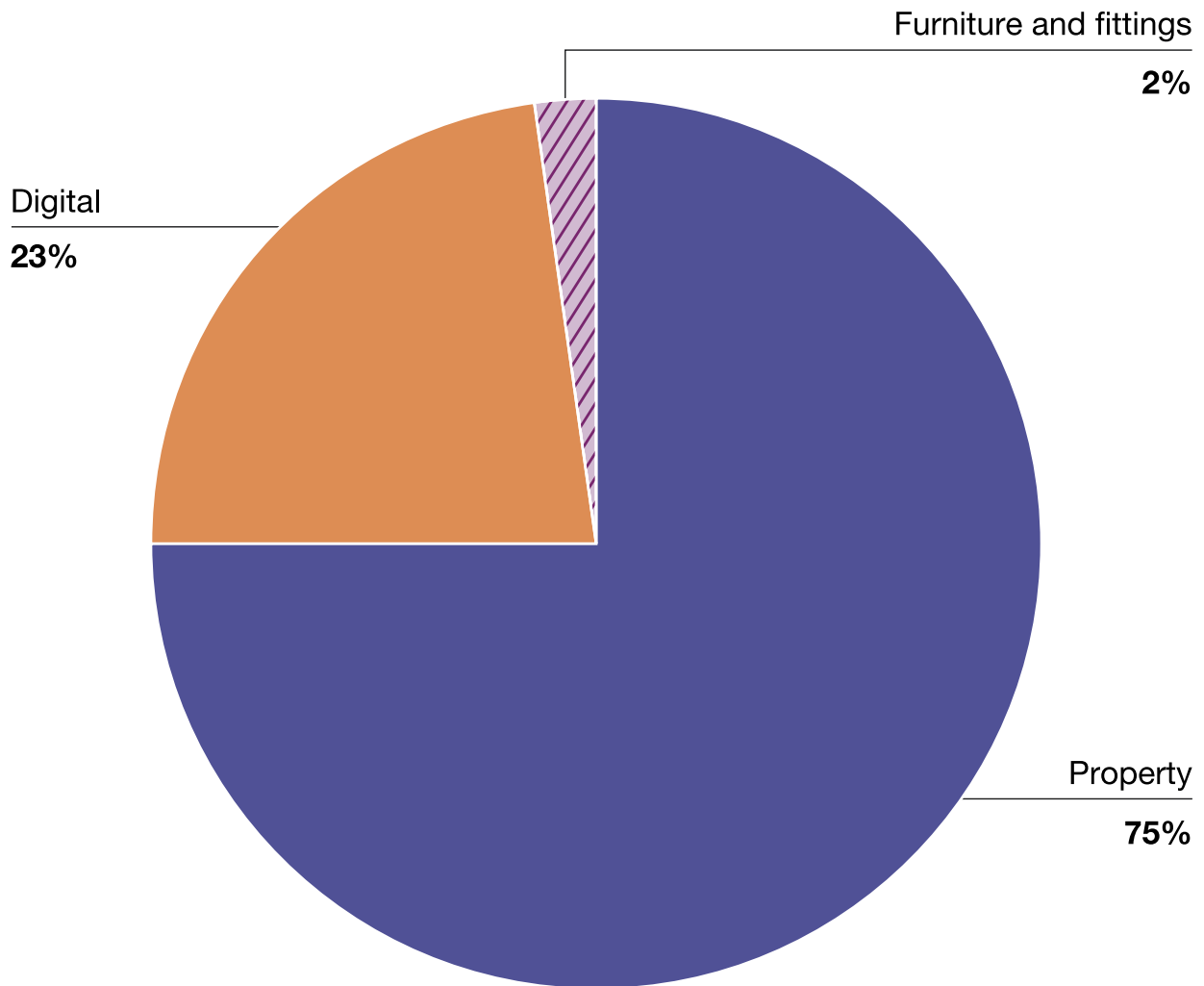


## Capital DEL

We can further break down the £486 million capital spend into the following spend categories.

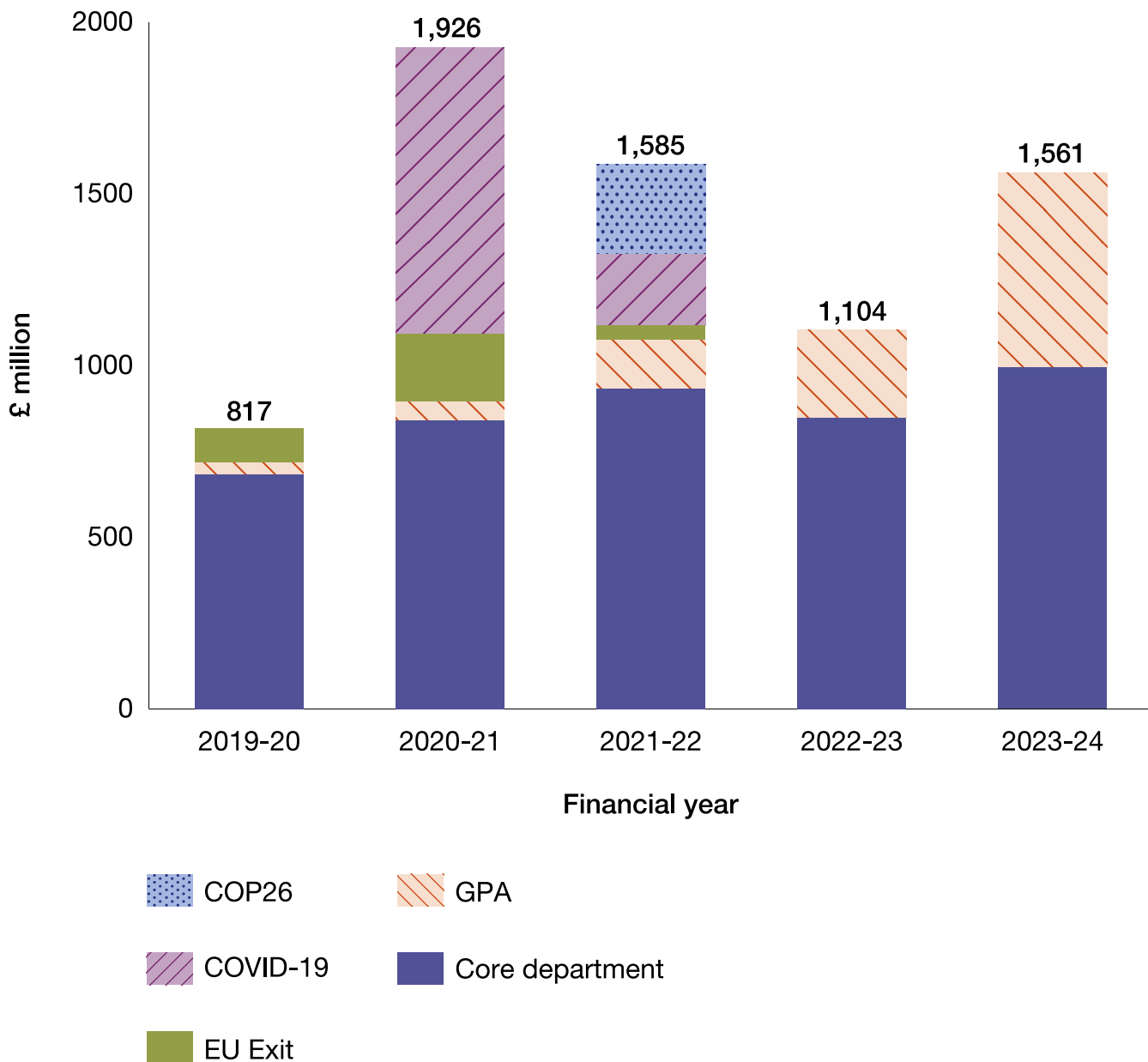
- £11 million was spent on furniture and fittings for the fitting out of buildings across the Cabinet Office estate.

- £323 million was spent on property. The majority of this capital expenditure related to development expenditure on both owned and leased properties managed by the GPA, offset by a property sale.
- £146 million was spent on digital projects across the department. This included spend on the GOV.UK One Login service.



## Long-term expenditure trends

Further detail on expenditure between 2019 to 2020 and 2023 to 2024, as well as plans for 2024 to 2025, can be found in annex A to this report. The figures below include the Cabinet Office group expenditure.



The group has seen a significant increase in expenditure levels since 2019 to 2020.

Initially the COVID-19 pandemic led to a sharp rise in expenditure in 2020 to 2021. The following two years saw overall expenditure reducing and resource spend starting to return to pre-pandemic levels.

Apart from the obvious drop in pandemic-related expenditure, other significant activities either drew to a close or reduced in scope. These included EU Exit and the delivery of both the G7 Summit and COP26 which occurred in 2021 to 2022, leading to a reduction in expenditure in 2022 to 2023.

In 2023 to 2024, costs rose again in both the core department and the GPA. In the core department, this was largely due to an increase in expenditure in the Government Digital Service owing to the creation of the new GOV.UK One Login service.

The GPA also continued to onboard properties, increasing both capital expenditure relating to onboarding of properties and the ongoing rent and maintenance costs associated with operating lease properties.

Average headcount across the group has seen a slight reduction in 2023 to 2024, with an average of 10,083 staff compared with an average of 10,360 (restated) in 2022 to 2023. This is still higher than the pre-pandemic 2019 to 2020 figure of between 8,000 and 8,500.

Significant events contributing to the overall growth of the Cabinet Office group in the five-year period beginning in 2019 to 2020 include the following.

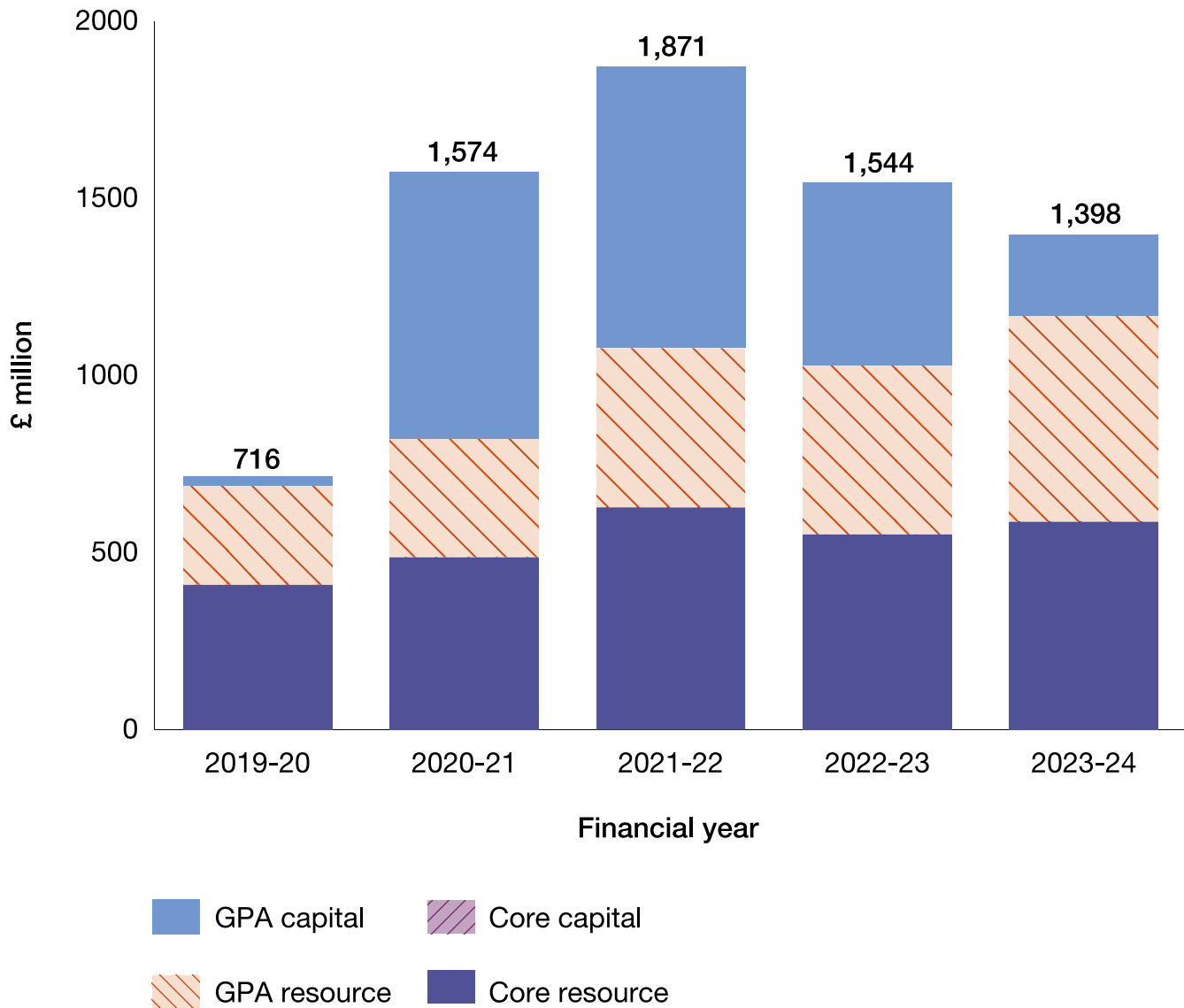
- **Independent inquiries:** the Cabinet Office sponsors three public inquiries – the Grenfell Tower Inquiry, the Infected Blood Inquiry and the COVID-19 Inquiry. All of these inquiries are funded through the Cabinet Office and publish their respective costs through their dedicated websites.
- **The GPA:** since 2018 to 2019, the GPA has gradually onboarded properties nationally, delivering an effective, fully integrated property management service across government. The GPA continues to grow and this is reflected in the chart above.
- **UK's exit from the EU:** following the 2016 EU referendum, spending related to the UK's exit from the EU increased annually from 2018 to 2019 in the lead up to the UK formally exiting the EU on 31 January 2020.

- **Response to the COVID-19 pandemic:** the COVID-19 pandemic led to an unprecedented increase in Cabinet Office expenditure in 2020 to 2021, largely due to the ventilator challenge programme and the cross-government COVID-19 communications campaign. The UK COVID-19 Inquiry has now been established to examine the UK's preparedness and response to the pandemic and to learn lessons for the future.
- **Delivery of COP26:** the UK hosted COP26 in Glasgow from 31 October to 13 November 2021. The COP26 summit brought together almost 200 countries to commit to act on climate change and forge the Glasgow Climate Pact.

The department continues to play a wider role at the centre of government, co-ordinating delivery and driving change. The Cabinet Office houses a number of functions: commercial, communications, digital, human resources, project delivery, property and security. All fast streamers and commercial specialists are employed by the Cabinet Office, with costs recovered from other government departments through a recharging model, contributing to a growth in overall income over the five-year period.

This functional model ensures strong core functions at the centre of government, professionalising the Civil Service through improved decision making, cross-departmental working, organisational capability, efficiency, resilience and control.

## Long-term total income trends



Income has seen a similar trajectory as net expenditure over the five-year period, with a rise in income each year until 2022 to 2023 when income fell and plateaued in 2023 to 2024.

In the core Cabinet Office, the reduction in 2022 to 2023 was largely due to reduced use of digital services including GOV.UK Notify, a service that was extensively used to provide COVID-19 updates to organisations and individuals during the pandemic.

The GPA continues to see a rise in resource income due to the continual onboarding of properties to its portfolio. But the GPA's capital income has reduced as the speed with which properties are onboarded has slowed.

# People Survey results

The annual Civil Service People Survey looks at civil servants' attitudes to and experience of working in government departments.

Core theme	2023-24	2022-23
Response rate	75%	72%
People engagement score	58%	54%
My work	77%	73%
Objectives and purpose	69%	62%
My manager	75%	74%
My team	84%	83%
Learning and development	50%	46%
Inclusion and fair treatment	77%	74%
Resources and workload	72%	69%
Pay and benefits	32%	25%
Leadership, management and change	45%	38%

Across the Cabinet Office, the results are encouraging and show improvement over last year. The engagement index score has gone up four percentage points from 54% to 58% and there has also been an improvement across all the core theme areas in the survey.

The most significant increases this year are in organisation, objectives and purpose, leading and managing change, and pay and benefits. These are all main themes in the 'A Better Cabinet Office' programme – the department puts considerable effort into these areas and this shows that the model is starting to have an impact.

There has been a 10 percentage point increase in people saying they would recommend the Cabinet Office as a great place to work, and a significant 10 percentage point increase in people believing senior managers will take action on the results from this survey.

# Sustainability report

## Overview

The Cabinet Office remains dedicated to protecting the environment and creating a sustainable workplace. During 2023 to 2024 the department applied for and successfully retained its ISO14001:2015 accreditation for the core estate. The Environmental Management System ensures that the department sets environmental objectives in line with policy and legal frameworks to attain net zero by 2050.

The Cabinet Office also measures its annual performance against the Greening Government Commitments (GGC) targets. As well as the Cabinet Office's core estate, this year the department has included carbon emissions created by the GPA, the Crown Commercial Service and the EHRC at the Department for Environment, Food and Rural Affairs' request.

The Cabinet Office core estate comprises four buildings, three of which are Grade 1 listed and one that resides in a UNESCO world heritage site. The listed nature of the core estate means that the department is focused on understanding our carbon legacy before any offsetting measures are considered.

The department has managed to improve the overall energy score of each building this year, including managing to take one building to a rating of B. A refresh of the current domestic Sustainability Strategy is currently underway. The department expects to measure the maturity of the organisational approach to sustainability and to refine reporting mechanisms.

## Scope and data

The GGCs demonstrate how the UK government is working to improve the environmental performance of its estate and operations. In 2023 to 2024 the Cabinet Office, as the parent organisation, has been asked to include carbon reporting for the GPA, Crown Commercial Service, and EHRC's property portfolio. These organisations are arm's length bodies of the Cabinet Office, which under the current GGC framework are exempt from reporting. However, they are expected to make a sustainability declaration and Task Force Climate-Related Financial disclosures within their own annual report and accounts.

The Cabinet Office is actively engaged in embedding sustainability metrics into its ways of working, operations, policy design, and procurement of its goods and services. All staff business travel, digital waste and paper usage has been accounted for regardless of location or organisational definition. This allows the department to focus on scope 3 emissions outside the core estate and to develop policies and procedures that strengthen our environmental approach beyond the Environmental Management System itself.

Performance is presented against each of the GGC reporting areas and in line with the department's annual GGC returns submitted to the Department for Environment, Food and Rural Affairs. We have included data for the reporting year 2023 to 2024 and five prior years for comparison against the baseline year.

Further information is available at the GGC page on GOV.UK.

The following GGC reporting areas are not applicable to the department.

- Nature recovery and biodiversity action planning – the Cabinet Office does not have significant landholdings or natural capital. To compensate for the lack of opportunity to develop a nature recovery and biodiversity action plan, the department has linked up with the Royal Parks to provide volunteering opportunities for staff during their lunch breaks, weekends and as part of the staff volunteering day initiative.
- Sustainable construction – no construction or major building refurbishment projects took place during the reporting period.
- Travel car fleet – in 2023 to 2024 the Cabinet Office contracted seven official car services for its ministers and senior officials from the Government Car Service (part of the Department for Transport). These cars were part of the Department for Transport’s car fleet and included within its GGC reporting. To avoid double counting, any data relating to these vehicles is not included in this report. The Cabinet Office does not own, lease or hire any other car fleets. However, the department has invested in electrical vehicle charging points to benefit the ministerial fleet. Reporting on fleet cars will increase in 2024 to 2025 as the Government Car Service will join the Cabinet Office in a machinery of government change.

## Performance against GGCs 2021 to 2025

Most of the department’s estate is managed by the GPA. This year, the GPA has continued lifecycle replacement works on the core estate. This has included refurbishment of toilets (reducing water consumption), building management system upgrades (to better understand the energy demand of the estate), and a continued programme of LED and heating, ventilation and air conditioning system replacements. Future constraints and the historical nature of the core estate mean that targets remain challenging and require continued financial support.

## Mitigating climate change

### GGC data

Metric	Measure	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18 baseline	%
<b>Mitigating climate change: working towards net zero by 2050</b>									
Tonnes of carbon dioxide equivalent (CO <sub>2</sub> e)	Scope 1 (direct) emissions	134	128	148	167	121	533	456	-71%
	Scope 2 (energy indirect) emissions	2,068	1,684	3,274	1,342	1,640	2,554	4,025	-49%
	Scope 3 (official business travel - domestic) emissions	402	363	434	144	199	1,039	1,276	-68%
	Scope 3 (official business travel - international) emissions	657	2,001	2,586	377	2,230	2,106	1,533	-57%
	<b>Total greenhouse gas emissions</b>	<b>3,261</b>	<b>4,176</b>	<b>6,442</b>	<b>2,030</b>	<b>4,190</b>	<b>6,232</b>	<b>7,290</b>	<b>-55%</b>
Kilowatt hours (kWh)	Energy electricity green tariff (scope 2 and 3)	4,247,428	4,826,356	4,300,447	-	-	-	-	
	Mains standard grid electricity consumption (scope 2 and 3)	-	-	-	4,106,816	4,767,212	8,008,956	8,578,983	
	Natural gas	732,615	700,300	871,153	787,479	657,935	2,875,657	2,360,194	
	District heating systems	1,315,640	591,100	1,563,200	1,447,800	1,587,920	1,443,730	880,464	
	Heat from other sources	-	-	-	-	-	4,000	-	
	<b>Total related energy use</b>	<b>6,295,683</b>	<b>6,117,756</b>	<b>6,734,800</b>	<b>6,342,095</b>	<b>7,013,067</b>	<b>12,332,343</b>	<b>11,819,641</b>	<b>-47%</b>
£000	Expenditure on energy	22,385	752	885	400	609	647	1,875	+1,094%
	Expenditure on official business travel	19,610	11,990	10,895	2,994	13,417	13,768	10,759	+82%
	<b>Total related expenditure</b>	<b>41,995<sup>2</sup></b>	<b>12,742</b>	<b>11,780</b>	<b>3,394</b>	<b>14,026</b>	<b>14,415</b>	<b>12,634</b>	<b>+232%</b>

2 The 2023 to 2024 figures include expenditure for properties held by the GPA which are recharged to other government departments, which were not included in prior years.

Metric	Measure	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18 baseline	%
<b>Waste minimisation and management</b>									
Tonnes	Total waste reused or recycled externally (excluding ICT waste)	64	46	31	47	85	205	937	
	Total waste to landfill	-	-	-	-	-	-	-	
	Total ICT waste: recycled (externally)	-	-	1	1	2	-	-	
	Total ICT waste: reused (externally)	-	-	1	-	-	-	-	
	Total waste incinerated with energy recovery	65	79	84	111	149	252	289	
	Total waste incinerated without energy recovery	-	-	-	-	-	-	-	
	Total waste composted or sent to anaerobic digestion	4	7	2	4	10	60	-	
	<b>Total waste recycled</b>	<b>69</b>	<b>53</b>	<b>34</b>	<b>52</b>	<b>97</b>	<b>265</b>	<b>937</b>	
	<b>Total waste</b>	<b>133</b>	<b>132</b>	<b>119</b>	<b>163</b>	<b>246</b>	<b>517</b>	<b>1,226</b>	<b>-89%</b>
£000	Total waste disposal cost	3	16	149	N/A	N/A	N/A	N/A	
<b>Finite resource consumption</b>									
Metres cubed (m <sup>3</sup> )	Water consumption	9,593	11,981	16,623	10,656	16,602	34,163	31,156	-69%
£000	Total water cost	543	456	16	N/A	N/A	N/A	N/A	
<b>Paper usage</b>									
Reams	Paper procured (A4 equivalent)	7,176	7,759	3,004	5,456	32,874	17,154	15,800	-55%

**GGC target: reduce overall emissions by 52% and reduce direct emissions by 20% from the 2017 to 2018 baseline by 2024 to 2025, with a view to net zero by 2050.**

The Cabinet Office has reduced direct emissions by 79%. The department has continued with lifecycle replacement works.

The GPA has continued its programme of decarbonisation of the district heating system which should see a further reduction in scope 3 emissions by 2025. However, the nature of the core estate is historical, meaning that it has a considerable legacy carbon footprint that may require offsetting to become a feature of future reporting.

## Domestic and international flights

**GGC sub-target: reduce emissions from domestic business flights by at least 30% from the 2017 to 2018 baseline by 2024 to 2025.**

The use of domestic air travel can avoid the need for the cost of overnight accommodation, and allows for ministers and officials to visit more parts of the UK than would otherwise be the case given time constraints.

The Cabinet Office encourages staff to choose a lower carbon travel option where possible, with our central booking system making the climate impact of travel clear to the user. Furthermore, the department has invested in the technologies to enable hybrid working between teams from multiple locations.

Emissions from domestic flights have increased to 402 tonnes CO<sub>2</sub>e (2022 to 2023: 230 tonnes CO<sub>2</sub>e) due to a reduction in hybrid working and the establishment of a new second HQ for the Cabinet office in Glasgow.

**GGC sub-target: report the distance travelled by international business flights, with a view to better understanding and reducing related emissions where possible.**

In 2017 to 2018, the distance travelled by international flights was 8,714,808 kilometres. The distance travelled during 2023 to 2024 has reduced to 4,698,927 kilometres.

## Minimising waste

**GGC target: to reduce the overall amount of waste generated by 15% from the 2017 to 2018 baseline.**

During 2023 to 2024 the department refurbished 100% of its printers and 93% of all monitors. The core estate is single-use plastic-free in line with legislation.

## Reducing water usage

**GGC target: reduce water usage by 8% against the 2017 to 2018 baseline.**

The core estate continues to actively manage water consumption and over the course of 2023 to 2024, the department has moved into the final phases of toilet refurbishments on the core estate. The department has also benefited from automatic meter reading. Against the current baseline, the department has achieved a reduction of 69%.

## Procuring sustainable products and services

The Cabinet Office continues to work with all suppliers in accordance with the Government Buying Standards and in alignment with the GGCs. The department is committed to sustainability in the way that goods and services are procured and works with existing and prospective suppliers to improve performance. This is done through:

- effectively capturing any environmental impacts at the business case stage
- ensuring that customers incorporate sustainability factors in the development of commercial requirements
- evaluation criteria including social and economic factors in addition to environmental factors
- using Crown Commercial Service frameworks which offer sustainable solutions that comply with all relevant and appropriate standards and include sustainability factors as a key criterion for award
- working with the Crown Commercial Service to ensure our procurement policies and operations are fully aligned with the GGC targets

The department procurements priorities remain in line with PPN06/20, 06/21 and 01/24. The Environmental Management System complaint register also recognises the Procurement Act 2023.

## Reducing environmental impacts from ICT and digital

The Cabinet Office leads the way in the management of government ICT waste. This waste is now reused and recycled through a third party in line with the Department for Environment, Food and Rural Affairs' ICT and Digital Services Strategy 2020 to 2025. Good progress has been made to date through a number of initiatives.

The Cabinet Office has put in place takeback agreements with ISO14001-certified suppliers to return all obsolete ICT hardware to be directly reused or recycled by them. The department's ICT equipment is made from recycled plastics and items are routinely recycled among employees until they become operationally obsolete or no longer compatible for the department's needs.

## Sustainability and Climate Change Adaptation Strategy

For 2023 to 2024, the Cabinet Office has continued to better understand our climate resilience, particularly for the core estate. Flood risk assessments for surface water and heat stress on historic structures have led to better collaborative work with organisations such as Historic England. The department is looking at non-obtrusive adaptations as well as retrofit programmes to protect the environment and estate. The current Climate Adaptation Strategy is led by the GPA on behalf of the department.

The Sustainability Strategy takes a corporate responsibility approach and supports diversity groups such as its own staff-led green and vegan networks. While the Sustainability Strategy is currently undergoing a refresh, the department has taken the opportunity to revisit the needs of staff and its approach to carbon literacy. Staff have engaged in climate crisis resilience desktop exercises, attended green skills matrix workshops and hosted a virtual presentation by the Icelandic Environmental Agency.

The refreshed strategy will be supported by a formal committee from the senior management team, as well as the department's Head of Sustainability.

## Task Force on Climate-Related Financial Disclosures (TCFD)

The Cabinet Office plans to report on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance, which interprets and adapts the framework for the UK public sector.

The Cabinet Office considers climate to be a principal risk, and will therefore comply with all the TCFD recommendations and disclosures.

The Cabinet Office has recently refreshed its Sustainability Strategy and has aligned to an environmental, social and governance model that operates over five pillars: people, estates, digital, commercial and finance.

The strategy articulates the governance model which sees the stand-up of a Sustainability Committee that feeds into existing Cabinet Office governance and investment boards.

At present the People and Operations Committee, a subcommittee of the Executive Committee, will be the lead governing board.

The Sustainability Committee has terms of reference in draft that will see the board meet every two months to monitor and oversee progress against goals and targets for addressing climate-related issues. Topics will include: major plans of action, risk management policies, annual budgets, organisation plans as well as setting the organisation's performance objectives, monitoring implementation and performance, overseeing major capital expenditures investment or grant decisions, and restructures (such as machinery of government changes).

The sustainability team is working closely with finance colleagues to implement phase 2 of the TCFD which will see sustainability embedded more intrinsically to day-to-day organisational processes.

## People and Operations Committee



## Sustainability Steering Group

Focuses on sustainability strategic priorities and long-term direction to meet mandated targets set by government.

### Key responsibilities

- Accountable for meeting GGCs and Cabinet Office net zero targets.
- Strategic oversight of overall Sustainability Strategy.
- Collective decisions on risks and issues related to the delivery of the strategy as escalated from the Sustainability Steering Group.

Focuses on delivering the Sustainability Strategy at the business unit level.

### Key responsibilities

- Accountable for tracking individual function level sustainability targets as defined in the strategy.
- Oversight across all business units to ensure implementation and tracking of sustainability initiatives.
- Monitor and report on delivery to People and Operations Committee.
- Sets the direction of the Sustainability Strategy and operational planning to enable this.
- Reviews communications in relation to the strategy.

Nominated by the corporate services senior leadership team

# Sustainability Strategy

## Activities

Monitoring systems

### Environmental Management System

- Carbon emissions
- Energy consumption
- Water consumption
- Waste generation

### Business Unit Carbon Dashboards

- Carbon footprint of business travel

Reporting requirements

### Annual report and accounts

The Cabinet Office provides an annual report to the House of Commons

### Task Force for Climate-Related Financial Disclosures

The Cabinet Office reports annually into HM Treasury on phase 2 TCFD requirements

### Greening Government Commitments

The Cabinet Office reports on our progress against the GGCs to Defra on a quarterly basis

#### Key

- - - - -> Scope 1, 2

.....> Scope 3

Supplementary TCFDs are made in GPA, Crown Commercial Service and EHRC annual reports. In the case of the GPA, they are responsible for the funding and project delivery of many of the net zero aspects. The Cabinet Office recognises its role to govern and oversee the implementation of the three phases of TCFD reporting and is satisfied that phase 1 has been achieved. In line with the central government’s TCFD-aligned disclosure implementation timetable for phase 2, further disclosures around risk management and metrics and targets will be provided from the 2024 to 2025 financial year.

Plans are in place to provide recommended disclosures for strategy in phase 3 from the 2025 to 2026 financial year.

## Contribution to the United Nations Sustainable Development Goals

The Cabinet Office has identified where its commitments, policies and programmes contribute to the delivery of the United Nations Sustainable Development Goals (SDGs) linked to the department’s strategic outcomes.

As the corporate headquarters for the government, our work directly and indirectly influences and supports the UK’s approach across a broad range of SDGs.

The examples below are set out in line with our commitments for 2023 to 2024 but are not exhaustive. They illustrate the depth and breadth of the Cabinet Office’s contribution.

### United Nations SDGs

### Cabinet Office contribution

- 3: Good health and wellbeing
- 5: Gender equality
- 10: Reduced inequalities

All aspects of the Equality Hub primarily contribute to SDGs 5 and 10.

All equalities activities specifically support target 10.2, to empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic, or other status.

Improving the quality of evidence and data within government about the types of barriers different groups face will lay the foundation for target 10.3, ensuring equal opportunity and reducing inequalities of outcome, eliminating discriminatory laws, policies and practices, and promoting appropriate legislation, policies and action in this regard.

Impact on equalities will be measured via metrics such as: ‘Increased ethnic minority, disability, socio-economic and diversity of background and location representation within the Fast Stream, Senior Civil Service (SCS) Fast Stream and early talent diversity programme’.

The Commission on Race and Ethnic Disparities, the National Strategy for Disabled People, and the Gender Recognition Certificate digitisation will support improved health and wellbeing of people from ethnic minority backgrounds, people with disabilities and transgender people respectively (target 3.8).

## United Nations SDGs

## Cabinet Office contribution

8: Decent work and economic growth

The Borders Group's work on improving the end-to-end user experience for moving legitimate goods into and out of the UK will help achieve higher levels of economic productivity (target 8.2).

9: Industry, innovation and infrastructure

Through improving resilience of international supply chains and minimising the risk of disruption at UK ports, the Future Borders Programme will contribute to the development of quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development (target 9.1).

11: Sustainable cities and communities

The department's Places for Growth agenda will support positive economic, social and environmental links between urban areas (target 11.a).

13: Take urgent action to combat climate change and its impacts

Successful delivery of COP26 and associated activities directly supported targets 13.a (implementing the commitment undertaken by developed-country parties to the United Nations Framework Convention on Climate Change), 13.2 (integrating climate change measures into national policies, strategies and planning), and 13.3 (improving education, awareness-raising and human and institutional capacity on climate change).

16: Peace, justice and strong institutions

An improved cross-government approach to security will support building capacity at all levels, in particular in developing countries, to prevent violence and combat terrorism and crime (target 16.a).

Outcomes of the Integrated Review will contribute to improved national security and support target 16.1 (reduction in violence and related death).

Improved ability to detect threats before they reach the border will support target 16.4, which aims to significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organised crime.

All aspects of the modernisation and reform programme directly contribute to target 16.6, developing effective, accountable and transparent institutions at all levels. Procurement reform in particular will support increased transparency over the government's commercial activity.

Government Digital Service reforms, including improvements to GOV.UK and development of the single sign-on, will help ensure public access to information, contributing to target 16.10.

# Counter fraud report

The Cabinet Office remains committed to reducing risks of fraud or misuse of funds and assets. The department acts on all suspicions, and learns from its experience to reduce risk and improve its controls.

The department continues to address fraud, bribery and corruption as per the objectives set out in its counter fraud strategy in line with the counter fraud functional standard. This includes increasing fraud awareness and improving prevention and detection activities across the core group and arm's length bodies.

All staff are required to act with honesty and integrity and to safeguard the public resources they are responsible for. To support this message, February 2024 was the department's counter fraud awareness month that sought to drive awareness of what fraud is, how to spot it, and that tackling it is a shared endeavour. Targeted engagement and training earlier in the year with HR and finance business partners has resulted in an increased number of concerns being reported to the counter fraud team. While a number of these initial concerns did not materialise into a case of fraud, it has highlighted the benefit of an engaged business partner network.

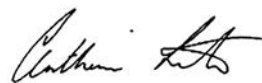
The department has managed a number of suspected fraud cases across the year. Suspected cases of fraud have been dealt with in accordance with the department's fraud response plan. The department uses the expert services of the Government Internal Audit Agency (GIAA) counter fraud and investigations team to bolster capability and resources.

The department is continuing to work closely with the Public Sector Fraud Authority to further improve detection, prevention and recovery activity. As part of this, the Cabinet Office participated in a Public Sector Fraud Authority initiative to set and work towards a stretching target across the financial year.

## Counter fraud targets

The department sought to recover £12.7 million of error across the core department, the Civil Service pension schemes, the Royal Mail Statutory Pension Scheme and the Crown Commercial Service. At the end of the fourth quarter of the year, the department had recovered £11.1 million.

The difference was driven primarily by a lower error rate in the pension schemes, reducing the amount available to recover. The core department marginally fell short of their portion of the target due to a delay in the implementation of an element of an improved recovery service. However, the Crown Commercial Service surpassed their element of the target with an increase in recovery from previous years.



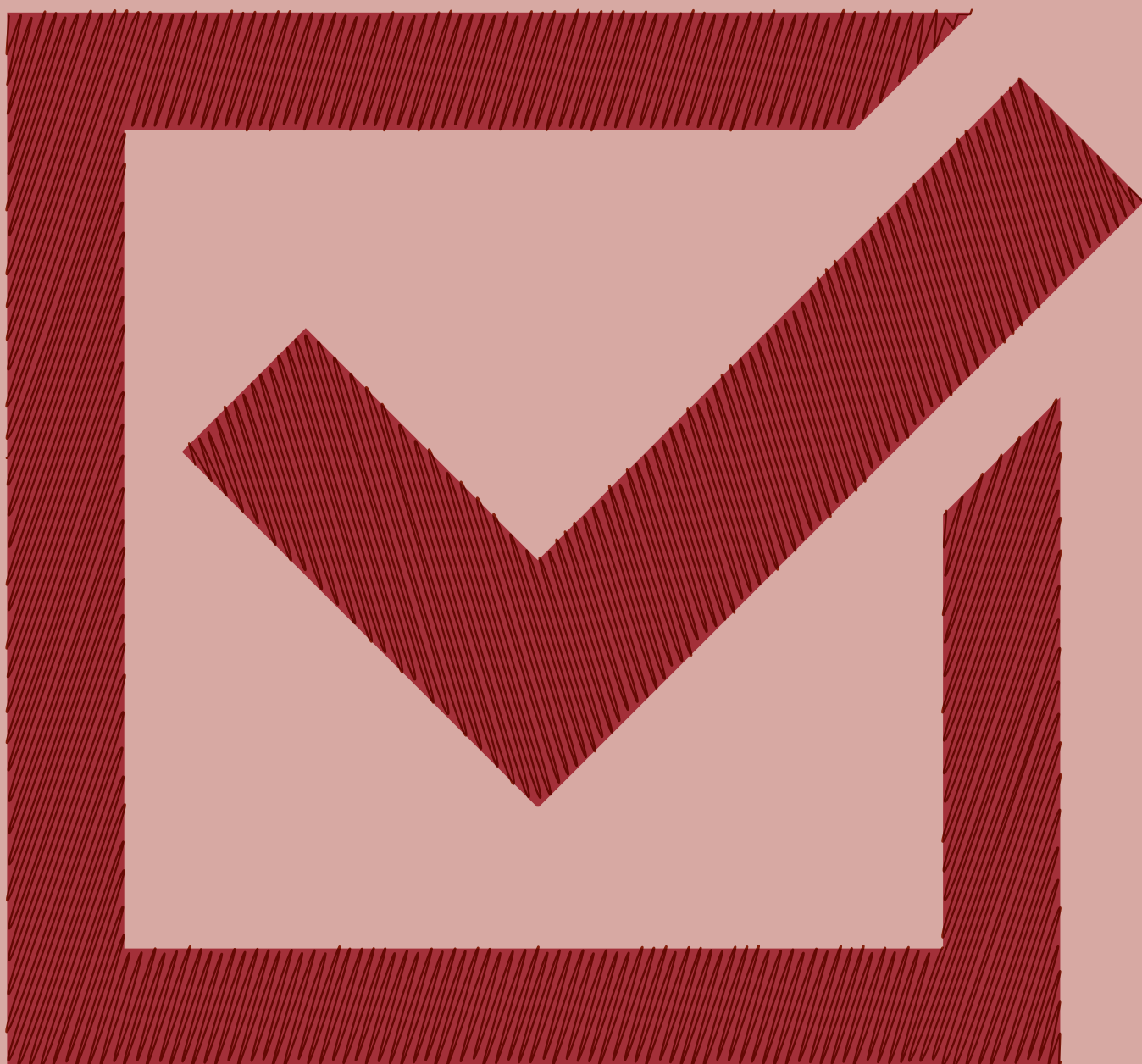
### **Cat Little**

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

11 December 2024



# Accountability report



# Corporate governance report

## Directors' report

On the 1 April 2024 Cat Little took over from Sir Alex Chisholm as the Permanent Secretary and Accounting Officer of the Cabinet Office.

On 5 July 2024 there was a change of government and new ministers were appointed to the Cabinet Office.

On 26 August 2024, seven of the eight non-executive board members left the Cabinet Office. The Government Lead Non-Executive also left in August 2024. Michael Ashley remains in post until December 2024. The Chancellor of the Duchy of Lancaster will appoint new non-executives in due course.

### **2023 to 2024 board overview**

The board continued its focus on driving improvement in the department's operational effectiveness.

The board was particularly focused on organisational simplification, workplace culture, technology, financial management and risk management.

During 2023 to 2024 the board welcomed new non-executives who brought professional expertise in technology, people, operational transformation and organisational design. Janette Beinart, Marcus Boyle, Stephen Gordon-Dando and Jenni Myles joined as new non-executive board members in summer 2023.

At the end of the year, Cat Little joined the board's strategy away day held in Glasgow as she began her transition as the new Permanent Secretary for the Cabinet Office.

Further details can be found in the governance statement.



## Cabinet Office ministers

Cabinet Office ministers at 12 December 2024

(all joined the department on 5 July 2024 following the General Election)



**The Rt Hon Sir Keir Starmer  
KCB KC 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 Pat McFadden  
MP**

Chancellor of the Duchy of Lancaster



**The Rt Hon Nick  
Thomas-Symonds MP**

Paymaster General and Minister for the Cabinet Office



**Ellie Reeves MP**

Minister without Portfolio



**Georgia Gould MP**

Parliamentary Secretary for the Cabinet Office



**Abena Oppong-Asare MP**

Parliamentary Secretary for the Cabinet Office



**The Rt Hon Lucy Powell MP**

Lord President of the Council and Leader of the House of Commons



**The Rt Hon The Baroness  
Smith of Basildon**

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



**The Rt Hon The Lord Collins  
of Highbury**

Deputy Leader of the House of Lords

## Cabinet Office ministers at 12 December 2024

(all joined the department on 5 July 2024 following the General Election)



**The Rt Hon Sir Alan Campbell MP**

Parliamentary Secretary to the Treasury and Chief Whip (paid by HM Treasury)



**The Rt Hon The Lord Kennedy of Southwark**

Captain of the Honourable Corps of Gentlemen-at-Arms (Chief Whip in the House of Lords) (paid by HM Treasury)

## Cabinet Office ministers at 31 March 2024

(all left the department on 24 June 2024, before the General Election)

- The Rt Hon Rishi Sunak 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 Sir Oliver Dowden KCB CBE MP – Deputy Prime Minister, Chancellor of the Duchy of Lancaster and Secretary of State for the Cabinet Office.
- The Rt Hon John Glen MP – Paymaster General and Minister for the Cabinet Office (from 13 November 2023).
- The Rt Hon Richard Holden MP – Minister without Portfolio (unpaid) (from 13 November 2023).
- The Rt Hon Esther McVey MP – Minister without Portfolio (from 13 November 2023).
- The Baroness Neville-Rolfe DBE CMG – Lords Minister of State (unpaid).
- The Rt Hon Johnny Mercer MP – Minister of State (Minister for Veterans' Affairs).
- Alan Mak MP – Parliamentary Under Secretary of State (jointly with the Department for Business and Trade) (from 26 March 2024).
- The Rt Hon Steve Baker MP – Minister of State for the Northern Ireland Office (unpaid) (transferred from the Foreign, Commonwealth and Development Office along with the Windsor Framework).
- Alex Burghart MP – Parliamentary Secretary for the Cabinet Office.
- The Rt Hon Penny Mordaunt MP – Lord President of the Council and Leader of the House of Commons.
- The Rt Hon The Lord True CBE – Leader of the House of Lords and Lord Keeper of the Privy Seal.
- The Rt Hon The Earl Howe GBE – Deputy Leader of the House of Lords (unpaid).
- The Rt Hon Simon Hart MP – Parliamentary Secretary to the Treasury and Chief Whip (paid by HM Treasury).
- The Rt Hon The Baroness Williams of Trafford – Captain of the Honourable Corps of Gentlemen-at-Arms (Chief Whip in the House of Lords) (paid by HM Treasury).

## The following ministers left the Cabinet Office between 1 April 2023 and 31 March 2024

- The Rt Hon Sir Jeremy Quin MP – Paymaster General and Minister for the Cabinet Office (until 12 November 2023).
- The Rt Hon Greg Hands MP – Minister without Portfolio (unpaid) (until 13 November 2023).
- Nusrat Ghani MP – Minister of State at the Department for Business and Trade and at the Cabinet Office (paid by the Department for Business and Trade) (until 26 March 2024).

The ministerial disclosures include all ministers that are part of the core departmental ministerial team, as well as the Leader of the House of Commons, the Leader of the House of Lords, the Chief Whip and the Lords Chief Whip as they are either paid by the Cabinet Office, or not disclosed elsewhere.

## Cabinet Office board members

### Official board members at 31 March 2024



#### **The Rt Hon Simon Case CVO**

Cabinet Secretary and Head of the Civil Service (The Rt Hon Simon Case does not attend Cabinet Office board meetings but is included as a person with significant influence)



#### **Sir Alex Chisholm KCB**

Chief Operating Officer for the Civil Service, Permanent Secretary and Principal Accounting Officer (until 31 March 2024)



#### **Sarah Harrison**

Chief Operating Officer



#### **Richard Hornby**

Chief Financial Officer

Cat Little CB joined the board as Chief Operating Officer for the Civil Service, Permanent Secretary and Principal Accounting Officer from 1 April 2024 and attended one board meeting before officially starting her role.

## Non-executive board members at 31 March 2024

- Michael Jary – Government Lead Non-Executive Board Member (until 9 August 2024).
- Anand Aithal – Cabinet Office Lead Non-Executive Board Member (until 26 August 2024).
- Mike Ashley – Non-Executive Board Member and Chair of the Cabinet Office Audit and Risk Committee.
- The Lord Hogan-Howe of Sheffield QPM – Non-Executive Board Member (until 26 August 2024).
- Henry de Zoete – Non-Executive Board Member (until 26 August 2024).
- Janette Beinart – Non-Executive Board Member (from 12 June 2023 until 26 August 2024).
- Marcus Boyle – Non-Executive Board Member (from 12 June 2023 until 26 August 2024).
- Stephen Gordon-Dando – Non-Executive Board Member (from 10 July 2023 until 26 August 2024).
- Jenni Myles – Non-Executive Board Member (from 12 June 2023 until 26 August 2024).



# Registers of public interest and business appointments

## Board members

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

## House of Commons

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

## House of Lords

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

## Business appointments

The Business Appointment Rules set out the process by which approval is required when any employee (which includes civil servants and special advisers) wishes to leave the department to accept a role outside of the Civil Service. The rules apply for one or two years (depending on grade) after an employee has left our employment. The purpose of the rules is to avoid any suspicion that an appointment might be a reward for past favours, the risk that an employer might gain an improper advantage by appointing a former official, and the risk of a former official improperly exploiting privileged access to contacts in government.

