



HM Treasury

Whole of Government  
Accounts Handbook

**Year ended 31 March 2024**



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## Foreword from the Accounting Officer



Welcome to the 2023-24 Whole of Government Accounts (WGA) handbook, published alongside the fifteenth edition of the WGA. This handbook provides a concise overview of key developments in the public sector during the 2023-24 financial year, prepared in accordance with the principles underpinning the WGA.

This document is not subject to audit. The information included is extracted from the full version of the WGA which has been subject to audit by the C&AG.

The handbook is not a substitute for the full WGA. Instead, users are encouraged to consult both documents, with the handbook offering summaries and direct references to relevant WGA sections for further detail.

The handbook follows a similar structure to the full WGA. The initial sections draw on analysis from the performance report, with subsequent sections covering consolidated information presented in the primary financial statements.

## Audit Opinion

### Disclaimed Opinion

In 2022-23 and 2023-24 the WGA received a **disclaimed opinion**.

This means that, due to missing data not submitted by bodies within the boundary and data submitted which has not been audited, the Comptroller and Audit General (C&AG) has not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Missing and unaudited submissions to WGA primarily relate to the local government sector, most noticeably in English local government where there exists an audit backlog. Further details can be found in the governance statement of the WGA.

HMT recognises the severity of this matter and has taken action to limit the impact of missing and unaudited data on WGA. Action to mediate issues in local government audit have also been taken, primarily in the form of an audit backstop. The impact of this action on WGA submissions will be in future years.

## Audit Qualifications

WGA has historically received a qualified audit opinion from the NAO. The long-standing qualifications for WGA are:

- Accounting boundary not consistently applied
- Inconsistent accounting policies
- Non-coterminous year ends
- Qualifications from underlying accounts
- Consolidation of components whose accounts have not been audited

While not 'qualified' in the same way as in previous years, the issues which led to qualification are still outstanding and listed in the audit certificate issued by the NAO.

## Missing Data

In some cases, bodies do not submit data for consolidation as they are required to. The list of bodies consolidated into WGA is not identical every year.

In 2023-24, 201 bodies did not submit data, and in 2022-23, 211 bodies did not submit data.

| <b>Missing Submissions</b> |            | <b>2023-24</b> | <b>2022-23</b> |
|----------------------------|------------|----------------|----------------|
| Central                    | UK         | 6              | 0              |
|                            | N. Ireland | 1              | 1              |
|                            | Scotland   | 5              | 10             |
| <b>Central Government</b>  |            | <b>12</b>      | <b>11</b>      |
| Local                      | England    | 167            | 187            |
|                            | N. Ireland | 0              | 0              |
|                            | Scotland   | 12             | 10             |
|                            | Wales      | 7              | 1              |
| <b>Local Government</b>    |            | <b>19</b>      | <b>11</b>      |
| <b>Public Corporation</b>  |            | <b>3</b>       | <b>2</b>       |
| <b>Total</b>               |            | <b>201</b>     | <b>211</b>     |

Due to the absence of data, it is not possible to calculate the exact amount missing from 2023-24. The most recent submissions from those missing bodies can be used as a proxy. The table below shows the WGA totals 2023-24, alongside these estimates for missing data based on their most recent return.

|                                       | <b>WGA 2023-24<br/>(£bn)</b> | <b>Estimated<br/>missing data<br/>(£bn)</b> | <b>WGA 2022-23<br/>(£bn)</b> | <b>Estimated<br/>missing data<br/>(£bn)</b> |
|---------------------------------------|------------------------------|---------------------------------------------|------------------------------|---------------------------------------------|
| Assets                                | 2,651.3                      | 185.9                                       | 2,554.3                      | 172.0                                       |
| Liabilities                           | (5,024.5)                    | (135.3)                                     | (4,943.4)                    | (140.3)                                     |
| <b>Net liabilities</b>                | <b>(2,373.2)</b>             | <b>50.6</b>                                 | <b>(2,389.1)</b>             | <b>31.7</b>                                 |
| Income                                | (1,019.9)                    | (48.0)                                      | (974.5)                      | (40.8)                                      |
| Expenditure                           | 1,166.5                      | 85.7                                        | 959.9                        | 75.2                                        |
| <b>Net (income) /<br/>expenditure</b> | <b>146.6</b>                 | <b>37.7</b>                                 | <b>(14.6)</b>                | <b>34.4</b>                                 |

## Discount Rates

### What is discounting?

A discount rate is used to bring future cash flows into a present value.

