



Cabinet Office

Annual report and accounts



24
25



Cabinet Office

Annual report and accounts 2024 to 2025

(for period 1 April 2024 to 31 March 2025)

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Annual Report presented to the House of Commons by Command of His Majesty

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■ Preface

About this annual report and accounts

The annual report and accounts provide performance and financial data with analysis to help readers gain an understanding of the work of the Cabinet Office between April 2024 and March 2025 (inclusive). It is divided into three main sections:

1. The **performance report** includes a summary of progress and key milestones achieved during 2024 to 2025 (the performance overview). This is followed by a high-level financial summary (financial review) and by a deeper dive into the department's achievements over the year against each of the five priority outcomes (the performance analysis).
2. The **accountability report** is further split into three sub-sections and includes:
 - the corporate governance report, which describes 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, which details 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**, which allows readers to understand the department's expenditure against the funding provided by Parliament by examining the statement of outturn against parliamentary supply – a copy of the audit certificate and report made to Parliament by the Comptroller and Auditor General setting out his opinion on the financial statements is also included in this section
3. 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 2025, and additional information designed to enable readers to understand these results.

■ Foreword



The Rt Hon. Darren Jones MP

Chief Secretary to the Prime Minister,
Chancellor of the Duchy of Lancaster and
Minister for Intergovernmental Relations

I was delighted to be appointed as Chief Secretary to the Prime Minister, Chancellor of the Duchy of Lancaster and Minister for Intergovernmental Relations by the Prime Minister last month. My priority in these roles is to support the Prime Minister's mission of improving government delivery and working with colleagues across Number 10, the Cabinet Office and all of Whitehall to do so.

To drive delivery, we need to make it easier and quicker for people to get what they need from government, whether that's cutting the NHS backlog so that they can get a GP appointment when they need one, to tackling

the small boats crisis and investing in local communities to ensure people feel safe and proud where they live.

The Prime Minister's announcement that we will be introducing a digital ID for all adults lawfully living in the UK will lay this foundation for the modern state. But we need to modernise how the civil service works internally too, from accelerating digital transformation, to driving efficiencies by combining back-office functions and reinvesting savings into the front-line services that the British public need.

As this annual report and accounts sets out, we've already made some progress transforming the inner workings of the state so that we can better work together across government and focus on delivering for the public. Now we need to go much further and faster.

As the centre of government, the Cabinet Office will be at the heart of driving through the Prime Minister's and my agenda of delivery, and I look forward to working with you all to do this as quickly and efficiently as possible.

Ultimately, what really matters is whether people's lives are being improved by this government, and that should guide us all in our work.

The Rt Hon. Darren Jones MP



The Rt Hon. Nick Thomas-Symonds MP

Paymaster General and
Minister for the Cabinet Office

A change of Government can be a challenging time for the Civil Service. I have been impressed at the breadth and development of the work throughout the Department, which is captured in full throughout this report. It is a great privilege to serve as the Minister for the Cabinet Office and Paymaster General, and I have seen the high level of performance across the Cabinet Office in the last year.

Being at the heart of Government, the Cabinet Office has a vital role in driving the delivery of the Prime Minister's and Government's priorities, monitoring their development and working alongside other Departments to improve our working practices. Ensuring we have a high-quality Civil Service, which can deliver our reform agenda, is a crucial part of this. Whether it's the Public Sector Fraud Authority saving more public money than ever before, or the 'Places for Growth' team spreading more Civil Service recruitment opportunities across the regions – ahead of schedule – the Cabinet Office is helping create a productive Civil Service that serves our citizens.

Our central position has meant we have, in the last year, taken responsibility of a number of vital policy areas which directly affect all our communities. I am pleased to see the responsibility for union and devolution policy move to the Department, our teams have worked quickly to create a new Council of the Nations and Regions, which will be instrumental in improving relationships across the United Kingdom.