## Special advisers

In line with the current Declaration of Interests Policy for special advisers, all special advisers have declared any relevant interests or confirmed they do not consider they have any relevant interests. The Permanent Secretary has considered the returns and the following relevant interests are set out in public:

### Special advisers

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Eve Lugg	Ms Lugg held an unpaid role as Head of Business Engagement at Digital Tories.
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Fergus Cameron Watt	Mr Cameron Watt was recused from involvement in discussions or matters relating to Bain & Co.
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Mark McClelland	Mr McClelland was a local councillor for Wiltshire Council.
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Mr McClelland held a paid role as a Senior Parliamentary Assistant to the Rt Hon John Glen MP.

Mr McClelland's work as a special adviser was a part-time contract and his work as Senior Parliamentary Assistant to the Rt Hon John Glen MP was performed outside these hours.

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## Cabinet Office processes

The Cabinet Office is responsible for the Business Appointment Rules policy, and provides assessments on applications made by former permanent secretaries from all departments, and former cabinet secretaries, as well as civil servants and special advisers from the Cabinet Office and 10 Downing Street. Decisions on applications are provided directly to those at SCS 2 and below. For more senior grades, the department provides assessments of the applications to the Advisory Committee on Business Appointments to inform their advice on how to mitigate any risks related to the proposed roles.

The Advisory Committee on Business Appointments considers applications from:

- ministers
- permanent secretaries (and their equivalents)
- directors general (and their equivalents)
- special advisers of equivalent standing

Advice given by the committee regarding specific business appointments is published on GOV.UK.

In compliance with Business Appointment Rules, the department is transparent in the advice given to individual applications from senior staff, including special advisers. Advice given to senior civil servants at SCS 1 and SCS 2 regarding specific business appointments is published on GOV.UK.

A summary of applications managed by the department is in the table below:

### Number of Business Appointment Rules applications assessed by the department in 2023 to 2024

SCS 2	12
SCS 1	8
Civil servants below SCS	15
Special advisers	16
<b>Total</b>	<b>51</b>
<b>Total where conditions were set</b>	<b>51<sup>1</sup></b>
Number of roles found to be unsuitable	-
Number of breaches of the rules managed by the department	1
Number of exits from the SCS	132

### Increasing awareness of the rules

The people and places team takes the government's Business Appointment Rules very seriously and works to raise awareness of them, who they apply to and in what circumstances, as well as colleagues' obligations in this space.

Applicants are advised that retrospective applications are not normally accepted, and that they should not accept or announce a new role until they have received final advice confirming the conditions that apply and by which they must abide.

<sup>1</sup> This may differ from transparency publications on GOV.UK as not all applications that are assessed and receive conditions are then taken up by the individual. Information is only made public once the applicant has announced or taken up their role.

# Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000, 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 Government Resource and Accounts Act 2000 by Statutory Instrument 2023 no. 1360 (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, 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 HM 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
- 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 the permanent secretary of the department as accounting officer of the Cabinet Office. In addition, HM Treasury has appointed additional accounting officers to be accountable for those parts of the department's accounts relating to specified estimate sections and the associated assets, liabilities and cash flows. These appointments do not detract from the head of department's overall responsibility as accounting officer for the department's accounts.

The allocation of accounting officer responsibilities in the department is as follows:

- Estimate section F: Mark Bourgeois, Chief Executive of the GPA, an executive agency (Interim Chief Executive until 17 September 2024)
- Estimate section G: Harry Rich, Registrar of Consultant Lobbyists, a corporation sole
- Estimate section G: Kate Owen, Interim Chief Executive of the Civil Service Commission, a non-departmental public body
- Estimate section G: John Kilpatrick, Chief Executive of the EHRC, a non-departmental public body

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

The responsibilities of an accounting officer, including responsibility for the propriety and regularity of the public finances for which the accounting officer is answerable, for keeping proper records and for safeguarding the assets of the department or non-departmental or other arm's length public body for which the accounting officer is responsible, are set out in Managing Public Money published by HM Treasury.

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

As the Accounting Officer I can confirm that the annual report and accounts as a whole is fair, balanced and understandable and I have taken personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

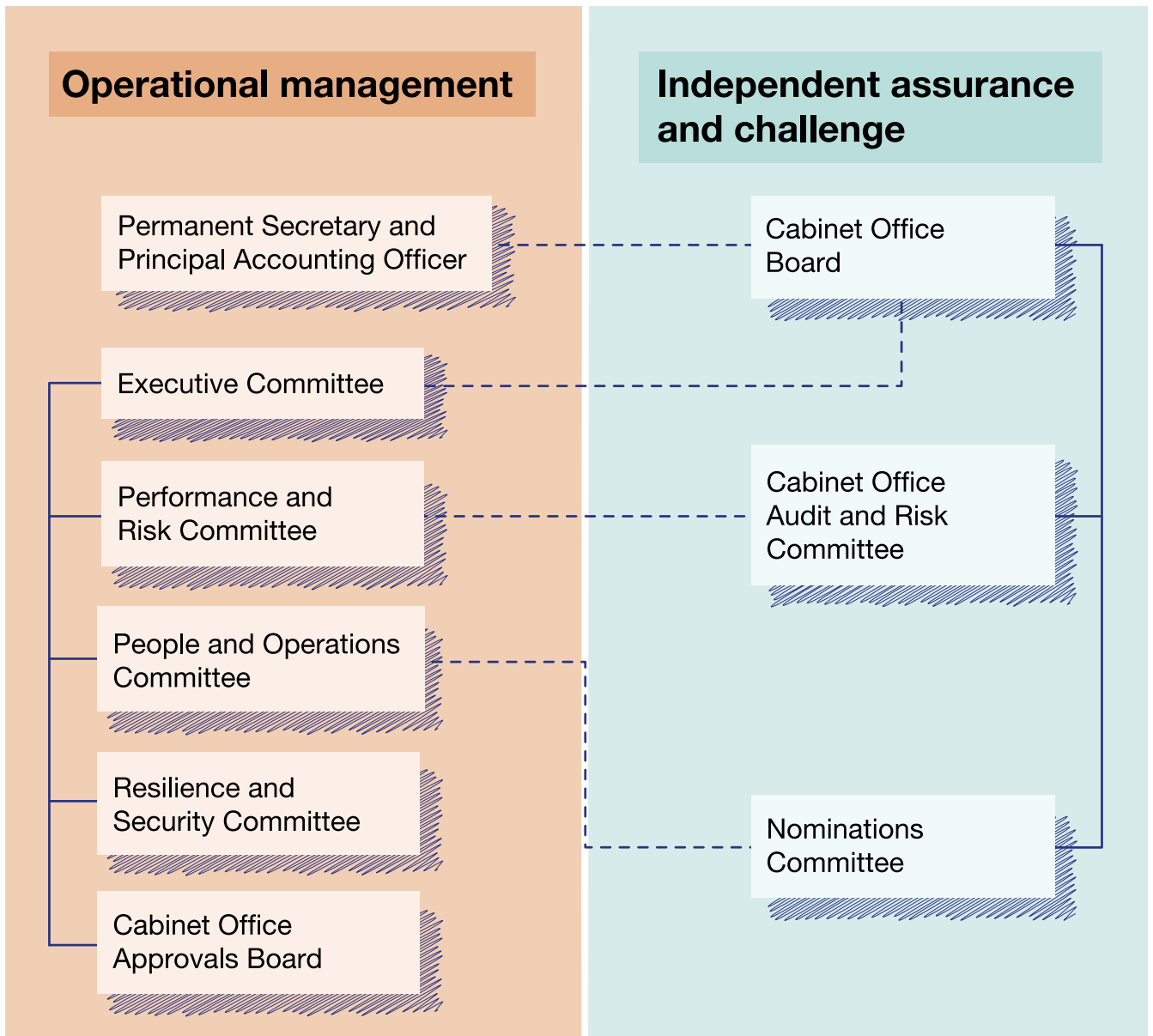
# Governance statement

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 and risk management.

I took over from Sir Alex Chisholm as the Accounting Officer for the Cabinet Office on 1 April 2024. I would like to thank Sir Alex for his stewardship and for taking such care and time to ensure the department had appropriate governance.

This statement covers the period 2023 to 2024 when Sir Alex led the department. I have taken assurances from both him and the Audit and Risk Committee in providing this statement.

The structures and systems described in this section have been in place and have evolved throughout the year under review and up to the date of approval of the annual report and accounts. Where changes have occurred, these are set out below.



## Cabinet Office Board

The Cabinet Office Board provides the collective strategic and operational leadership of the department, bringing together Cabinet Office ministers, senior members of the department's executive leadership team and non-executive board members 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 before 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 five times during 2023 to 2024, with a focus on digital services, including the use of AI and improvements within UK Security Vetting, through its transformation programme. The board also focused on finance and strategy, and the delivery of the 'A Better Cabinet Office' programme. Additionally, in line with the annual board effectiveness evaluation which was submitted to the board in May 2023, the board held an 'away day'-style meeting in Glasgow to discuss medium- and longer-term strategy.

The two-day event explored the future direction of the centre and prioritisation for 2024 to 2025. The event also included stakeholder engagement at the Cabinet Office's second headquarters where the board was given the opportunity to meet local businesses, charities and other public sector organisations in Glasgow.

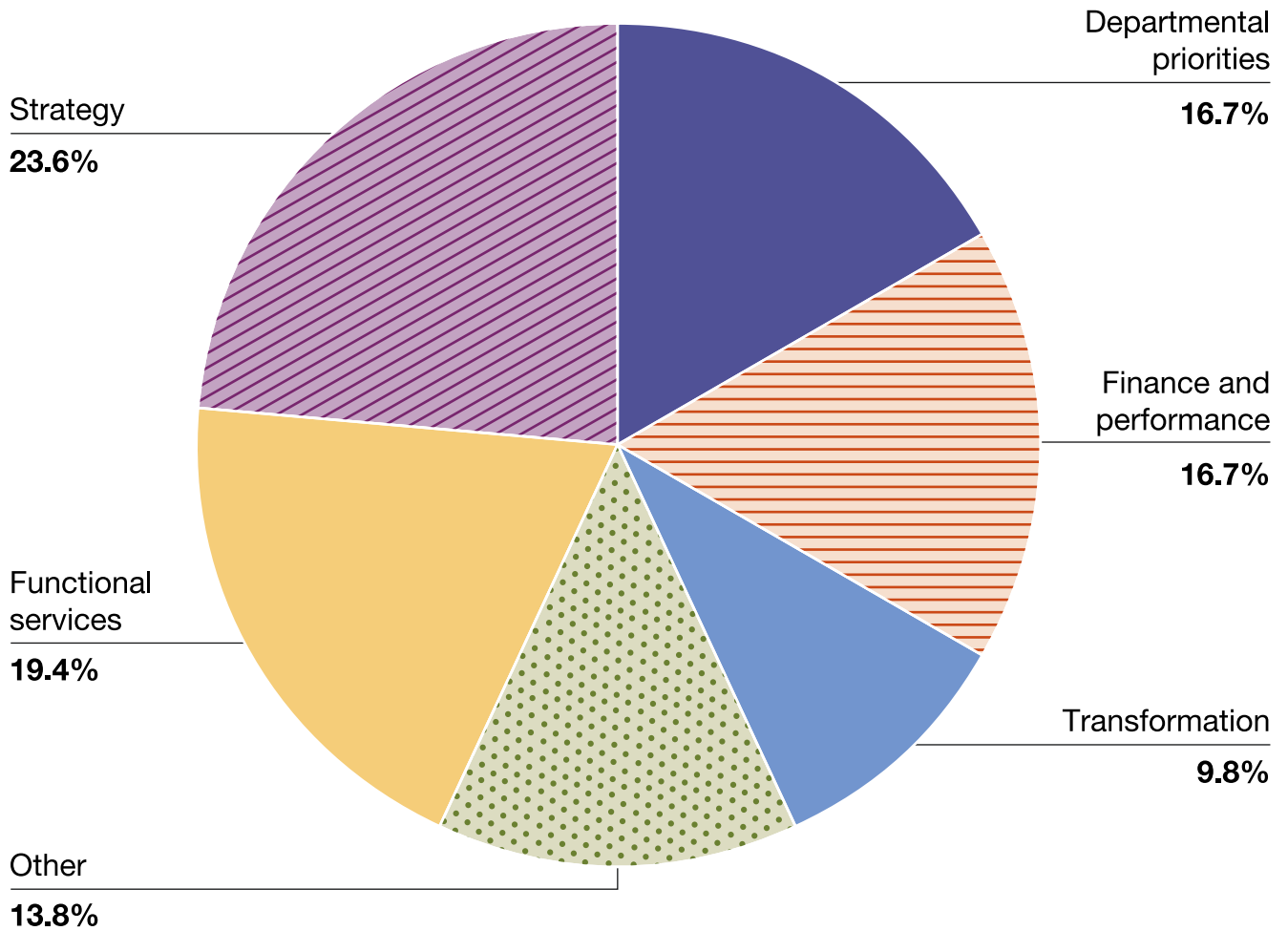
During this year, Tim Robinson CBE, Home Office Lead Non-Executive, led an external board effectiveness evaluation of the Cabinet Office Board. Tim attended the board's strategy away day in Glasgow on 22 February 2024 as an observer. He also interviewed board members and other stakeholders. A key recommendation of the review was to strengthen direct permanent secretary scrutiny of departmental performance. This has been implemented through the group performance lead structure, which is explained further later in the governance statement.

During 2023 to 2024 the board held five meetings (including away days). The following pie chart shows the breakdown of business focus for board meetings.

## Board membership 2023 to 2024

Board membership has changed a number of times throughout the year, as ministerial teams, officials or non-executives have changed. The table below summarises the membership of the Board throughout the year, including the dates of any changes.

### How the Cabinet Office Board split its time in 2023 to 2024 (% in terms of time)



## Board attendance

Membership type	Name	Date of in-year appointment/ departure	Number of meetings attended
<b>Minister</b>	The Rt Hon Sir Oliver Dowden KCB CBE MP, Deputy Prime Minister and Chancellor of the Duchy of Lancaster	N/A	1/5 <sup>2</sup>
	The Rt Hon Sir Jeremy Quin MP, Minister for the Cabinet Office	Appointed: 25 October 2022 Departed: 12 November 2023	3/3
	The Rt Hon John Glen MP, Minister for the Cabinet Office	Appointed: 13 November 2023	2/2
	Baroness Neville-Rolfe DBE CMG, Minister of State	N/A	5/5
	Alex Burghart MP, Parliamentary Secretary	N/A	4/5
<b>Non-executive</b>	Michael Jary, Government Lead Non-Executive	N/A	4/5
	Anand Aithal, Cabinet Office Lead Non-Executive	N/A	5/5
	Mike Ashley, Non-Executive Board Member and Cabinet Office Audit and Risk Committee Chair	N/A	4/5
	Henry de Zoete, Non-Executive Board Member	N/A	5/5
	Lord (Bernard) Hogan-Howe QPM of Sheffield, Non-Executive Board Member	N/A	5/5
	Janette Beinart, Non-Executive Board Member	Appointed: 12 June 2023	3/4
	Jenni Myles, Non-Executive Board Member	Appointed: 12 June 2023	2/4
	Marcus Boyle, Non-Executive Board Member	Appointed: 12 June 2023	4/4
	Stephen Gordon-Dando, Non-Executive Board Member and Nominations Committee Chair	Appointed: 10 July 2023	3/4

<sup>2</sup> The Rt Hon Sir Oliver Dowden KCB CBE MP deputised the role of chairing the meetings to The Rt Hon Sir Jeremy Quin MP as Deputy Chair.

Membership type	Name	Date of in-year appointment/ departure	Number of meetings attended
Senior official	Sir Alex Chisholm KCB, Permanent Secretary for the Cabinet Office	Departed: 31 March 2024	5/5
	Sarah Harrison, Chief Operating Officer for the Cabinet Office	N/A	4/5
	Richard Hornby, Chief Financial Officer for the Cabinet Office	N/A	5/5
	Cat Little CB, Permanent Secretary for the Cabinet Office	Appointed: 1 April 2024 (attended board session during handover period in February 2024)	1/1

## Conflicts of interest

Board members are required to declare any personal or business interests which may influence their judgement, or be perceived to, when performing their duties on an ongoing basis and ahead of meetings if appropriate.

The Cabinet Office has an established procedure for considering, approving and recording conflicts of interest. The Cabinet Office's register of board members' interests is published on GOV.UK.

## Quality of data used by the board

Cabinet Office board meetings cover a variety of topics to support the running of the department and meet our objectives. Data-driven reports are provided, such as quarterly performance reporting and reporting from our people and places team on Cabinet Office culture, purpose and behaviours, including the annual People Survey. The Cabinet Office has set up a corporate data team within corporate services to ensure that all data from different parts of the department are consistent and accurate.

## Cabinet Office Audit and Risk Committee

The board is supported by the Cabinet Office Audit and Risk Committee, chaired by Mike Ashley.

The Audit and Risk Committee's role is to support the board and Principal 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 the Cabinet Office, Office of the Registrar of Consultant Lobbyists, Civil Superannuation and Royal Mail Statutory Pension Scheme.

During 2023 to 2024 the committee met eight times and focused on risk management, cyber security, IT services, shared services and security vetting. The committee also looked at arm's length bodies, the risk and control environment and improvements to the department's assurance arrangements.

## Nominations Committee

The committee met twice during the year to baseline its knowledge of departmental processes and to agree its priorities.

A forward agenda for the committee will be developed in partnership with newly appointed non-executives, joining in 2024 to 2025.

## Executive Committee

The Executive Committee (ExCo) is the senior executive decision-making group within the Cabinet Office, chaired by the Permanent Secretary. During 2023 to 2024 it met fortnightly. Operating within the overall strategic context set by ministers, ExCo develops and implements the strategy and budget approved by ministers and the board. It makes decisions on the department's activities (budget and people), and ensures that the Cabinet Office is fit for purpose (capabilities, risk and performance). It monitors the external environment for threats and opportunities, identifying where action is needed. It is established under the authority of the Principal Accounting Officer.

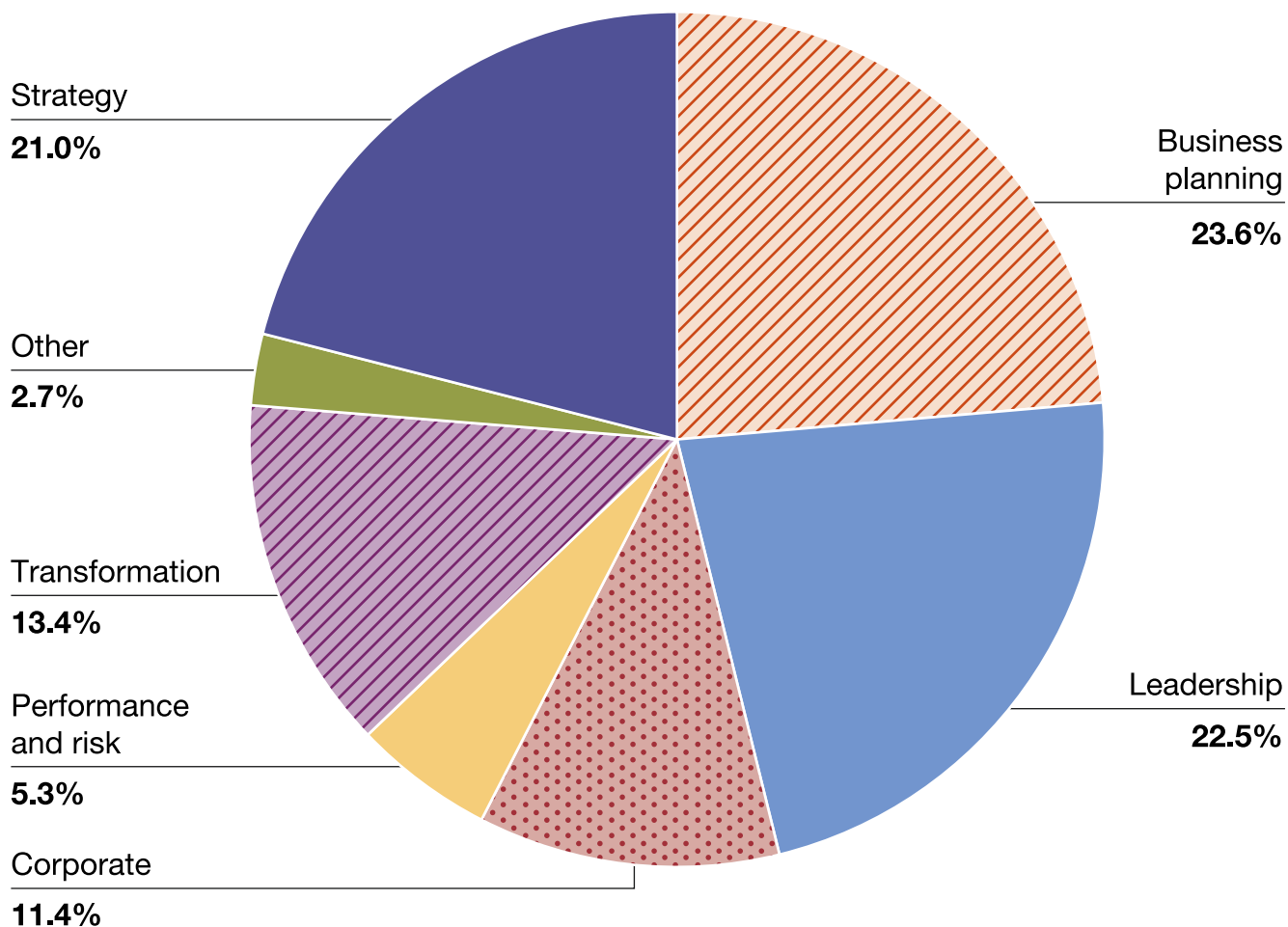
ExCo sets the leadership expectations, culture and tone for the department, makes collective decisions on corporate issues and actively monitors departmental delivery and performance. ExCo also provides leadership on diversity and inclusion, and the health and wellbeing of the department.

ExCo held four 'away day'-style meetings during 2023 to 2024. The first meeting took place in May and focused on leadership and development with a half-day follow-up session in September. A further two meetings took place in November. The first in Glasgow concentrated on strategic planning and priorities for the Cabinet Office, and a second in London focused on business planning.

An internal committee effectiveness evaluation was carried out by the governance team and was submitted to ExCo in November 2023. Its key recommendations included reviewing committee membership and improving planning and working to ensure more effective relationships and communications between ExCo and its subcommittees.

During 2023 to 2024 ExCo held 26 meetings and four away days. The following pie chart shows the breakdown of business focus.

## How ExCO split its time in 2023 to 2024



## Performance and Risk Committee

Throughout 2023 to 2024 the Performance and Risk Committee met on a monthly basis to monitor the performance of the department, addressing areas of poor performance and ensuring mitigations are in place to address departmental strategic risks. The committee examined and challenged the following:

- business unit returns on performance and risk mitigations
- the corporate scorecard
- the quarterly performance report
- the top tier risk register

The Performance and Risk Committee was co-chaired by the former First Parliamentary Counsel and Permanent Secretary of the Government in Parliament Group, Dame Elizabeth Gardiner DCB KC (Hon), and the former Government Chief Commercial Officer, Sir Gareth Rhys Williams.

The Performance and Risk Committee was dissolved at the start of 2024 to 2025 and its responsibilities will be shared between group performance leads.

Group performance leads co-ordinate resources, priorities and outcomes, supported by heads of business units within their group.

The heads remain accountable for delivery and resource management within delegated budgets and headcounts.

Performance groups are organised across common business areas in the following groups:

- No. 10 and Delivery Group
- Secretariats, security and Parliament
- Functions
- Corporate services
- Inquiry response
- Equality Hub
- Independent (outside group structure)

The groups meet the Permanent Secretary each quarter. At these meetings, they review progress, outcome delivery and key achievements, and assess main risks and issues.

## Resilience and Security Committee

The Resilience and Security Committee meets quarterly. The committee is jointly chaired by Sarah Harrison, Chief Operating Officer, and Darren Tierney, Director General Cabinet Secretary Group. The committee's role is to drive a stronger organisational resilience and security culture across the whole of the Cabinet Office, and to set clear priorities for local action.

The subcommittee enables closer monitoring of the resilience of all business units to give better understanding of security vulnerabilities (including cyber), and prompt action to address them. The Resilience and Security Committee gives senior support and direction to the Cabinet Office security

function and other parts of the Cabinet Office where key responsibilities lie. The committee met three times during 2023 to 2024.

Committee meetings focused on security risks and mitigations, data protection and the management of data and deep dives into the Cyber Transformation Programme, physical security, and data security. The final meeting of the year held in March 2024 also focused on the departmental security health check and business continuity.

## People and Operations Committee

The People and Operations Committee is jointly chaired by Sarah Harrison, Chief Operating Officer, and Mark Chivers, Government Chief Property Officer.

The committee meets monthly with the exception of August and December.

The People and Operations Committee has strategic oversight of the Cabinet Office's corporate services and people strategies, supporting the ambition to make the Cabinet Office a great place to work.

During 2023 to 2024 the committee's membership was refreshed to expand the representation of senior diversity and inclusion champions. Throughout the year the committee has focused on:

- enabling net-zero initiatives
- digital and data management
- people management
- estates and technology
- tackling bullying, harassment and discrimination within the department
- supporting staff wellbeing

## Cabinet Office Approvals Board

The Cabinet Office Approvals Board reviews and approves Cabinet Office investment proposals if the whole-life spend exceeds £1 million, the proposal is novel or contentious, or it has been requested by the relevant director general. Where whole-life spend exceeds £15 million, further approval is required from Cabinet Office ministers and HM Treasury. In 2023 to 2024, the Cabinet Office Approvals Board reviewed 85 business cases and approved 80 of those cases totalling around £1.7 billion.

The Cabinet Office Approvals Board is chaired by Sarah Harrison, Chief Operating Officer. Its senior membership is made up of the Permanent Secretary, the Chief Operating Officer, the Chief Financial Officer, the Commercial Director, the Chief People Officer, and the Chief Digital and Information Officer.

The Approvals Board has now been streamlined to consider cases at £5 million and above and has been renamed to the 'Investment Committee' to make its purpose clear.

## Oversight of departmental arm's length bodies

The Cabinet Office sponsors 11 arm's length bodies, most of which are small, specialist organisations that deliver services or advice across government. They are:

- UK Statistics Authority  
(non-ministerial department)
- Crown Commercial Service  
(executive agency)

- Government Property Agency  
(executive agency)
- Civil Service Commission (executive non-departmental public body)
- Equality and Human Rights Commission  
(executive non-departmental public body)
- Advisory Committee of Business Appointments (advisory non-departmental public body)
- Committee on Standards in Public Life  
(advisory non-departmental public body)
- House of Lords Appointments Committee  
(advisory non-departmental public body)
- Security Vetting Appeals Panel  
(advisory non-departmental public body)
- Senior Salary Review Body  
(advisory non-departmental public body)
- Social Mobility Commission  
(advisory non-departmental public body)

At the end of 2023 to 2024 a risk assurance assessment was undertaken with each sponsor team to identify key risks and themes across the arm's length body landscape. It found that overall, our arm's length bodies are working well with their sponsor teams and key challenges – such as leadership and governance – were known and are being addressed. The key risk during 2023 to 2024 was delays in the public appointments process but this has been eased with the establishment of a new central team within Cabinet Office in January 2024 to deliver these appointments.

The findings and recommendations were shared with the Cabinet Office Permanent Secretary and Principal Accounting Officer and will be taken forward during 2024 to 2025 to ensure the Cabinet Office remains compliant with the requirements set out as a sponsoring department.

During 2023 to 2024 the Cabinet Office undertook a significant independent review of the UK Statistics Authority as part of its commitment to the Public Bodies Reform Programme. The independent review was published in March 2024 and included 19 recommendations. The government responded to the review and its recommendations in March 2024. Both documents are published on GOV.UK.

During 2023 to 2024 there was a breach of commercial controls in the GPA. Further detail is provided in the section on specific risk disclosures.

**The following sections relate to the core department of Cabinet Office.**

## Oversight of grants to external bodies

All Cabinet Office grants have a named senior responsible officer. Grant funding requires the completion of a robust business case, which sets out outputs and long-term outcomes, along with a completed fraud risk assessment. All new high-value and complex grants are considered for referral to the Complex Grants Advice Panel for review. All business cases over £1 million are considered for approval by the Cabinet Office Approvals Board and HM Treasury. All business cases below £1 million are considered by the delegated budget holder for the relevant area.

## Compliance with the Corporate Governance Code

The department's governance operates in line with the cross-government Corporate Governance Code for Central Government Departments, published by Cabinet Office and HM Treasury.

## Cabinet Office risk management and control

The Cabinet Office's risk management and control processes are essential tools to minimise uncertainty and maximise the department's chances of successfully delivering its objectives, helping to inform both operational decision making and strategic planning.

The Chief Financial Officer is the board-level representative for risk management and the nominated Chief Risk Officer. The department continues to operate in line with the principles outlined in the Orange Book and is an active member of the cross-government risk and assurance networks to model and adopt best practices.

The department's risk management policy operates a two-tier approach, allowing for a more granular business unit perspective and an overarching strategic perspective. To clearly define responsibilities and accountabilities, the three lines of defence model is used to ensure that risks are appropriately identified, assessed, managed and reported.

Risk is managed and recorded through centralised risk registers that are reported quarterly to ExCo, along with treatment plans that contain specific actions with assigned owners and timescales for resolution.

Business unit senior leadership teams and, now, group performance leads are responsible for the risk management in their areas. Top tier-level risks that require Cabinet Office leadership support are discussed and escalated through ExCo. ExCo focuses on the overarching strategic risks that could significantly impact on the department's ability to operate or meet its strategic vision.

The centralised risk register is presented and discussed at the Cabinet Office Audit and Risk Committee twice a year. Current risk themes, risk appetite positions, risk data and process improvements are also frequently discussed with the committee.

The department's three lines of defence assurance framework examines the department's controls at both a business unit level (first line) and through crosscutting corporate control themes (second line). These lines are supported by internal and external audit providers (third line) to provide target assurances. The insight collected from across three lines of defence makes up the control environment that collectively gives confidence where controls are in place and effective, and where they are not, directs activity to address them.

At the start of the financial year, each budget holder is issued with the department's business rules that detail the full range of corporate responsibilities alongside their financial and headcount delegations. The business rules are a central part of the delegation process from the Principal Accounting Officer. Each budget holder responds to the delegation letters and business rules to confirm receipt and to state that the controls would be complied with. The business rules are updated in-year and reissued as required.

Business units are expected to assure themselves that they remain compliant with the delegations and business rules as the first line of defence. Further cross-cutting assurances are set out below.

## Quarterly compliance dashboards

Budget holders are issued with a centrally produced dashboard each quarter that assess compliance to a range of corporate controls. The dashboards draw upon a wide range of available, objective corporate data to assess whether a unit has 'met', 'partially met' or 'not met' a minimum standard defined in the business rules. The dashboards helpfully compile a wide range of data into a single, easy-to-understand report that provides confidence, informs business unit action and enables corporate services to direct support and improvements. The dashboards also act as a point of mutual accountability to ensure that corporate data is well maintained and accurate.

The dashboards produced in 2023 to 2024 provided insight into the level of compliance across the control themes, with an average unit assurance score of 76%. The compliance and assurance team, along with other areas of corporate services, are continuing to support units to understand the control requirements and how to meet the department's minimum standards.

The reports identified where budget holders were required to take action to address non or partial compliance. They also informed the centre with actionable insight on support requirements and central improvement actions.

The compliance data has been reported throughout the year to the Chief Operating Officer, the Performance and Risk Committee and the Audit and Risk Committee, as well as to the leads across corporate services. The reports tracked compliance over the year to monitor trends and identify compliance weaknesses. Any control weaknesses identified were discussed with theme leads and, where necessary, action plans were agreed to improve controls, guidance and compliance.

The compliance dashboards have been reviewed by the GIAA as part of an audit on assurance mapping. The cross-government report highlighted the department's data-driven approach to controls.

## Corporate management statement

The quarterly compliance dashboards were supported by an annual attestation process known as the corporate management statement. Each budget holder was required to complete an annual self assessment in March 2024 to state how confident they were that they had operated within a range of corporate responsibilities delegated to them in the financial year.

The corporate management statement particularly focuses on control areas that cannot be objectively measured and requires budget holders to provide an assessment of their compliance against full compliance indicators as well as state areas for improvement over the coming year. The corporate management statement

is analysed in parallel with the quarterly compliance dashboards that draw on corporate data to provide a holistic picture.

The data from the activity is submitted to the Chief Operating Officer and their corporate services leadership team to consider and respond to. The analysis is considered through two lenses: corporate service themes and individual unit assurances. For corporate services, the data is used to identify cross-cutting themes to implement improvements and direct support where necessary. For business units, this exposes where additional activity is required to remain compliant and supports discussions with business partners.

The corporate management statement for 2023 to 2024 showed a good level of confidence across the control themes, with an average unit score of 90%. This is equal to the score for 2022 to 2023, although the years are not directly comparable as the questions posed to units slightly differ.

A small number of business units indicated low confidence in their compliance to a small number of controls. These units were offered additional support to understand the control expectations and how to embed changes to increase confidence and compliance.

Data from the corporate management statement has informed individual theme-level reports which have been shared with the leads across corporate services. The reports highlighted improvement opportunities and potential support requirements needed to drive increased compliance to controls.

## Internal audit

The GIAA provides assurance on the departmental control environment, prioritised by an assessment of control risks. The departmental assurance team supports the delivery of the GIAA's audit plan by aiding their knowledge of the governance, risk and control framework operating throughout the department, as well as informing their activity.

GIAA's activity during the year included audits on property maintenance, sustainability, contract management, recruitment (candidate attraction and selection), gifts and hospitality, contracting letting, conflicts of interest in procurement and Public Sector Fraud Authority functional benefits. This list is not exhaustive.

The audits on the Public Sector Fraud Authority's functional benefits and contract letting by the Government Communication Service both received 'substantial' outcomes. These reports demonstrated that the framework of governance, risk management and control is adequate and effective.

Audits focused on contract management, gifts and hospitality, conflicts of interest, recruitment, arm's length body sponsorship and cross-government efficiencies were awarded 'moderate' outcomes. The report outcomes mean that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. All recommendations made from these audits are being taken forward and are subject to central tracking to ensure delivery.

The department also received a number of advisory audits that looked at assurance mapping, legacy technology and the implementation of the second Boardman report. These reports have provided insight and confidence in the department's progress against these areas.

The assurance applied to the department's legacy technology followed up on an audit that produced an unsatisfactory outcome in 2021 to 2022. The position statement showed that a significant body of work had been developed to respond to the recommendations of the report. The GIAA has provided an updated position statement that recognises the substantial progress on this issue.

The department has committed to implementing the improvements proposed within the GIAA reports and will be subject to follow-up reviews to monitor and drive progress. The Cabinet Office assurance team tracks the timely closure of these recommendations to ensure improvements are realised in line with the agreed implementation dates. Delayed recommendations are reported to the department's Audit and Risk Committee.

The department closed 137 recommendations in the financial year, which is the highest number of closed actions for a number of years. The central process for managing actions is robust with senior oversight that ensures that owners take ownership and deliver on time.

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 2023 to 2024 is 'moderate'. Although this 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.

Overall, it has been a positive outcome to maintain a 'moderate' opinion in the context of an increasingly challenging inherent risk environment in the Cabinet Office and wider government. While the opinion is 'moderate', there are some key areas for improvement identified.

The opinion is based primarily on the audit work conducted during the year for the Cabinet Office. It also considers observations from attendance at Audit and Risk Committee meetings and other governance forums, access to risk registers and other key documentation, as well as discussions with management and reports produced by other assurance providers.

On the effectiveness of controls and compliance with required controls, the GIAA noted positive outcomes from the assessment of the control environment with audits generally resulting in a favourable balance of assurance opinions. The GIAA noted that recommendations have been addressed in a timely manner and that the audits this year had provided assurance that there were adequate governance structures and processes within the Cabinet Office.

## External audit

The department's external auditor 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.

During 2023 to 2024, the NAO published three lessons learned insight reports and seven value for money (VFM) reports. The reports are summarised below.

### **Competition in public procurement: lessons learned (insight July 2023)**

The NAO report concluded that increasing competition for public contracts can improve value for money by allowing suppliers to demonstrate how they can improve quality, reduce costs and increase the scope for innovation. Competition also supports confidence in the probity and transparency of public spending by introducing benchmarks and alternatives, relative to the direct award of contracts. Public procurement regulations require government departments to use competition, and the Government Commercial Function has established competition as the default approach to procurement.

The Cabinet Office has issued guidance to departments that emphasises the importance of competition throughout the procurement process. It was identified that there are various ways the Cabinet Office could further maximise the benefits of effective competition when running procurements, such as a more effective use of collected data.

## **Cross-government working: lessons learned (insight July 2023)**

The NAO report concluded that building on work it has begun to update its contract database systems and standards, the government should clearly define the information departments are required to publish, including how it should be structured.

Government sometimes finds it challenging to share best practice and lessons learned. The report on progress with trade negotiations recommended that the then Department for International Trade should ensure it learns lessons from the progress made on multiple negotiations so far. It should ensure that feedback, learning and sector knowledge from across departments and devolved administrations are recorded and shared, and used to inform an improved approach in future negotiations.

It is important to collate evaluation findings and lessons learned so they can be easily accessed and shared. This includes government maintaining a central repository of evaluation evidence, which is kept updated and is accessible to analysts and policy professionals.

## **Monitoring and responding to companies in distress: lessons learned (insight October 2023)**

The NAO report concluded that, in general, private sector companies should be allowed to fail as part of the efficient working of markets and the economy, and that direct government intervention in the private sector is a last resort. Where there are known risks of market inefficiency or potential harm to consumers, the government will generally seek a regulatory approach to monitor and manage those risks. Insolvency may be the best outcome for a

failing company, and does not necessitate the end of the company if a buyer is found. But in some circumstances a company failure could expose the government, taxpayers or service users to disproportionate levels of risk, and the government may decide that intervention is necessary.

It may be that the company:

- provides public services directly to citizens (for example Southern Cross, which failed with 31,000 residents in its care homes)
- provides essential goods or services, the absence of which could cause harm to customers, or supplies services to the government to enable it to function (for example, UKCloud Ltd which provided secure cloud data services to several government departments and went into liquidation in 2022)
- is crucial to national security or to the country's self-sufficiency in certain goods (for example, CF Fertilisers, to which the government provided short-term funding to avoid a gap in supply of CO2 to the UK)

## **Use of AI in government (VFM report March 2024)**

The NAO report concluded that AI presents the government with opportunities to transform public services, potentially delivering billions of pounds in productivity savings. Specifically, it noted that while AI could deliver substantial productivity gains and transform public services, it was not yet widely used across government, but 70% of surveyed bodies were piloting or planning AI. The report also stated that achieving wide-scale benefits will require changes to business processes, as well as tackling ageing IT infrastructure, risks, skills gaps and data issues.

The report concluded that the Cabinet Office should develop an integrated implementation plan building on individual departmental AI adoption plans and identify common and scalable applications. The Cabinet Office should establish how government can bring together and share accessible insights from cross-government activity to identify, prioritise and test scalable AI opportunities in the public sector.

### **Civil Service leadership capability (VFM report March 2024)**

The NAO concluded that the Civil Service must be clearer on what it expects of its senior leaders. It should implement an integrated and coherent ‘whole system’ approach to leadership capability and recognised that the SCS wants to increase external recruitment for senior roles.

The NAO stated that a clearer approach to leadership capability within the SCS was needed to ensure it employs the best people to deliver essential projects and services.

The NAO recommended that the Cabinet Office sets out more clearly who is accountable for different leadership capability activities, the specific outcomes it wants from those activities, and the criteria for judging success.

The Cabinet Office should also analyse enablers and barriers to achieving its objectives for leadership capability, assess where a system-level view of capabilities and needs would be most valuable, and develop a strategy for external recruitment that reflects assessments of priority areas (such as particular skills and organisations).

### **Non-executive appointments (VFM report February 2024)**

The NAO asserted that government is taking longer than it should to appoint non-executive directors to public positions. These delays can leave gaps on boards, creating risks to governance and reducing the number of high-quality candidates.

The report recommended that the Cabinet Office should work with departments and their arm’s length bodies to improve the consistency of the approach to appointments across government, through support, guidance and sharing of good practice.

It also recommended that the Cabinet Office works with departmental appointments teams to understand delays and use this data to streamline the process and improve how organisations identify the skills and diversity they need for a particular role.

### **Cabinet Office functional savings (VFM report October 2023)**

The NAO found that most functions had clear methodologies underpinning and evidence supporting claimed headline savings. However, the NAO also highlighted that overall, there are opportunities to improve the rigour and completeness of the reporting. For example, the Cabinet Office only reports data from functions it hosts for the period it is reporting on – 10 out of 14 in 2021 to 2022. The GIAA noted that this means that the reported efficiencies are potentially incomplete.

The NAO recommended that the Cabinet Office should embed a more consistent approach to reporting functional savings so that it can provide clarity and transparency about the nature of the figures it publishes.

Additionally, it should continue to work with HM Treasury to make sure their processes align, lessons are learned and good practices are shared.

### **Civil Service workforce: recruitment, pay and performance management (VFM report November 2023)**

The NAO recommended that the Cabinet Office ensures that departments report regularly on consistent metrics for recruitment cost per hire and average time to hire, so performance can be benchmarked.

On pay, the Cabinet Office should report on Civil Service pay differentials across departments, starting from 2024 to 2025, and work with departments to address pay differentials where this would be beneficial.

The NAO said that the Cabinet Office should work with departments to help them assess the effectiveness of their own performance management systems, considering data on outcomes for staff and employee feedback. HR directors should also report to their department's ExCo on the number and grades of staff identified as underperforming and what happens after staff are identified as underperforming.

### **Government resilience: extreme weather (VFM report December 2023)**

The NAO noted that extreme weather is becoming more frequent and severe and that the government needs to increase its focus on reducing these risks and increase the resilience of the system.

The NAO noted that the government continues to strengthen the arrangements in place to manage these risks. However, the government has yet to set out what outcomes it is looking to achieve and the associated risk appetites.

The NAO recommended that the Cabinet Office, working with other departments, should strengthen leadership, accountability and assurance arrangements for the management of extreme weather risks. In addition, the department should set out a strategy of how to achieve a resilient UK, as well as review the current risk and resilience structures.

### **Investigation into whistleblowing in the Civil Service (VFM report December 2023)**

The NAO reported that the government has made some progress on data collection and increasing transparency on whistleblowing, but significant challenges remain. In particular, these relate to how the government raises awareness and encourages concerns, improves the experience of whistle blowers, and uses learning to improve whistleblowing.

The NAO recommended that the Cabinet Office should work with departments to improve the completeness and analysis of data, use every concern raised as an opportunity to learn from whistle blowers, and understand the proportion of complaints relating to intimidation or victimisation.

## Strategic and emerging risks

The Cabinet Office has a critical role at the centre of government in policy, as a provider of services for government and in leading the national response to large events or challenges. Accordingly, the risk profile for Cabinet Office is broad and complex, encompassing both departmental strategic risks as well as some government-wide functional risks. Strategic risks throughout 2023 to 2024 included the following.

- **Workforce risks:** the Cabinet Office must focus on attracting and retaining sufficient staff with appropriate capability and experience, in order to deliver well and in a timely manner. The 'A Better Cabinet Office' change programme has been set up with six thematic areas, including career progression, learning and development, and leadership, respect and inclusion, to deliver immediate progress and to establish a comprehensive longer-term strategy.
- **Budgetary risks:** demand for Cabinet Office services can be volatile, resulting in potential budget overspends and funding pressures. This could result in staff welfare impacts and a reduction in our ability to deliver the department's objectives to a high quality, leading to a loss of trust and respect. Throughout the year, finance teams worked closely with business areas to understand the various pressures and changes to delivery requirements. We have continued to focus on improved financial information, to provide the basis for better decision making and increased accountability.
- **Digital resilience:** AI systems and their capabilities present opportunities, but there are also a range of potential risks.

The Cabinet Office's government-wide Digital and Data Function identifies and overviews risks that come from AI, such as disruption to provision of public services due to them being overwhelmed by AI-driven volume. Numerous mitigations have been implemented including a generative AI framework published in January 2024, the creation of Data Marketplace to enable more effective data sharing, and adoption of standards and guidance for the ethical use of AI and data.

- **Third-party suppliers:** The department remains alert to operational risks that would arise from insolvency of a strategic government supplier, such as loss or disruption of services to government departments. Throughout 2023 to 2024, there was significant inflationary pressure that could lead to suppliers struggling to meet the obligations set out in their agreements. The department's markets and suppliers team proactively manages this risk through ongoing horizon scanning, supplier monitoring, contract management and contingency planning with departments. Contract manager training is now in place to ensure the Cabinet Office is limiting the risk of supplier failures where we can.

## Whistleblowing

Ensuring the highest standards of conduct in all we do is crucial. The Raising a Concern Policy and guidance supports people who wish to raise a concern. The department's staff survey results in 2023 show that 67% of staff are aware of how to raise a concern under the Civil Service Code and were confident that if a concern was raised it would be investigated properly.

Speak Up Week is run biannually and the number of nominated officers within the department has increased to six. The nominated officer role provides independence from the HR team and ensures that the department is held to account for following policy and procedure in this space.

Most recently, we have proactively engaged with the NAO's whistleblowing work. The Cabinet Office has been identified as an exemplar on the subject of using the nominated officer role to protect a whistleblower's anonymity and build their confidence, and are the subject of a case study in their good practice guide.

A total of six whistleblowing concerns were raised during the year 2023 to 2024. Of these six cases, two cases are still ongoing. In all cases, preliminary enquiries have been carried out in line with the Raising a Concern Policy and lessons learned, and actioned where appropriate.

It is important to note that although these concerns have been raised, it is not the case that they have all resulted in full investigations or that the concern raised has been 'upheld', particularly where preliminary enquiries have concluded that no further action is required.

## Data losses

The Cabinet Office continues to actively manage risks around data breaches and data losses. Data protection leads have been established across the Cabinet Office to ensure compliance with both the UK GDPR and EU GDPR regulations where required.

A security breaches policy sets out the individual responsibility of staff to protect data. Staff have regular training to ensure the process is active and technical controls are in place. Measures include a reduction in paper files and the use of secure file transfer technology to make electronic delivery more secure.

During the period 2023 to 2024 there have been four incidents of a loss of sensitive data which have been reported to the Information Commissioner's Office. All resulted in no further action being taken.