The aim is to reflect how much a future cash flow is worth today, considering potential uses for the cash in the meantime.

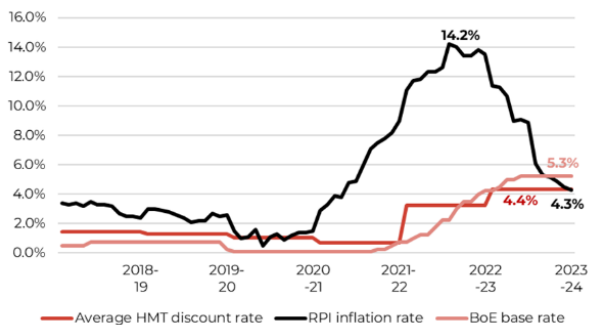
Some of the liabilities reported in WGA are sensitive to changes in discount rates. These changes can result in large variances on the balance sheet with little reassessment of the underlying balances.

The largest impact of discount rate changes in WGA 2023-24 was on pension liabilities, which fell by **£190.7 billion** due to changes in pension assumptions. This is down from a **£1,357.1 billion** change in 2022-23, reflecting improved economic stability post Covid-19.

The reversion of the discount rate to pre-Covid levels reflects the falling rate of inflation and with it, more conservative monetary policy. This can be visualised using the chart below, demonstrating the interaction between discount rates, inflation rates and bank rate.



Historic central government discount rates, RPI inflation, and Bank of England Base Rate



## **Financial Statements**

The following sections provide an overview of significant balances from both the Statement of Revenue and Expenditure and the Statement of Financial Position.

The sections cover a selection of the most significant balances and movements in the public sector between 2022-23 and 2023-24. Further information can be found in the full version of WGA 2023-24 in the notes to the financial statements.

Both the statement of revenue and expenditure and statement of financial position are presented at the start, to provide a general overview of the public sector finances. The tables that follow present a more granular view of revenue, expenditure, assets and liabilities, where individual components are visible for each. Finally, concise, note-style extracts for provisions, contingent liabilities, taxation income, social security benefits and finance expenses round off the analysis, supplemented by a short commentary.

## Statement of Revenue and Expenditure

|                                                                 | Note | 2023-24<br>£bn   | 2022-23<br>£bn |
|-----------------------------------------------------------------|------|------------------|----------------|
| Taxation revenue                                                | 4    | (888.8)          | (857.7)        |
| Other revenue                                                   | 5    | (131.1)          | (116.8)        |
| <b>Total public services revenue</b>                            |      | <b>(1,019.9)</b> | <b>(974.5)</b> |
| Social security benefits                                        | 6    | 311.4            | 276.1          |
| Staff costs                                                     | 7    | 240.5            | 306.7          |
| Purchase of goods and services                                  | 8    | 263.7            | 254.3          |
| Grants and subsidies                                            | 9    | 104.1            | 122.4          |
| Depreciation and impairment                                     | 10   | 64.2             | 52.8           |
| Interest costs on government borrowing                          | 11   | 63.4             | 85.1           |
| Increase/(decrease) in provisions                               | 23   | 29.0             | 36.2           |
| <b>Total expenditure on public services</b>                     |      | <b>1,076.3</b>   | <b>1,133.6</b> |
| <b>Net expenditure on public services</b>                       |      | <b>56.4</b>      | <b>159.1</b>   |
| Financing costs of long-term liabilities, including discounting | 11   | 82.9             | (141.9)        |
| Revaluation of financial assets and liabilities                 |      | 7.3              | (31.8)         |
| <b>Net (income)/expenditure for the year</b>                    |      | <b>146.6</b>     | <b>(14.6)</b>  |