We have also taken on responsibilities for improving one of our most important international relationships. One of the huge success stories of the Department was the reset of the UK's relationship with the European Union, which delivers on several of the Government economic and security missions, and exemplifies the Cabinet Office's mission of "ensuring that Government works together to deliver for the people of the United Kingdom". Working alongside many other Government departments, the Cabinet Office is leading on this international and economic priority.

As we look to the year ahead, the Cabinet Office has a strong foundation to build upon. I am confident – as we have shown throughout the year – that we can not only meet our goals and targets, but exceed them.

The Rt Hon. Nick Thomas-Symonds MP



Performance report

■ Permanent Secretary's perspective on performance

The Cabinet Office ensures that the government works together to deliver for the people of the United Kingdom.



Catherine (Cat) Little CB

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

The department acted swiftly following the General Election in July 2024 to support the new government as it set the strategic direction for the country. We have worked to promote and enable the delivery of the Prime Minister's priorities to ensure people feel better off, that their public services work for them, and that they feel safe in their homes and take pride in the local area.

We have changed how we are organised, restructuring ourselves into five core pillars, with a pillar for each of our revised strategic outcomes; creating clearer lines of accountability for delivery and recognising that outcomes are also cross-cutting and require cross-departmental and cross-government effort to deliver.

Domestic and Economic

The Cabinet Office operates at the very heart of government, supporting the Prime Minister and Cabinet in taking forward the government's highest priorities, including the Plan for Change. Teams provide advice, challenge and ensure collective agreement as needed to deliver the government's agenda. This work also involves harnessing data and

analysis to ensure that data and evidence help drive policy making, including bringing technologists in from the private sector to foster innovation at the centre of government through the No.10 Innovation Fellowship programme.

European and Global Issues

The Cabinet Office has been driving the reset of the UK-EU relationship, strengthening cooperation on foreign policy and security, including supporting a successful European Political Community Summit in July 2024. Engagement with the European Union and European states continued throughout the year to frame future negotiations, which culminated in the May 2025 UK-EU leaders' summit, the result of which will support the government's mission to grow the economy as well as a Security and Defence Partnership which will strengthen the UK defence industry, supporting economic growth, boosting British jobs, and promoting national and European security.

Propriety and Constitution

The Cabinet Office supported the publication of a revised ministerial code, and the development of legislation to remove the right of hereditary peers to sit and vote in the House of Lords, in line with the government's manifesto commitment to create a second chamber more representative of the nations and regions. It has led the establishment of the Ethics and Integrity Commission and delivered the duty of candour provisions in the new 'Hillsborough Law'. The Cabinet Office also worked to strengthen intergovernmental relations with the devolved nations, which has included launching the Council of Nations and Regions bringing together the UK government, the devolved nations and local authorities.

National Security

The Cabinet Office's National Security Secretariat plays a vital role in ensuring the country is safe, secure, and resilient.

The Cabinet Office has led work to strengthen transatlantic alliances, driven a forward-leaning approach to international crises in Ukraine and the Middle East and are revising our national security strategy to address emerging and enduring threats. The Cabinet Office has developed the government's policy on security issues such as counter-terrorism and counter-state threats. We ensured a coordinated cross-government response to national emergencies and major disruptions, such as the violent disorder following Southport attacks, the CrowdStrike IT outage, and Storm Éowyn.

Productive and Agile State

The Cabinet Office is leading the government's agenda to become a more Productive and Agile State to provide better services for the public: by harnessing technology and AI; reducing the cost of regulation by 25%; increasing democratic accountability and improving efficiency across Arm's Length Bodies; and reforming the Civil Service, for example through reducing the cost of administration, reducing the costs of consultancy by £550 million this year and investing in our own people, harnessing our talent more effectively and increasing digital skills.

We launched 'Test, Learn, Grow', a programme which promotes innovative, place-based solutions through small-scale pilots. The Places for Growth programme has moved 22,000 roles outside of London, three years ahead of schedule. The department oversees the Civil Service People Plan, and has progressed commitments on recruitment, talent management, development and transforming back office corporate services. Over 160,000 civil servants participated in the One Big Thing training event on innovation, with a renewed focus on professional communities. We are improving value for money and delivering efficiency savings: for example the Public Sector Fraud Authority delivered over £480 million efficiency savings, which

is £108m more than last year through harnessing AI. The Procurement Act 2023 came into effect in February 2025 including a new National Procurement Policy Statement and central digital system which will drive increased value for money and greater visibility of opportunities for small business.