## Group specific risk and control disclosures

### Accounts qualifications and prior period adjustments

#### Breach of commercial control

The GPA's Workplace Services Transformation Programme replaces inherited, expiring service contracts. Following tender evaluation for these security contracts during 2022 to 2023, the GPA engaged with the highest scoring bidders to agree the final allocation of contracts. The engagement followed legal advice to ensure adherence with the tender documentation. It produced a proposed set of four contracts to secure an improved service at the best value to the taxpayer.

For expenditure over £20 million, controls approval is required for all future commercial spend. While HM Treasury and facilities management control approval was given before contract award, Cabinet Office commercial control was not. Engagement with the highest scoring bidders effectively notified them of the outcome of the evaluation and therefore rendered the approval request retrospective.

Cabinet Office commercial control was not prepared to grant retrospective approval. An accounting officer assessment was undertaken which concluded that the approach did achieve value for money for the taxpayer but did also breach commercial controls.

The GPA awarded the contracts in January 2023 and the security contracts went live in October 2023 as part of the GPA's Workplace Services Transformation Programme. The expenditure which occurred in 2023 to 2024 is considered irregular as Cabinet Office commercial approval was not given. The affected contracts relate to £6.4 million of expenditure which has led to a qualified audit opinion on the Cabinet Office group accounts relating to this expenditure.

### **IFRS 16 prior period adjustments** **GPA accounting under IFRS 16 and for assets under construction (AUC)**

During 2023 to 2024, the GPA identified that changes to existing lease terms for two buildings had not been appropriately reflected in the IFRS 16 accounting as reported for the prior year 2022 to 2023.

In addition, an agreement whereby the GPA arranges space for client departments in buildings operated by another government department was deemed out-of-scope of IFRS 16, having previously been assessed as within scope.

These three matters have been adjusted in the restated 2022 to 2023 statement of financial position and associated notes. Affected balances are right of use assets, lease liabilities, lease incentive receivables,

lease receivables and the associated disclosure notes. Further detail is included in note 2 to the financial statements.

Additional controls and system modifications have been made, with further lease data and accounting development activity planned as part of the GPA's improvement plans.

### **Qualification: GPA assets under construction**

During the year end audit process, the GPA identified that several assets held in AUC were actually in use, and hence incorrectly classified. This included several software assets which should have been classified as non-current intangible assets.

The GPA analysed the transactions within these categories and identified the reclassifications and adjustments required. The review identified that material reclassifications were required for both the prior year, 2022 to 2023, and the current year, 2023 to 2024.

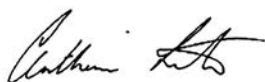
For the reclassification of assets from AUC into buildings, audit evidence was provided to the NAO and the adjustments were agreed. However, for the reclassifications and adjustments into leasehold improvements, plant and machinery and intangible assets, the GPA was unable to provide sufficient evidence to the NAO for them to complete audit testing. There was also a lack of evidence for the remaining balance. As a result, the NAO has not been able to obtain sufficient, appropriate audit evidence over these arrangements and has modified its opinion accordingly.

Improvements to the GPA's controls over non-current assets, including more robust systems and processes, are planned as part of the GPA's improvement plans.

## Conclusion

2023 to 2024 has been a year of greater stability for the Cabinet Office. I would like to thank Cabinet Office staff for their professionalism and dedication in maintaining and improving the department's governance processes, risk management and controls that govern those deliverables. As the Accounting Officer, I am content that the mechanisms in place to manage risks are adequate, that the corporate controls are well understood and monitored, and that action is taken to make improvements when required. I take assurances from the regular executive discussions and reporting on risk as well as the scrutiny applied by the Audit and Risk Committee on both risk and compliance. I am also pleased to have received the GIAA's annual opinion of 'moderate'.

I look forward to making further improvements in 2024 to 2025 and beyond in our work to support the Prime Minister with delivery of his priorities.



### **Cat Little**

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

11 December 2024

# Remuneration and staff report

## Overview

This report sets out the department's policy on remuneration 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. The Review Body may, if requested, also advise the Prime Minister from time to time on peers' allowances and on the pay, pensions and allowances of ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

The Review Body on Senior Salaries 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 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 (DEL)
- the government's inflation target
- the evidence it receives about wider economic considerations and the affordability of its recommendations

Further information about the work of the Review Body on Senior Salaries can be found at: [www.gov.uk/government/organisations/review-body-on-senior-salaries](http://www.gov.uk/government/organisations/review-body-on-senior-salaries)

The performance management system for senior civil servants is common across all government departments. Pay awards are made in two parts: consolidated pay awards and non-consolidated variable payments, which are used to reward members of staff who demonstrate exceptional performance.

Non-consolidated payments are paid in arrears, so payments paid to Cabinet Office staff in 2024 to 2025 relate to their performance during 2023 to 2024.

The special advisers annual report includes employment terms and pay policy. It is available online at: [www.gov.uk/government/publications/special-adviser-data-releases-numbers-and-costs-july-2023](http://www.gov.uk/government/publications/special-adviser-data-releases-numbers-and-costs-july-2023)

## 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.independent.gov.uk](http://www.civilservicecommission.independent.gov.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 (board members) of the department. Full ministerial job titles including details of Cabinet Office ministers who were paid by other departments or unpaid can be found in the directors' report.

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

#### Single total figure of remuneration

Ministers	Salary (to nearest £)		Benefits in kind (to nearest £100)		Pension benefits <sup>3</sup> (to nearest £1,000)		Total (to nearest £1,000)	
	2023-24	2022-23 <sup>4</sup>	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<b>Chancellor of the Duchy of Lancaster (Full year equivalent (FYE) £67,505)</b>								
<b>The Rt Hon Sir Oliver Dowden KCB CBE MP</b> (25 October 2022 to 31 March 2024)	67,505	29,397	-	-	18,000	7,000	86,000	36,000
<b>Minister without Portfolio (FYE £31,680)</b>								
<b>The Rt Hon Esther McVey MP</b> (13 November 2023 to 31 March 2024)	12,144	-	-	-	3,000	-	16,000	-
<b>Minister for the Cabinet Office and Paymaster General (FYE 31,680)</b>								
<b>The Rt Hon Sir Jeremy Quin MP</b> (25 October 2022 to 12 November 2023)	27,456 <sup>5</sup>	13,200	-	-	5,000	3,000	32,000	16,000

3 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.

4 The 2022 to 2023 FYE salary figures are the same as 2023 to 2024.

5 The combined figure includes salary of £19,536 and a severance payment of £7,920.

Ministers	Salary (to nearest £)		Benefits in kind (to nearest £100)		Pension benefits <sup>3</sup> (to nearest £1,000)		Total (to nearest £1,000)	
	2023-24	2022-23 <sup>4</sup>	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<b>Leader of the House of Commons and Lord President of the Council (FYE 67,505)</b>								
<b>The Rt Hon Penny Mordaunt MP</b> (6 September 2022 to 31 March 2024)	67,505	36,240	-	-	18,000	10,000	86,000	46,000
<b>Minister of State for Veterans' Affairs (FYE £31,680)</b>								
<b>The Rt Hon Johnny Mercer MP</b> (25 October 2022 to 31 March 2024)	31,680	13,796	-	-	8,000	3,000	40,000	17,000
<b>The Rt Hon Johnny Mercer MP</b> (7 July 2022 to 6 September 2022)	-	13,129 <sup>6</sup>	-	-	-	1,000	-	14,000
<b>Parliamentary Secretary (FYE £22,375)</b>								
<b>Alex Burghart MP</b> (27 October 2022 to 31 March 2024)	22,375	9,323	-	-	6,000	2,000	28,000	12,000
<b>Leader of the House of Lords and Lord Privy Seal (FYE £104,360)</b>								
<b>The Rt Hon The Lord True CBE PC</b> (6 September 2022 to 31 March 2024)	104,360	94,511	-	-	(6,000)	49,000	98,000	144,000

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. The importing department pays in the month following at the appropriate salary along with any arrears.

<sup>6</sup> The combined figure includes salary of £5,209 and a severance payment of £7,920.

## 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 that the individuals were board members.

### Single total figure of remuneration

Board member	Salary £000		Non-consolidated payments £000		Benefits in kind <sup>7</sup> (to nearest £100)		Pension benefits <sup>8</sup> (to nearest £1,000)		Total £000	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<b>Cabinet Secretary and Head of the Civil Service</b>										
<b>The Rt Hon Simon Case CVO<sup>9</sup></b>	215-220	200-205	-	-	33,800	34,000	132,000	54,000	380-385	290-295
<b>Chief Operating Officer for the Civil Service, Permanent Secretary and Principal Accounting Officer</b>										
<b>Sir Alex Chisholm KCB</b>	215-220	205-210	-	-	-	-	84,000	80,000	300-305	285-290
<b>Chief Operating Officer</b>										
<b>Sarah Harrison</b>	155-160	145-150	10-15	5-10	-	-	23,000	21,000	185-190	175-180
<b>Chief Financial Officer</b>										
<b>Richard Hornby</b>	155-160	145-150	5-10	5-10	-	-	61,000	58,000	225-230	210-215

7 See note 1.7 'Benefits in kind' below.

8 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.

9 As per agreement with the Chair, the Cabinet Secretary attends the board by exception. The Rt Hon Simon Case was not required to attend during 2023 to 2024.

## 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 therefore 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 (£86,584 from 1 April 2023) 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 HM Revenue and Customs as a taxable emolument. The disclosed benefits in kind include income tax and National Insurance liabilities that are met by the Cabinet Office.

The Rt Hon Simon Case had the use of an allocated car in the circumstances permitted by the Civil Service Management Code. He 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 The Rt Hon Simon Case was calculated in accordance with the relevant instructions published by HM Revenue and Customs and HM Treasury.

## 1.8. Non-consolidated payments

Non-consolidated payments are based on performance levels attained and are made as part of the appraisal process. They are not accrued or provided for at 31 March, because the appraisal process is not completed until the summer.

As a result, the payments reported in 2023 to 2024 relate to performance in 2022 to 2023, and the comparative payments reported for 2022 to 2023 relate to performance in 2021 to 2022. This is consistent with the approach adopted in previous years.

## 1.9. Fair pay disclosure (audited)

	2023-24	2022-23
Band of highest paid board member's total remuneration (£000)	245-250	235-240
Of which: salary component (£000)	215-220	200-205
Median remuneration (£)	44,989	42,368
Of which: salary component (£)	44,500	41,868
Ratio	5.5	5.6
25th percentile pay	35,300	32,640
Of which: salary component (£)	35,300	32,640
Ratio	7.0	7.3
75th percentile pay	63,704	61,848
Of which: salary component (£)	62,875	61,545
Ratio	3.9	3.8

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid board member in their organisation, the median remuneration of the organisation's workforce and the 25th and 75th percentile remuneration.

The banded remuneration of the highest paid board member in the Cabinet Office in the financial year 2023 to 2024 was £245,000 to £250,000 (2022 to 2023: £235,000 to £240,000). This was:

- 5.5 times (2022 to 2023: 5.6 times) the median remuneration of the workforce, which was £44,989 (2022 to 2023: £42,368)
- 7.0 times (2022 to 2023: 7.3 times) the 25th percentile remuneration of the workforce, which was £35,300 (2022 to 2023: £32,640)
- 3.9 times (2022 to 2023: 3.8 times) the 75th percentile remuneration of the workforce, which was £63,704 (2022 to 2023: £61,848)

The percentage change in respect to the salary of our highest paid board member is 4.2% (2022 to 2023: 2.2%).

The average percentage change in respect of the salary of all employees taken as a whole is 5.1% (2022 to 2023: 4.3%).

The outcomes of all pay ratios for 2023 to 2024 are consistent with the Cabinet Office pay and reward policies for all employees taken as a whole. An average of 5% pay increase across the department was awarded in the year.

In 2023 to 2024, two (2022 to 2023: two) employees received remuneration in excess of the highest paid board member. The remuneration of Cabinet Office employees ranged from £20,332 to £304,000 (2022 to 2023: £18,450 to £295,000).

Total remuneration as at 31 March 2024 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.

## Change in total remuneration

	2023-24 salary and allowances	2022-23 salary and allowances	2023-24 performance pay	2022-23 performance pay	2023-24 overall	2022-23 overall
Highest paid board member (%)	5.5	2.0	-	-	4.2	2.2
Average of all Cabinet Office employees (%)	5.0	4.1	12.0	16.4	5.1	4.3

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

Lead non-executive board members are offered a fee of £20,000 per year and other non-executive board members are offered a fee of £15,000 per year. The Chair of the Audit and Risk Committee is offered a further £5,000 per year. 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 2023-24	Fees paid 2022-23
<b>Michael Jary CBE</b>			
Government Lead Non-Executive and Board Member	20,000	20,000	20,000
<b>Anand Aithal</b>			
Cabinet Office Lead Non-Executive Board Member <sup>10</sup>	20,000	20,000	20,000
<b>Mike Ashley</b>			
Non-Executive Board Member	15,000	15,000	15,000
Chair of the Audit and Risk Committee	5,000	5,000	5,000
<b>Jenni Myles</b>			
Non-Executive Board Member <sup>11</sup>	15,000	12,042	-
<b>Henry de Zoete</b>			
Non-Executive Board Member	15,000	15,000	15,000
<b>The Rt Hon. The Lord Hogan-Howe of Sheffield</b>			
Non-Executive Board Member	15,000	15,000	15,000
<b>Janette Beinart</b>			
Non-Executive Board Member <sup>12</sup>	15,000	12,042	-
<b>Marcus Boyle</b>			
Non-Executive Board Member <sup>13</sup>	15,000	12,333	-
<b>Stephen Gordon-Dando</b>			
Non-Executive Board Member <sup>14</sup>	15,000	12,379	-

10 Claimed expenses of £1,510.00 in 2023 to 2024 and £2,550.49 in 2022 to 2023 which are not included in the figures.

11 Appointed Non-Executive Board Member on 12 June 2023.

12 Appointed Non-Executive Board Member on 12 June 2023, and also claimed expenses of £79.60 in 2023 to 2024 which is not included in the figure.

13 Appointed Non-Executive Board Member on 12 June 2023, and also claimed expenses of £138.60 in 2023 to 2024 which is not included in the figure.

14 Appointed Non-Executive Board Member on 10 July 2023.

## 1.11. Pension benefits of ministers (audited)

Ministers	Accrued pension at age 65 as at 31 March 24 £000	Real increase in pension at age 65 £000	CETV <sup>15</sup> at 31 March 24 £000	CETV at 31 March 23 <sup>16</sup> £000	Real increase in CETV £000
The Rt Hon Sir Oliver Dowden KCB CBE MP	5-10	0-2.5	71	50	10
The Rt Hon Esther McVey MP	0-5	0-2.5	82	76	3
The Rt Hon Sir Jeremy Quin MP	0-5	0-2.5	45	37	3
The Rt Hon Penny Mordaunt MP	5-10	0-2.5	140	111	12
The Rt Hon Johnny Mercer MP	0-5	0-2.5	23	15	4
Alex Burghart MP	0-5	0-2.5	14	8	4
The Rt Hon The Lord True CBE PC	5-10	0-2.5	141	134	(7)

## 1.12. Ministerial pensions

Pension benefits for ministers are provided by the Parliamentary Contributory Pension Fund. The scheme is made under statute. The rules of the Parliamentary Contributory Pension Fund (the Ministers' etc. Pension Scheme 2015) can be found on the UK Parliament website at: [www.parliament.uk/about/mps-and-lords/members/pay/mps/pension-fund](http://www.parliament.uk/about/mps-and-lords/members/pay/mps/pension-fund)

Those ministers who are members of Parliament may also accrue an MPs' pension under the Parliamentary Contributory Pension Fund (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.

<sup>15</sup> Cash Equivalent Transfer Value – see note 1.13.

<sup>16</sup> Restated – in the 2023 to 2024 published accounts, any members affected by the public service pensions remedy were reported in the 2015 scheme for the period between 1 April 2015 and 31 March 2022. In 2023 to 2024 they are reported in the legacy scheme for the same period.

### 1.13. Ministers' 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, 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.

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

### 1.14. Real increase in the value of ministers' CETV

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

### 1.15. Pension benefits of official board members (audited)

Board members	Accrued pension at pension age as at 31 March 2024 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV <sup>17</sup> at 31 March 2024 £000	CETV at 31 March 2023 <sup>18</sup> £000	Real increase in CETV £000	Employer contribution to partnership pension account (nearest £100)
The Rt Hon Simon Case CVO	55-60	5-7.5	939	767	89	-
Sir Alex Chisholm KCB	55-60	5-7.5	893	731	60	-
Sarah Harrison <sup>19</sup>	-	-	-	-	-	22,900
Richard Hornby	25-30	2.5-5	440	346	42	-

17 Cash Equivalent Transfer Value – see note 1.17.

18 Restated – in the 2023 to 2024 published accounts, any members affected by the public service pensions remedy were reported in the 2015 scheme for the period between 1 April 2015 and 31 March 2022. In 2023 to 2024 they are reported in the legacy scheme for the same period.

19 Sarah Harrison is not a member of the Civil Service pension arrangements and has a partnership pension account.

## 1.16. Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – **classic**, **premium** and **classic plus** provide benefits on a final salary basis, while **nuvos** provides benefits on a career average basis. 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. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and **alpha** are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the pensions increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the **partnership** pension account.

In **alpha**, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to **alpha** from the PCSPS had 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 accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or state pension age for members of **alpha**. The pension figures in this report show pension earned in the PCSPS or **alpha** – as appropriate. Where a member has benefits in both the PCSPS and **alpha**, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to **alpha**. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members.

The public service pensions remedy is made up of two parts.<sup>20</sup> The first part closed the PCSPS on 31 March 2022, with all active members becoming members of **alpha** from 1 April 2022.

<sup>20</sup> How the public service pensions remedy affects your pension. Available at: [www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension](http://www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension)

The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as 'rollback'.

For members who are in scope of the public service pensions remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2023 and 31 March 2024, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or **alpha** benefits, the figures show the rolled back position – that is, PCSPS benefits for that period.

The **partnership** pension account is an occupational defined contribution pension arrangement which is part of the Legal and 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).

Further details about the Civil Service pension arrangements can be found at: [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

### 1.17. Officials' 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, 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.

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

## 1.18. Real increase in officials' 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 2023 to 31 March 2024. Further details about compensation for loss of office payments can be found at [www.legislation.gov.uk](http://www.legislation.gov.uk)

The figures displayed are a net total, following any amounts repaid.

<b>Ministers</b>	<b>Severance payment (to nearest £)</b>	<b>Severance entitlement (to nearest £)</b>
The Rt Hon Sir Jeremy Quin MP	7,920	7,920

No compensation payments for loss of office were made to non-ministerial board members during the reporting year.

For the financial year 2022 to 2023 the following ministerial severance payments were made.

<b>Ministers</b>	<b>Severance payment (to nearest £)</b>	<b>Severance entitlement (to nearest £)</b>
The Rt Hon The Lord Alok Sharma KCMG PC	16,876	16,876
The Rt Hon Nigel Adams	7,920	7,920
Brendan Clarke-Smith	5,593	5,593
Heather Wheeler OBE	5,593	5,593
The Rt Hon Johnny Mercer	7,920	7,920
The Rt Hon the Baroness Evans of Bowes Park PC	26,090	26,090
Peter Bone FCA	5,593	5,593

## 2. Staff report

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

### 2.1. Staff costs (audited)

£m	Permanently employed staff	Others	Special advisers	Ministers	2023-24	2022-23 restated
Wages, salaries and fees	547.7	-	7.8	0.3	555.8	518.7
Social security costs	60.9	0.1	1.3	-	62.3	62.0
Apprenticeship levy	2.9	-	-	-	2.9	2.7
Other pension costs	121.3	-	2.7	-	124.0	118.9
Untaken annual leave	2.6	-	-	-	2.6	(5.2)
Agency/temporary	-	93.3	-	-	93.3	58.9
Chairs' and commissioners' emoluments	0.4	-	-	-	0.4	0.4
Termination benefits	0.5 <sup>21</sup>	-	0.3	-	0.8	4.6 <sup>22</sup>
<b>Sub total</b>	<b>736.3</b>	<b>93.4</b>	<b>12.1</b>	<b>0.3</b>	<b>842.1</b>	<b>761.0</b>
Inward secondments	-	9.6	-	-	9.6	8.0
<b>Total</b>	<b>736.3</b>	<b>103.0</b>	<b>12.1</b>	<b>0.3</b>	<b>851.7</b>	<b>769.0</b>
Less: recoveries in respect of outward secondments	-	(4.6)	-	-	(4.6)	(3.5)
<b>Total staff costs</b>	<b>736.3</b>	<b>98.4</b>	<b>12.1</b>	<b>0.3</b>	<b>847.1</b>	<b>765.5</b>
Staff engaged on capital projects	(23.9)	(4.8)	-	-	(28.7)	(28.0)
<b>Total net staff costs</b>	<b>712.4</b>	<b>93.6</b>	<b>12.1</b>	<b>0.3</b>	<b>818.4</b>	<b>737.5</b>

Special advisers are temporary civil servants. In order to improve efficiency, the administration of staff costs for all special advisers sits in the Cabinet Office with the corresponding budget being part of the department's overall budget. 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.

The prior year comparator for all costs below have been restated due to machinery of government changes affecting the department during this financial year. For further details, please see note 2.

21 Includes an accrual reversal which was not required totalling £135,186 in relation a prior year accrual and is not included in note 2.2. 'Reporting of Civil Service and other compensation schemes – exit packages'. See footnote 21 below.

22 Includes an accrued sum of £1,263,652 in relation to redundancies which were not allocated to particular members of staff. This figure is not included in note 2.2. 'Reporting of Civil Service and other compensation schemes – exit packages'.

During the year, costs of £124,021,182 were incurred in respect of pensions (2022 to 2023: £118,937,677). Of this amount:

- £115,473,175 (2022 to 2023 restated: £111,496,239) was borne by the core department
- £5,534,251 (2022 to 2023: £4,673,637) was borne by the GPA
- £2,748,561 (2022 to 2023: £2,482,459) was borne by the EHRC
- £230,536 (2022 to 2023: £252,589) was borne by the Civil Service Commission
- £34,659 (2022 to 2023: £32,753) 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 2020. 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 Pension Scheme website at: [www.civilservicepensionscheme.org.uk/about-us/resource-accounts](http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts)

For the period 1 April 2023 to 31 March 2024, employers' contributions of £117,227,483 were payable to the PCSPS (2022 to 2023: £112,709,079) 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 the financial year 2023 to 2024 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 2023 to 31 March 2024, employers' contributions of £1,008,561 (2022 to 2023: £1,007,993) 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 £35,471 (2022 to 2023: £36,336) – 0.5% of pensionable pay – were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill-health retirement of these employees.

Contributions due to the partnership pension providers at 31 March 2024 were £85,349 (31 March 2023: £79,488). Contributions prepaid as at the same date were £nil (31 March 2023: £nil). Special advisers' pension costs incurred during the period 1 April 2023 to 31 March 2024 were £2,735,911 (2022 to 2023: £2,416,468).

Three individuals (2022 to 2023: six individuals) retired early on ill-health grounds during the period 1 April 2023 to 31 March 2024. The resulting additional accrued pension liabilities amounted to £36,366 (2022 to 2023: £36,155).

## 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 2023-24			Departmental group 2022-23		
	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
Less than £10,000	-	8	8	-	27	27
£10,000 to £25,000	-	8	8	-	92	92
£25,001 to £50,000	-	5	5	-	45	45
£50,001 to £100,000	-	2	2	-	17	17
£100,001 to £150,000	-	1	1	-	1	1
£150,001 to £200,000	-	-	-	-	-	-
£200,001 to £250,000	-	-	-	-	-	-
£250,001 to £300,000	-	1	1	-	-	-
<b>Total number of exit packages</b>	-	<b>25</b>	<b>25</b>	-	<b>182</b>	<b>182</b>
<b>Total cost (£)</b>	-	<b>930,191</b>	<b>930,191</b>	-	<b>4,444,703</b>	<b>4,444,703</b>

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 2023 to 2024 (2022 to 2023 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 2023 to 2024 there was one member of staff that left the department due to early retirement.

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, or on a change of administration. 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 government following the receipt of a severance payment, the payment is required to be repaid, less a deduction in lieu of wages for the period until their return.

These figures show the cost of the termination benefits paid, less the amount that has been repaid to government in instances where special advisers have been reappointed. The figure in table 2.1 represents 14 separate termination benefits to special advisers (less any repayment), totalling £284,219.

### 2.3. Average number of people employed (audited)

The average number of full-time equivalent people 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 paid by the Cabinet Office	Cabinet Office staff recharged to other government departments <sup>23</sup>	Total permanently employed staff	Commissioners	Others <sup>24</sup>	2023-24 total	2022-23 total
Core department	2,575	5,913	8,488	-	635	9,123	9,680
Government Property Agency	216	31	247	-	86	333	396
Arm's length bodies <sup>25</sup>	234	-	234	10	1	245	248
Staff engaged on capital projects	382	-	382	-	-	382	36
<b>Total</b>	<b>3,407</b>	<b>5,944</b>	<b>9,351</b>	<b>10</b>	<b>722</b>	<b>10,083</b>	<b>10,360</b>
Of which:							
Core department executive agency	3,173	5,944	9,117	-	721	9,838	10,112
Other designated bodies	234	-	234	10	1	245	248
<b>Total</b>	<b>3,407</b>	<b>5,944</b>	<b>9,351</b>	<b>10</b>	<b>722</b>	<b>10,083</b>	<b>10,360</b>

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.

Staff turnover in 2023 to 2024 was 20.7% (2022 to 2023: 28.2%) (unaudited).

23 The number of staff that the department has recharged their costs to other government departments.

24 The 'Others' category includes agency staff, interim managers, specialist contractors and consultants.

25 The costs of the Civil Service Commission, the EHRC and the Registrar of Consultant Lobbyists are reported in this line. See note 2 of the financial statements.

## 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 2024.

Grade	2023-24	2022-23
Ministers <sup>26</sup>	14	13
Special advisers	57	51

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, the Leader of the House of Lords, the Lord President and Leader of the House of Commons, the Minister Without Portfolio and the Parliamentary Secretary to the Treasury (Chief Whip)). It does not include special advisers within other government departments.

## 2.5. Senior civil servants

The table below shows the number of SCS staff employed by the Cabinet Office as at 31 March 2024.

The total includes 44 staff (2022 to 2023: 52) in SCS equivalent grades within the Office of the Parliamentary Counsel. The equivalent grades are: Parliamentary Counsel (SCS 3), Deputy Parliamentary Counsel (SCS 2) and Senior Assistant Parliamentary Counsel (SCS 1).

Grade	2023-24	2022-23
Permanent secretary	5	5
SCS 3	21	25
SCS 2	98	100
SCS 1	298	317
<b>Total</b>	<b>422</b>	<b>447</b>

The decrease in 25 SCS staff since 2022 to 2023 is principally a consequence of a decrease in numbers generally across all business groups within the department. SCS numbers are 4.1% of the total workforce.

<sup>26</sup> This includes all ministers working on behalf of the Cabinet Office even if unpaid or remunerated by another department. Four ministers are unpaid and three are paid by another department.

## 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 2023 to 31 March 2024.

Number	Men		Women		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Official board members	3	3	1	4	4	7
Senior civil servants	242	286	204	240	446	526
<b>All staff</b>	<b>4,964</b>	<b>5,781</b>	<b>5,586</b>	<b>6,606</b>	<b>10,550</b>	<b>12,387</b>

Percentage (%)	Men		Women	
	2023-24	2022-23	2023-24	2022-23
Official board members	75.0	42.9	25.0	57.1
Senior civil servants	54.3	54.4	45.7	45.6
<b>All staff</b>	<b>47.1</b>	<b>46.7</b>	<b>52.9</b>	<b>53.3</b>

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

### 2.7.1.

Temporary off-payroll appointments as at 31 March 2024, earning at least £245 per day.

2023-24 Number	Core department	Executive agency	Arm's length bodies	Departmental group
Existing off-payroll engagements as at 31 March 2024	854	44	-	898
Of which, engagements that have existed at time of reporting for:				
Less than one year	315	27	-	342
Between one and two years	162	13	-	175
Between two and three years	118	3	-	121
Between three and four years	67	1	-	68
Four or more years	192	-	-	192

## 2.7.2.

Temporary off-payroll appointments engaged at any point during the year ended 31 March 2024 and earning at least £245 per day.

2023-24 Number	Core department	Executive agency	Arm's length bodies	Departmental group
Temporary off-payroll workers engaged during the year ended 31 March 2024	450	60	2	512
Of which:				
Not subject to off-payroll legislation	-	-	-	-
Subject to off-payroll legislation and assessed as in-scope of IR35 <sup>27</sup>	352	49	2	403
Subject to off-payroll legislation and assessed as out-of-scope of IR35 <sup>26</sup>	98	11	-	109
Engagements reassessed for compliance or assurance purposes during the year	-	5	-	5
Of which: engagements that saw a change to IR35 status following review	-	-	-	-
Number of engagements where the status was disputed under provisions in the off-payroll legislation	-	-	-	-
Of which: engagements that saw a change to IR35 status following review	-	-	-	-

<sup>27</sup> IR35 is tax legislation that is designed to combat tax avoidance by workers supplying their services to clients via an intermediary, such as a limited company, but who would be an employee if the intermediary was not used.

### 2.7.3.

Off-payroll engagements of board members or senior officials with significant financial responsibility between 1 April 2023 and 31 March 2024.

<b>2023-24 Number</b>	<b>Core department</b>	<b>Executive agency</b>	<b>Arm's length bodies</b>	<b>Departmental group</b>
Off-payroll engagements of board members or senior officials with significant financial responsibility during the financial year	-	1 <sup>28</sup>	-	1
Total individuals on payroll and off payroll who have been deemed 'board members or senior officials with significant financial responsibility' during the financial year	36	11	17	64

## 2.8. Staff loans

The table below shows the number of staff loans at 31 March 2024.

<b>Staff loaned in by grade</b>	<b>Headcount</b>	<b>Staff loaned out by grade</b>	<b>Headcount</b>
Permanent secretary	-	Permanent secretary	-
Special adviser	3	Special adviser	-
SCS 3	4	SCS 3	-
SCS 2	10	SCS 2	4
SCS 1	37	SCS 1	7
Band 6	76	Band 6	18
Band 7	104	Band 7	43
Band SEO	66	Band SEO	25
Band HEO	30	Band HEO	13
Band EO	14	Band EO	6
Band AO	1	Band AO	-
<b>Total staff loaned in by grade</b>	<b>345</b>	<b>Total staff loaned out by grade</b>	<b>116</b>

28 An agency worker was appointed as Acting Chief Financial Officer of the GPA from 27 November 2023 to 27 November 2024 while permanent recruitment to the position took place.

## 2.9. Sickness and absence

The sickness absence figure for 2023 to 2024 stands at 3.7 (3.57 for 2022 to 2023) average working days lost per member of staff.

## 2.10. Monitoring and controlling spending on consultancy and temporary staff

Professional services external resources can generally be split into two 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 services and temporary staff are procured as required, and costs can therefore fluctuate depending on the needs of the department.

The Cabinet Office controls the use of temporary staff through a Recruitment Controls Board. Unless agreed as part of the annual workforce plan, all requests for temporary staff must be approved by the department's Recruitment Controls Board.

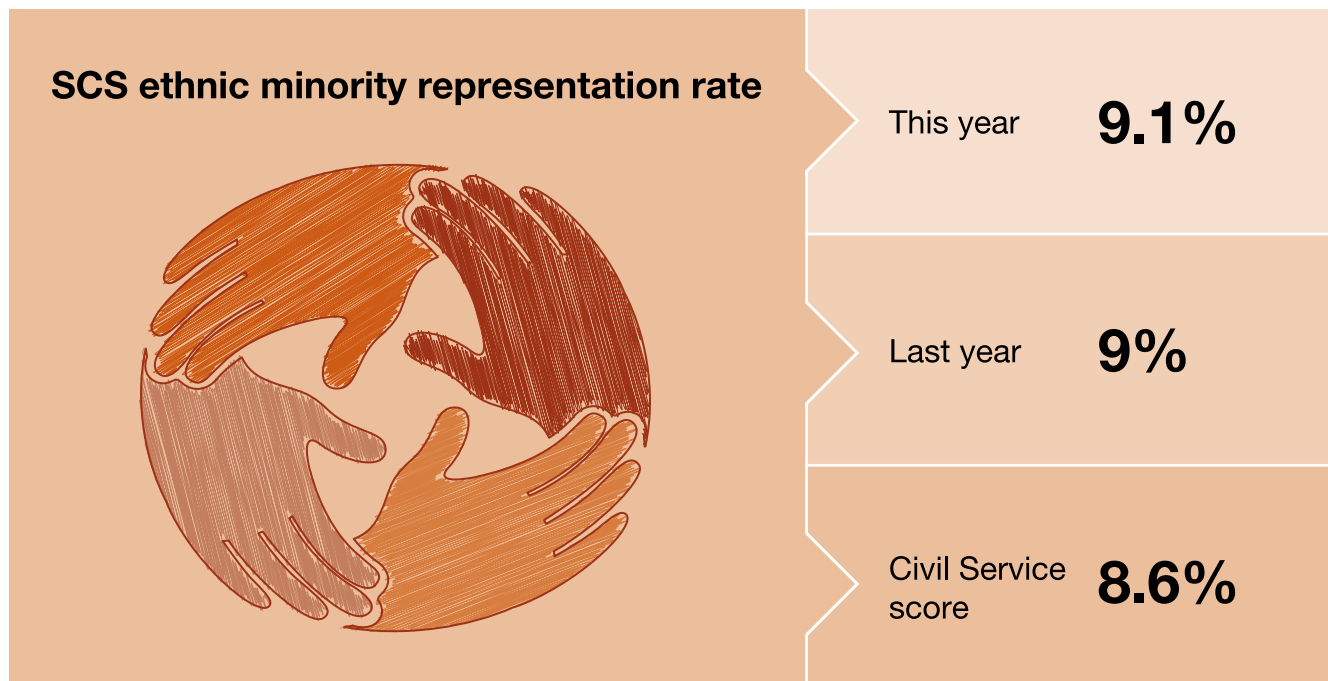
The Cabinet Office also operates a consultancy and professional services internal spend control in order to facilitate a more robust approach to the department's spend in this area. All requests for consultancy or professional services spend within the department must be submitted to the professional and digital services team. Requests over £100,000 must ultimately get approval from the Investment Committee and the Minister for the Cabinet Office.

Expenditure on consultancy has largely stayed the same at £19.1 million in 2023 to 2024 compared to £18.9 million in 2022 to 2023 (restated). Of the total, £1.8 million related to the GPA (2022 to 2023: £1.3 million) and £nil to arm's length bodies (2022 to 2023: £nil).

Expenditure on temporary staff increased to £93.3 million in 2023 to 2024 from £58.9 million in 2022 to 2023 (restated) due to recruitment constraints on filling permanent vacancies. Of the total, £12.2 million related to the GPA (2022 to 2023: £9.8 million) and £nil to arm's length bodies (2022 to 2023: £0.4 million).

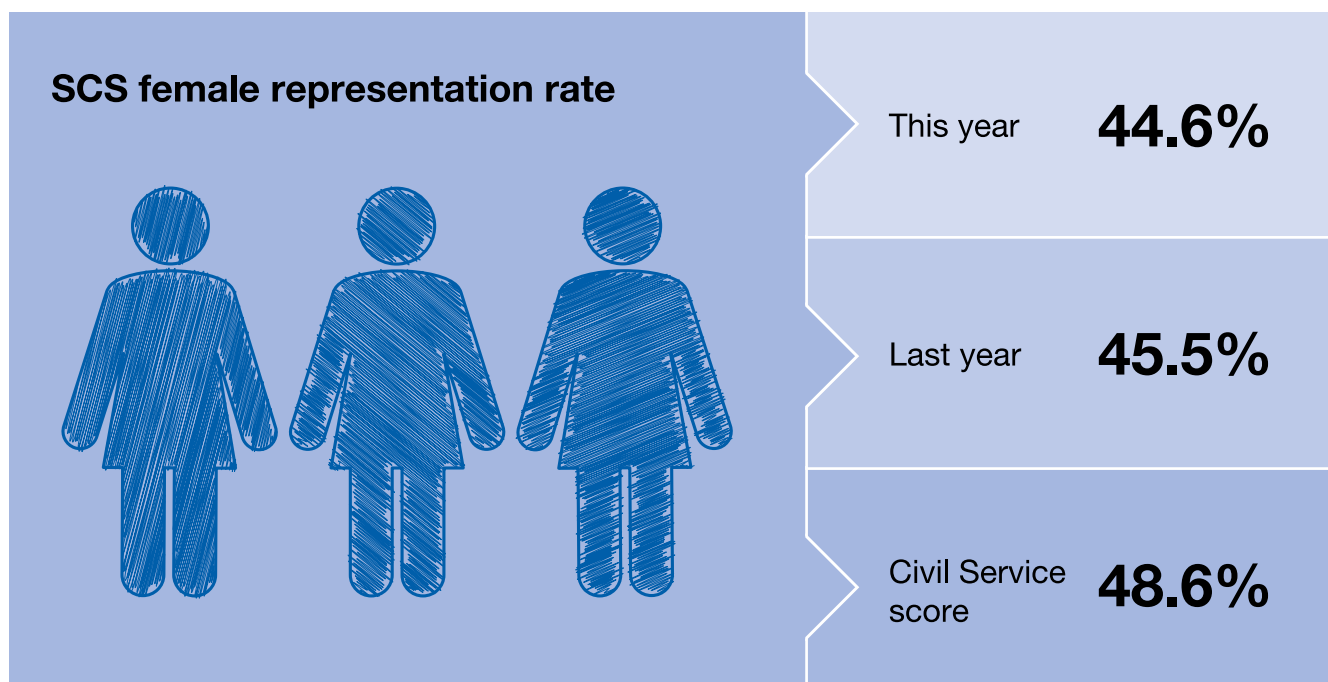
## 2.11. Diversity and inclusion

In terms of diversity and inclusion, representation rates at SCS levels highlight that the Cabinet Office has the second highest proportion of staff with disabilities across Whitehall (11.7%), which is well above the overall Civil Service figure of 7.8%. The proportion of Cabinet Office SCS staff identifying as ethnic minorities is 9.1%, which is slightly higher than the overall Civil Service figure of 8.6%.



Women make up 44.6% of the SCS. This is below the overall Civil Service figure of 48.6%.

The Cabinet Office overall has a mean gender pay gap of 10.9%. This falls to 8.2% when excluding agencies, bringing the figure in line with the Civil Service mean of 8.1%.



Across all grades disabled staff make up 9.3% of the Cabinet Office workforce, an increase of 7% (0.6 percentage points) from 8.7% from last year. In the SCS, disabled staff make up 11.6% of the Cabinet Office workforce; and increase of 9% (1.1 percentage points) from 10.5% last year.



Ethnic minority staff make up 19% of the total workforce, which is a decrease of 1% from last year. Women now make up 53.1% of all staff, which is a decrease of 0.3 percentage points from last year.

## 2.12. Employment, training and advancement of disabled people

The Cabinet Office applies the Recruitment Principles of the Civil Service Commission, appointing candidates based on merit through fair and open competition. Recruitment and selection training, which has a core focus of raising awareness of unconscious bias, is offered to all panel members that sit on Cabinet Office recruitment panels. The Cabinet Office is a Level 3 Disability Confident Leader and was reaccredited this status in March 2024. 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 can access the Business Disability Forum member hub dashboard. This provides access to a wide range of member resources, from a mental health toolkit, infographics and videos to best practice and legal case studies.

The Cabinet Office has an active disability network as well as a deputy director disability champion who chairs the Cabinet Office Disability Action Group. The aim of this group is to discuss how the organisation can 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 encourages workplace adjustments to support adaptations to the working environment required by any member of staff, including those 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. By being a member of PurpleSpace, 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.

Information regarding workplace adjustments is shared during the induction process for new members of staff.

The Cabinet Office promotes a number of cross-government talent schemes to disabled staff. The Civil Service aims to build a skilled, innovative and ambitious workforce equipped for the future. To deliver improved outcomes for citizens, we need to strengthen expertise and leadership across government. The Future Leaders Scheme for grades 6 and 7 and the Senior Leaders Scheme for deputy directors are two of the Leadership College's accelerated development courses.

These programmes, alongside the Directors Leadership Programme, aim to create a diverse and robust pipeline through to the most senior roles in government.

The Disability Empowers Leadership Talent (DELTA) Programme offers additional support for participants with a disability or long-term health condition. All successful Future Leaders Scheme candidates will be offered a place on DELTA, not just those who recorded a disability or long-term health condition, including neurodiversity. It is up to each participant to decide whether they would be eligible for DELTA. The DELTA offer includes tailored development workshops which aim to address participants' personal development needs and potential barriers specific to disability. The programme also offers executive coaching, senior sponsorship and a range of tailored events. DELTA aims to improve collective visibility of these participants and accelerate their development in order to generate a more diverse and robust community for senior roles.

## **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. 19 accidents were reported, of which none were 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.

	2023-24	2022-23
Number of employees who were relevant union officials during the relevant period	40	34
Full-time equivalent employee number, of which:	36.61	33.38
Percentage of time spent on trade union activities – 0%	4	-
Percentage of time spent on trade union activities – between 1% and 50%	36	33
Percentage of time spent on trade union activities – between 51% and 99%	-	-
Percentage of time spent on trade union activities – 100%	-	-
<b>Total time spent (hours)</b>	<b>1,854</b>	<b>1,973</b>
<b>Total cost of facility time (£000)</b>	<b>64</b>	<b>40</b>
<b>Total pay bill (£000)</b>	<b>663,257</b>	<b>682,559</b>
The percentage of the total pay bill spent on facility time (%)	0.01	0.01

# Parliamentary accountability and audit report

## 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 use. 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 Estimate, published on GOV.UK, to enable comparability between what Parliament approves and the final outturn. The SOPS contains a summary table, detailing performance against the control limits that Parliament has 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 consolidated statement of comprehensive net expenditure (CSoCNE), to tie the SOPS to the financial statements (note 2)
- a reconciliation of outturn to net cash requirement (note 3)
- an analysis of income payable to the Consolidated Fund (note 4)

The SOPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The SOPS commentary provides a summarised discussion of outturn against estimate.

The SOPS and estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the consolidated budgeting guidance, available on GOV.UK.

## Differences between SOPS and the financial statements

### Administration and programme expenditure and income

The classification of expenditure and income as administration or as programme follows the definitions set out in the consolidated budgeting guidance issued by HM Treasury. Under the HM Treasury simplifying and streamlining accounts project, this split is no longer required in the primary statements. Administration expenditure reflects the costs of running the department and those arm's length bodies allocated an administration budget in the Spending Round. Some categories of arm's length bodies do not have an administration budget allocation, and they therefore report only programme costs. Programme costs reflect non-administration expenditure, and include payments of grants and expenditure on arm's length bodies' objectives.

### Dividend income

Dividends received by the department in relation to its investments in associates are not recognised as income in the financial statements. Instead they are treated as a reduction in our investment within the consolidated statement of financial position (CSoFP). The increase/decrease in the net assets of the associates is then recognised as finance income on the face of the CSoCNE. However, in the SOPS, dividends are treated as income and increase/decrease in net assets is ignored entirely.

### Non-recyclable loan repayments

Loan repayments which are not being recycled as sustainable grants are recognised as income in the SOPS but continue to be recognised as loan repayments in the financial accounts.

### UK members of the European Parliament pensions

Pension expenditure for former UK members of the European Parliament is recognised in the SOPS as AME, but the actual cash payments are made by HM Treasury and therefore they are not recognised in the financial statements.

## Summary of resource and capital outturn 2023 to 2024

		2023-24								2022-23	
		Outturn						Outturn vs estimate		restated	
		Outturn			Estimate			saving / (excess)		Outturn	
SOPS note	Voted	Non-voted	Total	Voted	Non-voted	Total	Voted	Non-voted	Total	Total	
<b>Departmental expenditure limit (DEL)</b>											
Resource	1.1	1,074,932	-	1,074,932	1,095,104	-	1,095,104	20,172	-	20,172	810,050
Capital	1.2	486,256	-	486,256	648,015	-	648,015	161,759	-	161,759	295,856
<b>Total DEL</b>		<b>1,561,188</b>	<b>-</b>	<b>1,561,188</b>	<b>1,743,119</b>	<b>-</b>	<b>1,743,119</b>	<b>181,931</b>	<b>-</b>	<b>181,931</b>	<b>1,105,906</b>
<b>Annually managed expenditure (AME)</b>											
Resource	1.1	117,457	-	117,457	296,968	-	296,968	179,511	-	179,511	54,494
Capital	1.2	-	-	-	30,050	-	30,050	30,050	-	30,050	-
<b>Total AME</b>		<b>117,457</b>	<b>-</b>	<b>117,457</b>	<b>327,018</b>	<b>-</b>	<b>327,018</b>	<b>209,561</b>	<b>-</b>	<b>209,561</b>	<b>54,494</b>
<b>Total budget</b>											
Total resource		1,192,389	-	1,192,389	1,392,072	-	1,392,072	199,683	-	199,683	864,544
Total capital		486,256	-	486,256	678,065	-	678,065	191,809	-	191,809	295,856
<b>Total budget expenditure</b>		<b>1,678,645</b>	<b>-</b>	<b>1,678,645</b>	<b>2,070,137</b>	<b>-</b>	<b>2,070,137</b>	<b>391,492</b>	<b>-</b>	<b>391,492</b>	<b>1,160,400</b>
<b>Non-budget expenditure</b>											
Prior period adjustment resource	1.1	34,726	-	34,726	-	-	(34,726)	-	-	(34,726)	-
Prior period adjustment capital	1.2	(53,498)	-	(53,498)	-	-	53,498	-	-	53,498	-
<b>Total non-budget expenditure</b>		<b>(18,772)</b>	<b>-</b>	<b>(18,772)</b>	<b>-</b>	<b>-</b>	<b>18,772</b>	<b>-</b>	<b>-</b>	<b>18,772</b>	<b>-</b>
<b>Total departmental expenditure</b>		<b>1,659,873</b>	<b>-</b>	<b>1,659,873</b>	<b>2,070,137</b>	<b>-</b>	<b>2,070,137</b>	<b>410,264</b>	<b>-</b>	<b>410,264</b>	<b>1,160,400</b>

Figures outlined in thick borders cover the voted control limits voted by Parliament. Refer to the Supply Estimates Manual, available on GOV.UK, for detail on the control limits voted by Parliament.