## Statement of Financial Position

|                               | Note | 2023-24        | 2022-23        |
|-------------------------------|------|----------------|----------------|
|                               |      | £bn            | £bn            |
| <b>Non-current assets</b>     |      |                |                |
| Property, plant and equipment | 12   | 1,539.1        | 1,435.3        |
| Right of use assets           | 13   | 28.0           | 28.8           |
| Investment properties         | 14   | 14.3           | 14.2           |
| Intangible assets             | 15   | 52.1           | 47.9           |
| Trade and other receivables   | 16   | 21.4           | 22.7           |
| Other financial assets        | 17   | 470.0          | 505.1          |
|                               |      | <b>2,124.9</b> | <b>2,054.0</b> |
| <b>Current assets</b>         |      |                |                |
| Inventories                   | 18   | 13.2           | 13.2           |
| Trade and other receivables   | 16   | 217.7          | 210.2          |
| Other financial assets        | 17   | 237.6          | 216.0          |
| Cash and cash equivalents     | 19   | 39.5           | 43.9           |
| Gold holdings                 | 34   | 17.5           | 16.0           |
| Assets held for sale          |      | 0.9            | 1.0            |
|                               |      | <b>526.4</b>   | <b>500.3</b>   |
| <b>Total assets</b>           |      | <b>2,651.3</b> | <b>2,554.3</b> |

|                                                          |    |                  |                  |
|----------------------------------------------------------|----|------------------|------------------|
| <b>Current liabilities</b>                               |    |                  |                  |
| Trade and other payables                                 | 20 | (175.0)          | (168.6)          |
| Government borrowings                                    | 21 | (407.0)          | (371.9)          |
| Other financial liabilities                              | 22 | (868.5)          | (948.0)          |
| Provisions                                               | 23 | (22.2)           | (29.8)           |
|                                                          |    | <b>(1,472.7)</b> | <b>(1,518.3)</b> |
| <b>Non-current liabilities</b>                           |    |                  |                  |
| Trade and other payables                                 | 20 | (53.3)           | (47.7)           |
| Government borrowings                                    | 21 | (1,613.0)        | (1,382.1)        |
| Other financial liabilities                              | 22 | (333.6)          | (303.2)          |
| Provisions                                               | 23 | (240.0)          | (277.1)          |
| Net public sector pension liability                      | 25 | (1,311.9)        | (1,415.0)        |
| <b>Total non-current liabilities</b>                     |    | <b>(3,551.8)</b> | <b>(3,425.1)</b> |
| <b>Total liabilities</b>                                 |    | <b>(5,024.5)</b> | <b>(4,943.4)</b> |
| <b>Net liabilities</b>                                   |    | <b>(2,373.2)</b> | <b>(2,389.1)</b> |
| <b>Financed by taxpayers' equity:</b>                    |    |                  |                  |
| General reserve                                          |    | (3,229.0)        | (3,154.0)        |
| Revaluation reserve                                      |    | 849.9            | 759.7            |
| Other reserves                                           |    | 5.9              | 5.2              |
| <b>Total liabilities to be funded by future revenues</b> |    | <b>(2,373.2)</b> | <b>(2,389.1)</b> |

## Revenue

Government revenue is primarily generated through tax income. Government revenue is used to deliver public services alongside government borrowing.