This year the Infected Blood Compensation Authority (IBCA) was formed and has built an entire claims service that began processing compensation claims within two months of receiving the legislative powers to do so in August 2024. As of 23 September 2025, 1,926 people had received an offer; the value of total offers made is £1,417 million. IBCA has been set an unprecedented challenge and is working hard to meet the needs of all those it serves in delivering justice to victims. One of the significant challenges is estimating how many people are eligible to make a claim and this is reflected in the qualified audit opinion for these accounts.

Delivering the government's legislative agenda

Another critical role of the Cabinet Office is supporting the Prime Minister including cross-government policy coordination, supporting the running of Cabinet and Cabinet committees, and enabling the delivery of the government's legislative agenda. The King's Speech in November announced 39 pieces of legislation that the government is looking to advance in this session of Parliament.

Transforming the department

Looking to the future, the Cabinet Office is transforming to become more strategic, specialist, and smaller, aiming to reduce by up to 1,200 roles over the next two years. Alongside moves already agreed this year to place some teams in better homes across government, the Cabinet Office aims to be around a third smaller than it was in December 2024 following all reforms. These changes will enable better outcomes, improve agility and accountability, providing stronger strategic leadership and coordination across government.

This annual report and accounts reflect our ongoing commitment to transparency and accountability in the use of public resources. I would like to thank our staff and partners for their unwavering efforts to ensure we continue to deliver for the public.

Catherine Little CB

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

■ Performance overview

The performance overview gives an insight into how the department is organised along with a summary of its achievements between 1 April 2024 and 31 March 2025.

Cabinet Office purpose



“Ensuring that government works together to deliver for the people of the United Kingdom”

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.

Strategic outcomes

Following the general election in July 2024, the department implemented several changes, including the approval of multiple machinery of government transfers and the creation of the following five new strategic outcomes.

1	Drive delivery of the government's missions and foundations, and the Prime Minister's critical priorities as set out in the Plan for Change, by cohering, challenging and coordinating across governmental departments to enable progress and remove barriers.
2	Strengthen international partnerships to support growth, deliver security at home, and tackle migration.
3	Strengthen the foundations of good government, by strengthening the constitution, creating higher standards for those in public life and ensuring that public services deliver for the people of the United Kingdom, and by working to improve intergovernmental relations within the United Kingdom.
4	Make the country safer, more secure and increasingly resilient, by coordinating the delivery of national security priorities and promoting resilience across the United Kingdom.
5	Run a high-quality Civil Service that is focused on the priorities of this government and characterised by pride, professionalism and performance, driving through the necessary reforms and technological transformation to improve productivity and deliver better outcomes for the public.

These outcomes define how the department will deliver the Prime Minister's and government's priorities. They serve as a guide to ensure our work effectively serves citizens and aligns with the government's overarching missions, the Plan for Change, and government's manifesto commitments. The former strategic outcomes were aligned to the previous government's objectives. A full reconciliation can be found in the statement of outturn against parliamentary supply notes.

How the Cabinet Office group is structured

The Cabinet Office group is made up of the core department and 15 arm's length bodies (ALBs).

Arm's length bodies			
Executive agency – supply financed	Non-departmental public bodies with executive powers	Advisory non-departmental public bodies	Non-ministerial department
Government Property Agency	Civil Service Commission	Advisory Committee on Business Appointments ¹	UK Statistics Authority (not included in this annual report and accounts)
	Equality and Human Rights Commission	Committee on Standards in Public Life	
Executive agency – trading fund	Infected Blood Compensation Authority	House of Lords Appointments Commission	
Crown Commercial Service (not included in this annual report and accounts)		Security Vetting Appeals Panel	
		Senior Salaries Review Body	
		Social Mobility Commission	

Other bodies within the group	
Statutory offices	Expert committees
The Office of the Registrar of Consultant Lobbyists	Main Honours Committee
The Office of the Commissioner for Public Appointments	

¹ The Advisory Committee on Business Appointments was disbanded in July 2025, see note 22 to the financial statements for further information.