## Net cash requirement 2023 to 2024

£000				2023-24	2022-23
	SOPS note	Outturn	Estimate	Outturn compared with estimate: saving / (excess)	Outturn restated <sup>29</sup>
Net cash requirement	3	1,411,651	2,218,818	807,167	1,205,662

## Administration costs 2023 to 2024

£000				2023-24	2022-23
	SOPS note	Outturn	Estimate	Outturn compared with estimate: saving / (excess)	Outturn restated <sup>30</sup>
Administration costs	1.1	633,979	655,695	21,716	440,022

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 SOPS 1 and SOPS 3.

For prior period adjustments, it is proper for the department to seek parliamentary authority for the provision that should have been sought previously. For 2022 to 2023, the following such prior period adjustments have been made.

The department has prior period adjustments resulting from three errors relating to the accounting of leases under IFRS 16 which were identified in the GPA accounts plus one for reclassification of assets under construction (see note 2 to the financial statements for further information).

<sup>29</sup> See note 2 to the financial statements.

<sup>30</sup> See note 2 to the financial statements.

The prior period adjustments identified in the GPA accounts have resulted in an overall reduction against non-budget expenditure outturn in 2023 to 2024. The amount adjusted for has the following impact:

<b>Prior period adjustment description</b>	<b>Resource/Capital</b>	<b>DEL/AME</b>	<b>Amount (£000)</b>
GPA IFRS16 – head lease adjustments	Resource	DEL	(6,630)
GPA IFRS16 – head lease adjustments	Capital	DEL	82,105
GPA IFRS16 – sub-lease adjustments	Resource	DEL	3,300
GPA IFRS16 – sub-lease adjustments	Capital	DEL	(135,300)
GPA IFRS16 – HMRC building derecognition	Resource	DEL	304
GPA IFRS16 – HMRC building derecognition	Capital	DEL	-
GPA AUC reclassifications	Resource	DEL	37,752
GPA AUC reclassifications	Capital	DEL	(303)

Notes SOPS 1 to SOPS 4 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

Spending in departmental expenditure limit (DEL)										2023-24	2022-23	
	Administration			Programme			Outturn		Estimate	Outturn restated <sup>31</sup>		
	Gross	Income	Net	Gross	Income	Net	Net total	Total estimate	Virements	Total estimate including virements	Outturn vs estimate: saving / (excess)	Net total
<b>Voted DEL</b>												
<b>A:</b> Seize the opportunities of EU Exit, through creating the world's most effective border to increase UK prosperity and enhance security	183	-	183	17,293	-	17,293	17,476	18,603	(1,127)	17,476	-	23,396
<b>B:</b> Secure a safe, prosperous and resilient UK by co-ordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	29,943	(3,044)	26,899	150,054	(116,703)	33,351	60,250	41,241	19,009	60,250	-	61,749

31 See note 2 to the financial statements.

Spending in departmental expenditure limit (DEL)	£000										2023-24	2022-23
	Administration						Programme			Outturn	Estimate	Outturn restated <sup>31</sup>
	Gross	Income	Net	Gross	Income	Net	Net total	Total estimate	Virements	Total estimate including virements	Outturn vs estimate: saving / (excess)	Net total
<b>Voted DEL</b>												
<b>C:</b> Advance equality of opportunity across the UK	10,809	(125)	10,684	5,840	-	5,840	16,524	19,167	(2,643)	16,524	-	15,387
<b>D:</b> Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	649,238	(397,107)	252,131	300,968	(54,146)	246,822	498,953	405,970	100,406	506,376	7,423	400,126
<b>E:</b> Support the design and implementation of government's and Prime Minister's priorities	134,194	(14,501)	119,693	131,803	(664)	131,139	250,832	405,515	(150,241)	255,274	4,442	233,231
<b>F:</b> Executive agency – Government Property Agency	788,610	(578,781)	209,829	-	-	-	209,829	184,037	33,942	217,979	8,150	52,953
<b>G:</b> Arm's length bodies (net)	15,429	-	15,429	5,639	-	5,639	21,068	20,571	654	21,225	157	21,088
<b>Total voted</b>	<b>1,628,406</b>	<b>(993,558)</b>	<b>634,848</b>	<b>611,597</b>	<b>(171,513)</b>	<b>440,084</b>	<b>1,074,932</b>	<b>1,095,104</b>	<b>-</b>	<b>1,095,104</b>	<b>20,172</b>	<b>807,930</b>

Spending in departmental expenditure limit (DEL)	£000										2023-24	2022-23
	Administration						Programme			Outturn	Estimate	Outturn restated <sup>31</sup>
	Gross	Income	Net	Gross	Income	Net	Net total	Total estimate	Virements	Total estimate including virements	Outturn vs estimate: saving / (excess)	Net total
<b>Non-voted DEL</b>												
UK members of the European Parliament (2022-23 Estimate line H)	-	-	-	-	-	-	-	-	-	-	-	2,120
<b>Total non-voted DEL</b>	-	-	-	-	-	-	-	-	-	-	-	<b>2,120</b>
<b>Total DEL</b>	<b>1,628,406</b>	<b>(993,558)</b>	<b>634,848</b>	<b>611,597</b>	<b>(171,513)</b>	<b>440,084</b>	<b>1,074,932</b>	<b>1,095,104</b>	-	<b>1,095,104</b>	<b>20,172</b>	<b>810,050</b>
<b>Annually managed expenditure (AME)</b>												
H: Cabinet Office AME	-	-	-	563	-	563	563	25,468	-	25,468	24,905	(1,339)
I: Government Property Agency AME	-	-	-	116,894	-	116,894	116,894	271,500	-	271,500	154,606	55,833
<b>Total AME</b>	-	-	-	<b>117,457</b>	-	<b>117,457</b>	<b>117,457</b>	<b>296,968</b>	-	<b>296,968</b>	<b>179,511</b>	<b>54,494</b>
<b>Non-budget spending</b>												
Prior period adjustment <sup>32</sup>	(1,754)	885	(869)	35,595	-	35,595	34,726	-	-	-	(34,726)	-
<b>Total non-budget</b>	<b>(1,754)</b>	<b>885</b>	<b>(869)</b>	<b>35,595</b>	-	<b>35,595</b>	<b>34,726</b>	-	-	-	<b>(34,726)</b>	-
<b>Total resource</b>	<b>1,626,652</b>	<b>(992,673)</b>	<b>633,979</b>	<b>764,649</b>	<b>(171,513)</b>	<b>593,136</b>	<b>1,227,115</b>	<b>1,392,072</b>	-	<b>1,392,072</b>	<b>164,957</b>	<b>864,544</b>

32 The SOPS has been restated due a prior period adjustment. The adjustment is classified as non-budget spending and is recognised in the 2023 to 2024 financial year, even though the adjustment is related to a prior period.

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 is provided in the Supply Estimates Manual, available on GOV.UK. The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can tie the estimate back to the estimates laid before Parliament.

### Explanations of variances between estimate and 2023 to 2024 resource outturn before adjustment for virements

Estimate sub-heading	2023-24 outturn	2023-24 estimate	Variance	Explanation
<b>A:</b> Seize the opportunities of EU Exit, through creating the world's most effective border to increase UK prosperity and enhance security	17,476	18,603	1,127	This underspend is largely due to lower than anticipated spend within Borders Group.
<b>B:</b> Secure a safe, prosperous and resilient UK by co-ordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	60,250	41,241	(19,009)	This overspend is largely due to additional spending on national security programmes.
<b>C:</b> Advance equality of opportunity across the UK	16,524	19,167	2,643	The underspend is largely due to reduced costs within the Equality Hub.
<b>D:</b> Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	498,953	405,970	(92,983)	There was a reclassification of spend against strategic objective E to D. In addition there was increased spend on digital programmes.
<b>E:</b> Support the design and implementation of government's and Prime Minister's priorities	250,832	405,515	154,683	There was a reclassification of spend from strategic objective D to E and lower spend on public inquiries.
<b>F:</b> Executive agency – Government Property Agency	209,829	184,037	(25,792)	This increase is predominantly due to indexation changes and changes to the government accounting policy of private finance initiative (PFI) remeasurement
<b>G:</b> Arm's length bodies (net)	21,068	20,571	(497)	

<b>Estimate sub-heading</b>	<b>2023-24 outturn</b>	<b>2023-24 estimate</b>	<b>Variance</b>	<b>Explanation</b>
<b>H:</b> Cabinet Office AME	563	25,468	24,905	AME expenditure by its nature is unpredictable and so the estimate was prepared based on a worst-case scenario for IFRS 16 spend which didn't materialise.
<b>I:</b> Government Property Agency AME	116,894	271,500	154,606	AME expenditure by its nature is unpredictable and so the estimate was prepared based on a worst-case scenario for the movement of property values which didn't materialise.
<b>Resource outturn against budget</b>	<b>1,192,389</b>	<b>1,392,072</b>	<b>199,683</b>	

## Explanations of variances between 2023 to 2024 and 2022 to 2023 resource outturn

Estimate sub-heading	2023-24 outturn	2022-23 outturn restated <sup>33</sup>	Variance	Explanation
<b>A:</b> Seize the opportunities of EU Exit, through creating the world's most effective border to increase UK prosperity and enhance security	17,476	23,396	5,920	This reduction is largely due a transfer of functions out of the Cabinet Office in 2023-24 and reduced spend in Borders Group.
<b>B:</b> Secure a safe, prosperous and resilient UK by co-ordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	60,250	61,749	1,499	This is due to reduced costs of some national security programmes.
<b>C:</b> Advance equality of opportunity across the UK	16,524	15,387	(1,137)	This is due to an increase in activity in the Equality Hub after a delay in 2022-23.
<b>D:</b> Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	498,953	400,126	(98,827)	This is due an increase in digital spend across a number of project predominately within the Government Digital Service.
<b>E:</b> Support the design and implementation of government's and Prime Minister's priorities	250,832	233,231	(17,601)	This increase is predominately due to an increase in public inquiries spend.
<b>F:</b> Executive agency – Government Property Agency	209,829	52,953	(156,876)	This increase is predominantly due to indexation changes and changes to the government accounting policy of PFI remeasurement.
<b>G:</b> Arm's length bodies (net)	21,068	21,088	20	
UK members of the European Parliament (2022-23 Estimate line H)	-	2,120	2,120	This has now been classified as AME spend in 2023 to 2024.
<b>H:</b> Cabinet Office AME	563	(1,339)	(1,902)	
<b>I:</b> Government Property Agency AME	116,894	55,833	(61,061)	
<b>Total</b>	<b>1,192,389</b>	<b>864,544</b>	<b>(327,845)</b>	

33 See note 2 to the financial statements.

## SOPS 1.2. Analysis of net capital outturn by estimate line

£000							2023-24	2022-23
	Outturn			Estimate			Outturn vs estimate saving / (excess)	Restated outturn <sup>34</sup>
	Gross	Income	Net total	Total estimate	Virements	Total estimate including virements		
<b>Spending in departmental expenditure limit (DEL)</b>								
<b>Voted DEL</b>								
<b>A:</b> Seize the opportunities of EU Exit, through creating the world's most effective border to increase UK prosperity and enhance security	-	-	-	-	-	-	-	-
<b>B:</b> Secure a safe, prosperous and resilient UK by co-ordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	23,250	-	23,250	20,468	2,782	23,250	-	26,219
<b>C:</b> Advance equality of opportunity across the UK	-	-	-	-	-	-	-	-
<b>D:</b> Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	94,680	(765)	93,915	85,338	8,578	93,916	1	60,863
<b>E:</b> Support the design and implementation of government's and Prime Minister's priorities	11,124	-	11,124	18,199	(7,075)	11,124	-	3,920
<b>F:</b> Executive agency – Government Property Agency	590,273	(232,550)	357,723	523,210	(4,285)	518,925	161,202	204,153
<b>G:</b> Arm's length bodies (net)	244	-	244	800	-	800	556	700
<b>Total voted</b>	<b>719,571</b>	<b>(233,315)</b>	<b>486,256</b>	<b>648,015</b>	<b>-</b>	<b>648,015</b>	<b>161,759</b>	<b>295,855</b>

34 See note 2 to the financial statements.

£000						2023-24	2022-23		
	Outturn			Estimate		Outturn vs estimate saving / (excess)		Restated outturn <sup>34</sup>	
Spending in departmental expenditure limit (DEL)	Gross	Income	Net total	Total estimate	Virements	Total estimate including virements			Net total
<b>Annually managed expenditure (AME)</b>									
H: Cabinet Office AME	-	-	-	50	-	50	50		-
I: Government Property Agency AME	-	-	-	30,000	-	30,000	30,000		-
<b>Total AME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,050</b>	<b>-</b>	<b>30,050</b>	<b>30,050</b>		<b>-</b>
<b>Non-budget spending</b>									
Prior period adjustment <sup>35</sup>	78,214	(131,712)	(53,498)	-	-	-	53,498		-
<b>Total non-budget spending</b>	<b>78,214</b>	<b>(131,712)</b>	<b>(53,498)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,498</b>		<b>-</b>
<b>Total capital</b>	<b>797,785</b>	<b>(365,027)</b>	<b>432,758</b>	<b>678,065</b>	<b>-</b>	<b>678,065</b>	<b>245,307</b>		<b>295,855</b>

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 is provided in the Supply Estimates Manual, available on GOV.UK. 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.

35 The SOPS has been restated due a prior period adjustment. The adjustment is classified as non-budget spending and is recognised in the 2023 to 2024 financial year, even though the adjustment is related to a prior period.

## Explanations of variances between estimate and 2023 to 2024 capital outturn before adjustment for virements

Estimate sub-heading	2023-24 outturn	2023-24 estimate	Variance	Explanation
<b>A:</b> Seize the opportunities of EU Exit, through creating the world's most effective border to increase UK prosperity and enhance security	-	-	-	
<b>B:</b> Secure a safe, prosperous and resilient UK by co-ordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	23,250	20,468	(2,782)	A slight increase in spend against budget due to additional costs associated with the government secure IT service and the UK Security Vetting digital platform.
<b>C:</b> Advance equality of opportunity across the UK	-	-	-	
<b>D:</b> Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	93,915	85,338	(8,577)	This increase in spend against budget is driven by additional capital expenditure towards the GOV.UK One Login programme.
<b>E:</b> Support the design and implementation of government's and Prime Minister's priorities	11,124	18,199	7,075	This underspend is largely contributable to savings made in the fit out of the COVID-19 Inquiry building and upgrades to IT hardware at 70 Whitehall.
<b>F:</b> Executive agency – Government Property Agency	357,723	523,210	165,487	This underspend is due to reclassification of right of use lease assets and a lower amount of onboarding of properties from other government departments than had been budgeted for.
<b>G:</b> Arm's length bodies (net)	244	800	556	
<b>H:</b> Cabinet Office AME	-	50	50	
<b>I:</b> Government Property Agency AME	-	30,000	30,000	GPA AME budget was under-used due to an over-forecast of IFRS 16.
<b>Total</b>	<b>486,256</b>	<b>678,065</b>	<b>191,809</b>	

## Explanations of variances between 2023 to 2024 and 2022 to 2023 capital outturn

Estimate sub-heading	2023-24 outturn	2022-23 outturn restated <sup>36</sup>	Variance	Explanation
<b>A:</b> Seize the opportunities of EU Exit, through creating the world's most effective border to increase UK prosperity and enhance security	-	-	-	
<b>B:</b> Secure a safe, prosperous and resilient UK by co-ordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	23,250	26,219	2,969	Decrease in capital expenditure through the government secure IT service with more activity moving to regular running costs.
<b>C:</b> Advance equality of opportunity across the UK	-	-	-	
<b>D:</b> Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	93,915	60,863	(33,052)	This increase is driven by additional capital expenditure towards the GOV.UK One Login programme.
<b>E:</b> Support the design and implementation of government's and Prime Minister's priorities	11,124	3,920	(7,204)	The increase in spend in this area is attributable to the fit out of the COVID-19 Inquiry building.
<b>F:</b> Executive agency – Government Property Agency	357,723	204,153	(153,570)	Increase in capital expenditure is driven by additions to right of use property assets recognised by GPA.
<b>G:</b> Arm's length bodies (net)	244	700	456	
<b>H:</b> Cabinet Office AME	-	-	-	
<b>I:</b> Government Property Agency AME	-	-	-	
<b>Total</b>	<b>486,256</b>	<b>295,855</b>	<b>(190,401)</b>	

36 See note 2 to the financial statements.

## 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		2023-24	2022-23
	Note	Outturn	Estimate
			Outturn restated <sup>37</sup>
Budget		1,192,389	1,392,072
Non-budget		34,726	-
<b>Total resource outturn in the SOPS</b>	SOPS 1.1	<b>1,227,115</b>	<b>1,392,072</b>
<b>Add items in CSoCNE and not in SOPS:</b>			
Research (capital under ESA10 definition) <sup>38</sup>	4	-	40
Fair value (gain) / loss on financial assets – associate put options (non-cash)	11.1, 11.2	(262)	567
Elimination adjustment <sup>39</sup>		11,956	(2,955)
Capital grants	4	14,415	8,197
Income from minor disposals – payable to the Consolidated Fund	5, SOPS 4	(22)	(53)
Share of associates' profit	10	(7,531)	(8,719)
(Gain)/loss on disposal of finance asset	4,11	(30,811)	-
Capital grant income	5	(17,869)	(32,739)
Crown Commercial Service dividend income	SOPS 4, 5	(71,000)	-
Official Receiver working capital received	5, SOPS 4	(43,250)	-
Capital receipts from disposals	5	(375)	-
GPA prior period adjustment		-	34,726
<b>Less items in SOPS and not in CSoCNE:</b>			
UK members of the European Parliament salaries and pension	SOPS 1.1	(1,939)	(2,120)
Dividends received from associates	10	4,251	4,128
Non-budget Consolidated Fund extra receipts		-	(196,400)
Local government loan repayments	11.3	1,893	2,488
GPA prior period adjustment		(34,726)	-
<b>Net expenditure in the CSoCNE</b>	<b>CSoCNE</b>	<b>1,051,845</b>	<b>1,195,712</b>
		<b>864,544</b>	<b>868,064</b>

37 See note 2 to the financial statements.

38 Research and development costs have been classified to capital budgets under ESA 10 as set out in the consolidated budgeting guidance.

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

## SOPS 2.2. Reconciliation of net capital outturn to the financial statements

£000		2023-24	2022-23
	Note	Outturn	Estimate
			Outturn restated <sup>40</sup>
<b>Total capital outturn in the SOPS:</b>			
Budget	SOPS 1.2	486,256	678,065
Non-budget	SOPS 1.2	(53,498)	-
<b>Total capital outturn in the SOPS</b>		<b>432,758</b>	<b>678,065</b>
<b>Financial statements:</b>			
<b>Property, plant and equipment</b>			
- Additions	6	319,318	647,975
- Donations	6	-	-
- Capital grant in kind transfers from other government departments	6	7,850	-
<b>Intangible assets</b>			
- Additions	7	108,478	-
<b>Assets held for sale</b>			
- Disposals	12	(3,648)	-
<b>Right of use assets</b>			
- Additions	20	270,702	-
- Disposals	20	(211,798)	-
Remeasurement	20	(817)	-
<b>Capital grants</b>			
- Capital grant expenditure	4	14,415	-
- Capital grant income	5	(10,019)	-
- Capital grant in kind income – transfers from other government departments	5	(7,850)	-
Research and development (capital under ESA10 definition)	4	-	40
Capital receipts from disposals	5	(375)	-
Capital AME		-	30,050
GPA prior period adjustment		(53,498)	-
<b>Total capital outturn in the financial statements</b>		<b>432,758</b>	<b>678,065</b>

40 See note 2 to the financial statements.

## 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				2023-24	
		Note	Outturn	Estimate	Outturn vs estimate saving / (excess)
<b>Total resource outturn</b>	<b>SOPS 1.1</b>		<b>1,227,115</b>	<b>1,392,072</b>	<b>164,957</b>
<b>Less non-budget</b>			<b>(34,726)</b>	<b>-</b>	<b>34,726</b>
<b>Total capital outturn</b>	<b>SOPS 1.2</b>		<b>432,758</b>	<b>678,065</b>	<b>245,307</b>
<b>Less non budget</b>			<b>53,498</b>	<b>-</b>	<b>(53,498)</b>
<b>Accruals to cash adjustments:</b>					
<b>Adjustments to remove non-cash items:</b>					
Depreciation		4	(102,027)	(404,972)	(302,945)
Depreciation – right of use asset		4	(42,189)	-	42,189
Amortisation		4	(20,531)	-	20,531
Impairment – property, plant and equipment		4	(371)	-	371
Impairment – right of use asset		4	(5,623)	-	5,623
Impairment – trade receivables		4	(2,439)	-	2,439
Revaluation – property, plant and equipment		4	(107,703)	-	107,703
Write-off – bad debt		4	(333)	-	333
New provisions and in-year adjustments		4	(21,392)	(73,344)	(51,952)
Audit fee ('other non-cash items' in the estimate)		4	(1,042)	-	1,042
Local government loans – expected loss allowance		4	(552)	-	552
Notional expenditure – Digital Apprenticeship Service		4	(1,019)	-	1,019
Notional income – Digital Apprenticeship Service		5	1,019	-	(1,019)
Non-cash PFI adjustments		5	(65,683)	-	65,683
<b>Adjustments for arm's length bodies:</b>					
Add cash grant-in-aid			21,617	21,418	(199)
Remove voted resource and capital	SOPS1.1		(21,523)	(21,421)	102
Add non-cash adjustment and working capital – EHRC			429	-	(429)
Remove interest cost on pension scheme liabilities – EHRC		19	(44)	-	44

	Note	Outturn	Estimate	
<b>Adjustment to reflect movements in working balances:</b>				
Increase / (decrease) in inventories		129	-	(129)
Increase / (decrease) in trade receivables		49,667	236,000	186,333
Increase / (decrease) in non-current receivables		127,942	-	(127,942)
(Increase) / decrease in trade payables		(96,928)	391,000	487,928
(Increase) / decrease in non-current payables		(950)	-	950
Remove voted resource and capital – accrual		(311)		311
Elimination adjustment		11,956	-	(11,956)
Use of provisions	16, 19	23,106	-	(23,106)
<b>Net total</b>		<b>1,423,850</b>	<b>2,218,818</b>	<b>794,968</b>
<b>Removal of non-voted budget items:</b>				
Amounts due to the Consolidated Fund receivable from disposals		(12,154)	-	12,154
Salary and pension costs of the UK members of European Parliament ('Consolidated Fund Standing Services' in the estimate)	SOPS 2.1	(1,939)	-	1,939
Local government loan repayments	SOPS 2.1	1,893		(1,893)
<b>Registrar of Consultant Lobbyists</b>				
- Cash surrendered to the Consolidated Fund	15, SOPS 4	(224)	-	224
- Cash surrenderable to the Consolidated Fund – registration fees	15, SOPS 4	222	-	(222)
- Cash surrenderable to the Consolidated Fund – civil penalties	15, SOPS 4	3	-	(3)
<b>Net cash requirement</b>		<b>1,411,651</b>	<b>2,218,818</b>	<b>807,167</b>

The net cash requirement is under budget by £807.2 million due to the movement in working capital (£524.4 million) being lower than budgeted for, as well as underspends on voted resource (£37.5 million) and capital (£245.3 million). See SOPS 1.1 and SOPS 1.2 for explanations for the main variances against the estimate provided, which has affected the net cash requirement for the year.

## 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.

£000	Note	2023-24		2022-23	
		Accruals	Cash basis	Accruals	Cash basis
<b>Disposal of financial assets</b>					
Shareholding in Shared Services Connected Limited	10, 14, 15	82,150	82,150	-	-
Recoveries relating to Carillion plc in liquidation	5, 14, 15	40,750	40,750	-	-
Recovers relating to UK Cloud in liquidation	5, 14, 15	2,500	2,500	-	-
<b>Disposal of non-financial assets</b>					
Sale of Sunningdale Park	15	-	-	-	7,425
Other minor disposals		22	22	53	53
<b>Registrar of Consultant Lobbyists</b>					
Registration fees from consultant lobbyists	5, 15	222	222	221	221
Civil penalties applied to consultant lobbyists – collected on behalf of Consolidated Fund	15	3	3	4	4
Registration fees from consultant lobbyists – receivable		1	-	-	-
<b>EHRC Commission for Racial Equality Pension and Life Assurance Scheme (CREPLAS)</b>					
EHRC CREPLAS pension scheme winding up		-	-	4,681	4,681
<b>Crown Commercial Service</b>					
Dividends from Crown Commercial Service		71,000	71,000	-	-
<b>Total amount payable to the Consolidated Fund</b>		<b>196,648</b>	<b>196,647</b>	<b>4,959</b>	<b>12,384</b>

### Income payable to the Consolidated Fund

#### Disposal of shareholdings in associates

On 6 November 2023, the department completed the sale of Shared Services Connected Limited (SSCL) by exercising the put option for consideration of £82.2 million, resulting in an overall accounting profit of £30.8 million.

### **Recoveries from the Official Receiver**

Cabinet Office received £40.3 million relating to the receiverships of Carillion plc and £2.5 million relating to UK Cloud Ltd which is surrenderable to the Consolidated Fund. See note 14.1 to the financial statements.

### **Disposal of Sunningdale Park**

On 20 February 2020 the Cabinet Office sold Sunningdale Park, Berkshire, for a consideration of £48.4 million. Of this, £26.1 million was received on completion. The balance of £22.3 million was deferred, with three equal instalments of £7.4 million due to be received on 1 March 2021, 1 March 2022 and 1 March 2023.

### **Other minor disposals**

The Cabinet Office received income from the sale of face coverings and face covering manufacturing machines from the COVID-19 face coverings programme. This is surrenderable to the Consolidated Fund by agreement between the Cabinet Office and HM Treasury. Cash receipts in 2023 to 2024 amounted to £21,775 (2022 to 2023: £52,765).

### **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 to the making, updating and maintenance of entries in the register. 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 on consultant lobbyists. Cash receipts in 2023 to 2024 amounted to £222,564 (2022 to 2023: £221,840).

### **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 in 2023 to 2024 was £2,632 (2022 to 2023: £4,523).

#### **EHRC Commission for Racial Equality Pension and Life Assurance Scheme**

The remaining balance of the Commission for Racial Equality Pension and Life Assurance Scheme (CREPLAS), which was administered by the EHRC but has now been wound up, has been repaid.

#### **Crown Commercial Service**

The dividend which the Cabinet Office receives from the Crown Commercial Service has been treated as income in the financial statements, but in 2023 to 2024 the full amount of £71.0 million was returned to HM Treasury and is not classified as income in the SOPS. In 2022 to 2023 the Cabinet Office received £36.0 million, which covered some of the costs of the complex transaction, continuous improvement, markets and suppliers, and policy teams. This previously transferred from the Crown Commercial Service to the 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.

## 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.

The regularity of expenditure section 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 – losses and special payments (audited)

The CSoCNE includes losses, such as write-offs of unrecoverable debts and fruitless payments. It also includes extra contractual special payments.

All losses and special payments shown in the table below are for the core department and executive agency.

	2023-24	2023-24	2022-23	2022-23
	Core department and agency	Departmental group	Core department and agency	Departmental group
<b>Total value of losses (£)</b>	<b>8,802,035</b>	<b>8,802,035</b>	<b>1,453,736</b>	<b>1,453,736</b>
<b>Total number of losses</b>	<b>352</b>	<b>352</b>	<b>47</b>	<b>47</b>
<b>Cash losses</b>				
Value (£)	347,418	347,418	27,238	27,238
Number of cases	317	317	7	7
<b>Claims abandoned</b>				
Value (£)	371,000	371,000	1,201,595	1,201,595
Number of cases	1	1	1	1
<b>Administrative write-offs</b>				
Value (£)	1,701	1,701	2,146	2,146
Number of cases	4	4	4	4
<b>Fruitless payments</b>				
Value (£)	52,054	52,054	58,279	58,279
Number of cases	19	19	18	18
<b>Special payments</b>				
Value (£)	8,029,862	8,029,862	164,478	164,478
Number of cases	11	11	17	17

Includes five special severance payments with a maximum of £94,046 a median of £56,000 and a minimum of £23,425.

### **Details of cases over £300,000**

A payment of £7,750k was made to the Government Legal Department to fund settlement of claims arising from the 2018 McCloud judgement regarding unlawful age discrimination in public sector pension schemes.

The GPA incurred a constructive loss of £371k for sunk costs relating to the cessation of a London building exit project.

### **4.2. Fees and charges (audited)**

The Cabinet Office does not fund any services through fees or charges based on the definition set out in Managing Public Money.

### **4.3. Remote contingent liabilities (audited)**

In addition to contingent liabilities reported within the meaning of International Accounting Standard (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. No claims against these liabilities have been made yet.

### **Indemnity for ventilator provider, 2020**

In agreeing the emergency provision of ventilators, the Cabinet Office has provided indemnities. The first indemnity is for the third-party intellectual property rights for the designers and contract manufacturers of the rapidly manufactured ventilator systems. The basic functionality of a ventilator is well understood and we believe that the risk here is low. The second indemnity is for the product liability for the designers and contract manufacturers of the rapidly manufactured ventilator systems.

The need was 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 between 26 March and 28 March 2020 and a departmental minute was presented to Parliament on 29 April 2020.<sup>41</sup> Where the Cabinet Office extends the provisions of these now-standard terms for accelerated manufacturing processes, similar indemnities will be offered.

### **Indemnity for United Nations Framework Convention on Climate Change**

In November 2021, the UK hosted COP26 on behalf of the United Nations Framework Convention on Climate Change.

41 Departmental minute: Indemnities granted to designers and manufacturers in the rapidly manufactured ventilator system project. Available at: [www.gov.uk/government/publications/notification-of-contingent-liability-rapidly-manufactured-ventilator-system-project](http://www.gov.uk/government/publications/notification-of-contingent-liability-rapidly-manufactured-ventilator-system-project)

In accordance with the host country agreement, the UK is responsible for dealing with any action, claim or other demand against the secretariat, the United Nations or any of their officials. The UK has indemnified and holds harmless the United Nations and the secretariat and any of their officials in respect of any such action, claim or demand, except where it is agreed by the United Nations or secretariat and the UK. Parliament was notified of this contingent liability on 21 July 2021.<sup>42</sup>

### **Indemnities for the Official Receiver**

**Carillion Ltd** – 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 Official 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 to safeguard the continuity of public services. The indemnity was provided on 15 January 2018 and may be terminated by the government giving less than 14 days' notice. Parliament was notified of this contingent liability on 15 January 2018.<sup>43</sup>

### **Virtual Infrastructure Group Ltd and UK**

**Cloud Ltd** – The government has indemnified the Official Receiver, appointed as liquidator of Virtual Infrastructure Group Ltd and UK Cloud Ltd, for actions he undertakes as Official 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 to safeguard the continuity of public services. The indemnity was provided on 17 October 2022 and may be terminated by the government giving less than 14 days' notice. Parliament was notified of this contingent liability on 26 October 2022.<sup>44</sup>

### **Indemnity for trustees of CREPLAS**

The government has indemnified the trustees of CREPLAS against future personal liability claims in relation to their administration of the scheme to the extent that such personal liability claims exceed the scheme's surplus assets and the trustee's private insurance maximum benefit. A departmental minute was presented to Parliament on 10 February 2022.<sup>45</sup>

42 Indemnification to UNFCCC: Notification to Parliament. Available at: [hansard.parliament.uk/commons/2021-07-21/debates/21072185000013/IndemnificationToUNFCCCNotificationToParliament](https://hansard.parliament.uk/commons/2021-07-21/debates/21072185000013/IndemnificationToUNFCCCNotificationToParliament)

43 Indemnification to UNFCCC: Notification to Parliament. Available at: [hansard.parliament.uk/commons/2021-07-21/debates/21072185000013/IndemnificationToUNFCCCNotificationToParliament](https://hansard.parliament.uk/commons/2021-07-21/debates/21072185000013/IndemnificationToUNFCCCNotificationToParliament)

44 Notification of Contingent Liabilities: Liquidation of UK Cloud Ltd and Virtual Infrastructure Group. Available at: [hansard.parliament.uk/commons/2022-10-26/debates/22102642000005/NotificationOfContingentLiabilitiesLiquidationOfUkcloudLtdAndVirtualInfrastructureGroup](https://hansard.parliament.uk/commons/2022-10-26/debates/22102642000005/NotificationOfContingentLiabilitiesLiquidationOfUkcloudLtdAndVirtualInfrastructureGroup)

45 Departmental minute: Commission for Racial Equality Pension and Life Assurance Scheme (CREPLAS) wind-up. Available at: [www.gov.uk/government/publications/closure-of-the-commission-for-racial-equality-pension-and-life-assurance-scheme-creplas/commission-for-racial-equality-pension-and-life-assurance-scheme-creplas-wind-up-departmental-minute](https://www.gov.uk/government/publications/closure-of-the-commission-for-racial-equality-pension-and-life-assurance-scheme-creplas/commission-for-racial-equality-pension-and-life-assurance-scheme-creplas-wind-up-departmental-minute)

### Commercial sensitivity

The Cabinet Office has 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.

### Legally privileged

The Cabinet Office has a contingent liability subject to legal privilege for which details are not given to avoid prejudicing the position of the department. The likelihood of future outflow of economic resources is considered unlikely.

## 4.4. Reconciliation between contingent liabilities reported in the Supply Estimate and those reported in the annual report and accounts

### Quantifiable contingent liabilities

Description	Supply Estimate (£000)	Amount disclosed in the annual report and accounts (£000)	Variance (£000)
None to report	-	-	-

### Unquantifiable contingent liabilities

Description	Disclosed in Supply Estimate	Disclosed in the annual report and accounts	Explanation of difference
Indemnity for ventilator provider, 2020	Yes	Yes	-
Indemnity for United Nations Framework Convention on Climate Change	Yes	Yes	-
Indemnities for the Official Receiver - Carillion Ltd	Yes	Yes	-
Indemnities for the Official Receiver - Virtual Infrastructure Group Ltd and UK Cloud Ltd	Yes	Yes	-
Indemnity for trustees of the Commission for Racial Equality Pension and Life Assurance Scheme	Yes	Yes	-
IR35	Yes	Yes	-
Commercial sensitivity	Yes	Yes	-

## Unquantifiable contingent liabilities

Description	Disclosed in Supply Estimate	Disclosed in the annual report and accounts	Explanation of difference
Legally privileged (A)	Yes	Yes	
Legally privileged (B)	Yes	No	The case was withdrawn by the claimant before the annual report and accounts was produced
Legally privileged (C)	Yes	No	The case was settled with the claimant before the annual report and accounts was produced
Legally privileged (D)	No	Yes	This contingent liability arose after the Supply Estimate was completed and therefore was not included, but it is disclosed in the annual report and accounts

### 4.5. Entities outside the departmental boundary (audited)

#### Executive agency – Crown Commercial Service

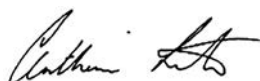
The Crown Commercial Service became a legal entity on 2 April 2014. It was created to drive savings for the taxpayer and improve the quality of commercial and procurement activity across the public sector. It is an executive agency and trading fund of the Cabinet Office. Services provided by the Crown 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 the GOV.UK website.

### 4.6. 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 on the GOV.UK website.

### 4.7. Government functional standards

The Cabinet Office follows the government functional standards. Further information on the content of the government functional standards can be found at: [www.gov.uk/government/collections/functional-standards](http://www.gov.uk/government/collections/functional-standards)



#### Cat Little

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

11 December 2024

# The certificate and report of the Comptroller and Auditor General to the House of Commons

## Qualified opinion on financial statements

I certify that I have audited the financial statements of the Cabinet Office (the department) and of its departmental group for the year ended 31 March 2024 under the Government Resources and Accounts Act 2000. The department comprises the core department and its agency. The departmental group consists of the department and the bodies designated for inclusion under the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2023.

The financial statements comprise: the department's and the departmental group's:

- statement of financial position as at 31 March 2024
- statement of comprehensive net expenditure, statement of cash flows and statement of changes in taxpayers' equity for the year then ended
- the related notes including the significant accounting policies

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

In my opinion, except for the possible effects of the matters described in the *Basis of qualified opinion on the financial statements* section below, the financial statements:

- give a true and fair view of the state of the department and the departmental group's affairs as at 31 March 2024 and their net expenditure for the year then ended
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder

## Qualified opinion on regularity

In my opinion, except for the effects of the matters described in the *Basis for qualified opinion on regularity* sections below, in all material respects:

- the statement of outturn against parliamentary supply properly presents the outturn against voted parliamentary control totals for the year ended 31 March 2024 and shows that those totals have not been exceeded
- 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 qualified opinion on the financial statements

### Overview

In respect of the assets under construction held by the department and the departmental group and related transactions recorded in the financial statements, the evidence available to me was limited as the Government Property Agency was unable to provide sufficient evidence of the valuation or classification of assets under construction held at 31 March 2024 and 31 March 2023. Consequently, I was unable to obtain sufficient, appropriate audit evidence to support £28 million of the £330 million of payments on account and assets under construction represented in notes 6 and 7 to the department and the departmental group's statement of financial position at 31 March 2024 and £127 million of the £295 million at 31 March 2023. In the absence of evidence to support the classification of assets under construction, I am unable to assess the completeness and accuracy of the depreciation, amortisation and impairment in the department and the departmental group's statement of comprehensive net income for the years ended 31 March 2024 and 31 March 2023.

In respect of the property, plant and equipment and intangible assets held by the department and the departmental group and related transactions recorded in the financial statements, the evidence available to me was limited as the Government Property Agency was unable to provide sufficient evidence to support £108 million of reclassifications and £27 million of impairments from assets under construction for the year ended 31 March 2024 and £22 million of reclassifications

and £8 million of impairments from assets under construction for the year ended 31 March 2023.

Consequently, I was unable to obtain sufficient, appropriate audit evidence to support the classification and consequent valuation of intangible assets, IT, plant and machinery, and leasehold improvements represented in the department and the departmental group's statement of financial position at 31 March 2024 and at 31 March 2023. In the absence of evidence to support the classification and consequent valuation of intangible assets, IT, plant and machinery and leasehold improvements, I am unable to assess the completeness and accuracy of the depreciation, amortisation and impairment in the department and the departmental group's statement of comprehensive net expenditure for the years ended 31 March 2024 and 31 March 2023.

### Matters giving rise to qualification

The department, through the Government Property Agency, manages and provides workspaces for civil servants and enables public sector efficiency through the management of civil estate. This includes the development of new government hubs and redevelopment of existing property.

At 31 March 2024, £214 million of the departmental group's £330 million assets under construction on its statement of financial position was held by the Government Property Agency.

Assets under construction is a temporary classification that is used while capital projects are still in progress. Once a project is completed and the assets are available for use, the costs should be transferred to the relevant asset category and depreciated.

Due to weaknesses in its controls over the transfer of assets from assets under construction to other asset categories, the Government Property Agency was unable to provide sufficient evidence of the valuation or classification of assets under construction held at 31 March 2024 and 31 March 2023. It was also unable to provide sufficient evidence over the reclassification and impairment of costs from assets under construction in 2024 and 2023.

### Scope of my audit work

The scope of my work included:

- reviewing the processes that the Government Property Agency put in place to review its assets under construction balances once it had identified the weaknesses in control
- sample testing of additions to assets under construction to ensure that these were valid capital additions
- testing the largest assets under construction projects to confirm that the assets were in existence and still under development as at the 31 March 2024 and 31 March 2023
- reperforming the reclassification calculations for a sample of assets under construction transfers to freehold properties to ensure that impairments on reclassification had been appropriately recognised
- engagement with management's property valuation experts to confirm how capital expenditure was reflected in valuations
- assessing management's disclosures of the weaknesses in controls over assets under construction

### Why I was unable to obtain sufficient appropriate audit evidence

The Government Property Agency was not able to provide me with sufficient evidence to support the valuation or classification of assets under construction held at 31 March 2024 and 31 March 2023. It was also unable to provide me with sufficient evidence over the reclassification and impairment of costs from assets under construction in 2024 and 2023. This meant it was unable to provide me with sufficient evidence to support the classification and consequent valuation of intangible assets, IT, plant and machinery, and leasehold improvements. These matters are material to the department and departmental group.

### Basis for qualified opinion on regularity

The department is required to comply with Cabinet Office spend controls it administers for itself and across central government, as these are Managing Public Money requirements which form part of its framework of authorities. These include controls over commercial spend. During 2023 to 2024, the Government Property Agency incurred spend against a contract for physical site security. It had not obtained Cabinet Office approval of the contract when it was entered into in 2022 to 2023.

Expenditure of £6 million, recognised within accommodation and utilities costs in note 4 of the financial statements, therefore did not have appropriate Cabinet Office approval. The total anticipated spend is £179 million excluding VAT over the period of the contract. I have qualified my regularity opinion as a result.

## 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 department and its group 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.

The framework of authorities described in the table below has been considered in the context of my opinion on regularity.

### Framework of authorities

Authorising legislation	Government Resources and Accounts Act 2000
Parliamentary authorities	Supply and Appropriations Act
HM Treasury and related authorities	Managing Public Money

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the department and its group'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 department or its group'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 department and its group is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires 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.

# Overview of my audit approach

## Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

Except for the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in our certificate and report.

This is not a complete list of all risks identified through the course of my audit but only those areas that had the greatest effect on my overall audit strategy, allocation of resources and direction of effort. I have not, for example, included information relating to the work I have performed around the presumed audit risks on the potential for management override of controls and fraud in revenue recognition, which are areas where my work has not identified any matters to report.

The key audit matters impact both the department and the departmental group and were discussed with the Audit and Risk Committee and included within the governance statement on page 43.

In this year's report the following changes to the risks identified have been made compared to my prior year report:

- the valuation of investments and associated put options is no longer a key audit matter following the department's exercise of its put option in SSCL and disposal of its investment – the remaining investment and associated put option in Crown Hosting Data Centres Limited is not material
- the valuation of financial instruments and indemnities issued to the Official Receiver in respect of Carillion plc and UK Cloud Ltd is no longer a key audit matter following substantial receipts in year – the remaining financial asset is not material

## Valuation of land and buildings assets

### Description of risk

The department recognises £1,337 million of land and buildings assets on its consolidated statement of financial position as at 31 March 2024 (£1,447 million as at 31 March 2023). The Government Property Agency (a significant component of the group) recognises £1,252 million of these assets (£1,371 million as at 31 March 2023).

As described in note 1.29 the Government Property Agency engaged external property valuation specialists to estimate the fair value of its properties. Each property is revalued on a rotational basis on a five-year cycle, commencing at the point of acquisition or on its transfer to the Government Property Agency. In the intervening years, changes in valuation are determined using a desktop valuation exercise undertaken by the Government Property Agency's external property specialists without reinspection. The valuation of property is a significant estimate in the financial statements and a key source of estimation uncertainty, as a reasonable change in assumptions used can have a significant impact on the valuation. The assumptions include estimates of future rental income, anticipated future costs, floor areas and the discount rate.

### How the scope of my audit responded to the risk

My work included:

- reviewing the design and implementation of management's controls over the year end valuations of properties
- testing key input data such as floor area measurements and useful economic lives
- assessing the valuation approach and methodology, drawing in part on the work of a RICS-qualified expert
- assessing the reasonableness of management's impairment review
- considering changes to the property portfolio and any impact on the basis of valuation

### Key observations

I found that the group's key controls over the valuation process had been designed and implemented adequately and that asset valuations had been prepared using an appropriate methodology and appropriate assumptions. I also found that for a sample of individual properties the valuations were materially appropriate.

### Description of risk

The Government Property Agency holds leasehold properties, which it sub-lets to other government bodies. The accounting treatment of the properties depends on whether the sub-leases are operating leases or finance leases in line with the definitions set out in IFRS 16 Leases. Where the sub-lease is an operating lease, the Government Property Agency recognises a right of use asset. Where the sub-lease is a finance lease, it recognises a finance lease receivable. At 31 March 2024, the group held £355 million of right of use assets and £822 million of finance lease receivables. There are judgments and assumptions involved in both the classification of the leases and the calculation of the associated assets and liabilities. There is also judgment in ensuring that all related assets and liabilities, such as dilapidation provisions, have been recognised. Any subsequent changes to lease terms need to be identified and assessed to ensure the accounting remains appropriate. Therefore, I identified a risk that lease-related assets and liabilities were not complete, appropriately classified and correctly valued.

### How the scope of my audit responded to the risk

My work included:

- reviewing the design and implementation of management's controls over the recognition of lease liabilities and lease receivables
- confirming the completeness of the leases recognised by comparing to in-year Investment Committee and National Property Board approvals and reconciling

the list of properties with income recharges to the lease listing

- for leases transferred from other government departments, confirming the valuation of the assets and liabilities transferred against the accounting records of the transferring body
- testing the classification and accounting entries for a sample of new and ongoing leases by reviewing inputs and assumptions against underlying lease agreements – this included confirming that any changes to lease terms had been recognised
- reperforming the calculation of lease receivables and liabilities for a sample of new and ongoing leases
- testing a sample of leases to confirm whether all related assets and liabilities, such as dilapidation provisions, had been identified and recognised

### Key observations

I identified material errors in the recognition and valuation of the right of use assets and lease liabilities relating to both the in-year and prior year values. These arose from recognition judgements when applying IFRS 16 and the accuracy of underlying data. Additional audit work was required to address this risk.

These errors have been adjusted with prior period adjustments reported within note 2 of the financial statements.

## Management of fixed assets at the core department

### Description of risk

The core department held property, plant and equipment of £173 million (note 6) and intangible assets of £154 million (note 7) at 31 March 2024. During the audit, I found that the core department had not properly maintained its fixed asset register for the 2023 to 2024 financial year. In particular, it had not processed additions in the fixed asset register on a timely basis or reclassified assets which were already in operational use from assets under construction to other asset categories. In addition, it had not completed an impairment review of its fixed assets. I identified a risk that assets were incorrectly classified and that depreciation, amortisation, impairment and indexation had not been correctly recognised.

### How the scope of my audit responded to the risk

I challenged management to undertake corrective work to calculate the required adjustments to the accounts and complete an impairment review.

I reviewed the design and implementation of management's controls to account for fixed assets.

I reviewed the work completed by management to assess the misstatements and considered the completeness of its assessment, assessed the reasonableness of its assumptions and the method used to estimate the misstatement.

I considered the work completed by management to review its assets under construction balances. I assessed management's judgements against IAS 38 and IAS 16 and recalculated the related values of understated depreciation and amortisation of assets reclassified.

I considered management's conclusions on the need for impairment and any write-offs arising.

### Key observations

Management undertook processes to identify the adjustments that were required to address this weakness in controls. This resulted in material adjustments to the financial statements to reclassify assets from assets under construction to other asset categories and recognise depreciation and amortisation that had not been charged on additions and reclassified assets.

I conclude that the significant weakness in control has been retrospectively addressed for the financial statements.

