Amendments to the 2024-25 FReM

The table below sets out consequential changes to the 2024-25 final FReM from the 2024-25 draft FReM. [N.B it does not include minor changes such as correction of typos, changes to cross-referencing etc.).

Paragraph(s)	Change	Reason for change
Section 2.6, 3.7	Removal of references to the FRC 2018 guidance on the strategic report.	The FRC guidance was updated in 2022 to incorporate the following: 1) climate-related financial risks and opportunities, in line with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations; 2) the need for traded limited liability partnerships (LLPs) and banking LLPs to publish a strategic report; 3) clarifying the scope and definitions of the requirements with regard to public interest entities (PIEs); and 4) the government’s Streamlined Energy and Carbon Reporting (SECR) requirements. Points 2 and 3 are not particularly relevant to central government entities (there are very few LLPs and PIEs in central government). In regards to points 1 and 4, HM Treasury already have significant guidance on TCFD and sustainability reporting for the central government context. As such no further amendments to the guidance in the FReM has been added, but references to the 2018 guidance has been deleted to ensure the FReM is not referencing superseded documents.
5.2.6, Sections 5.3 and 5.4	Updates to language on what government department outcomes and strategic objectives to report against.	Updates have been made as new government department outcomes and strategic objectives are due to be agreed as part of the current Spending Review process. Government departments will now report against the new outcomes, strategic objectives and other goals agreed at the latest SR process.

Paragraph(s)	Change	Reason for change
6.5.8	Removal of guidance on when pension data is not available in a timely manner.	In the 2023-24 FReM the following was added to paragraph 6.5.8 in the 2023-24 FReM as a temporary measure in respect of the availability of certain pensions data: '*Where pension benefit data is not available for directors in a timely manner and waiting for it to be finalised could risk causing a delay to the planned laying of accounts, entities do not need to include a figure for accrued pension benefit in the single total figure of remuneration nor disclosed as a separate component. The following narrative must be disclosed instead. "Accrued pension benefits for directors are not included in this table for 2023/24 due an exceptional delay in the calculation of these figures following the application of the public service pension remedy"*'. This was exceptional for 2023-24 accounts and therefore the guidance has been removed from the 2024-25 FReM.
6.5.8	Addition of new disclosure to explain the basis of the calculations following the McCloud judgment.	The 2024-25 FReM will now also include the following disclosure which makes clear the basis for calculating relevant pension disclosures. *The Following narrative must also be disclosed where an individual in this table is impacted by the Public Service Pensions Remedy. "Accrued pension benefits included in this table for any individual affected by the* Public Service Pensions Remedy *have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated*

Paragraph(s)	Change	Reason for change
		under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022."
6.5.15	Removal of guidance on when pension data is not available in a timely manner.	In the 2023-24 FReM the following was added to paragraph 6.5.15 in the 2023-24 FReM as a temporary measure in respect of the availability of certain pensions data: '*Where data is not available in a timely manner for directors and waiting for it to be finalised could risk causing a delay to the planned laying of accounts, entities do not need to disclose pension entitlements and the following narrative must be disclosed instead.* *"Accrued pension benefits for directors are not included in this table for 2023/24 due an exceptional delay in the calculation of these figures following the application of the public service pension remedy."* This was exceptional for 2023-24 accounts and therefore the guidance has been removed from the 2024-25 FReM.
6.5.15	Addition of new disclosure to explain the basis of the calculation following the McCloud judgment.	The 2024-25 FReM will now also include the following disclosure which makes clear the basis for calculating relevant pension disclosures. *The Following narrative must also be disclosed where an individual in this table is impacted by the Public Service Pensions Remedy. "Accrued pension benefits included in this table for any individual affected by the* Public Service Pensions Remedy *have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension*

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		scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022."
9.1.10	Paragraph added clarifying what information in the accountability report requires restating after a machinery of government change.	To provide greater clarity to preparers of what information should be restated after a machinery of government change and to not require the restatement of fair pay information in the year of a MoG. Refer to FRAB paper 154 (05) for further information.
9.1.19	Paragraph amended as follows (change in red): 'Both the transferor and the transferee of a business combination under common control should apply a symmetrical accounting treatment for the transfer, **though a transfer can involve both merger accounting and absorption accounting at different levels (for example an ALB is dissolved and its service split between two different departments; absorption accounting is applied by the ALB and merger accounting applied by the departments).**'	Red text has been added to confirm that, though symmetrical principles should be applied, there are limited instances where a MoG change can involve merger accounting and absorption accounting at different levels (e.g. when a function is transferred to/from an agency or ALB of one department from/to a different departmental group).

Paragraph(s)	Change	Reason for change
10.1. 63 and 10.1.64	Paragraph covering initial measurement of indexed-linked PPPs transition to IFRS 16 deleted.	Paragraph has been deleted as initial measurement of indexed-linked PPPs was only relevant in 2023-24. Only the subsequent measurement is relevant from 2024-25 onwards.
10.5.5	Paragraph deleted.	After engagement with the affected entity, it was confirmed this paragraph is no longer needed.