- **The core department:** responsible for supporting the Prime Minister, Cabinet and government functions, providing strategic policy advice, coordination across government and leadership of the Civil Service.
- **Arm's-length bodies:** these are organisations operating at a distance from the core department but aligned with its outcomes. They deliver specialised services, conduct research or oversee certain policy areas.
- **Non-ministerial department:** an organisation that operates independently of ministerial control to provide specialised functions, such as regulatory or investigative services. Its independence ensures impartiality and objectivity in its operations.

The Government Property Agency (GPA) and the Crown Commercial Service (CCS) are executive agencies that each publish separate annual reports and accounts. The GPA account is consolidated into the Cabinet Office departmental accounts, but as a trading fund, the CCS reports separately and is not included in the consolidated group accounts.

The three non-departmental public bodies with executive powers – the Civil Service Commission, the Equality and Human Rights Commission (EHRC), and the Infected Blood Compensation Authority (IBCA) – publish their own accounts and are consolidated into the Cabinet Office group accounts.

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

There are a further three bodies which are included in the group account, one of which, the Office of the Registrar of Consultant Lobbyists also publishes its own account.

The UK Statistics Authority is a non-ministerial department of the Cabinet Office. It produces its own annual report and accounts and is not included in the consolidated group accounts.

Further detail on the Cabinet Office's structure can be found in the performance analysis section and in note 21 to the financial statements.

How our core Department was organised in 2024 to 2025

The core department was made up of the following business units aligned with their strategic outcomes.

Information regarding the department's key risks can be found in the accountability report. Key performance indicators and expected future plans are not currently available.

Drive delivery of government missions, foundations and the Prime Minister's critical priorities as set out in the Plan for Change.	• Prime Minister's Office • Mission Delivery Unit • Economic and Domestic Secretariat
Strengthen international partnerships to support growth.	• Borders Group • EU Relations Secretariat
Strengthen the foundations of good government.	• Propriety and Constitution Group • Government in Parliament • Intelligence and Security Committee of Parliament • COVID-19 Inquiry
Make the country safer, more secure and increasingly resilient.	• National Security Secretariat • Joint Intelligence Organisation
Run a high-quality Civil Service.	• Government Commercial and Grants Function • Government Communication Service • Government People Group • Government Security Group • Infrastructure and Projects Authority • Office for Equality and Opportunity • Office for Government Property • Public Inquiry Response Unit • Public Sector Fraud Authority • Public Sector Reform and Efficiency • The Grenfell Tower Inquiry (concluded) • Central corporate services including finance, human resources and digital services

Machinery of government transfers

In the 2024 to 2025 financial year, the Cabinet Office was impacted by seven machinery of government transfers, four out of the department and three into the department.

Out 	In 
• The Government Digital Service, the Central Digital and Data Office and the Incubator for Artificial Intelligence all transferred to the Department for Science, Innovation and Technology. • The Office for Veterans’ Affairs transferred to the Ministry of Defence	• Responsibility for the United Kingdom’s relationship with the European Union transferred from the Foreign, Commonwealth and Development Office to join the EU Relations Secretariat. • Responsibility for union and devolution policy across Scotland, Wales and Northern Ireland transferred from the Ministry of Housing, Communities and Local Government to the Propriety and Constitution Group. • The Government Car Service transferred from the Department of Transport to join the Government Security Group.

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

Performance summary

The government has an ambitious agenda to deliver for the people of the UK through the Plan for Change. The Cabinet Office, as the corporate centre of government, is crucial for making this plan a reality. The department is central to the Prime Minister's goal of reforming the public sector.