## Application of materiality

### Materiality

I applied the concept of materiality in both planning and performing my audit, and in evaluating the effect of misstatements on my audit and on the financial statements. This approach recognises that financial statements are rarely absolutely correct, and that an audit is designed to provide reasonable, rather than absolute, assurance that the financial statements

are free from material misstatement or irregularity. A matter is material if its omission or misstatement would, in the judgement of the auditor, reasonably influence the decisions of users of the financial statements.

Based on my professional judgement, I determined overall materiality for the department and its group's financial statements as follows:

### Departmental group

<b>Materiality for the group financial statements as a whole</b>	<b>£23 million</b>
Basis for determining materiality	1% of the value of property assets
Rationale for the benchmark applied	Property assets are the largest item in the departmental group's consolidated statement of financial position and are likely to be the key focus of users of the account
Particular classes of transactions, account balances and disclosures where this level of materiality has been applied	This materiality has been used to assess the accuracy of property assets, including lease assets, lease liabilities and their related expenditure
<b>Reduced materiality for the group financial statements</b>	<b>£20 million</b>
Basis for determining materiality	1% of gross expenditure (excluding transactions directly related to property such as depreciation)
Rationale for the benchmark applied	Expenditure has been used as the materiality benchmark to recognise the sensitivity of financial statement users to transactions and balances reflecting taxpayer-backed financial activity
Particular classes of transactions, account balances and disclosures where this level of materiality has been applied	All classes of transactions, balances and disclosures within the group financial statements that are not directly related to property assets

### Department

<b>Materiality for the parent financial statements as a whole</b>	<b>£22.9 million</b>
Basis for determining materiality	1% of the value of property assets
Rationale for the benchmark applied	Property assets are the largest item in the department's consolidated statement of financial position and are likely to be the key focus of users of the account

## Department

Particular classes of transactions, account balances and disclosures where this level of materiality has been applied	This materiality has been used to assess the accuracy of property assets, including lease assets, lease liabilities and their related expenditure
<b>Reduced materiality for the group financial statements</b>	<b>£20 million</b>
Basis for determining materiality	1% of gross expenditure (excluding transactions directly related to property such as depreciation)
Rationale for the benchmark applied	Expenditure has been used as the materiality benchmark to recognise the sensitivity of financial statement users to transactions and balances reflecting taxpayer-backed financial activity
Particular classes of transactions, account balances and disclosures where this level of materiality has been applied	All classes of transactions, balances and disclosures within the department's financial statements that do not directly relate to property assets
<b>Materiality for Public Duty Cost Allowance</b>	<b>£16,500</b>
Basis for determining materiality	2% of total Public Duty Cost Allowance expenditure
Rationale for the benchmark applied	Payments to the offices of former Prime Ministers are separately disclosed in the financial statements as Public Duty Costs and are of high public interest
Particular classes of transactions, account balances and disclosures where this level of materiality has been applied	Applicable to Public Duty Cost Allowance expenditure reported within both the parent and group financial statements

## Performance materiality

I set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality of the financial statements as a whole. Group performance materiality was set at 75% of group materiality for the 2023 to 2024 audit (2022 to 2023: 75%). In determining materiality, I considered the elements of the financial statements, expected interest of the users of the financial statements, the nature and environment of the department and its group and how it is financed. In determining performance materiality, I have also considered the level of uncorrected misstatements identified in the previous period.

## Other materiality considerations

Apart from matters that are material by value (quantitative materiality), there are certain matters that are material by their very nature and would influence the decisions of users if not corrected. Such an example is any errors reported in the related parties note in the financial statements. Assessment of such matters needs to have regard to the nature of the misstatement and the applicable legal and reporting framework, as well as the size of the misstatement.

I applied the same concept of materiality to my audit of regularity. In planning and performing my audit work to support my opinion on regularity and in evaluating the impact of any irregular transactions, I considered both quantitative and qualitative aspects that would reasonably influence the decisions of users of the financial statements.

## Error reporting threshold

I agreed with the Audit and Risk Committee that I would report to it all uncorrected misstatements identified through my audit in excess of £300,000, as well as differences below this threshold that in my view warranted reporting on qualitative grounds. I also reported to the Audit and Risk Committee on disclosure matters that I identified when assessing the overall presentation of the financial statements.

Total unadjusted audit differences reported to the Audit and Risk Committee would increase net expenditure by £4.4 million.

## Audit scope

The scope of my group audit was determined by obtaining an understanding of the department and its Group and their environment, including group-wide controls, and assessing the risks of material misstatement at the group level.

The Cabinet Office group has total assets of £3.9 billion and gross expenditure of £2.3 billion. The group's significant largest components are the core department and the Government Property Agency. Non-significant components in the group are the Equality and Human Rights Commission, the Civil Service Commission and the Office of the Registrar of Consultant Lobbyists. The audits of all significant components are overseen by the same engagement director.

I have audited the full financial information of the core department and of the Government Property Agency, as well as the group consolidation. I have completed analytical procedures on the financial information of the non-significant components for which

the audit of the financial information was complete or well progressed at the point of my analytical procedures.

As part of the group audit, the group audit team was involved in the key planning, continuous risk assessment, and completion meetings for the significant component. They also obtained access to all workpapers relating to the significant risks that were relevant at a group level, I also instructed that key journals be tested within the Government Property Agency relating to the risk of management override and the manipulation of the statement of outturn against parliamentary supply. As group auditor, I have gained assurance from the auditors of the significant components and engaged regularly on the group significant risks such as valuation of property assets and accounting for IFRS16 Leases across the group.

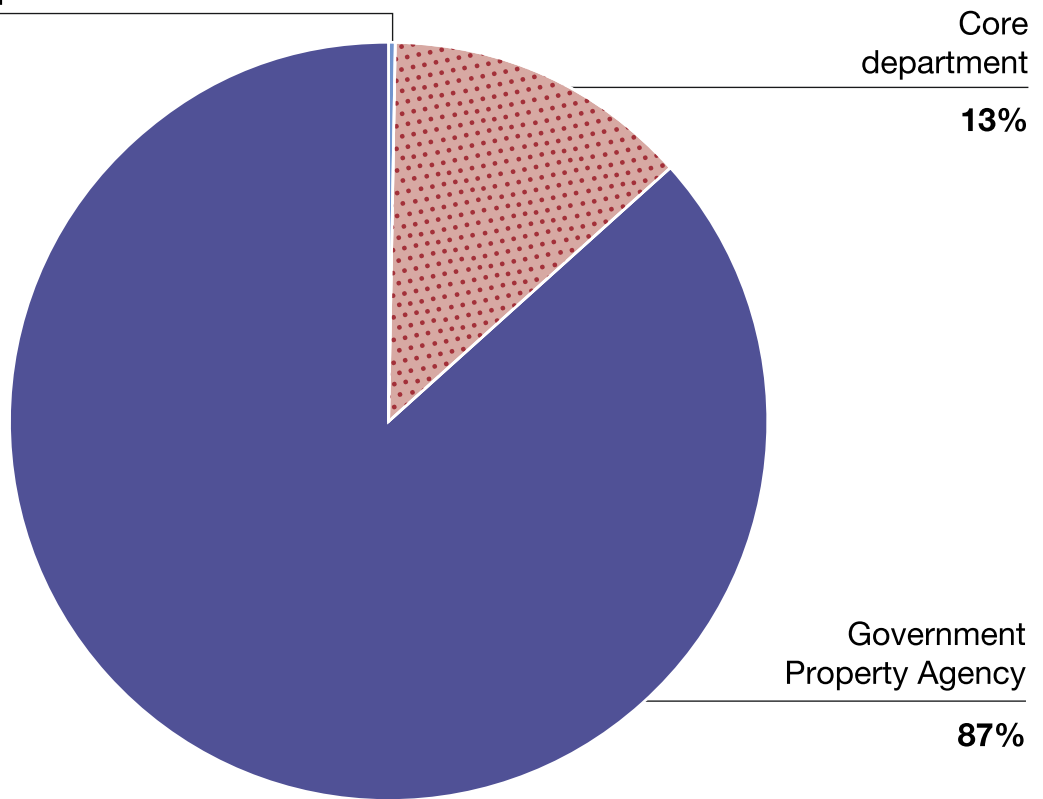
The statement of outturn against parliamentary supply was audited through reconciliation of all disclosures back to underlying records that were audited. I also assessed the likelihood of management override through procedures seeking to identify any amendments which would avoid a breach of parliamentary control totals.

This work covered substantially all of the group's assets and net expenditure, and together with the procedures performed at group level, gave me the evidence I needed for my opinion on the group financial statements as a whole.

## Gross assets of individual components of the Cabinet Office group at 31 March 2024

Non-significant components

0%



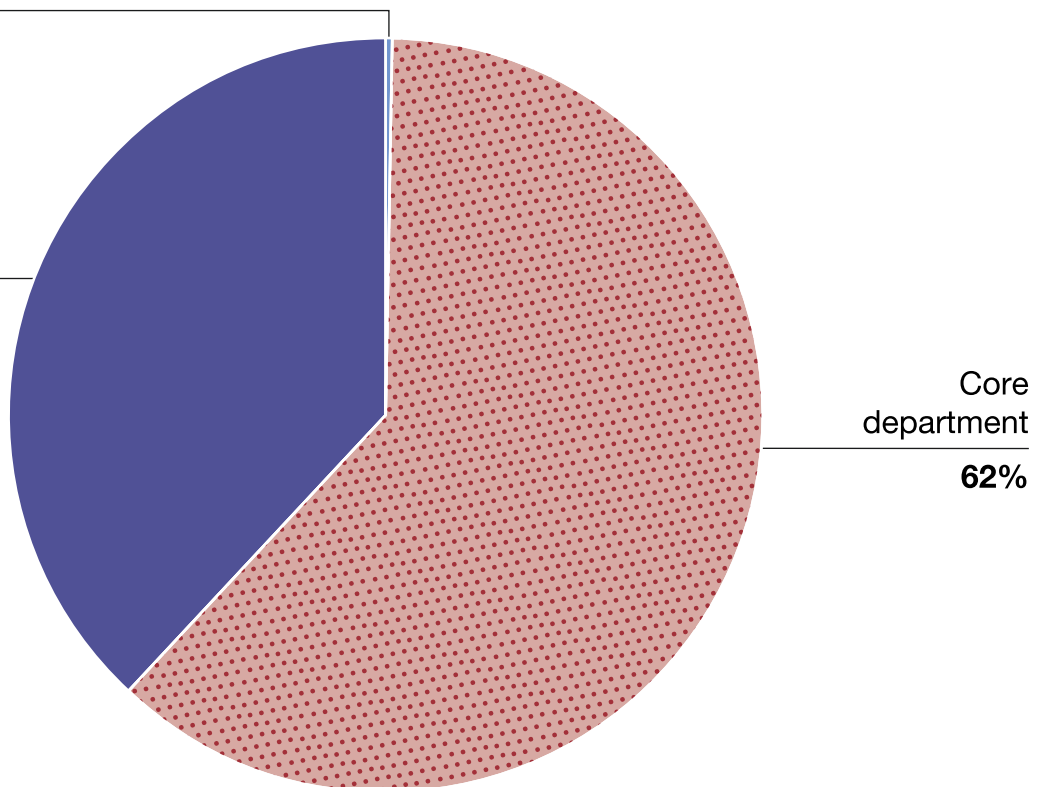
## Gross expenditure of individual components of the Cabinet Office group for the year ended 31 March 2024

Non-significant components

0%

Government Property Agency

38%



## Other information

The other information comprises the information included in the annual report, but does not include the financial statements and 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 the parts of the remuneration and staff report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000.

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

- the parts of the accountability report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000
- the information given in the performance and accountability reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## Matters on which I report by exception

Except for the possible effect of the matter described in the basis for qualified opinion on the financial statements section of my certificate, in the light of the knowledge and understanding of the department and its group and their environment obtained in the course of the audit, I have not identified material misstatements in the performance and accountability reports.

In respect solely of the matters referred to in the basis for qualified opinion on the financial statements section above:

- adequate accounting records have not been kept by the department and its group or returns adequate for my audit have not been received from branches not visited by my staff
- I have not received all of the information and explanations I require for my audit

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

- the financial statements and the parts of the accountability report subject to audit are not in agreement with the accounting records and returns
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the remuneration and staff report to be audited are not in agreement with the accounting records and returns
- 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 the department and its group 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 which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000
- preparing the annual report, which includes the remuneration and staff report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000
- assessing the department and its group'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 department and its group will not continue to be provided in the future

## Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the department and its group's accounting policies
- inquired of management, the department's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the department and its group's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations
  - detecting and responding to the risks of fraud
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the department and its group's controls relating to the department's compliance with the Government Resources and Accounts Act 2000, Managing Public Money and the Supply and Appropriation (Main Estimates) Act 2023
- inquired of management, the department'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 including significant component audit teams 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 department and its group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the department and group's framework of authority and other legal and regulatory frameworks in which the department and group 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 department and its group. The key laws and regulations I considered in this context included the Government Resources and Accounts Act 2000, Managing Public Money, the Supply and Appropriation (Main Estimates) Act 2023, employment law and tax legislation.

### **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 direct effect on the financial statements
- I enquired of management, the Audit and Risk Committee and legal counsel 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, assessing whether the judgements on estimates were indicative of a potential bias, and evaluating the business rationale of any significant transactions that were unusual or outside the normal course of business
- I addressed the risk of fraud in revenue recognition by testing a sample of property reconciliations, non-rental income and rental income to assess the appropriateness of the recognition of income and accuracy of calculations – I reviewed a sample of accrued income recognised as at 31 March 2024 to assess the reasonableness of management's estimates

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

## **Other auditor's responsibilities**

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the statement of outturn against 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 required to obtain sufficient appropriate audit evidence 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 I identify during my audit.

**Gareth Davies**

**12 December 2024**

**Comptroller and Auditor General**

National Audit Office

157-197 Buckingham Palace Road

Victoria, London, SW1W 9SP

# The report of the Comptroller and Auditor General to the House of Commons

## Introduction

1. The Cabinet Office (the department) supports the Prime Minister and ensures the effective running of government. It has a critical role at the centre of government in policy, as a provider of services for government and in leading the national response to large events or challenges. The department, through the Government Property Agency, manages and provides workspaces for civil servants and enables public sector efficiency through the management of civil estate. The Government Property Agency is introducing a portfolio-led approach to managing central government general purpose property as a strategic asset.

2. This report sets out why I have limited the scope of my audit opinion over the department's and the departmental group's property plant and equipment, intangible assets and associated balances. It also explains why I have qualified my regularity opinion due to a breach by the department of Cabinet Office spend controls.

## Assets under construction

3. **At 31 March 2024, £214 million of the departmental group's £330 million assets under construction on its statement of financial position were held by the Government Property Agency.** Assets under construction is a temporary classification that is used while capital projects are still in progress. Once a project is completed and the

assets are available for use, the costs should be transferred to the relevant asset category and depreciated.

4. **The Government Property Agency has not been transferring assets out of assets under construction on a timely basis as projects have been completed.**

This means that assets under construction contains balances that should be included in other asset categories. Because the assets should have been depreciated from the date of transfer, asset values will be overstated. Depreciation charges will be understated.

5. **The Government Property Agency has begun a detailed review of its assets under construction balances.** It is assessing what needs to be transferred to other asset categories and the date from which the assets should be depreciated. GPA's expectation is that the full review will take several months to complete because of the volume and age of the balances involved. This means it has not been finalised in time for this year's audit.

6. **As a result of its review to date, the Government Property Agency has been able to provide me with evidence that £186 million of its assets under construction balance of £214 million (£86 million of £213 million in 2023) relates to capital projects that were ongoing at 31 March 2024** and has been correctly classified in the accounts. The Government Property Agency's review further identified £95 million of costs in assets under construction that related to works which had also been reflected in professional valuations of the relevant buildings. The Government Property Agency has corrected this and these costs are not included in the assets under construction balance in the accounts.

7. **The Government Property Agency has not been able to provide me with evidence that the remaining £28 million (£127 million in 2023) of its assets under construction balance is correctly classified and valued.** This is a material balance to the department and the departmental group and I have limited the scope of my opinion as a result.

8. **In the review to date, the Government Property Agency identified £165 million of costs that had been included in assets under construction, but which it judged related to assets that were in use.** As a result, it reclassified £130 million from assets under construction to other asset categories and impaired a further £35 million. It calculated these adjustments on the basis of its review to date, which did not include examining individual transactions. It will not be able to substantiate these adjustments fully until it completes its more detailed review.

9. **The Government Property Agency has not been able to provide me with sufficient evidence that these adjustments are correct.** As a result, I have limited the scope of my opinion on the department and departmental group in respect of the asset categories of leasehold improvements, intangibles, IT and plant and machinery and the associated depreciation, amortisation and impairment charges.

10. **The Government Property Agency expects to complete its review to support the 2024 to 2025 accounts and I will test this as part of my audit of those accounts.** The review will cover both the opening and closing balances.

## **Breach of Cabinet Office Spend Controls by the Government Property Agency**

11. **As a central government body, the department is required by Managing Public Money, which is part of its framework of authorities, to comply with the Cabinet Office Spend Controls.** These state that all central government organisations, including departments and the bodies they sponsor, must obtain approval from the Cabinet Office when they want to spend money on specified activities. The specified activities include commercial spend on all contracts with a value greater than £20 million.

**12. I draw attention to the disclosures that the group has made on page 61 of the annual report.** This explains the circumstances which led to the Government Property Agency entering into a contract in 2022 to 2023 for physical site security without receiving approval under the Cabinet Office Spend Controls.

**13. In my report on the 2022 to 2023 accounts, I noted that I had concluded that any expenditure incurred on the contract would be irregular.** However, given that the Government Property Agency did not incur any expenditure under the contract in 2022 to 2023, I did not modify my regularity opinion for that year in this respect, while noting there was a significant risk that I would qualify my regularity opinion in future years once there was spend against the contract.

**14. In 2023 to 2024, the Government Property Agency has spent £6 million against the contract. This spend is irregular and I have qualified my regularity opinion as a result.** Total anticipated spend is £179 million excluding VAT over the period of the contract. I do not anticipate qualifying my regularity opinion as a result of this breach in future years. I consider that, while future spend against the contract will be irregular, the irregularity will not be material, as it is due to a breach at the procurement stage which has already been recognised in this year's qualification.

**Gareth Davies**  
**Comptroller and Auditor General**

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

# Financial statements



# Consolidated statement of comprehensive net expenditure

## For the year ended 31 March 2024

The CSoCNE 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.

£m		2023-24		2022-23 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Revenue from contracts with customers	5	(902.2)	(902.2)	(779.8)	(779.2)
Other operating income	5	(210.9)	(210.9)	(116.0)	(116.1)
Non-cash income	5	(8.9)	(8.9)	(31.6)	(31.6)
<b>Total operating income</b>	5	<b>(1,122.0)</b>	<b>(1,122.0)</b>	<b>(927.4)</b>	<b>(926.9)</b>
Staff costs	4	801.7	818.4	721.2	737.5
Purchase of goods and services	4	958.3	961.7	792.7	796.3
Rentals under operating leases	4	57.7	57.7	34.7	34.7
Grants	4	52.7	31.1	55.0	33.7
Depreciation, impairment and property gains	4	284.5	285.2	217.8	218.7
Provisions and other non-cash costs	4	89.6	89.7	(18.4)	(18.6)
<b>Total operating expenditure</b>		<b>2,244.5</b>	<b>2,243.8</b>	<b>1,803.0</b>	<b>1,802.3</b>
<b>Net operating expenditure</b>		<b>1,122.5</b>	<b>1,121.8</b>	<b>875.6</b>	<b>875.4</b>
Finance income	5	(105.9)	(105.9)	(53.7)	(53.5)
Finance expenditure	4	43.7	43.7	54.3	54.3
<b>Net finance (income) / expenditure</b>		<b>(62.2)</b>	<b>(62.2)</b>	<b>0.6</b>	<b>0.8</b>
Share of associates' results	10	(7.5)	(7.5)	(8.7)	(8.7)
Fair value (gain) / loss on financial assets – associate put options	11.1, 11.2	(0.3)	(0.3)	0.6	0.6
<b>Net associates (non-cash)</b>		<b>(7.8)</b>	<b>(7.8)</b>	<b>(8.1)</b>	<b>(8.1)</b>
<b>Net expenditure for the year</b>		<b>1,052.5</b>	<b>1,051.8</b>	<b>868.1</b>	<b>868.1</b>

£m		2023-24		2022-23 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to net operating expenditure:</b>					
Net (gain) / loss on revaluation of:					
- Property, plant and equipment	4, 6	76.6	76.6	182.0	181.9
- Intangible assets	7	(0.7)	(0.7)	(1.9)	(1.9)
- Right of use assets		2.4	2.4	-	-
Actuarial (gain) / loss on pension scheme liabilities	19	-	0.1	-	(0.2)
Total other comprehensive (income) / expenditure		<b>78.3</b>	<b>78.4</b>	<b>180.1</b>	<b>179.8</b>
<b>Comprehensive net expenditure for the year</b>		<b>1,130.8</b>	<b>1,130.2</b>	<b>1,048.2</b>	<b>1,047.9</b>

Notes 1 to 25 form part of these accounts.

# Consolidated statement of financial position

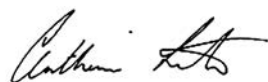
## As at 31 March 2024

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.

£m	Note	As at 31 March 2024		As at 31 March 2023 restated		As at 31 March 2022 restated	
		Core department and agency	Departmental group	Core department and agency	Departmental group	Core department and agency	Departmental group
<b>Non-current assets</b>							
Property, plant and equipment	6	1,933.8	1,934.9	1,897.8	1,899.0	2,032.5	2,033.6
Right of use assets	20	353.6	354.7	340.9	342.0	-	-
Intangible assets	7	196.1	196.1	107.4	107.5	50.2	50.5
Investments in associates	10	0.7	0.7	33.8	33.8	29.2	29.2
Trade and other receivables	14	155.6	155.7	116.8	116.8	135.6	135.7
Investment in sublease and unguaranteed residual value	20.2	722.9	722.8	634.0	633.8	-	-
Other financial assets	11.2, 11.3	5.9	5.9	7.0	7.0	10.3	10.3
<b>Total non-current assets</b>		<b>3,368.6</b>	<b>3,370.8</b>	<b>3,137.7</b>	<b>3,139.9</b>	<b>2,257.8</b>	<b>2,259.3</b>
<b>Current assets</b>							
Assets classified as held for sale	12	1.0	1.0	4.6	4.6	1.0	1.0
Inventories		0.4	0.4	0.3	0.3	0.4	0.4
Trade and other receivables	14	382.3	382.9	321.6	322.1	365.5	365.7
Investment in sublease and unguaranteed residual value	20.2	99.5	99.5	111.8	111.8	-	-
Other financial assets	11.1, 11.2	1.9	1.9	18.0	18.0	17.6	17.6
Cash and cash equivalents	13	40.4	40.7	71.2	71.2	230.3	230.6
<b>Total current assets</b>		<b>525.5</b>	<b>526.4</b>	<b>527.5</b>	<b>528.0</b>	<b>614.8</b>	<b>615.3</b>
<b>Total assets</b>		<b>3,894.1</b>	<b>3,897.2</b>	<b>3,665.2</b>	<b>3,667.9</b>	<b>2,872.6</b>	<b>2,874.6</b>

£m	Note	As at 31 March 2024		As at 31 March 2023 restated		As at 31 March 2022 restated	
		Core department and agency	Departmental group	Core department and agency	Departmental group	Core department and agency	Departmental group
<b>Current liabilities</b>							
Trade and other payables	15	(477.1)	(479.5)	(487.6)	(490.1)	(667.6)	(669.9)
Lease liabilities	20.3	(175.3)	(176.2)	(125.8)	(126.3)	-	-
Provisions	16	(38.4)	(38.4)	(24.6)	(24.6)	(9.3)	(9.3)
Retirement benefit obligations	19	-	(0.1)	-	(0.1)	-	(0.1)
<b>Total current liabilities</b>		<b>(690.8)</b>	<b>(694.2)</b>	<b>(638.0)</b>	<b>(641.1)</b>	<b>(676.9)</b>	<b>(679.3)</b>
<b>Total assets less current liabilities</b>		<b>3,203.3</b>	<b>3,203.0</b>	<b>3,027.2</b>	<b>3,026.8</b>	<b>2,195.7</b>	<b>2,195.3</b>
<b>Non-current liabilities</b>							
Trade and other payables	15	(625.7)	(625.7)	(456.3)	(456.3)	(559.3)	(559.3)
Lease liabilities	20.3	(1,037.8)	(1,038.1)	(926.5)	(926.9)	-	-
Provisions	16	(116.4)	(116.7)	(92.8)	(92.9)	(94.5)	(94.9)
Retirement benefit obligations	19	-	(1.0)	-	(1.0)	-	(1.3)
<b>Total non-current liabilities</b>		<b>(1,779.9)</b>	<b>(1,781.5)</b>	<b>(1,475.6)</b>	<b>(1,477.1)</b>	<b>(653.8)</b>	<b>(655.5)</b>
<b>Total assets less total liabilities</b>		<b>1,423.4</b>	<b>1,421.5</b>	<b>1,551.6</b>	<b>1,549.7</b>	<b>1,541.9</b>	<b>1,539.8</b>
<b>Taxpayers' equity and other reserves</b>							
General fund		755.4	753.5	788.5	786.5	587.9	585.8
Revaluation reserve		668.0	668.0	763.1	763.2	954.0	954.0
<b>Total equity</b>		<b>1,423.4</b>	<b>1,421.5</b>	<b>1,551.6</b>	<b>1,549.7</b>	<b>1,541.9</b>	<b>1,539.8</b>

Notes 1 to 25 form part of these accounts.



**Catherine Little**

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

11 December 2024

# Consolidated statement of cash flows

## For the year ended 31 March 2024

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.

£m		2023-24		2022-23 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
<b>Cash flows from operating activities</b>					
Net operating expenditure	CSoCNE	(1,122.5)	(1,121.8)	(875.6)	(875.4)
Adjustments for non-cash expenditure	4	261.3	262.1	154.3	155.0
Adjustments for non-cash income	5	(8.9)	(8.9)	(31.6)	(31.6)
Increase in trade and other receivables and sublease receivables	14, 20.2	(176.1)	(176.4)	(683.1)	(683.0)
<b>Less movements in receivables relating to items not passing through the CSoCNE or related to non-cash costs:</b>					
- Amounts relating to long-term and short-term debtors which offset dilapidation provision	16	39.2	39.2	18.0	18.0
- Movement in amounts relating to provision for credit losses for trade receivables	4	(2.5)	(2.5)	3.2	3.2
- Amounts relating to bad debt write-off	4	(0.3)	(0.3)	-	-
- Movement in IFRS 16 lease receivables	20.2	76.6	76.7	745.8	745.6
(Increase) / decrease in inventories		(0.1)	(0.1)	0.1	0.1
Increase / (decrease) in trade and other payables and lease liabilities	15, 20.3	319.4	319.8	769.1	770.3

£m		2023-24		2022-23 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
<b>Less movements in payables relating to items not passing through the CSoCNE:</b>					
- Amounts due to the Consolidated Fund for supply	15	(40.2)	(40.2)	(58.8)	(58.8)
- Amounts relating to PFI liabilities transferred as non-budget	21	(239.0)	(239.0)	32.6	32.6
- Amounts payable to the Consolidated Fund	15	12.2	12.2	208.4	208.4
- Movement in capital accruals relating to investing activities		10.3	10.4	(34.2)	(34.1)
- Movement in IFRS 16 lease liabilities	20.3, 20.5	(44.0)	(44.7)	(974.3)	(975.6)
Remeasurement of right of use asset	20.1	0.8	0.8	-	-
Use of provisions	16, 19	(23.1)	(23.1)	-	(0.1)
<b>Net cash inflow / (outflow) from operating activities</b>		<b>(936.9)</b>	<b>(935.8)</b>	<b>(726.1)</b>	<b>(725.4)</b>
<b>Cash flows from investing activities</b>					
Purchase of non-financial assets					
- Purchase of property, plant and equipment	6	(319.1)	(319.4)	(227.9)	(228.5)
- Purchase of intangible assets	7	(108.5)	(108.6)	(72.3)	(72.3)
Repayment of loans to local government	11.3	1.9	1.9	2.3	2.3
Dividends received from associates	10	4.3	4.3	4.1	4.1
Proceeds from disposal of assets held for sale	12	4.2	4.2	-	-
Proceeds from sale of shareholding in Shared Services Connected Limited	10	82.2	82.2	-	-
Movement in capital accruals		(10.3)	(10.4)	32.4	34.1
<b>Net cash inflow / (outflow) from investing activities</b>		<b>(345.3)</b>	<b>(345.8)</b>	<b>(259.6)</b>	<b>(260.3)</b>

£m		2023-24		2022-23 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
<b>Cash flows from financing activities</b>					
From the Consolidated Fund (supply) – current year	CSoCTE <sup>1</sup>	1,393.0	1,393.0	1,238.3	1,238.3
From the Consolidated Fund (supply) – prior year	CSoCTE	58.8	58.8	9.5	9.5
From the Consolidated Fund (supply) – in respect of machinery of government transfer of function	2	-	-	(137.9)	(137.9)
Capital element of payments in respect of finance leases	CSoCNE	(95.2)	(95.2)	(106.7)	(106.7)
Capital element of payments in respect of PFI contracts	CSoCNE	(40.9)	(40.9)	(12.6)	(12.6)
Interest income	5	35.0	34.9	17.7	17.6
Dividend received from Crown Commercial Service	5	71.0	71.0	36.0	36.0
Interest expense	4	38.3	38.3	(9.2)	(9.2)
<b>Net financing</b>		<b>1,460.0</b>	<b>1,459.9</b>	<b>1,035.1</b>	<b>1,035.0</b>
<b>Net increase / (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>		<b>177.8</b>	<b>178.3</b>	<b>49.4</b>	<b>49.3</b>
Payment of amounts due to the Consolidated Fund – consultant lobbyists' registration fees	15	-	(0.2)	-	(0.2)
Payments of amounts due to the Consolidated Fund	15	(208.6)	(208.6)	(208.5)	(208.5)
<b>Net increase / (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>		<b>(30.8)</b>	<b>(30.5)</b>	<b>(159.1)</b>	<b>(159.4)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>13</b>	<b>71.2</b>	<b>71.2</b>	<b>230.3</b>	<b>230.6</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>13</b>	<b>40.4</b>	<b>40.7</b>	<b>71.2</b>	<b>71.2</b>

Notes 1 to 25 form part of these accounts.

1 CSoCTE is the consolidated statement of changes in taxpayers' equity.

# Consolidated statement of changes in taxpayers' equity

This statement shows the movement in the year on the different reserves held by the department, analysed into 'general fund reserves' (those reserves that reflect a contribution from the Consolidated Fund) and 'revaluation reserves'. 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. The revaluation reserve reflects the changes in asset values that have not been recognised as income or expenditure.

## Core department and agency for the year ended 31 March 2024

£m		General fund	Revaluation reserve	Taxpayers' equity
	Note	Core department and agency	Core department and agency	Core department and agency
<b>Balance at 31 March 2022</b>		<b>584.2</b>	<b>954.0</b>	<b>1,538.2</b>
Amounts relating to machinery of government transfer of functions		3.6		3.6
IFRS 16 transition adjustment		5.8		5.8
<b>Balance at 1 April 2022</b>		<b>593.6</b>	<b>954.0</b>	<b>1,547.6</b>
Net parliamentary funding – drawn down		1,238.3	-	1,238.3
Net parliamentary funding – deemed	15	9.5	-	9.5
Supply payable adjustment	15	(58.8)	-	(58.8)
Cash surrenderable to the Consolidated Fund – consideration from minor disposals	5, SOPS 4	(0.1)		(0.1)
Comprehensive net expenditure for the year	CSoCNE	(868.1)	-	(868.1)
Amounts relating to machinery of government transfer of functions (adjustment to supply drawn down)	2	(137.8)	-	(137.8)
Non-cash charges – auditors' remuneration	4	1.1	-	1.1
<b>Movements in reserves</b>				
Net gain / (loss) on revaluation of property, plant and equipment	CSoCNE	-	(182.0)	(182.0)
Net gain / (loss) on revaluation of intangible assets	CSoCNE	-	1.9	1.9
Transfers between reserves – other transfers		10.7	(10.7)	-
<b>Restated balance at 31 March 2023</b>		<b>788.4</b>	<b>763.2</b>	<b>1,551.6</b>
<b>Balance at 1 April 2023</b>		<b>788.4</b>	<b>763.2</b>	<b>1,551.6</b>

£m		General fund	Revaluation reserve	Taxpayers' equity
		Core department and agency	Core department and agency	Core department and agency
	Note			
Net parliamentary funding – drawn down		1,393.0	-	1,393.0
Net parliamentary funding – deemed	15	58.8	-	58.8
Supply payable adjustment	15	(40.2)	-	(40.2)
Consideration surrenderable from disposal of shareholdings in associates	10	(82.2)	-	(82.2)
Cash surrenderable to the Consolidated Fund – Crown Commercial Service dividend	5, SOPS 4	(71.0)	-	(71.0)
Cash surrendered to the Consolidated Fund - Official Receiver	5, SOPS 4	(43.3)	-	(43.3)
Comprehensive net expenditure for the year	CSoCNE	(1,052.5)	-	(1,052.5)
Non-cash charges – auditors' remuneration	4	1.0	-	1.0
<b>Movements in reserves</b>				
Net gain / (loss) on revaluation of property, plant and equipment	CSoCNE	-	(76.6)	(76.6)
Net gain / (loss) on revaluation of intangible assets	CSoCNE	-	0.7	0.7
Net gain/(loss) on revaluation of right of use assets	CSoCNE	-	(2.4)	(2.4)
IFRS 16 transition adjustment		(213.5)	-	(213.5)
Transfers between reserves – other transfers		16.9	(16.9)	-
<b>Balance at 31 March 2024</b>		<b>755.4</b>	<b>668.0</b>	<b>1,423.4</b>

## Departmental group for the year ended 31 March 2024

£m		General fund	Revaluation reserve	Taxpayers' equity
	Note	Departmental group	Departmental group	Departmental group
<b>Balance at 31 March 2022</b>		<b>582.1</b>	<b>954.0</b>	<b>1,536.1</b>
Amounts relating to machinery of government transfer of functions		3.6		3.6
IFRS 16 transition adjustment		5.9		5.9
<b>Balance at 1 April 2022</b>		<b>591.6</b>	<b>954.0</b>	<b>1,545.6</b>
Net parliamentary funding – drawn down		1,238.3	-	1,238.3
Net parliamentary funding – deemed	15	9.5	-	9.5
Supply payable adjustment	15	(58.8)	-	(58.8)
Cash surrenderable to the Consolidated Fund – Registrar of Consultant Lobbyists registration fees	15	(0.2)	-	(0.2)
Cash surrenderable to the Consolidated Fund – consideration from minor disposals	5, SOPS 4	(0.1)		(0.1)
Amounts relating to machinery of government transfer of functions (adjustment to supply drawn down)	2	(137.8)		(137.8)
Comprehensive net expenditure for the year	CSoCNE	(868.1)	-	(868.1)
Non-cash charges – auditors' remuneration	4	1.1	-	1.1
<b>Movements in reserves</b>				
Net gain / (loss) on revaluation of property, plant and equipment	CSoCNE	-	(181.9)	(181.9)
Net gain / (loss) on revaluation of intangible assets	CSoCNE	-	1.9	1.9
Actuarial gain / (loss) on pension scheme liabilities		0.2	-	0.2
Transfers between reserves – other transfers		10.8	(10.8)	-
<b>Balance at 31 March 2023</b>		<b>786.5</b>	<b>763.2</b>	<b>1,549.7</b>
<b>Balance at 1 April 2023</b>		<b>786.5</b>	<b>763.2</b>	<b>1,549.7</b>

£m	General fund		Revaluation reserve	Taxpayers' equity
	Note	Departmental group	Departmental group	Departmental group
Net parliamentary funding – drawn down		1,393.0	-	1,393.0
Net parliamentary funding – deemed	15	58.8	-	58.8
Supply payable adjustment	15	(40.2)	-	(40.2)
Cash surrenderable to the Consolidated Fund – Registrar of Consultant Lobbyists registration fees	15	(0.2)	-	(0.2)
Consideration surrenderable from disposal of shareholdings in associates	10	(82.2)	-	(82.2)
Cash surrenderable to the Consolidated Fund – Crown Commercial Service dividend	5, SOPS 4	(71.0)	-	(71.0)
Cash surrendered to the Consolidated Fund - Official Receiver	5, SOPS 4	(43.3)	-	(43.3)
Comprehensive net expenditure for the year	CSoCNE	(1,051.8)	-	(1,051.8)
Non-cash charges – auditors' remuneration	4	1.0	-	1.0
<b>Movements in reserves</b>				
Net gain / (loss) on revaluation of property, plant and equipment	CSoCNE	-	(76.6)	(76.6)
Net gain / (loss) on revaluation of intangible assets	CSoCNE	-	0.7	0.7
Net gain/(loss) on revaluation of right of use assets	CSoCNE	-	(2.4)	(2.4)
IFRS 16 transition adjustment		(213.9)	-	(213.9)
Actuarial gain / (loss) on pension scheme liabilities	19	(0.1)	-	(0.1)
Transfers between reserves – asset transfers		-	-	-
Transfers between reserves – other transfers		16.9	(16.9)	-
<b>Balance at 31 March 2024</b>		<b>753.5</b>	<b>668.0</b>	<b>1,421.5</b>

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

In accordance with the direction received from HM Treasury under the Government Resources and Accounts Act 2000, these financial statements have been prepared in accordance with the Government Financial Reporting Manual 2023 to 2024 (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply IFRS as adapted or interpreted for the public sector context, taking account of the designation of those entities to be included within the consolidated departmental group as determined by Statutory Instrument. They are drawn up on that basis to give a true and fair view.

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, intangible assets and right of use 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 listed in the Designation Order 2023 to 2024 issued by HM Treasury. 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 31 March 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 2021 Spending Review which set out budgets for 2022 to 2023, to 2024 to 2025. Parliament has authorised spending for 2024 to 2025 in the Central Government Main Supply Estimates 2024 to 2025 (HC 139).

The financial statements for the Civil Service Commission (CSC), the Registrar of Consultant Lobbyists (RoCL) and the EHRC 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 it becomes a self-funding agency.

In common with other government departments, the financing of the group's future service provision and liabilities are to be met by future grants of supply and the application of future income, approved annually by Parliament.

### **1.5. Restated amounts arising from machinery of government transfers**

Prior year comparatives are restated for machinery of government transfers of function. There were seven machinery of government changes in 2023 to 2024 – see note 2 for further details.

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 doing so, it appears that the department always existed in its present form.

### **1.6. Operating segments**

Operating segments are based on the main areas of business activity and align with performance reporting (see note 3).

## **Accounting policies for expenditure**

### **1.7. Employee benefits**

#### **Annual leave**

Annual leave earned but not taken by year end is recognised on an accruals basis.

#### **Performance non-consolidated payments**

Performance non-consolidated payments are not accrued at 31 March since the appraisal process which determines performance pay is only finalised after this date.

## 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 or voluntary redundancies on announcement of a detailed plan or on issue of offer letters to employees. 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.

## 1.8. 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.

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.

## EHRC pensions

Pension benefits for former chairs of the EHRC and its legacy organisations are provided under a 'broadly by analogy' scheme.

Where actuarial gains and losses arise from changes to actuarial assumptions when revaluing future benefits, the actuarial gains and losses are recognised directly in taxpayers' equity for the year.

## 1.9. Grants

Grants are unrequited payments made by the department to outside bodies to fund expenditure on agreed items or functions. 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.

Under the terms and conditions of some grants, grant funding awarded and not used is returned to the department if the conditions are not met, or if the grant is no longer required. This would be recognised at the point of cash receipt.

Grant-in-aid payments are financing payments made by the department to an arm's length body. Such payments 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.

## 1.10. Loans to local authorities

Where grants are not unrequited and the grant agreement stipulates a non-interest bearing future repayment to the department, such grants are treated as below market rate of interest loans in accordance with IAS 20.

Loans awarded to local authorities are classified as financial assets measured at amortised cost in accordance with IFRS 9, and the department as grantor holds a business model for all grants within which contractual cash flows are managed with grantees. Further details can be found in note 11.3.

## 1.11. Leases

The Cabinet Office accounts for leases in accordance with IFRS 16. Further details can be found in note 20.

### The Cabinet Office as a lessee

For arrangements where the Cabinet Office is the lessee and the lease is in scope of IFRS 16, the Cabinet Office recognises a right of use asset and corresponding lease liability.

In line with IFRS 16, the right of use asset is initially measured at cost and subsequently measured at fair value, with amortised cost being used as a proxy for fair value in the vast majority of cases. For a small portion of leases, amortised cost is assessed to not be an appropriate proxy for fair value – for example, in the case of long leases with peppercorn rents. These leases are subject to professional valuation in accordance with current Royal Institute of Chartered Surveyors (RICS) valuation standards.

Right of use assets are tested for impairment in accordance with 'IAS 16: Impairment of Assets'.

The lease liability is initially measured at the present value of future lease payments and subsequently adjusted for interest and lease payments, as well as the impact of lease modifications.

The Cabinet Office has applied the exemption for short-term leases (less than 12 months) and low value assets. In these cases, the leases are accounted for as short-term leases and the lease payments associated with them are recognised as an expense from short-term leases.

### Cabinet Office as a lessor

Cabinet Office classifies its subleases as finance leases or operating leases. A sublease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership of the underlying asset, and as an operating lease if it does not.

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) has been derecognised in favour of a lease receivable asset, which is amortised in a similar manner to the lease liability but with interest recognised as finance income in the CSocNE.

Where it is determined that as lessor, an operating lease is the appropriate treatment, the Cabinet Office recognises rental income in 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

Under IFRS 15, revenue is recognised at the point when:

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

### 1.13. Other income

Dividends are recognised when the department's right to receive payment has been established.

### 1.14. Income payable to the Consolidated Fund and recognised in the CSoCNE

Fees charged on 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 the CSoCNE.

The Cabinet Office receives miscellaneous income for the sale of materials purchased to produce face coverings which are no longer required. HM Treasury has advised that this income should be returned to the Consolidated Fund.

## Accounting policies for assets and liabilities

### 1.15. Property, plant and equipment

Property, plant and equipment are recognised initially at cost, and thereafter carried at fair value less depreciation and impairment.

**Freehold properties** which are held for their service potential are valued in line with their existing use value as defined in the RICS Red Book. Each property is revalued on a rotational basis on a five-year cycle commencing at the point of acquisition by the department.

**Leasehold properties** are managed by the GPA. IFRS 16 rules apply and are managed in an accounting model which recognises assets and liabilities arising from each lease with a term more than 12 months. All leases are valued on a rotational basis on a five year cycle commencing at the point of onboarding into the GPA. In the intervening years, material changes in fair value are determined using desktop valuation exercises undertaken by independent qualified valuation experts without re-inspection, or by using published indices reflecting current prices on an active market for similar property.

**Specialised assets** are measured at depreciated replacement cost. This reflects the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential.

**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 used to estimate value.

**Art and antiques** are treated as heritage assets that are non-depreciating. They are subject to professional valuation on the basis of insurance value every five years, with the revaluation being taken into the revaluation reserve. They are not depreciated or indexed.

Any revaluation surplus is credited to the revaluation reserve except to the extent that it reverses a decrease in the carrying value of the same asset previously recognised in the CSoCNE, in which case the increase is recognised in the CSoCNE. A revaluation deficit is recognised in the CSoCNE, except to the extent of any existing surplus in respect of that asset in the revaluation reserve. Impairment losses that arise from a clear consumption of economic benefit are taken to the CSoCNE.

### Capitalisation thresholds

The capitalisation threshold for expenditure on property, plant and equipment for the core department and agencies is £5,000.

The 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

### 1.16. 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. Where adjustments are required, these are made going forward.

Asset lives are within the following ranges:

Freehold buildings, including residential dwellings and incorporating security adaptations	2 to 50 years
Leasehold building improvements	Over the remaining term of the lease
Information technology – hardware	2 to 7 years
Plant and machinery	1 to 25 years
Furniture and fittings	2 to 15 years

Assets under construction are not depreciated until the assets are available for use.

No depreciation is provided on freehold land, art and antiques as 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.

We have amended our policy on information technology hardware assets this financial year to reflect the terms of the true write-down periods being applied to the assets we hold.

### Impairment

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate that 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.

### 1.17. 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 on transfer. For details of property, plant and equipment donated to the GPA in 2023 to 2024, see note 6.4. 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

All gifts received by past and present Prime Ministers and their spouses are listed, recorded and assessed for monetary value. Gifts valued above the Cabinet Office capitalisation threshold are treated as donated assets and capitalised at their fair value on the date of receipt. Gifts which are capitalised are subject to professional valuation as part of the art and antiques valuation process. Gifts are not depreciated as, 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 Late Majesty Queen Elizabeth II, and part of the sum subscribed was, by her wish, applied to some object of general benefit to the Civil and Foreign Services. Consequently the Civil Service Club was purchased.

### 1.18. Intangible assets

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, intangible assets are carried at fair value in the CSoFP where an active market exists. Where no active market exists, the department uses published indices to assess the depreciated replacement cost.

All intangible assets have a remaining useful life between one and five years.

### 1.19. Amortisation of intangible assets

Intangible assets are currently assessed to have a finite life of between two and five years, and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each financial year. Assets in the course of construction are not amortised until brought into use. Software licences are valued at purchase cost and are written off over the duration of the licence.

### 1.20. Assets classified as held for sale

Assets 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.

## 1.21. Investments in associates

Investments in associates are accounted for using the equity method. All investments are 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. Dividend distributions received from the associate reduce the carrying amount of the investment.

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 associate's most recent audited financial statements in applying the equity method of accounting. Where necessary, it 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 unaudited financial statements for the department, as at the department's reporting date. In cases where the associate's and the department's accounting policies are not uniform, adjustments are made where material.

## 1.22. Financial assets

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 the end of each financial year. Financial assets are recognised initially at fair value, normally being the transaction price plus, in the case of financial assets not at fair value through profit and loss,

directly attributable costs. 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. A financial asset is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

### 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 any indication that the investment may be impaired. Dividends are recognised as income.

### 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. The carrying amount is judged to be a reasonable approximation of fair value.

Provision is made when there is reasonable and supportable information 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 1.23 and 1.29.

## Receivables – repayable grants

The department has entered into below market rate of interest loan arrangements with local authorities. These have been classified as financial assets measured at amortised cost in accordance with IFRS 9, and held within a business model whose objective is to collect contractual cash flows on specified future dates payments of principal outstanding. See notes 1.11 and 11.3.

## Put option arrangements

The department holds a put option over the equity of its investment in its associate, which allows the department 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 remeasurement 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 fair value of the investment. See note 1.23.