|                                           | 2023-24        | 2022-23      | 2021-22      | 2020-21      | 2019-20      |
|-------------------------------------------|----------------|--------------|--------------|--------------|--------------|
|                                           | £bn            | £bn          | £bn          | £bn          | £bn          |
| Income Tax                                | 286.2          | 258          | 233.4        | 191.9        | 194.2        |
| National Insurance                        | 157.6          | 158.3        | 142.1        | 125.8        | 126.6        |
| VAT                                       | 165.5          | 166.8        | 148.7        | 122.1        | 137.2        |
| Other central government taxation revenue | 224.7          | 222.4        | 199.0        | 161.1        | 169.8        |
| Local government taxation revenue         | 54.8           | 52.2         | 51.5         | 49.8         | 68.9         |
| Other revenue                             | 131.1          | 116.8        | 106.9        | 80.8         | 116.6        |
| <b>Total</b>                              | <b>1,019.9</b> | <b>974.5</b> | <b>881.6</b> | <b>731.5</b> | <b>813.3</b> |

In 2023-24, government revenue increased by **£45.4 billion** relative to 2022-23.

## Expenditure

Government expenditure reflects the funding of public services. In 2023-24, expenditure on public services fell by **£57.3 billion**.

|                                             | 2023-24        | 2022-23       | 2021-22       | 2020-21     | 2019-20      |
|---------------------------------------------|----------------|---------------|---------------|-------------|--------------|
|                                             | £bn            | £bn           | £bn           | £bn         | £bn          |
| Social security                             | 311.4          | 276.1         | 259.7         | 258.4       | 240.0        |
| Staff costs                                 | 240.5          | 306.7         | 284.5         | 253.5       | 235.3        |
| Purchase of goods and services              | 263.7          | 254.3         | 256.2         | 238.7       | 223.6        |
| Grants and subsidies                        | 104.1          | 122.4         | 121           | 197.2       | 62.2         |
| Debt interests                              | 63.4           | 85.1          | 47.1          | 21.2        | 31.8         |
| Other                                       | 93.2           | 89.0          | 75.9          | 94.0        | 125.8        |
| <b>Total expenditure on public services</b> | <b>1,076.3</b> | <b>1133.6</b> | <b>1044.4</b> | <b>1063</b> | <b>918.7</b> |

## Assets and Liabilities

Assets and liabilities arise as the government works to deliver policies to encourage growth, and to respond to specific crises.

|                               | 2023-24        | 2022-23        | 2021-22        | 2020-21        | 2019-20        |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
|                               | £bn            | £bn            | £bn            | £bn            | £bn            |
| Property, plant and equipment | 1539.1         | 1435.3         | 1340.4         | 1270.3         | 1313           |
| Other financial assets        | 707.6          | 721.1          | 724.8          | 605.7          | 516.2          |
| Trade and other receivables   | 239.1          | 232.9          | 215.6          | 202.9          | 182.0          |
| Other assets                  | 165.5          | 165.0          | 133.5          | 127.8          | 127.0          |
| <b>Total assets</b>           | <b>2,651.3</b> | <b>2,554.3</b> | <b>2,414.3</b> | <b>2,206.7</b> | <b>2,138.5</b> |

|                             | 2023-24        | 2022-23        | 2021-22        | 2020-21        | 2019-20        |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
|                             | £bn            | £bn            | £bn            | £bn            | £bn            |
| Public sector pensions      | 1,311.9        | 1,415.0        | 2,639.1        | 2,306.2        | 2,189.5        |
| Government Borrowings       | 2,020.0        | 1,754.0        | 1,575.7        | 1,520.3        | 1,445.4        |
| Other financial liabilities | 1,202.1        | 1,251.2        | 1,334.0        | 1,118.8        | 761.9          |
| Provisions                  | 262.2          | 306.9          | 527.8          | 366.4          | 374.8          |
| Trade and other payables    | 228.3          | 216.3          | 212.6          | 221.3          | 201.1          |
| <b>Total liabilities</b>    | <b>5,024.5</b> | <b>4,943.4</b> | <b>6,289.2</b> | <b>5,533.0</b> | <b>4,972.7</b> |

WGA reports **£2,651.3 billion** of assets and **£5,024.5 billion** of liabilities. PPE remains the largest asset on the balance sheet, at **£1,539.1 billion**, whilst the largest liability is government borrowings, totalling **£2,020.0 billion**, both increasing relative to prior year.