Illustrative activities that contribute to each strategic outcome are presented below with further detail in the performance analysis section:

Drive delivery of government missions, foundations and the Prime Minister's critical priorities as set out in the Plan for Change.	- Establishing the Mission Delivery Unit to coordinate and challenge departments on performance of their key milestones, working with them to provide data and analysis to Ministers to track progress; and to coordinate the cross-government approach to delivering mission-led government - Publishing the Plan for Change, which includes metrics and milestones detailing how the government will make progress towards the missions and strengthen the foundations of government.
Strengthen international partnerships to support growth.	- Managing the UK-EU relationship - Resetting relations with the EU and strengthening cooperation - Strengthening international ties beyond Europe
Strengthen the foundations of good government.	- Providing advice around the constitution, the Union, and ethics - Changing policy, developing legislation, and convening key stakeholders - Delivery of a revised ministerial code
Make the country safer, more secure and increasingly resilient.	- Enhancing the UK's security through transatlantic alliances - Revising the national security strategy - Countering the enduring and evolving threat of terrorism and state-based security threats - Ensuring that investment decisions are in the national interest
Run a high-quality Civil Service.	- Running initiatives to upskill the Civil Service, including the 'One Big Thing' programme. - Launching practical initiatives such as the 'Test, Learn, Grow' programme which supports public sector reform.

Financial summary

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

Summary of financial performance 2024 to 2025 split by departmental expenditure limit (DEL) and annually managed expenditure (AME)

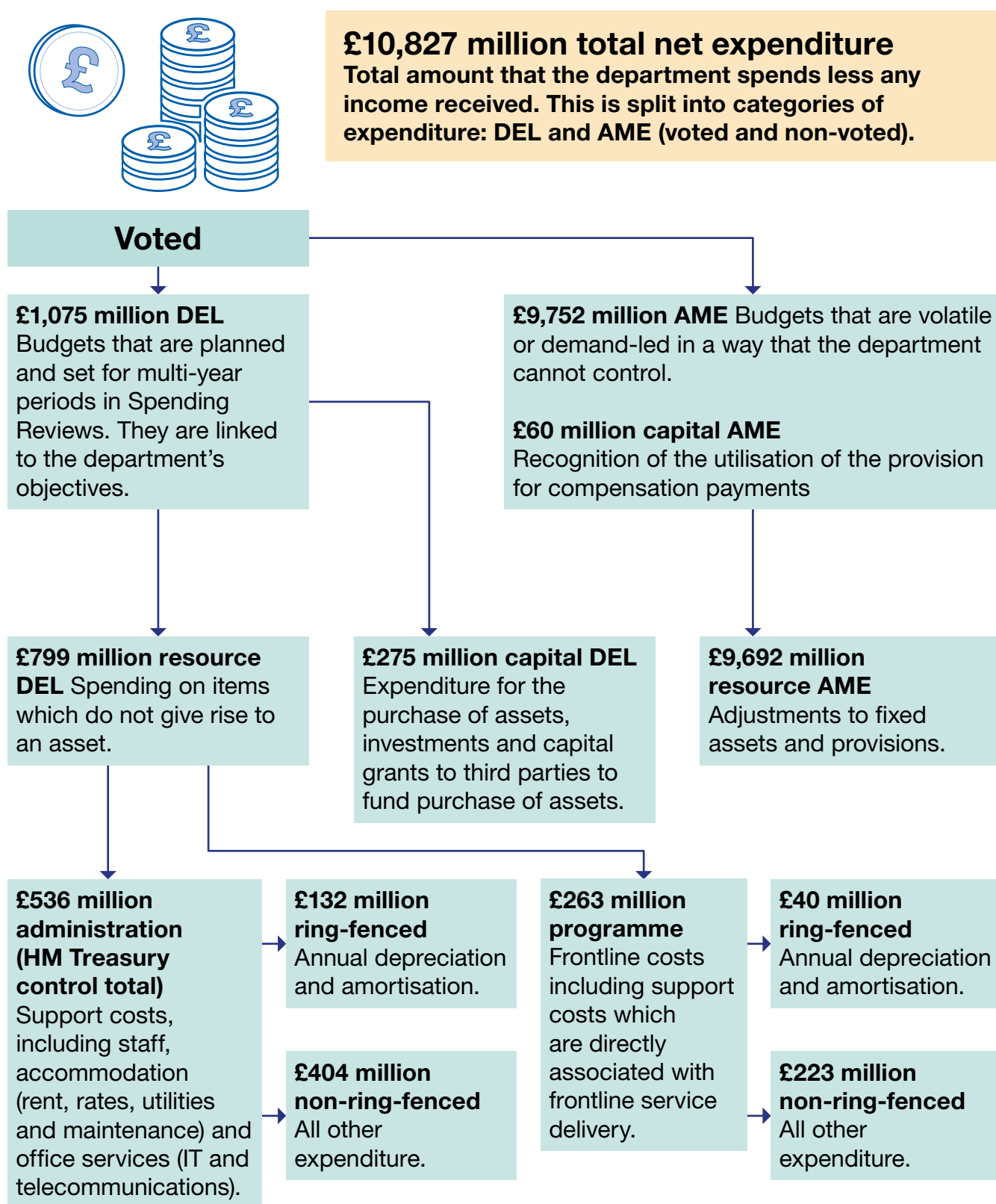
£ million	Budget	Outturn	Variance
Resource DEL	916	799	117
Capital DEL	362	276	86
Total DEL	1,278	1,075	203
Resource AME	14,970	9,692	5,278
Capital AME	302	60	242
Total AME	15,272	9,752	5,520
Grand Total	16,550	10,827	5,723