## 1.23. Impairment of financial assets

In accordance with 'IFRS 9: Financial Instruments' as adapted by the FReM, the department has developed a provision matrix to estimate lifetime expected credit losses for trade and other receivables using the simplified approach. This groups receivables by sector (private, public and central government departments) and factors in historical experience of write-offs and age of the debt. 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. Market information and other expectations are considered as part of this review and the credit loss adjusted.

## 1.24. 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.

## 1.25. Taxation

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 or to HM Revenue and Customs in respect of VAT is included within receivables and payables in the CSoFP, respectively.

As a Crown body, the Cabinet Office is not subject to corporation tax, income tax, stamp duty land tax or capital gains taxes.

## 1.26. Financial liabilities

### Insurance liabilities

Insurance contracts are accounted for under 'IFRS 4: Insurance Contracts' and are accounted for on the date the contract is approved by the department. Insurance liabilities are measured at fair value and include both reported and unreported claims covered by the contract at the reporting date.

The fair value for insurance liabilities is calculated using the income approach under IFRS 13, which reflects the present value of future cash outflows that are expected to occur. The discount rate used is the financial instrument nominal rate of 1.9% as set by HM Treasury. The cash outflows include the claims losses and the related claims handling expenses incurred. Claims and associated expenses are recognised when they are incurred.

### **Trade and other payables**

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.

### **1.27. 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 dilapidations, a provision is made for estimated cost-based valuations where the likelihood of settlement is material and imminent, or via the use of industry standard calculations or methodologies. Where the GPA enters into sublease arrangements with tenants which include rights to recharge the respective dilapidation charge on exit, the GPA recognises a corresponding receivable, calculated on the same basis, in the CSoFP.

### **1.28. 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'.

## **Accounting estimates and judgements**

### **1.29. 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 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 which have the most significant effect on the amounts recognised in the financial statements.

#### **Revenue from contracts with customers**

Individual contracts or memorandum of understandings for contract assets, trade receivables, and accrued and deferred income are reviewed and assessed against IFRS 15. Balances are recognised in the context of satisfaction of performance obligations over time, or at a point in time. See note 1.13.

#### **Development costs**

Initial capitalisation of costs is based on management's judgement that technological and economic feasibility are confirmed.

### Untaken annual leave

Annual leave untaken at year-end is accrued. 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 dedicated to a project full-time, or their time may be part-apportioned to a project.

### Materiality of accruals

The Cabinet Office applies a materiality of £10,000 per line to accruals, unless its application could impact a disclosure. It is reviewed annually in line with overall materiality limits.

Within the group, the GPA initially recognises accruals at cost, which is deemed to be materially the same as the fair value and subsequently measured at amortised cost.

### GPA private finance initiative arrangements

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

This evaluation represents a significant source of judgement uncertainty. Full details can be found in the GPA's annual report and accounts.

### 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 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. These 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.

### Transfer of assets between 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: Accounting for Government Grants and Disclosure of Government Assistance' to assets funded by way of grant, where assets are transferred for nil consideration and considered to be donated assets in kind.

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

### **IAS 16: Property, Plant and Equipment**

IAS 16 has been applied to all of the property, plant and equipment held by the department. The prime objective of the GPA is to facilitate the efficient use of government assets. 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.

### **Lease classification**

**Cabinet Office as lessee** – The Cabinet Office follows 'IFRS 16: Leases' in determining whether an arrangement contains a lease. The Cabinet Office 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.

For arrangements where the Cabinet Office is the lessee and the lease is in scope of IFRS 16, the Cabinet Office recognises a right of use asset and corresponding lease liability. The Cabinet Office determines the fair value of its lease liabilities and its associated right of use assets based on judgements on the appropriate discount rate to use and the applicable lease term.

The Cabinet Office cannot ordinarily determine the implicit rate of interest inherent within its leases and uses the government incremental borrowing rate as promulgated by HM Treasury. For leases that commenced or are remeasured after 1 January 2024, the HM Treasury discount rate is 4.72%. For leases that commenced or are remeasured during the period 1 January 2023 to 31 December 2023, the HM Treasury discount rate is 3.51%. For leases that commenced or are remeasured during the period 1 April 2022 to 31 December 2022, the HM Treasury discount rate is 0.95%.

The lease term for each lease liability is derived based on an assessment of whether each break and renewal option is reasonably certain to be exercised. This assessment is determined with consideration of the GPA's estate strategy, among other relevant factors.

**Cabinet Office as lessor** – The Cabinet Office makes a judgement as to whether a lease should be classified as a finance or operating lease under IFRS 16 based on whether or not the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset.

While other factors are considered, the main criterion is whether the lease term accounts for the majority of the useful economic life of the underlying asset. A lease term in excess of 75% of the expected useful economic life of the underlying asset would typically be assessed as a finance lease, but this could be overridden by assessment of other relevant factors set out under IFRS 16. Where a lease is assessed as a finance lease, the GPA values its associated lease receivable asset using the interest rate implicit in the lease.

The lease term for the lease receivable asset is derived based on an assessment of whether each break and renewal option is reasonably certain to be exercised. This assessment is determined with consideration of the GPA's estate strategy, among other relevant factors.

### **Leasehold improvements**

When leases have been assigned from other government departments to the GPA and historic property leasehold improvements have taken place, a review of the head lease and the terms of occupation agreement is undertaken by the GPA.

If the majority of the improved property 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. 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 the 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 accordance with relevant RICS guidance.

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.

Properties are valued primarily using the existing use value approach and estimated using the investment method. Key inputs and assumptions are the floor areas, estimated market rent and yield.

Specialised properties are carried at depreciated replacement cost to a modern equivalent basis in accordance with the Red Book, adjusted for functional obsolescence. A property is considered specialised if it is rarely, if ever, sold in the market due to the uniqueness arising from its specialised nature and design, its configuration, size, location or otherwise.

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

Property valuations are derived from independent professional valuers' estimates of market rental values and expected yields for each property.

### **Insurance liabilities**

The department has issued indemnities that are considered insurance contracts and are assessed under IFRS 4.

This relates to the indemnities to the Official Receiver of Carillion plc and Virtual Infrastructure Group Ltd and UK Cloud Ltd against all claims, proceedings costs and expenses incurred in connection with their appointment as liquidator of the companies. The department has also granted to the trustees of CREPLAS a post-wind-up indemnity against future personal liability claims in relation to their administration of the scheme.

Such indemnities are novel, with no prior comparable insurance contracts from which to benchmark an insurance liability. They are unaffected by observable changes in market conditions, and there are no reasonable shared characteristics of insurance risk for concentration or aggregation purposes. Accordingly, significant management judgement is required based on anecdotal assessment of the probability and value of expected cash flow claims materialising, including those from the insured party. Outcomes over or under anecdotal expectations of future cash flows relating to claims could have a significant financial impact on the department's financial statements.

### **Art and antiques valuations**

Townley Valuation Services Limited valued art and antiques, including furniture, carpets, clocks and ceramics situated in properties within the Whitehall estate on the basis of insurance value being the likely cost of replacing the items.

### 1.30. Changes in accounting policy and disclosures

#### New and amended standards adopted PFI service concessions

The 2023 to 2024 FreM includes an amendment that indexation linked payments should be included in PFI financing liabilities in accordance with 'IFRS 16: Leases'.

The amendment has had an impact on the group through the GPA as PFI unitary payments are annually index linked to the Retail Price Index and the GPA held PFI financing liabilities at 31 March 2023 of £460.6 million.

The future PFI financing liability has been remeasured at 1 April 2023 to include the indexation linked changes to payments for the capital element which has taken effect in the cash flows since the PFI arrangement commenced. The remeasurement has increased the PFI financing liability at 1 April 2023 to £674.8 million, an increase of £214.2 million.

The GPA has used a cumulative catch-up approach, where the cumulative effect is recognised as an adjustment to the opening balance of the general fund. Comparative information is not restated. The PFI financing liability has been subsequently remeasured whenever there has been a change in the cash flows. The increase in the liability has been recorded as a finance expense in the CSocNE.

### 1.31. Impending application of newly issued accounting standards not yet effective

#### IFRS 17: Insurance Contracts

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

#### Impact

This standard is due to be adopted by the public sector by 1 April 2025. The Cabinet Office will assess whether any indemnities provided fall within scope of the standard in advance of this date. Current indemnities are set out in the accountability report in section 4.3.

## 2. Restatement of prior year comparatives

### Machinery of government changes

In 2023 to 2024 Cabinet Office was affected by the following machinery of government changes.

Entity	Exporting department	Importing department
Geospatial Commission	Cabinet Office	Department for Science, Innovation and Technology
Brexit Opportunities team	Cabinet Office	Department for Business and Trade
Government Debt Management Function	Cabinet Office	HM Treasury
UK Governance Group	Cabinet Office	Department for Levelling Up, Housing and Communities
Office for Science and Technology Strategy	Cabinet Office	Department for Science, Innovation and Technology
National Security and Investment team	Department for Business and Trade	Cabinet Office
Windsor Framework	Foreign, Commonwealth and Development Office	Cabinet Office

In a written Prime Ministerial Statement on 7 February 2023, the Prime Minister announced the creation of four new government departments. They were the Department for Energy Security and Net Zero, the Department for Science, Innovation and Technology, the Department for Business and Trade, and a re-focused Department for Culture, Media and Sport. Part of this announcement included the following machinery of government transfers involving the Cabinet Office in 2023 to 2024.

As part of this announcement, in 2023 to 2024, the Geospatial Commission and most of the Office for Science and Technology Strategy moved into the new Department for Science, Innovation and Technology. The Brexit Opportunities team moved to the Department for Business and Trade.

This superseded the machinery of government announced for 2022 to 2023 where the Brexit Opportunities team would have moved to the now former Department for Business, Energy and Industrial Strategy.

The National Security and Investment team previously in the Business, Energy and Industrial Strategy joined the Cabinet Office as part of the National Security Secretariat.

In a written Prime Ministerial Statement on 30 March 2023, the Prime Minister announced that the Government Debt Management Function would move from the Cabinet Office to HM Treasury, to sit alongside the centre for the Government Finance Function. This was to improve the management of debt owed to the government and provide strong expertise and leadership for the public servants in its profession.

In a written Prime Ministerial Statement on 23 May 2023, the Prime Minister announced that the responsibility for the delivery of the Windsor Framework would be transferred from the Foreign, Commonwealth and Development Office to sit alongside the existing Northern Ireland Unit in the Cabinet Office. In the same statement the Prime Minister also announced that the UK Governance Group would formally move from the Cabinet Office into the Union and Devolution team in the Department for Levelling Up, Housing and Communities. This was to consolidate matters relating to intergovernmental relations, including common frameworks, under the Secretary of State for Levelling Up, Housing and Communities as the Minister for Intergovernmental Relations. Both the Windsor Framework and Union teams in the Cabinet Office and the Department for Levelling Up, Housing and Communities respectively would be brought together under a single official reporting structure to allow for more effective join-up across all union policy. These changes took effect immediately.

Due to its materiality, the Geospatial Commission machinery of government has been disclosed separately from the other machineries of government in the tables below.

## **GPA prior year adjustment**

During 2023 to 2024 the Cabinet Office group identified three material prior year (2022 to 2023) IFRS 16 errors affecting right of use assets, lease liabilities, lease incentive receivables, lease receivables and the associated disclosure notes. A further material prior year (2022 to 2023) error affects the classification of non-current assets between assets under construction, buildings, leasehold improvements and intangible assets.

The nature of the period errors are as follows.

- During 2022 to 2023 a head lease was surrendered and a new head lease granted with a revised rent and an extended lease term. The right of use asset and lease liability were not remeasured in line with this modification.
- During 2022 to 2023 a sub-lease was modified to extend the lease term which should have resulted in the GPA reclassifying from an operating lease to a finance lease. The impact is that right of use assets and lease incentive receivables would have been derecognised in favour of a lease receivable asset.

- During 2022 to 2023 a memorandum of understanding was agreed between the GPA and HM Revenue and Customs, which resulted in the GPA's agreements for occupation of HM Revenue and Customs properties being outside the scope of IFRS 16 though they continued to be accounted for as within the scope. The impact is that the associated right of use assets, lease liabilities and lease receivable assets are derecognised and rental income and expenditure recognised as incurred.
- The GPA continued to record material amounts of building enhancement expenditure within assets under construction after the date the assets became available for use. The impact is that assets under construction are overstated and depreciation, revaluation and impairment of buildings and leasehold improvements are understated. In addition, intangible assets were understated due to additions being classified as property, plant and equipment.

The comparative amounts for 2022 to 2023 have been restated to correct the errors as required by 'IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors'.

The opening position as at 1 April 2023 has been restated where relevant.

The impact of the restatement on the 2022 to 2023 financial statements is detailed further in the tables below.

## 2.1. Restated consolidated statement of comprehensive net expenditure

### Departmental core and agency for the year ended 31 March 2023

£m	2022-23 published accounts	Geospatial MOG out <sup>2</sup>	Other MOGs out	MOGs in	GPA prior period adjustment	2022-23 restated accounts
Revenue from contracts with customers	(784.6)	4.8	-	-	-	(779.8)
Other operating income	(115.7)	-	-	-	(0.3)	(116.0)
Non-cash income	(31.6)	-	-	-	-	(31.6)
<b>Total operating income</b>	<b>(931.9)</b>	<b>4.8</b>	<b>-</b>	<b>-</b>	<b>(0.3)</b>	<b>(927.4)</b>
Staff costs	723.8	(4.0)	(5.8)	7.2	-	721.2
Purchase of goods and services	795.0	(5.0)	(0.6)	3.0	0.3	792.7
Rentals under operating leases	31.7	-	-	-	3.0	34.7
Geospatial data	128.9	(128.9)	-	-	-	-
Grants	55.3	(0.3)	-	-	-	55.0
Depreciation, impairment and property gains	187.0	-	-	0.6	30.2	217.8
Provisions and other non-cash costs	(18.4)	-	-	-	-	(18.4)
<b>Total operating expenditure</b>	<b>1,903.3</b>	<b>(138.2)</b>	<b>(6.4)</b>	<b>10.8</b>	<b>33.5</b>	<b>1,803.0</b>
<b>Net operating expenditure</b>	<b>971.4</b>	<b>(133.4)</b>	<b>(6.4)</b>	<b>10.8</b>	<b>33.2</b>	<b>875.6</b>
Finance income	(54.7)	-	-	-	1.0	(53.7)
Finance expenditure	54.3	-	-	-	-	54.3
<b>Net finance (income) / expenditure</b>	<b>(0.4)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.0</b>	<b>0.6</b>
Share of associates' results	(8.7)	-	-	-	-	(8.7)
Fair value (gain) / loss on financial assets – associate put options	0.6	-	-	-	-	0.6
<b>Net associates (non-cash)</b>	<b>(8.1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8.1)</b>
<b>Net expenditure for the year</b>	<b>962.9</b>	<b>(133.4)</b>	<b>(6.4)</b>	<b>10.8</b>	<b>34.2</b>	<b>868.1</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to net operating expenditure:</b>						
Net (gain) / loss on revaluation of:						
- Property, plant and equipment	167.0	-	-	-	15.0	182.0
- Intangible assets	(1.9)	-	-	-	-	(1.9)
<b>Total other comprehensive (income) / expenditure</b>	<b>165.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.0</b>	<b>180.1</b>
<b>Comprehensive net expenditure for the year</b>	<b>1,128.0</b>	<b>(133.4)</b>	<b>(6.4)</b>	<b>10.8</b>	<b>49.2</b>	<b>1,048.2</b>

2 MOG: machinery of government.

## Departmental group for the year ended 31 March 2023

£m	2022-23 published accounts	Geospatial MOG out	Other MOGs out	MOGs in	GPA prior period adjustment	2022-23 restated accounts
Revenue from contracts with customers	(784.0)	4.8	-	-	-	(779.2)
Other operating income	(115.8)	-	-	-	(0.3)	(116.1)
Non-cash income	(31.6)	-	-	-	-	(31.6)
<b>Total operating income</b>	<b>(931.4)</b>	<b>4.8</b>	<b>-</b>	<b>-</b>	<b>(0.3)</b>	<b>(926.9)</b>
Staff costs	740.2	(4.0)	(5.8)	7.1	-	737.5
Purchase of goods and services	798.6	(5.0)	(0.6)	3.0	0.3	796.3
Rentals under operating leases	31.7	-	-	-	3.0	34.7
Geospatial data	128.9	(128.9)	-	-	-	-
Grants	34.0	(0.3)	-	-	-	33.7
Depreciation, impairment and property gains	187.8	-	-	0.7	30.2	218.7
Provisions and other non-cash costs	(18.6)	-	-	-	-	(18.6)
<b>Total operating expenditure</b>	<b>1,902.6</b>	<b>(138.2)</b>	<b>(6.4)</b>	<b>10.8</b>	<b>33.5</b>	<b>1,802.3</b>
<b>Net operating expenditure</b>	<b>971.2</b>	<b>(133.4)</b>	<b>(6.4)</b>	<b>10.8</b>	<b>33.2</b>	<b>875.4</b>
Finance income	(54.5)	-	-	-	1.0	(53.5)
Finance expenditure	54.3	-	-	-	-	54.3
<b>Net finance (income) / expenditure</b>	<b>(0.2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.0</b>	<b>0.8</b>
Share of associates' results	(8.7)	-	-	-	-	(8.7)
Fair value (gain) / loss on financial assets – associate put options	0.6	-	-	-	-	0.6
<b>Net associates (non-cash)</b>	<b>(8.1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8.1)</b>
<b>Net expenditure for the year</b>	<b>962.9</b>	<b>(133.4)</b>	<b>(6.4)</b>	<b>10.8</b>	<b>34.2</b>	<b>868.1</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to net operating expenditure:</b>						
Net (gain) / loss on revaluation of:						
- Property, plant and equipment	166.9	-	-	-	15.0	181.9
- Intangible assets	(1.9)	-	-	-	-	(1.9)
Actuarial (gain) / loss on pension scheme liabilities	(0.2)	-	-	-	-	(0.2)
<b>Total other comprehensive (income) / expenditure</b>	<b>164.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.0</b>	<b>179.8</b>
<b>Comprehensive net expenditure for the year</b>	<b>1,127.7</b>	<b>(133.4)</b>	<b>(6.4)</b>	<b>10.8</b>	<b>49.2</b>	<b>1,047.9</b>

## 2.2. Restated consolidated statement of financial position

### Departmental core and agency for the year ended 31 March 2023

£m	2022-23 published accounts	Geospatial MOG out	Other MOGs out	MOGs in	GPA prior period adjustment	2022-23 restated accounts
<b>Non-current assets</b>						
Property, plant and equipment	1,953.7	-	-	-	(55.9)	1,897.8
Right of use assets	395.7	-	-	-	(54.8)	340.9
Intangible assets	109.7	(8.1)	-	2.6	3.2	107.4
Investments in associates	33.8	-	-	-	-	33.8
Trade and other receivables	137.0	-	-	-	(20.2)	116.8
Investment in sublease and unguaranteed residual value	541.8	-	-	-	92.2	634.0
Other financial assets	7.0	-	-	-	-	7.0
<b>Total non-current assets</b>	<b>3,178.7</b>	<b>(8.1)</b>	<b>-</b>	<b>2.6</b>	<b>(35.5)</b>	<b>3,137.7</b>
<b>Current assets</b>						
Assets classified as held for sale	4.6	-	-	-	-	4.6
Inventories	0.3	-	-	-	-	0.3
Trade and other receivables	323.7	(0.1)	-	-	(2.0)	321.6
Investment in sublease and unguaranteed residual value	109.8	-	-	-	2.0	111.8
Other financial assets	18.0	-	-	-	-	18.0
Cash and cash equivalents	71.2	-	-	-	-	71.2
<b>Total current assets</b>	<b>527.6</b>	<b>(0.1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>527.5</b>
<b>Total assets</b>	<b>3,706.3</b>	<b>(8.2)</b>	<b>-</b>	<b>2.6</b>	<b>(35.5)</b>	<b>3,665.2</b>
<b>Current liabilities</b>						
Trade and other payables	(488.5)	0.7	-	-	0.2	(487.6)
Lease liabilities	(131.1)	-	-	-	5.3	(125.8)
Provisions	(24.6)	-	-	-	-	(24.6)
Retirement benefit obligations	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>(644.2)</b>	<b>0.7</b>	<b>-</b>	<b>-</b>	<b>5.5</b>	<b>(638.0)</b>
<b>Total assets less current liabilities</b>	<b>3,062.1</b>	<b>(7.5)</b>	<b>-</b>	<b>2.6</b>	<b>(30.0)</b>	<b>3,027.2</b>
<b>Non-current liabilities</b>						
Trade and other payables	(456.3)	-	-	-	-	(456.3)
Lease liabilities	(907.4)	-	-	-	(19.1)	(926.5)
Provisions	(92.8)	-	-	-	-	(92.8)
Retirement benefit obligations	-	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>(1,456.5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19.1)</b>	<b>(1,475.6)</b>
<b>Total assets less total liabilities</b>	<b>1,605.6</b>	<b>(7.5)</b>	<b>-</b>	<b>2.6</b>	<b>(49.1)</b>	<b>1,551.6</b>

£m	2022-23 published accounts	Geospatial MOG out	Other MOGs out	MOGs in	GPA prior period adjustment	2022-23 restated accounts
<b>Taxpayers' equity and other reserves</b>						
General fund	827.6	(7.5)	-	2.6	(34.2)	788.5
Revaluation reserve	778.1	-	-	-	(15.0)	763.1
<b>Total equity</b>	<b>1,605.7</b>	<b>(7.5)</b>	<b>-</b>	<b>2.6</b>	<b>(49.2)</b>	<b>1,551.6</b>

### Departmental group for the year ended 31 March 2023

£m	2022-23 published accounts	Geospatial MOG out	Other MOGs out	MOGs in	GPA prior period adjustment	2022-23 restated accounts
<b>Non-current assets</b>						
Property, plant and equipment	1,954.9	-	-	-	(55.9)	1,899.0
Right of use assets	396.8	-	-	-	(54.8)	342.0
Intangible assets	109.8	(8.1)	-	2.6	3.2	107.5
Investments in associates	33.8	-	-	-	-	33.8
Trade and other receivables	137.0	-	-	-	(20.2)	116.8
Investment in sublease and unguaranteed residual value	541.6	-	-	-	92.2	633.8
Other financial assets	7.0	-	-	-	-	7.0
<b>Total non-current assets</b>	<b>3,180.9</b>	<b>(8.1)</b>	<b>-</b>	<b>2.6</b>	<b>(35.5)</b>	<b>3,139.9</b>
<b>Current assets</b>						
Assets classified as held for sale	4.6	-	-	-	-	4.6
Inventories	0.3	-	-	-	-	0.3
Trade and other receivables	324.2	(0.1)	-	-	(2.0)	322.1
Investment in sublease and unguaranteed residual value	109.8	-	-	-	2.0	111.8
Other financial assets	18.0	-	-	-	-	18.0
Cash and cash equivalents	71.2	-	-	-	-	71.2
<b>Total current assets</b>	<b>528.1</b>	<b>(0.1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>528.0</b>
<b>Total assets</b>	<b>3,709.0</b>	<b>(8.2)</b>	<b>-</b>	<b>2.6</b>	<b>(35.5)</b>	<b>3,667.9</b>
<b>Current liabilities</b>						
Trade and other payables	(491.0)	0.7	-	-	0.2	(490.1)
Lease liabilities	(131.6)	-	-	-	5.3	(126.3)
Provisions	(24.6)	-	-	-	-	(24.6)
Retirement benefit obligations	(0.1)	-	-	-	-	(0.1)
<b>Total current liabilities</b>	<b>(647.3)</b>	<b>0.7</b>	<b>-</b>	<b>-</b>	<b>5.5</b>	<b>(641.1)</b>
<b>Total assets less current liabilities</b>	<b>3,061.7</b>	<b>(7.5)</b>	<b>-</b>	<b>2.6</b>	<b>(30.0)</b>	<b>3,026.8</b>

£m	2022-23 published accounts	Geospatial MOG out	Other MOGs out	MOGs in	GPA prior period adjustment	2022-23 restated accounts
<b>Non-current liabilities</b>						
Trade and other payables	(456.3)	-	-	-	-	(456.3)
Lease liabilities	(907.8)	-	-	-	(19.1)	(926.9)
Provisions	(92.9)	-	-	-	-	(92.9)
Retirement benefit obligations	(1.0)	-	-	-	-	(1.0)
<b>Total non-current liabilities</b>	<b>(1,458.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19.1)</b>	<b>(1,477.1)</b>
<b>Total assets less total liabilities</b>	<b>1,603.7</b>	<b>(7.5)</b>	<b>-</b>	<b>2.6</b>	<b>(49.1)</b>	<b>1,549.7</b>
<b>Taxpayers' equity and other reserves</b>						
General fund	825.5	(7.5)	-	2.7	(34.2)	786.5
Revaluation reserve	778.2	-	-	-	(15.0)	763.2
<b>Total equity</b>	<b>1,603.7</b>	<b>(7.5)</b>	<b>-</b>	<b>2.7</b>	<b>(49.2)</b>	<b>1,549.7</b>

## 2.3. Restated consolidated statement of cash flows

### Departmental core and agency for the year ended 31 March 2023

£m	2022-23 published accounts	Geospatial MOG out	Other MOGs out	MOGs in	GPA prior period adjustment	2022-23 restated accounts
<b>Cash flows from operating activities</b>						
Net operating expenditure	(971.3)	133.4	6.3	(10.8)	(33.2)	(875.6)
Adjustments for non-cash expenditure	123.5	-	-	0.6	30.2	154.3
Adjustments for non-cash income	(31.7)	0.1	-	-	-	(31.6)
Increase in trade and other receivables and sublease receivables	(611.3)	0.1	-	-	(71.9)	(683.1)

£m	2022-23 published accounts	Geospatial MOG out	Other MOGs out	MOGs in	GPA prior period adjustment	2022-23 restated accounts
<b>Less movements in receivables relating to items not passing through the CSoCNE or related to non-cash costs:</b>						
- Amounts relating to long-term and short-term debtors which offset dilapidation provision	18.0	-	-	-	-	18.0
- Movement in amounts relating to provision for credit losses	3.2	-	-	-	-	3.2
- Movement in IFRS 16 lease receivables	651.6	-	-	-	94.2	745.8
(Increase) / decrease in inventories	0.1	-	-	-	-	0.1
Increase / (decrease) in trade and other payables	752.2	3.1	0.1	-	13.7	769.1
<b>Less movements in payables relating to items not passing through the CSoCNE:</b>						
- Amounts due to the Consolidated Fund for supply	(58.8)	-	-	-	-	(58.8)
- Amounts relating to PFI liabilities transferred as non-budget	32.6	-	-	-	-	32.6
- Amounts payable to the Consolidated Fund	208.4	-	-	-	-	208.4
- Movement in capital accruals relating to investing activities	(34.2)	-	-	-	-	(34.2)
- Movement in IFRS 16 lease liabilities	(960.3)	-	-	-	(14.0)	(974.3)
Use of provisions	-	-	-	-	-	-
<b>Net cash inflow / (outflow) from operating activities</b>	<b>(878.0)</b>	<b>136.7</b>	<b>6.4</b>	<b>(10.2)</b>	<b>19.0</b>	<b>(726.1)</b>
<b>Cash flows from investing activities</b>						
- Purchase of property, plant and equipment	(231.2)	-	-	-	3.3	(227.9)
- Purchase of intangible assets	(73.9)	6.3	-	(1.7)	(3.0)	(72.3)
Loans to local government	2.3	-	-	-	-	2.3
Dividends received from associates	4.1	-	-	-	-	4.1
Movement in capital accruals	34.2	-	-	-	-	34.2
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(264.5)</b>	<b>6.3</b>	<b>-</b>	<b>(1.7)</b>	<b>0.3</b>	<b>(259.6)</b>

£m	2022-23 published accounts	Geospatial MOG out	Other MOGs out	MOGs in	GPA prior period adjustment	2022-23 restated accounts
<b>Cash flows from financing activities</b>						
From the Consolidated Fund (supply) – current year	1,238.3	-	-	-	-	1,238.3
From the Consolidated Fund (supply) – prior year	9.5	-	-	-	-	9.5
From the Consolidated Fund (supply) – in respect of machinery of government transfer of function	-	(143.0)	(6.6)	11.9	(0.2)	(137.9)
Capital element of payments in respect of finance leases	(88.6)	-	-	-	(18.1)	(106.7)
Capital element of payments in respect of PFI contracts	(12.6)	-	-	-	-	(12.6)
Interest income/ dividend income	54.7	-	-	-	(1.0)	53.7
Interest expense	(9.4)	-	0.2	-	-	(9.2)
<b>Net financing</b>	<b>1,191.9</b>	<b>(143.0)</b>	<b>(6.4)</b>	<b>11.9</b>	<b>(19.3)</b>	<b>1,035.1</b>
<b>Net increase / (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>	<b>49.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49.4</b>
Payments of amounts due to the Consolidated Fund	(208.5)	-	-	-	-	(208.5)
<b>Net increase / (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>	<b>(159.1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(159.1)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>230.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>230.3</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>71.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71.2</b>

## Departmental group for the year ended 31 March 2023

£m	2022-23 published accounts	Geospatial MOG out	Other MOGs out	MOGs in	GPA prior period adjustment	2022-23 restated accounts
<b>Cash flows from operating activities</b>						
Net operating expenditure	(971.2)	133.5	6.3	(10.8)	(33.2)	(875.4)
Adjustments for non-cash expenditure	124.2	-	-	0.6	30.2	155.0
Adjustments for non-cash income	(31.6)	-	-	-	-	(31.6)
Increase in trade and other receivables and sublease receivables	(611.2)	0.1	-	-	(71.9)	(683.0)
<b>Less movements in receivables relating to items not passing through the CSoCNE or related to non-cash costs:</b>						
- Amounts relating to long-term and short-term debtors which offset dilapidation provision	18.0	-	-	-	-	18.0
- Movement in amounts relating to provision for credit losses	3.2	-	-	-	-	3.2
- Movement in IFRS 16 lease receivables	651.4	-	-	-	94.2	745.6
(Increase) / decrease in inventories	0.1	-	-	-	-	0.1
Increase / (decrease) in trade and other payables	753.4	3.1	0.1	-	13.7	770.3
<b>Less movements in payables relating to items not passing through the CSoCNE:</b>						
- Amounts due to the Consolidated Fund for supply	(58.8)	-	-	-	-	(58.8)
- Amounts relating to PFI liabilities transferred as non-budget	32.6	-	-	-	-	32.6
- Amounts payable to the Consolidated Fund	208.4	-	-	-	-	208.4
- Movement in capital accruals relating to investing activities	(34.1)	-	-	-	-	(34.1)
- Movement in IFRS 16 lease liabilities	(961.6)	-	-	-	(14.0)	(975.6)
Use of provisions	(0.1)	-	-	-	-	(0.1)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>(877.3)</b>	<b>136.7</b>	<b>6.4</b>	<b>(10.2)</b>	<b>19.0</b>	<b>(725.4)</b>

£m	2022-23 published accounts	Geospatial MOG out	Other MOGs out	MOGs in	GPA prior period adjustment	2022-23 restated accounts
<b>Cash flows from investing activities</b>						
Purchase of non-financial assets						
- Purchase of property, plant and equipment	(231.8)	-	-	-	3.3	(228.5)
- Purchase of intangible assets	(73.9)	6.3	-	(1.7)	(3.0)	(72.3)
Loans to local government	2.3	-	-	-	-	2.3
Dividends received from associates	4.1	-	-	-	-	4.1
Movement in capital accruals	34.1	-	-	-	-	34.1
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(265.2)</b>	<b>6.3</b>	<b>-</b>	<b>(1.7)</b>	<b>0.3</b>	<b>(260.3)</b>
<b>Cash flows from financing activities</b>						
From the Consolidated Fund (supply) – current year	1,238.3	-	-	-	-	1,238.3
From the Consolidated Fund (supply) – prior year	9.5	-	-	-	-	9.5
From the Consolidated Fund (supply) – in respect of machinery of government transfer of function	-	(143.0)	(6.6)	11.9	(0.2)	(137.9)
Capital element of payments in respect of finance leases	(88.6)	-	-	-	(18.1)	(106.7)
Capital element of payments in respect of PFI contracts	(12.6)	-	-	-	-	(12.6)
Interest income/dividend income	54.6	-	-	-	(1.0)	53.6
Interest expense	(9.4)	-	0.2	-	-	(9.2)
<b>Net financing</b>	<b>1,191.8</b>	<b>(143.0)</b>	<b>(6.4)</b>	<b>11.9</b>	<b>(19.3)</b>	<b>1,035.0</b>
<b>Net increase / (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>	<b>49.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49.3</b>

£m	2022-23 published accounts	Geospatial MOG out	Other MOGs out	MOGs in	GPA prior period adjustment	2022-23 restated accounts
Payments of amounts due to the Consolidated Fund – consultant lobbyists' registration fees	(0.2)	-	-	-	-	(0.2)
Payments of amounts due to the Consolidated Fund	(208.5)	-	-	-	-	(208.5)
<b>Net increase / (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>	<b>(159.4)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(159.4)</b>
Cash and cash equivalents at the beginning of the period	230.6	-	-	-	-	230.6
Cash and cash equivalents at the end of the period	71.2	-	-	-	-	71.2

## 2.4. Restated consolidated statement of financial position

Departmental core and agency for the year ended 31 March 2022

£m	2022-23 published accounts <sup>3</sup>	Geospatial MOG out	Other MOGs out	MOGs in	GPA prior period adjustment	2022-23 restated accounts
<b>Non-current assets</b>						
Property, plant and equipment	2,032.5	-	-	-	-	2,032.5
Intangible assets	50.7	(1.9)	-	1.4	-	50.2
Investments in associates	29.2	-	-	-	-	29.2
Trade and other receivables	135.6	-	-	-	-	135.6
Other financial assets	10.3	-	-	-	-	10.3
<b>Total non-current assets</b>	<b>2,258.3</b>	<b>(1.9)</b>	<b>-</b>	<b>1.4</b>	<b>-</b>	<b>2,257.8</b>
<b>Current assets</b>						
Assets classified as held for sale	1.0	-	-	-	-	1.0
Inventories	0.4	-	-	-	-	0.4
Trade and other receivables	365.5	-	-	-	-	365.5
Other financial assets	17.6	-	-	-	-	17.6
Cash and cash equivalents	230.3	-	-	-	-	230.3
<b>Total current assets</b>	<b>614.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>614.8</b>
<b>Total assets</b>	<b>2,873.1</b>	<b>(1.9)</b>	<b>-</b>	<b>1.4</b>	<b>-</b>	<b>2,872.6</b>
<b>Current liabilities</b>						
Trade and other payables	(671.6)	3.9	0.1	-	-	(667.6)
Provisions	(9.3)	-	-	-	-	(9.3)
<b>Total current liabilities</b>	<b>(680.9)</b>	<b>3.9</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>(676.9)</b>
<b>Total assets less current liabilities</b>	<b>2,192.2</b>	<b>2.0</b>	<b>0.1</b>	<b>1.4</b>	<b>-</b>	<b>2,195.7</b>
<b>Non-current liabilities</b>						
Trade and other payables	(559.3)	-	-	-	-	(559.3)
Provisions	(94.5)	-	-	-	-	(94.5)
<b>Total non-current liabilities</b>	<b>(653.8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(653.8)</b>
<b>Total assets less total liabilities</b>	<b>1,538.4</b>	<b>2.0</b>	<b>0.1</b>	<b>1.4</b>	<b>-</b>	<b>1,541.9</b>
<b>Taxpayers' equity and other reserves</b>						
General fund	584.3	1.9	0.1	1.6	-	587.9
Revaluation reserve	954.0	-	-	-	-	954.0
<b>Total equity</b>	<b>1,538.3</b>	<b>1.9</b>	<b>0.1</b>	<b>1.6</b>	<b>-</b>	<b>1,541.9</b>

3 Values from the 2021 to 2022 financial year as published in the 2022 to 2023 annual report and accounts.

## Departmental group for the year ended 31 March 2022

£m	2022-23 published accounts <sup>4</sup>	Geospatial MOG out	Other MOGs out	MOGs in	GPA prior period adjustment	2022-23 restated accounts
<b>Non-current assets</b>						
Property, plant and equipment	2,033.6	-	-	-	-	2,033.6
Intangible assets	50.8	(1.9)	-	1.6	-	50.5
Investments in associates	29.2	-	-	-	-	29.2
Trade and other receivables	135.7	-	-	-	-	135.7
Other financial assets	10.3	-	-	-	-	10.3
<b>Total non-current assets</b>	<b>2,259.6</b>	<b>(1.9)</b>	<b>-</b>	<b>1.6</b>	<b>-</b>	<b>2,259.3</b>
<b>Current assets</b>						
Assets classified as held for sale	1.0	-	-	-	-	1.0
Inventories	0.4	-	-	-	-	0.4
Trade and other receivables	365.7	-	-	-	-	365.7
Other financial assets	17.6	-	-	-	-	17.6
Cash and cash equivalents	230.6	-	-	-	-	230.6
<b>Total current assets</b>	<b>615.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>615.3</b>
<b>Total assets</b>	<b>2,874.9</b>	<b>(1.9)</b>	<b>-</b>	<b>1.6</b>	<b>-</b>	<b>2,874.6</b>
<b>Current liabilities</b>						
Trade and other payables	(673.9)	3.9	0.1	-	-	(669.9)
Provisions	(9.3)	-	-	-	-	(9.3)
Retirement benefit obligations	(0.1)	-	-	-	-	(0.1)
<b>Total current liabilities</b>	<b>(683.3)</b>	<b>3.9</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>(679.3)</b>
<b>Total assets less current liabilities</b>	<b>2,191.6</b>	<b>2.0</b>	<b>0.1</b>	<b>1.6</b>	<b>-</b>	<b>2,195.3</b>
<b>Non-current liabilities</b>						
Trade and other payables	(559.3)	-	-	-	-	(559.3)
Provisions	(94.9)	-	-	-	-	(94.9)
Retirement benefit obligations	(1.3)	-	-	-	-	(1.3)
<b>Total non-current liabilities</b>	<b>(655.5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(655.5)</b>
<b>Total assets less total liabilities</b>	<b>1,536.1</b>	<b>2.0</b>	<b>0.1</b>	<b>1.6</b>	<b>-</b>	<b>1,539.8</b>
<b>Taxpayers' equity and other reserves</b>						
General fund	582.1	2.0	0.1	1.6	-	585.8
Revaluation reserve	954.0	-	-	-	-	954.0
<b>Total equity</b>	<b>1,536.1</b>	<b>2.0</b>	<b>0.1</b>	<b>1.6</b>	<b>-</b>	<b>1,539.8</b>

4 Values from the 2021 to 2022 financial year as published in the 2022 to 2023 annual report and accounts.

## 2.5. Other financial disclosures

£	2022-23 published accounts	Geospatial	MOGs in	MOGs out	GPA prior period adjustment	2022-23 restated accounts
<b>Capital commitments</b>						
Intangible assets	12.3	(12.3)	-	-	-	-
<b>Financial commitments</b>						
Not later than one year	357.0	(147.2)	-	-	(2.4)	207.4
Later than one year and not later than five years	808.1	(622.0)	-	-	(31.4)	154.7
Later than five years	323.9	(296.8)	-	-	(15.8)	11.3
<b>Financial commitments total</b>	<b>1,489.0</b>	<b>(1,066.0)</b>	<b>-</b>	<b>-</b>	<b>(49.6)</b>	<b>373.4</b>

## 2.6. Restated full time equivalent employees

### Departmental core and agency for the year ended 31 March 2023

£	2022-23 published accounts	Geospatial	MOGs in	MOGs out	2022-23 restated accounts
Permanently employed staff	9,656	(53)	83	(66)	9,620
Commissioners	-	-	-	-	-
Others	492	-	-	-	492
<b>Total</b>	<b>10,148</b>	<b>(53)</b>	<b>83</b>	<b>(66)</b>	<b>10,112</b>

### Departmental group for the year ended 31 March 2023

£	2022-23 published accounts	Geospatial	MOGs in	MOGs out	2022-23 restated accounts
Permanently employed staff	9,888	(53)	83	(66)	9,852
Commissioners	11	-	-	-	11
Others	497	-	-	-	497
<b>Total</b>	<b>10,396</b>	<b>(53)</b>	<b>83</b>	<b>(66)</b>	<b>10,360</b>

### 3. Statement of net outturn by operating segment

#### Performance reporting

This segmental analysis aligns with the Cabinet Office's objectives as set out in the 2023 to 2024 Supply Estimate. Descriptions of the activities carried out under each operating segment are located in the performance report. A reconciliation between the performance report and the Supply Estimate lines can be found in the SOPS.

Financial information was reported through a regular report, which adopted the same segmental analysis shown below.

This report was reviewed by the Cabinet Office Board, chaired by the Minister for the Cabinet Office, and also by ExCo, chaired by the Principal Accounting Officer.

#### Net assets

This note does not include assets and liabilities, as they are not included in the management information that is provided to the department's boards.

#### 3.1. Resource

£m			2023-24	2022-23
	Gross resource expenditure	Gross resource income	Net resource outturn	Net resource outturn (restated)
<b>Operating segment</b>				
<b>A:</b> Seize the opportunities of EU Exit, through creating the world's most effective border to increase UK prosperity and enhance security	17.5	-	17.5	23.4
<b>B:</b> Secure a safe, prosperous and resilient UK by co-ordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	154.9	(119.7)	35.2	42.5
<b>C:</b> Advance equality of opportunity across the UK	34.3	(0.3)	34.0	32.9
<b>D:</b> Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	919.2	(451.2)	468.0	368.9
<b>E:</b> Support the design and implementation of government's and Prime Minister's priorities	261.6	(15.4)	246.2	230.2
<b>F:</b> Executive agency - GPA	689.2	(578.8)	110.4	(18.8)
<b>Subtotal</b>	<b>2,076.7</b>	<b>(1,165.4)</b>	<b>911.3</b>	<b>679.1</b>

£m			2023-24	2022-23
	Gross resource expenditure	Gross resource income	Net resource outturn	Net resource outturn (restated)
<b>Ring-fenced depreciation, amortisation and impairment</b>				
<b>A:</b> Seize the opportunities of EU Exit, through creating the world's most effective border to increase UK prosperity and enhance security	-	-	-	-
<b>B:</b> Secure a safe, prosperous and resilient UK by co-ordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	25.0	-	25.0	19.3
<b>C:</b> Advance equality of opportunity across the UK	1.4	-	1.4	1.1
<b>D:</b> Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	31.1	-	31.1	31.2
<b>E:</b> Support the design and implementation of government's and Prime Minister's priorities	6.8	-	6.8	5.5
<b>F:</b> Executive agency – GPA	99.4	-	99.4	71.8
<b>Subtotal ring-fenced depreciation, amortisation and impairment</b>	<b>163.7</b>	<b>-</b>	<b>163.7</b>	<b>128.9</b>
<b>Total</b>	<b>2,240.4</b>	<b>(1,165.4)</b>	<b>1,075.0</b>	<b>808.0</b>

## 3.2. Capital

£m			2023-24	2022-23
	Gross capital expenditure	Gross capital income	Net capital outturn	Net capital outturn (restated)
<b>Operating segment</b>				
<b>A:</b> Seize the opportunities of EU Exit, through creating the world's most effective border to increase UK prosperity and enhance security	-	-	-	-
<b>B:</b> Secure a safe, prosperous and resilient UK by co-ordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	23.3	-	23.3	26.2
<b>C:</b> Advance equality of opportunity across the UK	0.2	-	0.2	-
<b>D:</b> Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	94.7	(0.8)	93.9	60.9
<b>E:</b> Support the design and implementation of government's and Prime Minister's priorities	11.1	-	11.1	3.9
<b>F:</b> Executive agency – GPA	590.3	(232.6)	357.7	204.2
<b>Total</b>	<b>719.6</b>	<b>(233.4)</b>	<b>486.2</b>	<b>295.2</b>

## 4. Expenditure

£m	2023-24		2022-23 restated	
	Core department Note and agency	Departmental group	Core department and agency	Departmental group
<b>Staff costs</b>				
Wages, salaries and fees	543.6	555.8	507.3	518.7
Social security costs	61.0	62.3	60.8	62.0
Apprenticeship levy	2.8	2.9	2.7	2.7
Other pension costs	121.0	124.0	116.2	118.9
Untaken annual leave – change in provision	2.7	2.6	(5.2)	(5.2)
Agency/temporary	93.2	93.3	58.5	58.9
Chairs and commissioners' emoluments	0.1	0.4	0.1	0.4
Termination benefits	0.8	0.8	4.4	4.6
Inward secondments	9.6	9.6	7.8	8.0
Recoveries in respect of outward secondments	(4.4)	(4.6)	(3.4)	(3.5)
Staff engaged on capital projects	(28.7)	(28.7)	(28.0)	(28.0)
<b>Total staff costs<sup>5</sup></b>	<b>801.7</b>	<b>818.4</b>	<b>721.2</b>	<b>737.5</b>
<b>Goods and services</b>				
Accommodation and utilities				
- Core department <sup>6</sup>	64.2	64.2	44.6	44.6
- Executive agency	220.0	219.9	152.1	151.9
- Arm's length bodies	-	0.6	-	0.7
IT costs	206.8	207.6	164.9	165.8
Professional services	76.5	77.1	83.3	84.3
Supplies and services	89.7	90.4	67.3	67.9
Consultancy	19.1	19.1	18.9	18.9
Business rates	100.8	100.9	74.8	74.8

5 Further analysis is located in note 2 of the remuneration and staff report and note 4.1 (losses and special payments) of the parliamentary accountability disclosures.

6 The Downing Street complex is a working building, as well as containing two ministerial residences. The government is legally required to, in consultation with Historic England, maintain the complex to the high standards appropriate to its Grade 1 and 2 listed statuses. Across successive governments, Prime Ministers have received an annual allowance of up to £30,000 a year from the public purse to contribute towards the costs associated with the redecoration and modernisation of the residency within the Downing Street estate. During 2023 to 2024, the Cabinet Office spent £nil (2022 to 2023: £7,015).