These feed into the **£2,373 billion** net liability position, reflecting the fact that WGA includes a current balance for future commitments to spend but not the future income that will meet that commitment.

## Provisions

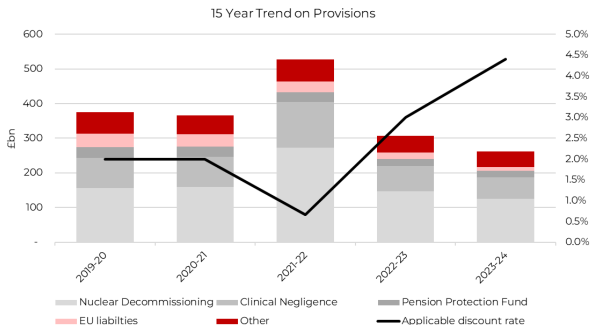
Provisions are recognised when the government has **a present obligation as a result of a past event and it is probable that the government will be required to settle that obligation.**

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date, discounted to present value where the time value of money is material. The value of the liability has an inverse relationship to the applicable real discount rate.

Provisions are a significant element of the WGA total liabilities balance, the largest of which is nuclear decommissioning costs at **£106.9 billion** in 2023-24.

The WGA provision total in 2023-24 was **£262.2 billion**, a reduction of **£44.7 billion** relative to 2022-23. The movement was primarily driven by an increase in the real discount rate.

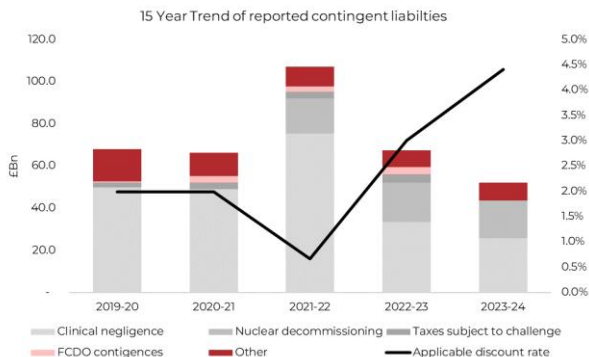




## Contingent Liabilities

IAS 37 defines a contingent liability as **a possible obligation whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity**. Contingent liabilities do not include provisions for which it is certain that the entity has a present obligation that is more likely than not to lead to an outflow of cash or other economic resources, even though the amount or timing is uncertain.

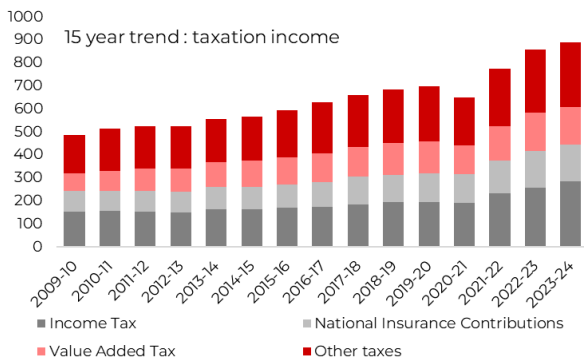
The WGA contingent liabilities total was **£52.0 billion** in 2023-24. This is a fall of **£15.4 billion** relative to 2022-23. The largest quantifiable contingent liability was clinical negligence, totalling **£25.7 billion** in 2023-24.



## Taxation income

Taxation income is the revenues raised by the government to fund public services. The majority of taxation income in WGA is collected by HMRC

Taxation income increased by **£31.1 billion** in 2023-24, from **£857.7 billion** in 2022-23, to **£888.8 billion**.