A full explanation of these different types of budgets can be found on the following page.

All budget categories are showing that spend has been managed within the delegated budget. The largest underspend within the resource AME delegation was due to a recalculation of the provision required for expected future compensation payments associated with the Infected Blood Compensation Scheme.

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.



How Cabinet Office group spends its money

Resource departmental expenditure limit (DEL)

A breakdown of the £799 million resource DEL spend is set out below.

A reconciliation of our business units as set out in the original supply estimate to the new strategic outcomes can be found in the statement of outturn against parliamentary supply in the accountability report.



■ Performance analysis

Performance against outcomes

The Cabinet Office is at the centre of government and drives the Prime Minister's agenda. In response to the establishment of the current government, the department swiftly acted to ensure that the new government's priorities were reflected, which included revising the department's strategic outcomes.

The department worked with ministers to review key initiatives to ensure that the department's work aligned with the current government's policies.

The performance analysis summarises key deliverables that were achieved or initiated in 2024 to 2025. These milestones demonstrate a number of successes.

The department is actively working to develop more robust plans and metrics to monitor future progress.

Drive delivery of government missions, foundations and the Prime Minister's critical priorities as set out in the Plan for Change.

The Cabinet Office supports the Prime Minister and Cabinet in taking forward the government's highest priority policy commitments, including in the Plan for Change. Teams provide advice, challenge and ensure collective agreement as needed to deliver the government's agenda. The Cabinet Office works closely with departments to provide data and analysis to ministers to track progress against these milestones. Although individual departments lead on specific missions, the Cabinet Office coordinates and challenges departments on the performance on their key milestones, providing data analysis and advice to improve performance. The Cabinet Office also coordinates stocktakes with the Prime Minister, Cabinet Office ministers, and relevant Secretaries of State on priorities to ensure progress.

Part of this work involves harnessing data and analysis to ensure that data and evidence help drive policy making, including bringing technologists in from the private sector to foster innovation at the centre of government.

Tackling child poverty is an important domestic policy commitment and the department is developing a strategy to reduce it. The strategy will aim to drive an enduring reduction in child poverty in this Parliament, working in partnership within and outside of government.

The No.10 Innovation Fellowship programme was successfully launched in 2024 to 2025, fostering innovation and bringing world-class technologists into government for short periods to work on challenging problems.



Strengthen international partnerships to support growth.