£m		2023-24		2022-23 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
<b>Pensions administration</b>					
Civil Servants and Others Pension Scheme		40.6	40.6	27.3	27.3
- Royal Mail Statutory Pension Scheme		5.5	5.5	6.0	6.0
Other staff-related costs		33.5	33.8	34.2	34.5
Travel, subsistence and hospitality		27.0	27.3	24.6	24.9
PFI service charges	21	72.3	72.3	92.7	92.6
Lord Lieutenants' expenses		1.5	1.5	1.5	1.5
Grant fund management		-	-	(0.1)	(0.1)
Public Duty Cost Allowance	4.1	0.8	0.8	0.6	0.6
Auditors' remuneration and expenses – arm's length bodies <sup>7</sup>		-	0.1	-	0.1
<b>Total goods and services</b>		<b>958.3</b>	<b>961.7</b>	<b>792.7</b>	<b>796.3</b>
<b>Rentals under operating leases</b>					
Core department		13.7	13.7	(2.7)	(2.7)
Executive agency		44.0	44.0	37.4	37.4
<b>Total rentals under operating leases</b>		<b>57.7</b>	<b>57.7</b>	<b>34.7</b>	<b>34.7</b>
<b>Grants</b>					
Resource grants to local authorities		1.3	1.3	2.3	2.3
Resource grants to private sector and non-profit bodies		13.9	13.9	1.1	1.1
Resource grants to central government bodies		-	-	20.0	20.0
Capital grants to private sector		5.7	5.7	-	-
Capital grants to arm's length bodies and other central government bodies		8.7	8.7	8.2	8.2
Grant-in-aid to Civil Service welfare bodies		0.2	0.2	0.8	0.8

7 During the year the groups arm's length bodies have not purchased any non-audit services from their auditor, the NAO (2022 to 2023: £nil). The total fee for arm's length bodies comprises: the EHRC £0.073 million (2022 to 2023: £0.063 million), the CSC £0.019 million (2022 to 2023: £0.015 million), and the RoCL £0.015 million (2022 to 2023: £0.012 million).

£m		2023-24		2022-23 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Grant-in-aid to the Chequers Trust under the Chequers Estate Act 1958		1.3	1.3	1.3	1.3
Grant-in-aid to arm's length bodies <sup>8</sup>		21.6	-	21.3	-
<b>Total grants<sup>9</sup></b>		<b>52.7</b>	<b>31.1</b>	<b>55.0</b>	<b>33.7</b>
<b>Depreciation, impairment and property gains</b>					
Depreciation	6	101.6	102.0	70.0	70.3
Amortisation	7	20.5	20.6	15.9	16.0
Depreciation of right of use asset	20.1	42.0	42.2	40.8	41.3
<b>Impairment</b>					
- Property, plant and equipment	6, 8	0.4	0.4	1.3	1.3
- Right of use asset		5.6	5.6	0.1	0.1
- Trade receivables	8, 14.2	2.5	2.5	(3.2)	(3.2)
<b>Revaluation</b>					
- Property, plant and equipment	6, 8	107.7	107.7	94.1	94.1
<b>Write-off</b>					
- Intangible assets	7, 8	-	-	1.2	1.2
- Bad debt		0.3	0.3	-	-
Gain/loss on disposal of assets held for sale	12	(0.6)	(0.6)	-	-
Gain/loss on disposal of right of use assets	20.1	11.6	11.6	(0.9)	(0.9)
Gain/loss on remeasurement of right of use assets	20.1	(7.1)	(7.1)	(1.5)	(1.5)
<b>Total depreciation, impairment and property gains</b>		<b>284.5</b>	<b>285.2</b>	<b>217.8</b>	<b>218.7</b>

8 Grant-in-aid to arm's length bodies has been eliminated on consolidation – the RoCL £0.3 million (2022 to 2023: £0.3 million), the CSC £2.3 million (2022 to 2023: £2.3 million), and the EHRC £19.0 million (2022 to 2023: £18.7 million).

9 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 Annex B to the annual report and accounts.

£m		2023-24		2022-23 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
<b>Provisions and other non-cash costs</b>					
Provisions provided for in year and written back	16	21.3	21.4	(0.8)	(1.0)
Expected loss allowance	11.3	0.6	0.6	-	-
Auditors' remuneration and expenses <sup>10</sup>		1.0	1.0	1.1	1.1
Notional digital apprenticeship service grant	5	1.0	1.0	1.2	1.2
Non-cash PFI adjustments		65.7	65.7	(19.9)	(19.9)
<b>Total provisions and other non-cash costs</b>		<b>89.6</b>	<b>89.7</b>	<b>(18.4)</b>	<b>(18.6)</b>
<b>Total operating expenditure</b>		<b>2,244.5</b>	<b>2,243.8</b>	<b>1,803.0</b>	<b>1,802.3</b>
<b>Finance costs</b>					
PFI interest charges	21	56.4	56.4	45.1	45.1
Effective interest expense					
- Official Receiver working capital payable to the Consolidated Fund		0.9	0.9	0.2	0.2
- Deferred consideration payable to the Consolidated Fund for Sunningdale Park		-	-	0.1	0.1
- Right of use asset lease liabilities	20.3	17.1	17.1	8.9	8.9
Loans to local authorities	11.3	0.1	0.1	-	-
(Gain)/loss on disposal of financial assets	11.1	(30.8)	(30.8)	-	-
<b>Total finance expenditure</b>		<b>43.7</b>	<b>43.7</b>	<b>54.3</b>	<b>54.3</b>
<b>Total</b>		<b>2,288.2</b>	<b>2,287.5</b>	<b>1,857.3</b>	<b>1,856.6</b>

10 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 NAO (2022 to 2023: £nil). The total group fee comprises: Cabinet Office £0.505 million (2022 to 2023: £0.552 million), the GPA £0.440 million (2022 to 2023: £0.295 million), Civil Service Pension Scheme £0.177 million (2022 to 2023: £0.177 million) and Royal Mail Pension Scheme £0.061 million (2022 to 2023: £0.057 million).

## 4.1. Public Duty Cost Allowance

The Public Duty Cost Allowance was introduced to assist former Prime Ministers still active in public life. The Public Duty Cost Allowance 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 Public Duty Cost Allowance paid, former Prime Ministers are entitled to claim a pension allowance to contribute towards the pension costs of their office staff. This pension allowance is limited to a maximum of 10% of their claimed Public Duty Cost Allowance.

£	2023-24	2022-23
The Rt Hon Sir John Major	115,000	115,000
The Rt Hon Sir Tony Blair	115,000	115,000
The Rt Hon Gordon Brown	114,788	114,627
The Rt Hon Lord David Cameron	68,546 <sup>11</sup>	108,312
The Rt Hon Lady Theresa May	113,475	113,422
The Rt Hon Liz Truss	101,332	23,310
The Rt Hon Boris Johnson <sup>12</sup>	182,083	-
Staff pension costs	26,121	27,996
<b>Total</b>	<b>836,345</b>	<b>617,667</b>

11 The Rt Hon Lord David Cameron stopped receiving the allowance when he was appointed the Secretary of State for Foreign, Commonwealth and Development Affairs on 13 November 2023.

12 The Rt Hon Boris Johnson was eligible to claim the Public Duty Cost Allowance, however no claims were received in 2022 to 2023. Due to 2022 to 2023 being the first year of set up, the Cabinet Office has agreed to reimburse these costs in 2023 to 2024. All future office costs are to be claimed in-year with claims received by 31 March. 2022 to 2023 office costs amounted to £67,083.

## 5. Income

£m	2023-24		2022-23 restated	
	Core department Note and agency	Departmental group	Core department and agency	Departmental group
<b>Revenue from contracts with customers</b>				
<b>Pensions</b>				
Central management of Civil Service pension arrangements	47.2	47.2	34.6	34.6
<b>Sales of services</b>				
Government Commercial Function	164.1	164.1	148.0	148.0
Government Digital Service	33.5	33.5	36.5	36.5
Government Communication Service	14.8	14.8	15.3	15.3
Office of the Parliamentary Counsel	9.1	9.1	8.1	8.1
Chief Digital Information Officer	3.1	3.1	3.0	3.0
VIP transport aircraft service	2.7	2.7	2.7	2.7
Infrastructure and Projects Authority	2.6	2.6	2.3	2.3
National Fraud Initiative	1.6	1.6	1.6	1.6
Central Digital and Data Office	1.4	1.4	0.6	0.6
<b>Government Security Group</b>				
UK Security Vetting	77.7	77.7	57.2	57.2
Other Government Security Group	41.2	41.2	29.4	29.4
<b>Government People Group<sup>13</sup></b>				
Fast Stream	93.6	93.6	89.0	89.0
Government recruitment services	19.8	19.8	27.2	27.2
Other Government People Group services	44.2	44.2	37.8	37.8

13 The Government People Group was established this year and is made up of the previous groups Civil Service HR and Government Business Services. Prior year costs have been restated based on the structure of the new group.

£m		2023-24		2022-23 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
<b>Non-rental income from properties</b>					
Core department		1.1	0.9	0.9	0.1
Executive agency		338.2	338.2	279.2	279.2
<b>Income from sponsorship</b>					
Conference of the Parties 27		-	-	0.8	0.8
GREAT Campaign – World Cup 2022		-	-	0.2	0.2
<b>Income payable to the Consolidated Fund</b>					
Registration fees from consultant lobbyists	SOPS 4	-	0.2	-	0.2
<b>Other revenue from contracts with customers</b>					
Various cost recoveries		6.3	6.3	5.4	5.4
<b>Total revenue from contracts with customers</b>		<b>902.2</b>	<b>902.2</b>	<b>779.8</b>	<b>779.2</b>
<b>IFRS 16 operating subleases</b>					
Rental income from IFRS 16 operating subleases		157.6	157.6	113.6	113.6
<b>Income from grants</b>					
Capital grants from other government departments for the fit out of properties		10.0	10.0	2.3	2.3
Other resource grants		-	-	-	0.1
<b>Other income</b>					
Official receiver – non-budget	SOPS 4	43.30	43.30	-	-
Other income from disposals – non-budget	SOPS 4	-	-	0.1	0.1
<b>Total other income</b>		<b>210.9</b>	<b>210.9</b>	<b>116.0</b>	<b>116.1</b>
<b>Non-cash income</b>					
Capital grant in kind – transfer of assets in from other government departments		7.9	7.9	30.4	30.4
Notional digital apprenticeship service grant	4	1.0	1.0	1.2	1.2
<b>Total non-cash income</b>		<b>8.9</b>	<b>8.9</b>	<b>31.6</b>	<b>31.6</b>
<b>Total operating income</b>		<b>1,122.0</b>	<b>1,122.0</b>	<b>927.4</b>	<b>926.9</b>

£m		2023-24		2022-23 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
<b>Finance income</b>					
Dividend from Crown Commercial Service	11.3	71.0	71.0	36.0	36.0
Effective interest income					
- Carillion working capital receivable		0.9	0.9	0.2	0.2
- Sunningdale Park deferred consideration receivable		-	-	0.1	0.1
- Right of use asset investment in sublease	20.2	33.9	33.9	17.2	17.0
- Interest receivable from loans to local authorities	11.3	0.1	0.1	0.2	0.2
<b>Total finance income</b>		<b>105.9</b>	<b>105.9</b>	<b>53.7</b>	<b>53.5</b>
<b>Total income</b>		<b>1,227.9</b>	<b>1,227.9</b>	<b>981.1</b>	<b>980.4</b>

## 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.	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 PCSPS and the Royal Mail Statutory Pension Scheme. MyCSP Ltd provides administration services for PCSPS and Capita Pension Solutions for the Royal Mail Statutory Pension Scheme. The PCSPS directly funds its scheme management costs whereas the Cabinet Office is directly responsible for the Royal Mail Statutory Pension Scheme administration costs.

### Government Commercial Function

The Government Commercial Organisation is a professional organisation of commercial specialists housed within the Government Commercial Function. 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 specialists deployed in a department to fund the operational costs incurred in the running of the Government Commercial Organisation. Also included in Government Commercial Function 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 various programmes and activities that support the Security Strategy. Income is mainly driven from security vetting services (by UK Security Vetting), provision of secure IT to allow sharing of information at certain classification levels, in addition to oversight on specialist security centres and security apprenticeships.

## Government Digital Service

The Government Digital Service receives income from various sources, including:

- GOV.UK One Login, 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
- GOV.UK PaaS (Platform as a Service), which supplies a hosting platform for departments to develop digital services
- Government Digital Service expert services, which supply digital specialist staff to assist departments

## The Office of the Parliamentary Counsel

The Office of the Parliamentary Counsel is responsible for drafting all government primary legislation and the drafting and vetting of some statutory instruments. Any costs of drafting or vetting provided to other government departments are recovered as income.

## Government Communication Service

The Government Communication Service 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 is received from the Foreign, Commonwealth and Development Office and external bodies for the Government Communication Service international team to support partner governments to strengthen their capacity to communicate effectively to support domestic and international objectives. Finally, income is received from other government departments for staff provided through the Government Communication Service flex team to meet short-term staffing requirements.

## Cabinet Office digital team

The Cabinet Office digital team provides a fully managed IT service to the Crown Commercial Service, the GPA, and the Office of the Secretary of State for Scotland, recovering all costs.

## National Fraud Initiative

The National Fraud Initiative is a data matching exercise to help prevent and detect fraud and error. Conducted 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.

### **Infrastructure and Projects Authority**

Infrastructure and Projects Authority income is received from recharging the costs of expert consultants with specialist knowledge and skills, which are required to undertake assurance reviews for major government projects. In addition, the Infrastructure and Projects Authority 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.

### **Dedicated transport aircraft service**

This is a dedicated leased transport aircraft service for the Prime Minister and ministerial air travel requirements, which is paid for centrally by the Cabinet Office. All associated income relates to a full recovery of costs, plus an administration fee, when other government departments use the aircraft service.

### **Government People Group**

Government People Group 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. It shares HR expertise and maximises buying power across the Civil Service in a joined-up and effective manner, to deliver professional and more efficient HR services. It also brings together back-office transaction work, incorporating the four areas of: shared services strategy, government recruitment, Civil Service and Royal Mail pensions, and the platforms and services to support these.

Government People Group income is driven in two ways: all departments pay towards a number of 'core' services through a memorandum of understanding, and 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 GPA 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 rent, rates, facilities management, ICT and utilities). In addition, the GPA receives management fees from the client department for property and project services provided.

## **Income streams – other operating income**

### **Dividends**

The dividend which the Cabinet Office receives from the Crown Commercial Service has been treated as income in the financial statements, however in 2023 to 2024 the full amount of £71.0 million was returned to HM Treasury and is not classified as income in the SOPS. In 2022 to 2023 the Cabinet Office received £36.0 million, which covered some of the costs of the complex transaction, continuous improvement, markets and suppliers, and policy teams. This previously transferred from the Crown Commercial Service to the 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 the Official Receiver**

In 2023 to 2024, the Cabinet Office received £40.8 million in respect of the liquidation of Carillion plc and £2.5 million in respect of the liquidation of Virtual Infrastructure Group Ltd and UK Cloud Ltd. See note 14.1.

### **Income from grants**

The GPA received contributions through capital grants from the other government departments for the fitting out of GPA-held properties that the other government departments are occupying. In addition, the GPA recorded non-cash capital grant in kind income for the properties that were transferred in-year from other government departments for nil consideration.

## 6. Property, plant and equipment

### Consolidated 2023 to 2024

Departmental group £m	Land	Buildings	Leasehold improvements	Dwellings	Information technology	Plant and machinery	Furniture and fittings	Art and antiques	Payments on account and assets under construction	2023-24 total
<b>Cost or valuation</b>										
<b>At 1 April 2023 (restated)</b>	<b>663.6</b>	<b>796.4</b>	<b>218.5</b>	<b>28.0</b>	<b>153.0</b>	<b>10.6</b>	<b>19.1</b>	<b>9.4</b>	<b>216.5</b>	<b>2,115.1</b>
Additions	5.5	(0.1)	-	-	38.3	-	10.6	-	265.1	319.4
Disposals <sup>14</sup>	-	-	(1.1)	-	(0.4)	-	-	-	-	(1.5)
Impairments <sup>15</sup>	(3.8)	(70.7)	(6.5)	-	-	-	-	-	(29.2)	(110.2)
Reclassifications <sup>16</sup>	-	69.0	130.5	-	23.2	10.7	6.1	-	(239.5)	-
Reclassifications to right of use assets	-	(4.7)	-	-	-	-	-	-	-	(4.7)
Transfer of function and capital grant in kind <sup>17</sup>	-	3.9	3.9	-	-	-	0.1	-	-	7.9
Revaluations <sup>15</sup>	(55.2)	(52.8)	5.9	0.2	(2.0)	(0.3)	(0.9)	-	-	(105.1)
<b>At 31 March 2024</b>	<b>610.1</b>	<b>741.0</b>	<b>351.2</b>	<b>28.2</b>	<b>212.1</b>	<b>21.0</b>	<b>35.0</b>	<b>9.4</b>	<b>212.9</b>	<b>2,220.9</b>
<b>Depreciation</b>										
<b>At 1 April 2023 (restated)</b>	<b>-</b>	<b>30.3</b>	<b>71.4</b>	<b>10.4</b>	<b>93.0</b>	<b>2.3</b>	<b>8.7</b>	<b>-</b>	<b>-</b>	<b>216.1</b>
Charged in year	-	30.1	33.3	0.9	32.7	1.4	3.6	-	-	102.0
Disposals <sup>14</sup>	-	-	(1.1)	-	(0.4)	-	-	-	-	(1.5)

14 Disposals include retired assets. Their values are fully written down and they are no longer in use.

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.

16 Property, plant and equipment reclassifications net nil with intangibles reclassifications. See note 7.

17 Additions to transfer of function and capital grant in kind relate to assets donated to the GPA. See note 6.4.

Departmental group £m	Land	Buildings	Leasehold improvements	Dwellings	Information technology	Plant and machinery	Furniture and fittings	Art and antiques	Payments on account and assets under construction	2023-24 total
Impairments <sup>15</sup>	-	-	(2.7)	-	-	-	-	-	-	(2.7)
Revaluations <sup>15</sup>	-	(28.2)	2.2	(0.7)	(0.9)	-	(0.3)	-	-	(27.9)
<b>At 31 March 2024</b>	<b>-</b>	<b>32.2</b>	<b>103.1</b>	<b>10.6</b>	<b>124.4</b>	<b>3.7</b>	<b>12.0</b>	<b>-</b>	<b>-</b>	<b>286.0</b>
<b>Carrying amount at 31 March 2024</b>	<b>610.1</b>	<b>708.8</b>	<b>248.1</b>	<b>17.6</b>	<b>87.7</b>	<b>17.3</b>	<b>23.0</b>	<b>9.4</b>	<b>212.9</b>	<b>1,934.9</b>
<b>Carrying amount at 31 March 2023 (restated)</b>	<b>663.6</b>	<b>766.1</b>	<b>147.1</b>	<b>17.6</b>	<b>60.0</b>	<b>8.3</b>	<b>10.4</b>	<b>9.4</b>	<b>216.5</b>	<b>1,899.0</b>
<b>Asset financing</b>										
Owned	610.1	505.9	248.1	17.6	87.7	17.3	23.0	9.4	212.9	1,732.0
Finance leased	-	-	-	-	-	-	-	-	-	-
PFI and other service concession arrangements	-	202.9	-	-	-	-	-	-	-	202.9
<b>Carrying amount at 31 March 2024</b>	<b>610.1</b>	<b>708.8</b>	<b>248.1</b>	<b>17.6</b>	<b>87.7</b>	<b>17.3</b>	<b>23.0</b>	<b>9.4</b>	<b>212.9</b>	<b>1,934.9</b>
<b>Of the total</b>										
Department	23.1	51.1	2.5	10.1	64.4	-	11.2	9.3	1.0	172.7
Executive agency	587.0	657.7	245.4	7.5	22.8	17.3	11.8	0.1	211.0	1,760.6
Other designated bodies	-	-	0.2	-	0.5	-	-	-	0.9	1.6
<b>Carrying amount at 31 March 2024</b>	<b>610.1</b>	<b>708.8</b>	<b>248.1</b>	<b>17.6</b>	<b>87.7</b>	<b>17.3</b>	<b>23.0</b>	<b>9.4</b>	<b>212.9</b>	<b>1,934.9</b>

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

## Consolidated 2022 to 2023

Departmental group £m	Land	Buildings	Leasehold improvements	Dwellings	Information technology	Plant and machinery	Furniture and fittings	Art and antiques	Payments on account and assets under construction	2022-23 total (restated)
<b>Cost or valuation</b>										
<b>At 1 April 2022</b>	<b>898.8</b>	<b>895.6</b>	<b>148.7</b>	<b>27.5</b>	<b>122.3</b>	<b>9.7</b>	<b>16.0</b>	<b>5.8</b>	<b>112.5</b>	<b>2,236.9</b>
IFRS16 transition adjustment	-	(42.1)	-	-	-	-	-	-	-	(42.1)
Additions	-	0.2	0.2	-	13.1	-	0.7	-	214.3	228.5
Disposals <sup>18</sup>	-	-	(0.2)	-	(1.9)	-	-	-	-	(2.1)
Impairments <sup>19</sup>	(6.6)	(72.1)	-	-	-	-	-	-	(16.7)	(95.4)
Reclassifications <sup>20</sup>	-	42.8	44.0	-	5.7	-	1.2	-	(93.7)	-
Transfer to assets held for sale	(1.2)	(2.7)	-	-	-	-	-	-	-	(3.9)
Transfer of function and capital grant in kind <sup>21</sup>	4.1	13.5	12.6	-	-	-	-	-	0.1	30.3
Revaluations <sup>19</sup>	(231.5)	(38.8)	13.2	0.5	13.8	0.9	1.2	3.6	-	(237.1)
<b>At 31 March 2023</b>	<b>663.6</b>	<b>796.4</b>	<b>218.5</b>	<b>28.0</b>	<b>153.0</b>	<b>10.6</b>	<b>19.1</b>	<b>9.4</b>	<b>216.5</b>	<b>2,115.1</b>
<b>Depreciation</b>										
<b>At 1 April 2022</b>	<b>-</b>	<b>72.1</b>	<b>49.1</b>	<b>9.7</b>	<b>65.4</b>	<b>1.3</b>	<b>5.7</b>	<b>-</b>	<b>-</b>	<b>203.3</b>
Charged in year	-	25.8	19.1	0.3	21.7	0.9	2.5	-	-	70.3

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 professional property valuations, the application of published indices and annual impairment reviews which ensure that the asset base is correctly valued.

20 Property, plant and equipment reclassifications net nil with intangibles reclassifications. See note 7.

21 Additions to transfer of function and capital grant in kind relate to assets donated to the GPA. See note 6.4.

Departmental group £m	Land	Buildings	Leasehold improvements	Dwellings	Information technology	Plant and machinery	Furniture and fittings	Art and antiques	Payments on account and assets under construction	2022-23 total (restated)
Disposals <sup>18</sup>	-	-	(0.2)	-	(1.9)	-	-	-	-	(2.1)
Transfer to assets held for sale	-	(0.3)	-	-	-	-	-	-	-	(0.3)
Revaluations <sup>19</sup>	-	(67.3)	3.4	0.4	7.8	0.1	0.5	-	-	(55.1)
<b>At 31 March 2023</b>	<b>-</b>	<b>30.3</b>	<b>71.4</b>	<b>10.4</b>	<b>93.0</b>	<b>2.3</b>	<b>8.7</b>	<b>-</b>	<b>-</b>	<b>216.1</b>
<b>Carrying amount at 31 March 2023</b>	<b>663.6</b>	<b>766.1</b>	<b>147.1</b>	<b>17.6</b>	<b>60.0</b>	<b>8.3</b>	<b>10.4</b>	<b>9.4</b>	<b>216.5</b>	<b>1,899.0</b>
<b>Carrying amount at 1 April 2022</b>	<b>898.8</b>	<b>823.5</b>	<b>99.6</b>	<b>17.8</b>	<b>56.9</b>	<b>8.4</b>	<b>10.3</b>	<b>5.8</b>	<b>112.5</b>	<b>2,033.6</b>
<b>Asset financing</b>										
Owned	663.6	552.0	147.1	17.6	60.0	8.3	10.4	9.4	216.5	1,684.9
Finance leased	-	-	-	-	-	-	-	-	-	-
PFI and other service concession arrangements	-	214.1	-	-	-	-	-	-	-	214.1
<b>Carrying amount at 31 March 2023</b>	<b>663.6</b>	<b>766.1</b>	<b>147.1</b>	<b>17.6</b>	<b>60.0</b>	<b>8.3</b>	<b>10.4</b>	<b>9.4</b>	<b>216.5</b>	<b>1,899.0</b>
<b>Of the total</b>										
Department	23.0	47.1	4.8	10.4	49.3	-	1.4	9.3	7.7	153.0
Executive agency	640.6	719.0	142.0	7.2	10.2	8.3	8.8	0.1	208.7	1,744.9
Other designated bodies	-	-	0.3	-	0.5	-	0.2	-	0.1	1.1
<b>Carrying amount at 31 March 2023</b>	<b>663.6</b>	<b>766.1</b>	<b>147.1</b>	<b>17.6</b>	<b>60.0</b>	<b>8.3</b>	<b>10.4</b>	<b>9.4</b>	<b>216.5</b>	<b>1,899.0</b>

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

## 6.1. Valuation

### Freehold land and buildings held by the GPA

Freehold land and building valuations are derived from independent professional valuers' estimates of market rental values and expected yields for each freehold land and building. While holding all other assumptions constant, if the average market rental value was 10% higher (lower), the value of the GPA's land and buildings assets would increase (decrease) by £137.2 million.

The GPA's net valuation losses for 2023 to 2024 totalled £163.2 million (11.5% of net book value).

Approximately 54% of the loss (£87.7 million) has been absorbed by the revaluation reserve, which is offset against revaluation gains recorded in previous financial years. The remaining 46% (£74.5 million) has been expensed.

The two main drivers for current valuation losses are the uncertainty of the impact of wars in the Middle East and Ukraine, and the still relatively high (although falling) interest rates and inflation across the economy. These have continued to dampen demand for leased office space, causing continued downward pressure on real estate values.

### Art and antiques

Townley Valuation Services Limited value art and antiques, including furniture, carpets, clocks, and ceramics situated in properties within the Whitehall estate 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 held as at March 2024 on the basis of the 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 the RICS Building Cost Information Service, where a suitable index exists for the respective asset category.

## 6.2. Assets under construction

Assets under construction of £212.9 million (2022 to 2023: £216.5 million) relate to building improvement works at GPA and Cabinet Office properties, and Cabinet Office IT projects which have yet to come into use.

### 6.3. Asset transfers

The GPA was donated assets to the value of £7.9 million (2022 to 2023: £30.4 million).

No restrictions have been placed on these assets by the donor.

£m	Note	2023-24	2022-23
<b>CSoFP</b>			
<b>Increase in non-current assets</b>			
Property, plant and equipment	6		
Home Office		-	5.9
Department for Environment, Food and Rural Affairs		-	0.1
NHS Business Services Authority		-	4.6
Ministry of Justice		-	6.7
Driver and Vehicle Standards Agency		-	2.5
Maritime and Coastguard Agency		-	10.6
Department for Work and Pensions		4.0	-
Office of National Statistics		3.9	-
<b>Total increase in non-current assets</b>		<b>7.9</b>	<b>30.4</b>
<b>Recognition of these non-current assets is fully supported by capital grant in kind income recognised in the CSoCNE</b>			
<b>CSoCNE</b>			
Capital grant in kind income	5	(7.9)	(30.4)
<b>Total capital grant in kind income</b>		<b>(7.9)</b>	<b>(30.4)</b>
<b>Transfer of revaluations reserve through general reserve</b>			
General reserve		-	1.4
Revaluation reserve		-	(1.4)
<b>CSoFP</b>			
Increase in liabilities	21	-	-
<b>Total increase in liabilities</b>		<b>-</b>	<b>-</b>
<b>CSoCNE</b>			
PFI onboarding liability transfers	4	-	-
<b>Total PFI onboarding liability transfers</b>		<b>-</b>	<b>-</b>

## 7. Intangible assets

### Consolidated 2023 to 2024

Departmental group £m	Purchased software licences	IT software	Website	Payments on account and assets under construction	2023-24 total
<b>Cost or valuation</b>					
<b>At 1 April 2023 (restated)</b>	<b>4.1</b>	<b>49.6</b>	<b>17.9</b>	<b>78.0</b>	<b>149.6</b>
Additions	-	11.6	8.2	88.8	108.6
Reclassifications <sup>22</sup>	35.8	0.7	12.8	(49.3)	-
Revaluations <sup>23</sup>	-	2.6	0.7	-	3.3
<b>At 31 March 2024</b>	<b>39.9</b>	<b>64.5</b>	<b>39.6</b>	<b>117.5</b>	<b>261.5</b>
<b>Amortisation</b>					
<b>At 1 April 2023 (restated)</b>	<b>0.7</b>	<b>31.7</b>	<b>9.7</b>	<b>-</b>	<b>42.1</b>
Charged in year	0.2	11.1	9.3	-	20.6
Revaluations <sup>23</sup>	-	2.1	0.6	-	2.7
<b>At 31 March 2024</b>	<b>0.9</b>	<b>44.9</b>	<b>19.6</b>	<b>-</b>	<b>65.4</b>
<b>Carrying amount at 31 March 2024</b>	<b>39.0</b>	<b>19.6</b>	<b>20.0</b>	<b>117.5</b>	<b>196.1</b>
<b>Carrying amount at 31 March 2023 (restated)</b>	<b>3.4</b>	<b>17.9</b>	<b>8.2</b>	<b>78.0</b>	<b>107.5</b>
<b>Asset financing</b>					
Owned	39.0	19.6	20.0	117.5	196.1
<b>Carrying amount at 31 March 2024</b>	<b>39.0</b>	<b>19.6</b>	<b>20.0</b>	<b>117.5</b>	<b>196.1</b>
<b>Of the total</b>					
Department	-	19.6	20.0	114.6	154.2
Executive agency	39.0	-	-	2.9	41.9
Other designated bodies	-	-	-	-	-
<b>Carrying amount at 31 March 2024</b>	<b>39.0</b>	<b>19.6</b>	<b>20.0</b>	<b>117.5</b>	<b>196.1</b>

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

22 Property, plant and equipment reclassifications net nil with intangibles reclassifications. See note 6.

23 Revaluations arise as a result of published indices and annual impairment reviews which ensure the asset base is correctly valued.

## Consolidated 2022 to 2023

Departmental group £m	Purchased software licences	IT software	Website	Payments on account and assets under construction	2022-23 total (restated)
<b>Cost or valuation</b>					
<b>At 1 April 2022</b>	<b>1.0</b>	<b>37.7</b>	<b>10.3</b>	<b>34.7</b>	<b>83.7</b>
Additions	-	1.6	-	70.7	72.3
Disposals <sup>24</sup>	-	(5.7)	(2.6)	-	(8.3)
Write-offs	-	-	-	(1.2)	(1.2)
Reclassifications <sup>25</sup>	3.1	14.0	9.2	(26.2)	0.1
Revaluations <sup>26</sup>	-	2.0	1.0	-	3.0
<b>At 31 March 2023</b>	<b>4.1</b>	<b>49.6</b>	<b>17.9</b>	<b>78.0</b>	<b>149.6</b>
<b>Amortisation</b>					
<b>At 1 April 2022</b>	<b>0.3</b>	<b>26.6</b>	<b>6.3</b>	<b>-</b>	<b>33.2</b>
Charged in year	0.4	9.8	5.8	-	16.0
Disposals <sup>24</sup>	-	(5.7)	(2.6)	-	(8.3)
Revaluations <sup>26</sup>	-	1.0	0.2	-	1.2
<b>At 31 March 2023</b>	<b>0.7</b>	<b>31.7</b>	<b>9.7</b>	<b>-</b>	<b>42.1</b>
<b>Carrying amount at 31 March 2023</b>	<b>3.4</b>	<b>17.9</b>	<b>8.2</b>	<b>78.0</b>	<b>107.5</b>
<b>Carrying amount at 31 March 2022</b>	<b>0.7</b>	<b>11.1</b>	<b>4.0</b>	<b>34.7</b>	<b>50.5</b>
<b>Asset financing</b>					
Owned	3.4	17.9	8.2	78.0	107.5
<b>Carrying amount at 31 March 2023</b>	<b>3.4</b>	<b>17.9</b>	<b>8.2</b>	<b>78.0</b>	<b>107.5</b>
<b>Of the total</b>					
Department	3.1	17.8	8.2	74.0	103.1
Executive agency	0.3	-	-	4.0	4.3
Other designated bodies	-	0.1	-	-	0.1
<b>Carrying amount at 31 March 2023</b>	<b>3.4</b>	<b>17.9</b>	<b>8.2</b>	<b>78.0</b>	<b>107.5</b>

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

24 Disposals include retired assets. Their values are fully written down and they are no longer in use.

25 Intangibles reclassifications net nil with property, plant and equipment reclassifications. See note 6.

26 Revaluations arise as a result of published indices and annual impairment reviews which ensure the asset base is correctly valued.

## 7.1. Assets under construction

Assets under construction of £117.5 million (2022 to 2023: £78.0 million) relate to Cabinet Office IT and cross-government IT projects which have yet to come into use.

## 7.2. Material intangibles

Intangibles of £78.9 million (2022 to 2023: £41.3 million) relate to the GOV.UK One Login system. This system makes it easier for people to access government services online. Users are now able to create an account, login with a username and password, and prove their identity through either a web-based journey or a smartphone app.

## 8. Impairments

£m		2023-24		2022-23 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
<b>Charged to CSoCNE</b>					
Impairment of property, plant and equipment	4	0.4	0.4	1.3	1.3
Impairment – right of use asset	4	5.6	5.6	0.1	0.1
Impairment of trade receivables	14.3	7.9	7.9	1.1	1.1
Impairment of trade receivables – write back	14.3	(5.4)	(5.4)	(4.3)	(4.3)
Revaluation of property, plant and equipment	4	107.7	107.7	94.1	94.1
Write-off of intangible assets	4	-	-	1.2	1.2
<b>Total charged to the CSoCNE</b>		<b>116.2</b>	<b>116.2</b>	<b>93.5</b>	<b>93.5</b>

### Impairment of trade receivables – write back

Write back of £5.4 million (2022 to 2023: £4.3 million) reflects positive outcomes on the collection of receivables that were outstanding at 31 March 2023 due to additional resources being dedicated to addressing outstanding debt.

### Revaluation of property, plant and equipment

There was a devaluation of £103.9 million (2022 to 2023 restated: £94.1 million) related to revised valuations of new properties onboarded by the GPA.

## 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

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

The department's net revenue resource and capital requirements are financed by resources voted annually by Parliament. The department's liquidity management controls include monitoring cash flows to ensure that daily cash requirements are met and reassessing the net cash requirement on a regular basis. Consequently, the department is therefore not exposed to significant residual liquidity risk.

### Credit risk

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

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 notes 4 and 14. Consequently, credit risk from trade and other receivables is low.

Net credit risk to the department from the working capital investment in the Carillion plc and Virtual Infrastructure Group Ltd and UK Cloud Ltd liquidation is low because all

future cash flow receipts from the Official Receiver are repayable to the Consolidated Fund, which therefore bears the credit risk. The department recognises as a financial asset only the fair value of the receivable, rather than the present value of the total investment in net working capital outstanding. The fair value considerations are detailed at note 14.1.

### Market risk

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

There is no exposure to interest rate risk, since material deposits are held with the Government Banking Service, and little exposure to exchange rate risk, because all material assets and liabilities are denominated in sterling.

The department is not exposed to significant market risk in relation to rents because rent costs for the majority of properties are passed through to tenants. The risks associated with vacant space are also mitigated in a number of ways:

- where a client's lease term is less than the head lease term, the GPA charges a rent premium to offset the void liability
- clients are obliged to provide at least one year's notice of termination which provides the opportunity to re-let
- clients remain liable for the void cost as part of their occupation agreement if they exit early

- clients transferring properties to the GPA remain liable for voids and shortfalls until the earlier of
  - the date the space is re-let
  - the date the next Spending Review period expires (31 March 2025)
  - the date that is three years after the date of the property transfer
  - the date that the GPA disposes of the transferred property

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

The Cabinet Office is exposed to fluctuations in the property market from the land and buildings assets held by the GPA. Freehold land and building valuations are derived from independent professional valuers' estimates of market rental values and expected yields for each freehold land and building. While holding all other assumptions constant, if the average market rental value was 10% higher (lower), the value of the GPA's land and buildings assets would increase (decrease) by £137.2 million, with any decrease being expensed through the CSoCNE to the extent that a revaluation reserve is not held for the relevant assets.

The two main drivers for current valuation losses are the uncertainty of the impact of wars in the Middle East and Ukraine, and the still relatively high (although falling) interest rates and inflation across the economy.

These have continued to dampen demand for leased office space, causing continued downward pressure on real estate values.

### **9.1. Group financial instruments – fair value hierarchy**

The department uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

£m	Note	2023-24			2022-23		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets: fair value through profit and loss</b>							
Derivative financial assets	11.1, 11.2	-	-	3.9	-	-	18.6
Official receiver receivable	14	-	-	12.9	-	-	53.2
<b>Financial liabilities: fair value through profit and loss</b>							
Official Receiver payable to the Consolidated Fund	15	-	-	(12.9)	-	-	(53.2)

There were no transfers between the levels in 2023 to 2024.

## 10. Investments in associates

£m	Note	Shared Services Connected Limited	Crown Hosting Data Centres Limited	Total departmental group
<b>Cost or valuation</b>				
<b>At 1 April 2022</b>		<b>28.6</b>	<b>0.6</b>	<b>29.2</b>
Dividend received		(3.5)	(0.6)	(4.1)
Share of results	CSoCNE	8.1	0.6	8.7
<b>At 31 March 2023</b>		<b>33.2</b>	<b>0.6</b>	<b>33.8</b>
Disposals		(36.3)	-	(36.3)
Dividend received		(4.0)	(0.3)	(4.3)
Share of results	CSoCNE	7.1	0.4	7.5
<b>At 31 March 2024</b>		<b>-</b>	<b>0.7</b>	<b>0.7</b>

The department accounts for its investments in associates using the equity method in accordance with 'IAS 28: Investments in Associates and Joint Ventures', and presents disclosures required by 'IFRS 12: Disclosure of Interests in Other Entities'.

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

The core and agency figures are not shown separately as the difference is immaterial.

### Shared Services Connected Limited

The department previously held a 25% equity shareholding in 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.

The department previously had the benefit of a put option, exercisable between 1 January 2022 and 1 January 2024. This gave 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.

On 6 November 2023, the department completed the sale of SSCL by exercising the put option for consideration of £82.2 million, resulting in an overall accounting profit of £30.8 million.

SSCL prepares its accounts on a 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. SSCL's published accounts may be found on the GOV.UK Companies House website.<sup>27</sup>

<sup>27</sup> [www.gov.uk/government/organisations/companies-house](http://www.gov.uk/government/organisations/companies-house)

## **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 co-location 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 2024 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 its financial statements is 30 June, the same date as its major shareholder. When applying the equity method of accounting, its 2023 audited financial statements were used and adjustments were made for the effects of transactions between 1 July 2023 and 31 March 2024. Its published accounts may be found on the GOV.UK Companies House website.<sup>28</sup>

As at the department's reporting date, CHDC reported unaudited cash of £2.8 million, current assets of £8.5 million and current liabilities of £8.0 million. Unaudited revenue for the period 1 July 2023 to 31 March 2024 was £52.0 million and profit after tax was £1.2 million.

28 [www.gov.uk/government/organisations/companies-house](http://www.gov.uk/government/organisations/companies-house)

## 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.

£m	Total departmental group
<b>Balance at 1 April 2022</b>	<b>15.3</b>
Fair value gain / (loss) on financial assets – associate put options	(0.3)
<b>Balance at 31 March 2023</b>	<b>15.0</b>
Disposals	(15.0)
<b>Balance at 31 March 2024</b>	<b>-</b>

The Cabinet Office activated its put option in SSCL and sold its shares for a consideration of £82.2 million. Profit on disposal was £30.8 million. See note 4.

The core and agency figures are not shown separately as the difference is immaterial.

### 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.

£m	Total departmental group
<b>Balance at 1 April 2022</b>	<b>3.9</b>
Fair value gain / (loss) on financial assets	(0.3)
<b>Balance at 31 March 2023</b>	<b>3.6</b>
Fair value gain / (loss) on financial assets	0.3
<b>Balance at 31 March 2024</b>	<b>3.9</b>

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

As at 31 March 2024, a put option was exercisable in relation to the department's investment in CHDC.

Under its put option, the Cabinet Office can require the co-investor in CHDC to purchase its investment in CHDC at the higher of:

- i) a contractually set formula value linked to CHDC's net cash or debt positions and earnings
- ii) the fair value of the investment as a whole

The put option is not capable of separate realisation. It can only be realised together with the underlying investment to which it is linked. The put option does not expire.

The corresponding derivative financial asset is presented as a standalone financial instrument. It is stated at the highest present value at the reporting date, calculated over foreseeable future, of:

- i) the exercise price of the put option, less
- ii) the open market value of the underlying investment to which it relates if sold without the benefit of the put option

Present values at the reporting date are determined by discounting future values back to the reporting date at CHDC's estimated cost of equity. Values are stated net of any impairments associated with indicators linked to the co-investor's assessed ability to satisfy its obligations under the option if called.

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

The exercise price of the option has been based on the formula value of the option as determined under the shareholder agreement. In deriving the formula value, the department has projected CHDC's future earnings over the period to 2031 assuming that they will decline after the most recent framework closes to new business in 2029. The standalone value of the CHDC shares without the option is based on the present value of the future cash flows that would be received by the co-investor following a sale based on its estimated weighted average cost of capital and assuming CHDC

distributes as much of its net profits as it can after 2024, while preserving a reasonable level of working capital.

Such an approach is subject to a high degree of valuation uncertainty, with the key assumptions limiting the accuracy of the CHDC option valuation being:

- CHDC's projected earnings before interest, taxes, depreciation and amortisation
- the co-investor's weighted average cost of capital
- CHDC's pay-out ratio after 2024
- CHDC's cost of equity

A 10% increase/decrease in CHDC's projected earnings before interest, taxes, depreciation and amortisation would result in a £0.5 million increase/£0.1 million decrease in the value of the CHDC put option respectively. A 1% increase/decrease in the co-investor's weighted average cost of capital would result in a £0.1 million increase/£0.1 million decrease in the value of the CHDC put option respectively. A 10% reduction in CHDC's pay-out ratio would result in a £0.1 million increase in the value of the CHDC put option.

A 1% increase/decrease in CHDC's cost of equity would result in a decrease/increase of £0.1 million/£0.1 million in the put option value respectively.

In valuing the CHDC option, an option pricing model has not been used. Option pricing models used in industry practice may reduce valuation uncertainty and sensitivity ranges. Management has judged that the difference in fair value between an option pricing model-based approach and the approach discussed above is not expected to be material.

### 11.3. Investments in other public sector bodies

The core department holds investments in other public sector bodies.

£m	Public dividend capital in Crown Commercial Service	Local government loans	Total departmental group
<b>Balance at 1 April 2022</b>	<b>0.4</b>	<b>8.3</b>	<b>8.7</b>
Additions	-	0.2	0.2
Loan repayments	-	(2.5)	(2.5)
<b>Balance at 31 March 2023</b>	<b>0.4</b>	<b>6.0</b>	<b>6.4</b>
Additions	-	0.1	0.1
Impairment	-	(0.1)	(0.1)
Loan repayments	-	(1.9)	(1.9)
Expected loss allowance	-	(0.6)	(0.6)
<b>Balance at 31 March 2024</b>	<b>0.4</b>	<b>3.5</b>	<b>3.9</b>
Of which:			
Current asset	-	1.9	1.9
Non-current asset	0.4	1.6	2.0
<b>Balance at 31 March 2024</b>	<b>0.4</b>	<b>3.5</b>	<b>3.9</b>
Of which:			
Current asset	-	3.0	3.0
Non-current asset	0.4	3.0	3.4
<b>Balance at 31 March 2023</b>	<b>0.4</b>	<b>6.0</b>	<b>6.4</b>

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

## Public dividend capital in Crown Commercial Service

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

A dividend of £71.0 million (2022 to 2023: £36.0 million) was received for the year ended 31 March 2024. This has been recognised as income in the financial statements (see note 5) but as this cash has been repaid to HM Treasury as a Consolidated Fund extra receipt, it is not recognised in the SOPS.

In 2022 to 2023, it was used to cover the costs of the complex transaction, continuous improvement, markets and suppliers, and policy teams which previously transferred from the Crown Commercial Service to the 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, plus an additional surplus being held by the agency.

## Local government loans

The department's One Public Estate programme manages a loan book of investments in other public sector bodies in respect of loans with local authorities. These loans are issued at below market interest rates, and are classified as financial assets measured at amortised cost in accordance with IFRS 9. They are held within a business model whose objective has been to issue recoverable loans, report on benefits delivered from this loan funding, and collect contractual loan repayment cash flows on specified future dates.

The programme's management team actively monitors the use and outcomes of the grants. Sustainable grants are measured using the effective interest rate, based on the financial instrument discount rate provided by HM Treasury. For loans recognised in 2023 to 2024, the opening HM Treasury financial instrument nominal discount rate of 1.9% has been applied. Loans outstanding at the reporting date have been remeasured using the closing HM Treasury financial instrument nominal rate of 2.05%.

The department is exposed to credit and interest rate risk. A 1% increase/decrease in the discount rate applied to the closing loan position would result in a £0.2 million decrease or increase in fair value respectively. A one-year postponement of the repayment period would result in a £0.4 million decrease in fair value.

A provision for expected credit losses is made against the net present value of the outstanding loans calculated at either 50% or 100% depending on the probability of default.

The loan fund was originally established to manage a sustained circular programme of lending, loan recovery and reissue of more recoverable grants. The overall loan programme fund is now being wound down, with new grants funded from receipts being issued on a non-recoverable basis. Ministerial and HM Treasury approval has separately been received to allow new grants to be issued on this basis.

Loan repayments that are not recycled are recognised as income in the SOPS.

## 12. Assets classified as held for sale

£m	Note	Total departmental group
<b>Balance at 1 April 2022</b>		<b>1.0</b>
Transfer from property, plant and equipment	6	3.6
<b>Balance at 31 March 2023</b>		<b>4.6</b>
Disposal	4	(3.6)
<b>Balance at 31 March 2024</b>		<b>1.0</b>

The asset held for sale is a surplus freehold property. The property is available for sale in its present condition, is being actively marketed and is expected to be disposed of within 12 months of the reporting date. This asset was held as an asset for sale on 31 March 2021, but the sale did not complete within 12 months as had been previously expected. Its value has been adjusted as at 31 March 2024 in line with the latest expectation on sale proceeds.

In April 2023 the GPA completed the sale of the freehold property at Peterborough, Aragon Court generating proceeds of £4.2 million.