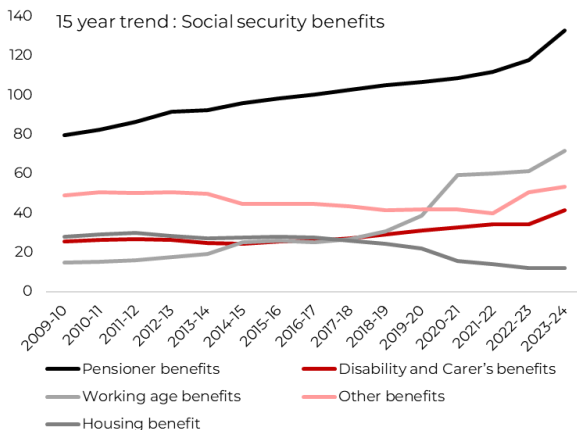


The main contributors to this overall increase of **£31.1 billion** were increases of **£28.2 billion** (10.9%) in Income Tax and of **£9.2 billion** (11.4%) in Corporation Tax), partly offset by decreases of **£4.2 billion** (20.7%) in Stamp Taxes and of **£2.7 billion** (15.9 %) in Capital Gains Tax.

## Social Security Benefits

Social security benefits are payments designed to support those who are retired, unemployed, disabled, or otherwise unable to earn a sufficient income.

Social security benefits increased by **£35.3 billion** in 2023-24, from **£276.1 billion** in 2022-23 to **£311.4 billion**.

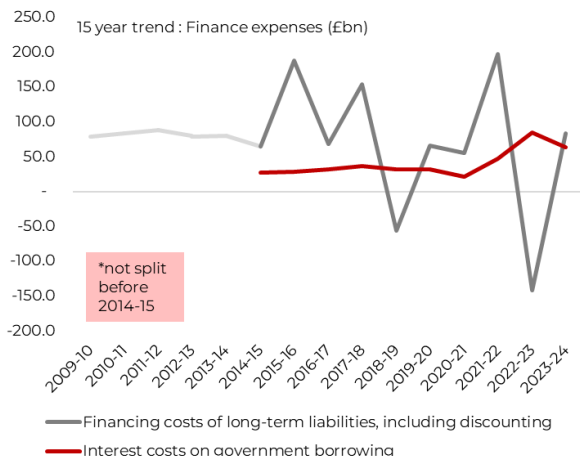


The State Pension for 2023-24, at **£127.3 billion**, is the largest benefit paid, accounting for 41% of the benefit spending total. State pension expenditure increased by **£14.7 billion**. This represents an increase of 13.1% in line with inflation.

## Finance Expense

Finance expense is comprised of 2 main categories of expense, interest costs on government borrowings and financing costs of long-term liabilities.

Interest costs on government borrowings decreased by **£21.7 billion** in 2023-24 to **£63.4 billion** and is made up of payments made to service the government's debt book.



Financing costs of long-term liabilities increased by **£224.8 billion** in 2023-24, from **-£141.9 billion** to **£82.9 billion**. In 2022-23, the cost was driven into a gain by a change in discount rates, and this was less impactful in 2023-24.

## **Closing Remarks**

This handbook has been designed to offer a high level insight into the UK public sector for financial year 2023-24. The information presented has been taken from the full version of the Whole of Government Accounts.

The full version provides a comprehensive analysis of the notes to the financial statements, including those briefly covered in this bitesize edition. It also includes an analysis of the public sector over a 15- year period, since the first iteration of the WGA was published.

We hope you have enjoyed the content of the handbook and will use it in conjunction with the more detailed information available in the full version, available via the QR code below.



**Full WGA can be found using this QR code**

## Further reading

WGA is part of a suite of publications used for public sector financial transparency. Further reading can be found by scanning some of the below QR codes.

### **Public Expenditure Statistical Analysis (HMT)**

More detailed analyses of public expenditure than can be found in WGA, including spend per head in different regions of the UK.



### **Managing Public Money (HMT)**

Guidelines for public sector entities regarding prudent management of taxpayer funds, informing the approach to broader governance and specific financial processes.



### **Parliamentary Accounts Committee (PAC) reports**



PAC scrutinises public sector finances directly in hearings and correspondence with relevant departments officials and issuing reports and recommendations.

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