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

## 13. Cash and cash equivalents

£m	Core department and agency	Total Departmental group
<b>Balance at 1 April 2022</b>	<b>230.3</b>	<b>230.6</b>
Net change in cash and cash equivalent balances	(159.1)	(159.4)
<b>Balance at 31 March 2023</b>	<b>71.2</b>	<b>71.2</b>
Net change in cash and cash equivalent balances	(30.8)	(30.5)
<b>Balance at 31 March 2024</b>	<b>40.4</b>	<b>40.7</b>
The following balances at 31 March were held at:		
Government Banking Service – supply – Cabinet Office	(86.8)	(86.8)
Government Banking Service – supply – GPA	127.2	127.2
Government Banking Service – supply – EHRC	-	0.3
<b>Balance at 31 March 2024</b>	<b>40.4</b>	<b>40.7</b>

### 13.1. Reconciliation of liabilities arising from financing activities

£m	Restated opening liabilities at 1 April 2023	Cash flows (out) / in	Interest charged	Revaluation	Capital repayment	Closing liabilities at 31 March 2024
Carillion working capital payable to the Consolidated Fund	(46.3)	40.8	(0.9)	(1.8)	40.8	(8.2)
UK Cloud working capital payable to the Consolidated Fund	(7.0)	2.5	(0.2)	-	2.5	(4.7)
Leases	1,050.8	(95.6)	-	259.1	(95.6)	1,214.3
PFI service charges	460.5	(40.8)	-	279.9	(40.8)	699.6
<b>Total</b>	<b>1,458.0</b>	<b>(93.1)</b>	<b>(1.1)</b>	<b>537.2</b>	<b>(93.1)</b>	<b>1,901.0</b>

## 14. Trade receivables, financial and other assets

£m	Note	2023-24		2022-23 restated		2021-22 restated	
		Core department and agency	Departmental group	Core department and agency	Departmental group	Core department and agency	Departmental group
<b>Current – amounts falling due within one year</b>							
VAT		1.1	1.1	1.0	1.0	3.9	3.9
Trade receivables		36.3	36.3	42.6	42.5	62.6	62.5
Contract assets under 'IFRS 15: Revenue from Contracts with Customers' – trade receivables		47.3	47.3	40.3	40.3	45.6	45.6
Deposits and advances		0.4	0.4	0.3	0.3	0.3	0.3
Other receivables		9.8	9.8	11.1	11.1	9.6	9.6
Deferred consideration on disposal of site at Sunningdale Park		-	-	-	-	7.3	7.3
Amounts due from importing departments in respect of machinery of government transfers		2.3	2.3	-	-	34.1	34.1
Prepayments		48.5	49.1	31.0	31.6	53.8	54.1
Accrued income		107.4	107.4	71.2	71.2	24.8	24.8
Contract assets under 'IFRS 15: Revenue from Contracts with Customers' – accrued income		119.7	119.7	77.7	77.7	109.8	109.8
Amounts from other government departments to offset provisions		5.3	5.3	3.7	3.7	5.9	5.9
Current lease incentive receivable		1.2	1.2	0.4	0.4	6.1	6.1
Official Receiver working capital receivable	14.1	3.0	3.0	42.3	42.3	1.7	1.7
<b>Total current assets</b>		<b>382.3</b>	<b>382.9</b>	<b>321.6</b>	<b>322.1</b>	<b>365.5</b>	<b>365.7</b>

£m	Note	2023-24		2022-23 restated		2021-22 restated	
		Core department and agency	Departmental group	Core department and agency	Departmental group	Core department and agency	Departmental group
<b>Non-current – amounts falling due after more than one year</b>							
Amounts from other government departments to offset provisions		140.1	140.1	102.7	102.7	82.5	82.5
Prepayments, deposits and advances		-	0.1	-	-	5.4	5.5
Non-current lease incentive receivable		5.6	5.6	3.2	3.2	30.1	30.1
Official Receiver working capital receivable	14.1	9.9	9.9	10.9	10.9	17.6	17.6
<b>Total non-current assets</b>		<b>155.6</b>	<b>155.7</b>	<b>116.8</b>	<b>116.8</b>	<b>135.6</b>	<b>135.7</b>
<b>Total</b>		<b>537.9</b>	<b>538.6</b>	<b>438.4</b>	<b>438.9</b>	<b>501.1</b>	<b>501.4</b>

## 14.1. Official Receiver

Following the collapse of Carillion plc in January 2018 and Virtual Infrastructure Group Ltd and UK Cloud Ltd in October 2022, the Cabinet Office provided the Official Receiver with grants to be used as working capital to maintain public service continuity when managing the respective liquidations. While progressing the liquidations, the Official Receiver is seeking to recoup his operating costs through liquidation of assets. Excess funds are then returned to the Cabinet Office where possible, and the Cabinet Office recognises a financial asset in relation to those expected recoveries.

All recoveries are to be returned to the Consolidated Fund. Therefore, as well as recognising a financial asset, the Cabinet Office has also recognised a corresponding increase in Consolidated Fund extra receipts 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 Consolidated Fund extra receipts payable.

The fair value of the financial assets is calculated using level 3 inputs within the IFRS 13 fair value hierarchy and is based on techniques that use inputs which have a significant effect on the recorded fair value and are not based on observable market data. These include the ongoing management net costs to process the liquidation, and the associated costs of ongoing and outstanding liquidation matters.

When calculating fair value, the 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.

### Carillion plc

In January 2018, the Cabinet Office provided a grant of £150.0 million to the Official Receiver in respect of Carillion plc. The net Cabinet Office contribution as at 31 March 2024 is £33.7 million, following recoveries from the Official Receiver of £40.8 million in 2023 to 2024, £25.0 million in 2020 to 2021, £40.0 million in 2019 to 2020 and £10.5 million in 2018 to 2019.

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 £8.2 million has been recognised, representing the remaining expected recoveries, and is measured at fair value through profit and loss.

Movements to the opening balance of the financial asset at 1 April 2023 of £46.3 million to a 31 March 2024 closing balance of £8.2 million comprise repayment of £40.8 million, £0.9 million attributable to the unwinding of effective finance income, and £1.8 million fair value revaluation gain attributable to a decrease in the expected cost of the liquidation.

The liquidation is expected to continue for a further two years.

## Virtual Infrastructure Group Ltd and UK Cloud Ltd

In October 2022, the Cabinet Office provided a grant of £20.0 million to the Official Receiver in respect of Virtual Infrastructure Group Ltd and UK Cloud Ltd. The net Cabinet Office contribution is £17.5 million following a recovery of £2.5 million in 2023 to 2024.

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 net cost of the liquidation to the Cabinet Office, a financial asset of £4.7 million has been recognised, representing the remaining expected recoveries, and is measured at fair value through profit and loss.

Movements to the opening balance of the financial asset at 1 April 2023 of £7.0 million to a 31 March 2024 closing balance of £4.7 million comprise repayment of £2.5 million and £0.2 million attributable to the unwinding of effective finance income. The liquidation is expected to continue for a further two years.

Due to the liquidation coming to an end and the low materiality of the receivable, we are no longer discounting this receivable.

## 14.2. 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-day terms, and are shown net of a provision for impairment. Movements in the provision for impairment of receivables were as follows.

£m	Note	2023-24		2022-23		2021-22	
		Core department and agency	Departmental group	Core department and agency	Departmental group	Core department and agency	Departmental group
<b>At 1 April</b>		<b>6.5</b>	<b>6.5</b>	<b>9.6</b>	<b>9.6</b>	<b>11.7</b>	<b>11.7</b>
Provided in the year	4, 8	7.9	7.9	1.1	1.1	7.5	7.5
Provisions written back in the year	4, 8	(5.4)	(5.4)	-	-	(9.7)	(9.7)
Provisions debts recovered	4, 8	-	-	(4.2)	(4.2)	0.1	0.1
<b>At 31 March</b>		<b>9.0</b>	<b>9.0</b>	<b>6.5</b>	<b>6.5</b>	<b>9.6</b>	<b>9.6</b>

### Analysis 2023 to 2024

Departmental group	Provision (%)			Provision (£000)			2023-24 Total £m
	Private sector	Public sector	Other government department	Private sector	Public sector	Other government department	
<b>Trade receivables</b>							
Current to 60 days	2%	-	-	61	-	-	61
61 to 90 days	10%	-	-	2	-	-	2
91 to 180 days	30%	50%	-	67	54	-	121
Over 180 days	100%	100%	-	1,855	103	-	1,958
Over 361 days	-	-	100%	-	-	332	332
<b>Total trade receivables</b>				<b>1,985</b>	<b>157</b>	<b>332</b>	<b>2,474</b>
<b>Other receivables</b>							
Current to 60 days	2%	-	-	14	-	-	14
61 to 150 days	10%	-	-	19	-	-	19
151 to 331 days	30%	-	-	58	-	-	58

Departmental group	Provision (%)			Provision (£000)			2023-24
	Private sector	Public sector	Other government department	Private sector	Public sector	Other government department	Total £m
Over 331 days	100%	-	-	1,188	-	-	1,188
<b>Total other receivables</b>				<b>1,279</b>	<b>-</b>	<b>-</b>	<b>1,279</b>
GPA trade receivables <sup>29</sup>				71	3,887	1,262	5,220
<b>Grand total</b>				<b>3,335</b>	<b>4,044</b>	<b>1,594</b>	<b>8,973</b>

### Analysis 2022 to 2023

Departmental group	Provision (%)			Provision (£000)			2022-23
	Private sector	Public sector	Other government department	Private sector	Public sector	Other government department	Total £m
<b>Trade receivables</b>							
Current to 60 days	2%	-	-	21	-	-	21
61 to 90 days	10%	-	-	9	-	-	9
91 to 180 days	30%	50%	-	57	171	-	228
Over 180 days	100%	100%	-	1,563	233	-	1,796
Over 361 days	-	-	100%	-	-	249	249
<b>Total trade receivables</b>				<b>1,650</b>	<b>404</b>	<b>249</b>	<b>2,303</b>
<b>Other receivables</b>							
Current to 60 days	2%	-	-	25	-	-	25
61 to 150 days	10%	-	-	26	-	-	26
151 to 331 days	30%	-	-	199	-	-	199
Over 331 days	100%	-	-	1,271	-	-	1,271
<b>Total other receivables</b>				<b>1,521</b>	<b>-</b>	<b>-</b>	<b>1,521</b>
GPA trade receivables <sup>29</sup>				676	593	1,351	2,620
<b>Grand total</b>				<b>3,847</b>	<b>997</b>	<b>1,600</b>	<b>6,444</b>

29 The GPA applies a separate risk-based approach to providing for credit losses.

## 15. Trade payables, financial and other liabilities

£m	Note	2023-24		2022-23 restated		2021-22 restated	
		Core department and agency	Departmental group	Core department and agency	Departmental group	Core department and agency	Departmental group
<b>Current – amounts falling due within one year</b>							
Other taxation and social security		16.5	16.8	15.1	15.4	16.4	16.7
Contract liabilities under 'IFRS 15: Revenue from Contracts with Customers' – deferred income		21.1	21.1	37.1	37.1	16.7	16.7
Contract liabilities under 'IFRS 15: Revenue from Contracts with Customers' – credit memos to be issued		-	-	-	-	7.0	7.0
Trade payables		57.2	57.3	52.8	53.1	85.9	85.6
Cash collected from lobbyists by the Cabinet Office on behalf of the Registrar of Consultant Lobbyists		0.2	-	0.2	-	0.2	-
Other payables		20.1	21.5	13.5	14.2	15.6	16.0
Other payables in respect of machinery of government transfers		4.5	4.5	(0.8)	(0.8)	2.3	2.3
Accruals		211.8	212.1	204.2	204.7	228.0	229.6
Accrual for untaken annual leave		15.8	16.1	13.3	13.7	18.9	19.2
Deferred income		2.7	2.7	23.7	24.0	16.2	16.2
Current lease incentive payable		0.1	0.1	-	-	5.0	5.0
Imputed finance lease element of PFI contracts	21	83.8	83.8	15.2	15.2	16.4	16.4
Amounts issued from the Consolidated Fund for supply but not spend at year end		40.2	40.2	58.8	58.8	9.5	9.5

£m	Note	2023-24		2022-23 restated		2021-22 restated	
		Core department and agency	Departmental group	Core department and agency	Departmental group	Core department and agency	Departmental group
Amounts payable to the Consolidated Fund – receivable	14	3.1	3.1	42.3	42.3	8.9	8.9
Amounts payable to the Consolidated Fund – received	SOPS4	-	0.2	12.2	12.4	220.6	220.8
<b>Total current liabilities</b>		<b>477.1</b>	<b>479.5</b>	<b>487.6</b>	<b>490.1</b>	<b>667.6</b>	<b>669.9</b>
<b>Non-current – amounts falling due after more than one year</b>							
Imputed finance lease element of PFI contracts	21	615.8	615.8	445.4	445.4	476.7	476.7
Non-current lease incentive payable		-	-	-	-	65.0	65.0
Amounts payable to the Consolidated Fund – receivable	14	9.9	9.9	10.9	10.9	17.6	17.6
<b>Total non-current liabilities</b>		<b>625.7</b>	<b>625.7</b>	<b>456.3</b>	<b>456.3</b>	<b>559.3</b>	<b>559.3</b>
<b>Total</b>		<b>1,102.8</b>	<b>1,105.2</b>	<b>943.9</b>	<b>946.4</b>	<b>1,226.9</b>	<b>1,229.2</b>

## 15.1. Insurance liabilities

### Indemnities for the Official Receiver

The government has indemnified the Official Receiver, appointed as liquidator of Carillion plc and UK Cloud Ltd, for actions he undertakes as Receiver in respect of any claims and proceedings that are made against him personally.

These indemnities do 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 organisations' activities and in particular to safeguard the continuity of public services. These indemnities were provided on 15 January 2018 for Carillion plc and on 17 October 2022 for UK Cloud.

These indemnities are assessed as insurance contracts in scope of IFRS 4. A liability adequacy test indicates a fair value of the insurance liability at the reporting date of £nil. No claims have yet been brought against the Official Receiver and the probability of future claims is considered remote. The financial impact of such claims is unquantifiable.

The fair value of the insurance liabilities are calculated using level 3 inputs within the IFRS 13 fair value hierarchy and are based on techniques that use inputs which have a significant effect on the recorded fair value and are not based on observable market data. This includes a probability assessment of future claims arising provided by the insured party themselves.

The department manages its insurance risk owed to the Official Receiver by indemnifying only those activities that arise as a consequence of carrying out the proper

performance of their duties as liquidator of the companies, and maintaining, securing and funding the ongoing operation of the companies' undertakings, and distributing the assets of the companies in the ordinary course of their duties as liquidator of the companies, requiring immediate notice of any such incident or claim which may potentially fall within the ambit of this indemnity, and by retaining the right to terminate this indemnity by giving not less than 14 days' notice.

### Indemnity for the CREPLAS trustees

The government has indemnified the trustees of CREPLAS against future personal liability claims in relation to their administration of the scheme.

This indemnity is assessed as an insurance contract in scope of IFRS 4. A liability adequacy test indicates a fair value of the insurance liability at the reporting date of £nil. No claims have yet been brought against the trustees and the probability of future claims is considered remote. The financial impact of such claims is unquantifiable.

The fair value of the insurance liability is calculated using level 3 inputs within the IFRS 13 fair value hierarchy and is based on techniques that use inputs which have a significant effect on the recorded fair value and are not based on observable market data. This includes reference to the current value scheme surplus itself.

The department manages its insurance risk owed to the trustees as the indemnity only applies to the extent that such personal liability claims exceed the scheme's surplus assets and the trustee's private insurance maximum benefit.

## 16. Provisions for liabilities and charges

£m	Specific dilapidations	Onerous lease	Other provisions	Total
	Departmental group	Departmental group	Departmental group	Departmental group
<b>Balance at 1 April 2022</b>	<b>99.7</b>	<b>3.6</b>	<b>0.8</b>	<b>104.1</b>
IFRS 16 transition adjustment	-	(3.6)	-	(3.6)
Provisions offset by receivables	18.0	-	-	18.0
Provided in the year	14.3	-	-	14.3
Provisions not required written back	(14.5)	-	(0.8)	(15.3)
<b>Balance at 31 March 2023</b>	<b>117.5</b>	<b>-</b>	<b>-</b>	<b>117.5</b>
Provisions offset by receivables	39.2	-	-	39.2
Provided in the year	29.7	-	-	29.7
Provisions not required written back	(8.3)	-	-	(8.3)
Provisions utilised in the year	(23.0)	-	-	(23.0)
<b>Balance at 31 March 2024</b>	<b>155.1</b>	<b>-</b>	<b>-</b>	<b>155.1</b>
Of which:				
Core department and agency	154.8	-	-	154.8
Arm's length bodies	0.3	-	-	0.3
<b>Balance at 31 March 2024</b>	<b>155.1</b>	<b>-</b>	<b>-</b>	<b>155.1</b>
Core department and agency	117.4	-	-	117.4
Arm's length bodies	0.1	-	-	0.1
<b>Balance at 31 March 2023</b>	<b>117.5</b>	<b>-</b>	<b>-</b>	<b>117.5</b>
Core department and agency	99.3	3.6	0.8	103.7
Arm's length bodies	0.4	-	-	0.4
<b>Balance at 1 April 2022</b>	<b>99.7</b>	<b>3.6</b>	<b>0.8</b>	<b>104.1</b>
Of which:				
Current liability	38.4	-	-	38.4
Non-current liability	116.7	-	-	116.7
<b>Balance at 31 March 2024</b>	<b>155.1</b>	<b>-</b>	<b>-</b>	<b>155.1</b>
Current liability	24.6	-	-	24.6
Non-current liability	92.9	-	-	92.9
<b>Balance at 31 March 2023</b>	<b>117.5</b>	<b>-</b>	<b>-</b>	<b>117.5</b>
Current liability	6.4	2.1	0.8	9.3
Non-current liability	93.4	1.5	-	94.9
<b>Balance at 1 April 2022</b>	<b>99.8</b>	<b>3.6</b>	<b>0.8</b>	<b>104.2</b>

## Analysis of expected timing of discounted flows – 2023 to 2024

£m	Specific dilapidations	Onerous lease	Other provisions	Total
	Departmental group	Departmental group	Departmental group	Departmental group
Not later than one year	38.5	-	-	38.5
Later than one year and not later than five years	43.0	-	-	43.0
Later than five years	73.6	-	-	73.6
<b>Balance at 31 March 2024</b>	<b>155.1</b>	<b>-</b>	<b>-</b>	<b>155.1</b>

## Analysis of expected timing of discounted flows – 2022 to 2023

£m	Specific dilapidations	Onerous lease	Other provisions	Total
	Departmental group	Departmental group	Departmental group	Departmental group
Not later than one year	24.6	-	-	24.6
Later than one year and not later than five years	25.6	-	-	25.6
Later than five years	67.3	-	-	67.3
<b>Balance at 31 March 2023</b>	<b>117.5</b>	<b>-</b>	<b>-</b>	<b>117.5</b>

The core and agency figures are not shown separately as the difference is immaterial.

### 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.

The majority of dilapidations relate to buildings managed by the 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. The GPA considers these recharges to be virtually certain.

The department's provision for dilapidations is mostly calculated based on an estimated rate per square metre of floor space for each property, with more detailed physical inspections carried out for leases close to expiry. The rates used are estimated based on historic settlements of dilapidations on expired occupations of similar properties. Dilapidation provisions based on desktop exercises will be sensitive to changes in the rate per square metre used within the calculations. If all desktop valuations included a 10% increase (or decrease) in floor space, this would result in an approximately 10% increase (or decrease) in the provision (£15.5 million).

## 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.

Leases that were previously recognised as onerous, and therefore had a provision made against them, have been reclassified under IFRS 16. These leases are instead recognised as a right of use asset and rather than a provision, the right of use asset would be subject to an impairment test.

## 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 accounts. Due to the low value, this provision is not shown in the tables above.

## 17. Contingent assets

The Cabinet Office has no contingent assets.

## 18. Contingent liabilities

### IR35

Since April 2017, the responsibility for assessing the employment status of contingent workers has rested with the employing public sector body, who decides if engagements are inside the off-payroll working rules and are responsible for informing the fee-paying agency to allow appropriate deductions to be made.

Since 2019, HM Revenue and Customs 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 National Insurance that would have been paid to HM Revenue and Customs had the engagements been considered inside scope of IR35.

### Legally privileged

The 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 the maximum exposure under this liability is unquantifiable.

## 19. Retirement benefit obligations

Pension liabilities comprise pension benefits for the former chair of the EHRC 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 2024.

£m	Total departmental group
<b>Balance at 1 April 2022</b>	<b>1.4</b>
Provisions used in the year	(0.1)
Net interest	-
Actuarial (gain) / loss	(0.2)
<b>Balance at 31 March 2023</b>	<b>1.1</b>
Provisions used in the year	(0.1)
Net interest	-
Actuarial (gain) / loss	0.1
<b>Balance at 31 March 2024</b>	<b>1.1</b>
Of which:	
Core department and agency	-
Arm's length bodies	1.1
<b>Balance at 31 March 2024</b>	<b>1.1</b>
Core department and agency	-
Arm's length bodies	1.1
<b>Balance at 31 March 2023</b>	<b>1.1</b>
Core department and agency	-
Arm's length bodies	1.4
<b>Balance at 1 April 2022</b>	<b>1.4</b>
Of which:	
Current liability	0.1
Non-current liability	1.0
<b>Balance at 31 March 2024</b>	<b>1.1</b>
Current liability	0.1
Non-current liability	1.0
<b>Balance at 31 March 2023</b>	<b>1.1</b>
Current liability	0.1
Non-current liability	1.3
<b>Balance at 1 April 2022</b>	<b>1.4</b>

## Analysis of expected timing of discounted flows – 2023 to 2024

£m	Retirement benefit obligations
	Total departmental group
Not later than one year	0.1
Later than one year and not later than five years	0.5
Later than five years	0.5
<b>Balance at 31 March 2024</b>	<b>1.1</b>

## Analysis of expected timing of discounted flows – 2022 to 2023

£m	Retirement benefit obligations
	Total departmental group
Not later than one year	0.1
Later than one year and not later than five years	0.5
Later than five years	0.5
<b>Balance at 31 March 2023</b>	<b>1.1</b>

## 20. Leases

### 20.1. Right of use assets

#### Right of use assets 2023 to 2024

Departmental group £m	Buildings	Transport	2023-24 total
<b>Restated balance at 1 April 2023</b>	<b>333.6</b>	<b>48.4</b>	<b>382.0</b>
Additions	270.7	-	270.7
Disposals	(211.8)	-	(211.8)
Impairments	(5.6)	-	(5.6)
Revaluations	(3.7)	-	(3.7)
Reclassifications	4.7	-	4.7
Remeasurements	-	(0.8)	(0.8)
<b>Balance at 31 March 2024</b>	<b>387.9</b>	<b>47.6</b>	<b>435.5</b>
<b>Depreciation</b>			
<b>Restated balance at 1 April 2023</b>	<b>30.3</b>	<b>9.7</b>	<b>40.0</b>
Charged in year	32.5	9.7	42.2
Disposals	(0.1)	-	(0.1)
Revaluations	(1.3)	-	(1.3)
<b>Balance at 31 March 2024</b>	<b>61.4</b>	<b>19.4</b>	<b>80.8</b>
<b>Carrying amount at 31 March 2024</b>	<b>326.5</b>	<b>28.2</b>	<b>354.7</b>
<b>Carrying amount at 31 March 2023</b>	<b>303.3</b>	<b>38.7</b>	<b>342.0</b>
<b>Of the total</b>			
Department	26.5	28.2	54.7
Executive agency	299.1	-	299.1
Other designated bodies	0.9	-	0.9
<b>Carrying amount at 31 March 2024</b>	<b>326.5</b>	<b>28.2</b>	<b>354.7</b>

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

## Right of use assets 2022 to 2023

Departmental group £m	Buildings	Transport	2022-23 total (restated)
<b>Balance at 1 April 2022</b>	-	-	-
Effect of adoption of IFRS 16	399.2	48.4	447.6
Additions	551.9	-	551.9
Disposals	(616.1)	-	(616.1)
Impairments	(0.1)	-	(0.1)
Revaluations	(1.3)	-	(1.3)
<b>Balance at 31 March 2023</b>	<b>333.6</b>	<b>48.4</b>	<b>382.0</b>
<b>Depreciation</b>			
<b>Balance at 1 April 2022</b>	-	-	-
Charged in year	31.6	9.7	41.3
Disposals	-	-	-
Revaluations	(1.3)	-	(1.3)
<b>Balance at 31 March 2023</b>	<b>30.3</b>	<b>9.7</b>	<b>40.0</b>
<b>Carrying amount at 31 March 2023</b>	<b>303.3</b>	<b>38.7</b>	<b>342.0</b>
<b>Carrying amount at 31 March 2022</b>	-	-	-
<b>Of the total</b>			
Department	22.9	38.7	61.6
Executive agency	279.2	-	279.2
Other designated bodies	1.2	-	1.2
<b>Carrying amount at 31 March 2023</b>	<b>303.3</b>	<b>38.7</b>	<b>342.0</b>

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

## 20.2. Investment in sublease and unguaranteed residual value

£m	2023-24		2022-23 restated		2021-22 restated	
	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	99.5	99.5	111.8	111.8	-	-
Non-current – amounts falling due after more than one year	722.9	722.8	634.0	633.8	-	-
<b>Total</b>	<b>822.4</b>	<b>822.3</b>	<b>745.8</b>	<b>745.6</b>	<b>-</b>	<b>-</b>
Less than one year	99.5	99.5	111.8	111.8	-	-
One to two years	140	140	92.8	92.8	-	-
Two to three years	120.1	120.1	82.5	82.5	-	-
Three to four years	113.8	113.8	75.5	75.5	-	-
Four to five years	97.1	97.1	72	72	-	-
More than five years	578.4	578.3	357.5	357.3	-	-
Discount	(326.5)	(326.5)	(46.3)	(46.3)	-	-
<b>Total</b>	<b>822.4</b>	<b>822.3</b>	<b>745.8</b>	<b>745.6</b>	<b>-</b>	<b>-</b>

## 20.3. Lease liabilities

£m	2023-24		2022-23 restated		2021-22 restated	
	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	175.3	176.2	125.8	126.3	-	-
Non-current – amounts falling due after more than one year	1,037.8	1,038.1	926.5	926.9	-	-
<b>Total</b>	<b>1,213.1</b>	<b>1,214.3</b>	<b>1,052.3</b>	<b>1,053.2</b>	<b>-</b>	<b>-</b>
Less than one year	175.3	176.2	125.8	126.3	-	-
One to two years	135.5	135.5	116.8	117.0	-	-
Two to three years	126.0	126.0	117.2	117.2	-	-
Three to four years	118.2	118.2	111.4	111.4	-	-
Four to five years	100.1	100.2	104.8	104.8	-	-
More than five years	737.9	738.1	568.5	568.6	-	-
Discount	(179.9)	(179.9)	(92.2)	(92.2)	-	-
<b>Total</b>	<b>1,213.1</b>	<b>1,214.3</b>	<b>1,052.3</b>	<b>1,053.1</b>	<b>-</b>	<b>-</b>

The majority of the group's lease liabilities are for buildings held by the GPA. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the CSoFP as a right of use asset and a lease liability. The nature of the GPA's activities, both as a freeholder and as a lessee, is that of managing properties to let to clients within central government.

GPA had 221 live head leases within scope of IFRS 16 as at 31 March 2024. The range of end dates for these head leases are between April 2024 and March 2074. The average remaining head lease term is 8.5 years.

The GPA manages the liquidity risk inherent in the maturity analysis through entering into agreements which transfer substantially all of the risk and rewards through formal sub-leasing to clients. The GPA also seeks to match terms for the assets and liabilities, when entering into arrangements which creates finance lease receivables, with those of the head lease.

The GPA is committed to lease hub buildings which are under construction. The leases will commence when the construction reaches practical completion.

## 20.4. Amounts recognised in the CSoCNE

£m	2023-24		2022-23 restated	
	Core department and agency	Departmental group	Core department and agency	Departmental group
<b>Lease expenditure</b>				
Depreciation of right of use asset	42.0	42.2	40.8	41.2
Effective interest expense – right of use asset lease liabilities	17.1	17.1	8.9	8.9
Impairment – right of use asset	5.6	5.6	0.1	0.1
Revaluation of right of use asset	-	-	-	-
Gain/loss on disposal of right of use assets	11.6	11.6	(0.9)	(0.9)
Gain/loss on remeasurement of right of use assets	(7.1)	(7.1)	(1.5)	(1.5)
Low value and short-term leases	-	-	-	-
<b>Total lease expenditure</b>	<b>69.2</b>	<b>69.4</b>	<b>47.4</b>	<b>47.8</b>
<b>Lease income</b>				
Operating sublease income	(157.6)	(157.6)	(113.5)	(113.6)
Effective interest income – right of use asset investment in sublease	(33.9)	(33.9)	(17.2)	(17.0)
<b>Total lease income</b>	<b>(191.5)</b>	<b>(191.5)</b>	<b>(130.7)</b>	<b>(130.6)</b>
<b>Net lease expenditure/(income)</b>	<b>(122.3)</b>	<b>(122.1)</b>	<b>(83.3)</b>	<b>(82.8)</b>

## 20.5. Amounts recognised in CSoCF

£m	2023-24		2022-23 restated	
	Core department and agency	Departmental group	Core department and agency	Departmental group
<b>Cash flows as lessee</b>				
Effective interest expense – right of use asset lease liabilities	17.1	17.1	8.9	8.9
Repayment of principal	95.2	95.2	88.6	88.5
<b>Cash flows as lessor</b>				
Effective interest income – right of use asset investment in sublease	(33.9)	(33.9)	(17.2)	(17.0)
Receipt of principal	-	-	-	-

## 20.6. Operating leases with clients

£m	2023-24	2022-23 restated
Less than one year	3.4	6.1
One to two years	10.8	10.8
Two to three years	13.0	16.5
Three to four years	12.1	17.9
Four to five years	0.6	15.2
More than five years	1,354.1	1,449.4
<b>Total operating leases with clients</b>	<b>1,394.0</b>	<b>1,515.9</b>

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

The group balance is fully from the GPA. The GPA has 592 subleases as at 31 March 2024. The range of end dates for remaining subleases are between April 2024 and June 2110. The average remaining sublease term is 7.2 years. The department has recognised £33.9 million of finance income from subleasing right of use assets. See note 5.

## 21. Commitments under PFI contracts and other service concession arrangements

### PFI contracts and other service concession arrangements held by the GPA

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

### Commitments under PFI and other service concession contracts

Details of the imputed finance lease charges under PFI service concession arrangements recognised in the CSoFP are as follows.

£m	As at 31 March 2024	As at 31 March 2023
Rentals due not later than one year	86.8	50.0
Rentals due later than one year but not later than five years	349.5	195.0
Rentals due later than five years	641.3	514.7
<b>Sub-total</b>	<b>1,077.6</b>	<b>759.7</b>
Less interest element	(378.1)	(299.1)
<b>Present value of obligations</b>	<b>699.5</b>	<b>460.6</b>

The present value of liabilities under PFI service concession arrangements recognised in the CSoFP are as follows.

£m	As at 31 March 2024	As at 31 March 2023
Rentals due not later than one year	83.8	15.2
Rentals due later than one year but not later than five years	263.3	67.4
Rentals due later than five years	352.4	378.0
<b>Present value of obligations</b>	<b>699.5</b>	<b>460.6</b>

Details of the minimum service charge under service concession arrangements recognised in the CSoFP are given in the table below for each of the following periods.

£m	As at 31 March 2024	As at 31 March 2023
Not later than one year	44.0	55.2
Later than one year but not later than five years	176.5	220.9
Later than five years	235.1	362.3
<b>Total service element</b>	<b>455.6</b>	<b>638.4</b>

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

### Charged to the CSoCNE

The total amount charged in the CSoCNE in respect of on-balance sheet PFI service concession arrangements was £128.7 million for the period to 31 March 2024 (2022 to 2023: £137.6 million). Of this total the fixed and variable service charge element was £38.8 million (2022 to 2023: £47.5 million restated) and the interest charges were £56.4 million (2022 to 2023: £46.1 million). The remaining balance relates to non-contract specific costs.

## 22. Capital and other financial commitments

### 22.1. Capital commitments

Contracted capital commitments at 31 March 2024 for which no provision has been made and not otherwise included in these financial statements are as follows.

£m	2023-24		2022-23 restated	
	Core department and agency	Departmental group	Core department and agency	Departmental group
Property, plant and equipment	105.9	105.9	383.3	383.3
<b>Total</b>	<b>105.9</b>	<b>105.9</b>	<b>383.3</b>	<b>383.3</b>

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.

The balance as at 31 March 2024 includes the following material contracts: £61.9 million in relation to new build construction work, £7.5 million in relation to construction fit outs, £5 million for design and build construction contracts and £4.2 million for the design to supplement workplace projects contracts.

### 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.

£m	2023-24		2022-23 restated	
	Core department and agency	Departmental group	Core department and agency	Departmental group
Not later than one year	120.0	120.0	207.4	207.4
Later than one year and not later than five years	311.3	311.3	154.7	154.7
Later than five years	125.3	125.3	11.3	11.3
<b>Total</b>	<b>556.6</b>	<b>556.6</b>	<b>373.4</b>	<b>373.4</b>

The department has entered into contracts (which are not leases or PFI contracts) for a range of services. The commitments of greatest value relate to facilities management, outsourced enterprise resource management and pension arrangements.

Some contracts incorporate performance-related adjustments to minimum contractual payments or annual uplifts based on an index, typically the retail price index or consumer price index. 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.

The balance as at 31 March 2024 includes the following material contracts: £255.5 million in relation to the administration of the Civil Service Pension Scheme, £150.2 million in relation to facilities management and £72.5 million with our operational security provider.

## 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, HM Treasury, the Foreign, Commonwealth and Development Office, Government Legal Department, the Home Office and the Department for Education.

Office group were HM Revenue and Customs, the Department for Environment, Food and Rural Affairs, the Ministry of Defence, the Crown Commercial Service, the Department for Work and Pensions, the Home Office, the Foreign, Commonwealth and Development Office, the Ministry of Justice, the Department for Business, Energy and Industrial Strategy, the Department for Business and Trade, the Department for Levelling up, Housing and Communities, the Department of Health and Social Care, the Crown Prosecution Service, and the Department for Transport.

The Crown Commercial Service is an executive agency of the Cabinet Office, with trading fund status. It 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 EHRC, executive non-departmental public body, 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.

The Cabinet Office had two associate companies during the year: SSCL and CHDC. See notes 5 and 10.

Commencing November 2013, the Cabinet Office received payroll, HR, finance and procurement services from SSCL. The Cabinet Office's expenditure with SSCL during the 2023 to 2024 financial year was £8.2 million (2022-23: £8.7 million). Cabinet Office sold its shares in SSCL in 2023 to 2024 and therefore has no further related party commitments with them.

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 2023 to 2024 financial year was £1.9 million (2022 to 2023: £2.5 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 on 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 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.





## **Machinery of government transfers**

In a Prime Ministerial Statement on 24 July 2024, it was announced that four machinery of government transfers would impact the Cabinet Office and would take effect immediately.

### **European Union**

Responsibility for the United Kingdom's relationship with the European Union, including co-chairing the ministerial structures under the UK's treaties with the European Union, will move from the Foreign, Commonwealth and Development Office to the Cabinet Office. This change will allow the Paymaster General as Minister for the Constitution and European Union Relations to drive the government's European Union agenda. The Foreign, Commonwealth and Development Office remains responsible for bilateral relationships, Gibraltar negotiations and Europe strategy using the department's diplomatic expertise.

### **Office for Veterans' Affairs**

The Office for Veterans' Affairs will move from the Cabinet Office to the Ministry of Defence. This change will enable the Minister for Veterans and People to have complete oversight for the entirety of service life, from training to veteran, working with all government departments to deliver for our service personnel.

### **Digital services**

The Government Digital Service, the Central Digital and Data Office, and the Incubator for Artificial Intelligence will move from the Cabinet Office to the Department for Science, Innovation and Technology. This change will embed the delivery of digital services and levers to drive public and private sector innovation within a single department.

## **Government car service**

The government car service will move from the Department for Transport to the Cabinet Office. This change will better align the government car service with other centrally provided protective security services for ministers and support end-to-end provision of executive protective security.

### **Union and devolution policy Scotland, Wales and Northern Ireland**

In a Prime Ministerial Statement on 5 September 2024, it was announced that responsibility for union and devolution policy across Scotland, Wales and Northern Ireland will move from the Ministry of Housing, Communities and Local Government to the Cabinet Office. This change will support cross-government co-ordination and engagement with the devolved governments which will be led by the Chancellor for the Duchy of Lancaster as Minister for Intergovernmental Relations. Responsibility for devolution policy in England and engagement with mayors and local government will remain with the Deputy Prime Minister and the Ministry of Housing, Communities and Local Government.

This change would take effect immediately.

# Annexes



# Annex A

## Regulatory reporting: Core expenditure tables

An explanation of increases in expenditure and income relating to these tables can be found in the long-term expenditure trends section in the performance report.

**Table 1 – Cabinet Office total departmental spending 2019 to 2020 to 2024 to 2025**

£000	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Outturn <sup>1</sup>	Outturn <sup>1</sup>	Outturn <sup>1</sup>	Outturn <sup>1</sup>	Outturn	Plans
<b>Resource DEL</b>						
Seize the opportunities of Brexit, through creating the world's most effective border to increase UK prosperity and enhance security	-	-	55,860	23,396	17,476	6,794
Secure a safe, prosperous and resilient UK by co-ordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	85,791	67,926	37,617	61,749	60,250	49,833
Advance equality of opportunity across the UK	-	-	16,703	15,387	16,524	15,616
Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	234,058	766,523	378,875	400,126	498,953	510,696
Support the design and implementation of government's policies and the Prime Minister's priorities	267,668	376,061	573,296	233,231	250,832	264,168
Ensure the effective running of the department and contribute to the government's cross-cutting priorities	49,096	153,432	124,819	-	-	-
Executive agency – Government Property Agency	25,114	33,913	27,992	52,953	209,829	68,568
Arm's length bodies (net)	19,492	19,205	19,532	21,088	21,068	45,708
UK Members of the European Parliament	2,832	2,232	2,161	2,120	-	-

<sup>1</sup> 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.

£000	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Outturn <sup>1</sup>	Outturn <sup>1</sup>	Outturn <sup>1</sup>	Outturn <sup>1</sup>	Outturn	Plans
<b>Total resource DEL</b>	<b>684,051</b>	<b>1,419,292</b>	<b>1,236,855</b>	<b>810,050</b>	<b>1,074,932</b>	<b>961,383</b>
Of which:						
Staff costs <sup>2</sup>	585,779	659,655	704,223	702,249	753,897	745,289
Purchase of goods and services	252,227	1,280,571	1,180,154	680,875	924,615	1,759,557
Income from sales of goods and services <sup>3</sup>	(159,251)	(241,673)	(322,885)	(325,856)	(370,777)	(399,616)
Current grants to local government (net)	16,341	19,296	11,948	4	1,279	4,275
Current grants to persons and non-profit bodies (net)	1,876	8,701	2,846	3,236	13,868	-
Current grants abroad (net)	-	-	120	-	-	-
Rentals	(48,437)	10,629	8,368	44,688	57,746	-
Depreciation <sup>4</sup>	45,267	57,027	77,273	123,416	163,698	80,700
Other resource	(9,751)	(374,914)	(425,192)	(418,562)	(469,394)	(1,228,822)
<b>Resource AME</b>						
Cabinet Office AME	1,766	4,446	(3,537)	(1,339)	(1,376)	300
Cabinet Office AME – UK Members of the European Parliament	-	-	-	-	1,939	-
GPA – executive agency – AME	(1,749)	105,851	76,975	55,833	116,894	216,000
<b>Total resource AME</b>	<b>17</b>	<b>110,297</b>	<b>73,438</b>	<b>54,494</b>	<b>117,457</b>	<b>216,300</b>
Of which:						
Depreciation <sup>4</sup>	(1,270)	80,000	93,300	55,588	39,800	196,000
Take-up of provisions	2,154	30,386	(16,261)	(1,094)	27,844	20,300
Release of provisions	(867)	(89)	(3,601)	-	(33,598)	-
Other resource	-	-	-	-	83,411	-
<b>Total resource budget</b>	<b>684,068</b>	<b>1,524,845</b>	<b>1,310,293</b>	<b>864,544</b>	<b>1,192,389</b>	<b>1,177,683</b>
Of which:						
Depreciation <sup>4</sup>	43,997	137,027	170,573	125,684	168,541	276,700

2 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'.

3 Income is also included against the rentals and other resource lines.

4 Includes impairments.

£000	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Outturn <sup>1</sup>	Outturn <sup>1</sup>	Outturn <sup>1</sup>	Outturn <sup>1</sup>	Outturn	Plans
<b>Capital DEL</b>						
Seize the opportunities of Brexit, through creating the world's most effective border to increase UK prosperity and enhance security	-	-	-	-	-	-
Secure a safe, prosperous and resilient UK by co-ordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	11,547	9,352	20,236	26,219	23,250	18,805
Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	10,449	54,818	24,416	60,863	93,915	62,169
Support the design and implementation of government's policies and the Prime Minister's priorities	7,569	147,952	5,768	3,920	11,124	25,282
Executive agency – Government Property Agency	7,829	19,748	101,757	204,153	357,723	261,046
Arm's length bodies (net)	-	385	490	700	244	27,950
<b>Total capital DEL</b>	<b>37,394</b>	<b>232,255</b>	<b>152,667</b>	<b>295,855</b>	<b>486,256</b>	<b>395,252</b>
Of which:						
Income from sales of assets	(39)	12,373	870,993	(616,125)	(233,690)	-
Net lending to the private sector and abroad	-	-	-	-	-	-
Other capital	(2,328)	(411,600)	(886,321)	51,186	(817)	-
Purchase of assets	41,142	580,306	169,832	852,597	706,348	395,602
Purchase of goods and services	(1,333)	51,182	(1,828)	-	-	-
Capital grants to persons and non-profit (net)	(48)	(6)	(9)	8,197	14,415	-
Capital grants to private sector companies (net)	-	-	-	-	-	(350)

£000	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Outturn <sup>1</sup>	Outturn <sup>1</sup>	Outturn <sup>1</sup>	Outturn <sup>1</sup>	Outturn	Plans
<b>Capital AME</b>						
Executive agency – Government Property Agency - AME	-	-	-	-	-	30,000
<b>Total capital AME</b>	-	-	-	-	-	<b>30,000</b>
Of which:						
Purchase of assets	-	-	-	-	-	30,000
<b>Total capital budget</b>	<b>37,394</b>	<b>232,255</b>	<b>152,667</b>	<b>295,855</b>	<b>486,256</b>	<b>425,252</b>
<b>Total departmental spending<sup>5</sup></b>						
<b>Total DEL</b>	<b>721,445</b>	<b>1,646,803</b>	<b>1,389,522</b>	<b>1,105,905</b>	<b>1,561,188</b>	<b>1,356,635</b>
<b>Total AME</b>	<b>17</b>	<b>110,297</b>	<b>73,438</b>	<b>54,494</b>	<b>117,457</b>	<b>246,300</b>

5 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 2017 to 2018 to 2024 to 2025**

£000	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Outturn <sup>6</sup>	Outturn <sup>6</sup>	Outturn <sup>6</sup>	Outturn <sup>6</sup>	Outturn	Plans
<b>Resource DEL</b>						
Seize the opportunities of Brexit, through creating the world's most effective border to increase UK prosperity and enhance security	-	-	-	3,538	183	-
Secure a safe, prosperous and resilient UK by co-ordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	34,172	12,868	68,618	31,441	26,899	31,611
Advance equality of opportunity across the UK	-	-	-	8,269	10,684	10,504
Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	45,286	43,336	61,990	218,636	252,231	298,643
Support the design and implementation of government's policies and the Prime Minister's priorities	136,940	133,052	312,651	113,268	119,693	104,378
Ensure the effective running of the department and contribute to the government's cross-cutting priorities	81,212	120,396	122,772	-	-	-
Executive agency – Government Property Agency	13,089	33,913	27,992	52,953	209,829	68,568
Arm's length bodies (net)	13,874	14,090	14,734	15,032	15,429	40,408

<sup>6</sup> 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.

£000	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Outturn <sup>6</sup>	Outturn <sup>6</sup>	Outturn <sup>6</sup>	Outturn <sup>6</sup>	Outturn	Plans
<b>Total administration budget</b>	<b>324,573</b>	<b>357,655</b>	<b>608,757</b>	<b>443,137</b>	<b>634,848</b>	<b>554,112</b>
Of which:						
Staff costs <sup>7</sup>	422,163	469,958	515,526	547,151	580,545	559,069
Purchase of goods and services	320,247	339,498	592,018	370,283	535,853	1,385,729
Income from sales of goods and services	(111,964)	(141,389)	(210,641)	(222,598)	(235,016)	(249,660)
Current grants to local government (net)	-	400	-	30	2,065	-
Current grants to persons and non-profit bodies (net)	-	-	516	125	333	-
Rentals	26,779	10,680	941	45,311	(6,276)	-
Depreciation <sup>8</sup>	18,937	17,874	43,641	75,597	95,368	40,700
Other resource	(351,589)	(339,366)	(333,244)	(372,762)	(338,024)	(1,181,726)

7 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'.

8 Includes impairments.

# Annex B

## 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 2023 to 2024, the Cabinet Office has made grants totalling £0.278 million (2022 to 2023: £1.593 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 on behalf of, and funded by, all Civil Service departments. 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 wellbeing services in accordance with the charity's objectives.

A grant of £0.100 million was also paid to the Civil Service Sports Council 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 Civil Service Sports Council.

A grant of £0.068 million was issued to support a fund which aims to enable organisations to deliver bespoke programmes that help to recognise and support Nuclear Test Veterans and their families.

# Annex C

## Reporting of information on arm's length bodies

The department 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.

	Total operating expenditure	Total operating income	Net expenditure for the year	Permanently employed staff		Other staff	
				Number of employees	Staff costs	Number of employees	Staff costs
				£m	£m	£m	Number
Core department	1,421.7	(694.9)	726.8	8,737	701.3	635.0	86.7
Executive agency – GPA	913.9	(596.7)	317.2	380	32.0	86.0	12.4
Arm's length body – EHRC	18.9	(0.2)	18.7	213	14.5	1.0	-
Arm's length body – Civil Service Commission	2.2	-	2.2	18	1.8	-	-
Arm's length body – Registrar of Consultant Lobbyists	0.3	(0.2)	0.1	3	0.2	-	-
Group eliminations	(69.5)	56.3	(13.2)	-	(1.0)	-	(0.8)
<b>Total</b>	<b>2,287.5</b>	<b>(1,235.7)</b>	<b>1,051.8</b>	<b>9,351</b>	<b>748.8</b>	<b>722.0</b>	<b>98.3</b>

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