Responsibility for managing the UK-EU relationship moved to the Cabinet Office following the general election. This included transferring a number of staff from the Foreign and Commonwealth Development Office. The focus has been on resetting relations with the EU and strengthening cooperation on issues of common concern such as foreign policy and security cooperation. In July 2024, the UK successfully held the European Political Community Summit to bring together leaders from across Europe to cooperate on important issues and progress discussions affecting Europe as a whole.

The Cabinet Office is strengthening international ties beyond Europe, including through the G7 and G20, to develop and deliver an ambitious international economic and global issues agenda that influences and works through the international system. An example of this would be the negotiations with India last year which resulted in a successful Free Trade Agreement in May 2025 and agreed the general terms of an economic prosperity deal with the United States. Work is also ongoing to address organised crime and its enablers at the source, working with Europol and Interpol on joint operations.



UK delegation at the G20 Summit in Rio de Janeiro.

Strengthen the foundations of good government.

The Cabinet Office delivers this outcome by providing advice on strategy, policy and casework to the Prime Minister, members of the Cabinet, Cabinet Secretary, and other government departments, and by supporting the Independent Adviser on Ministerial Standards who is appointed by the Prime Minister to advise him on matters relating to the Ministerial Code.

The Cabinet Office has delivered a revised ministerial code which highlights the importance of the principles of public life, has strengthened the terms of reference for the Independent Adviser, introduced a new monthly register of gifts and hospitality, supported the development of legislation to remove the right of hereditary peers to sit and vote in the House of Lords and the duty of candour through a 'Hillsborough Law'.

In September 2024, responsibility for union and devolution policy across Scotland, Wales and Northern Ireland returned to the Cabinet Office. A key focus in this area has been to work across government with an aim to improve relationships and outcomes for citizens across the country. To support this the department delivered a capacity building programme to ensure officials are equipped with the skills to engage proactively with their counterparts and support ministers with their work and a new Council of the Nations and Regions, which first met in October 2024.

This strategic outcome encompasses the work of the sponsor teams of the Civil Service Commission and the Office of the Registrar of Consultant Lobbyists. Further details of these ALBs can be found in their own published annual report and accounts.



Make the country safer, more secure and increasingly resilient.

The Cabinet Office works to promote security both at home and abroad. This year, the department has worked to enhance the UK's security through transatlantic alliances, including reaffirming commitment to NATO, deepening co-operation with the EU and European states, and driving a forward-leaning approach to international crises in Ukraine and the Middle East.

Work is also ongoing to strengthen security and prosperity, for example in the Gulf and Indo-Pacific. During the year, the department revised the national security strategy to clearly articulate national security priorities and this was published in June 2025. The department also leads strategy on key international security issues ensuring coordination in the national security system and running key programmes.

The Cabinet Office continues to address domestic security concerns, including countering the enduring and evolving threat of terrorism and state-based security threats, harnessing technology, and ensuring that intelligence agencies and law enforcement bodies have the powers and capabilities they need.

Work on resilience is ongoing on a range of risks set out in the National Risk Register, which was updated in January 2025, such as cyber threats, food security and disruption to critical supply chains, improving resilience and preparedness across the country.

The Cabinet Office Briefing Room Unit responded to a range of crises and trained ministers and officials in crisis management.



Run a high-quality Civil Service.

Delivering the government's agenda requires changing how the public sector and civil service operate. The Cabinet Office is leading the government's efforts to reform the British state under the programme of work to drive a more Productive and Agile State. Across all departments, the Cabinet Office is driving forward efforts to reform the state in four key areas:

- Ensuring that all departments are providing better services for the public by harnessing technology and AI;
- Changing the regulatory environment to reduce complexity and to reduce the costs of regulation by 25%;
- Reviewing Arm's Length Bodies, increasing democratic accountability and improving efficiency in delivery;
- Reforming the Civil Service through reducing the cost of administration and consultancy, and investing in our own people to best harness talent and enhance digital skills.

The department launched 'Test, Learn, and Grow' which funds small-scale, place-based initiatives that are then scaled up and allows for lessons to be learned quickly to encourage innovation. This programme was trialled successfully in four areas of England. Teams in Sheffield piloted ways to increase the number of families coming into local family hubs, while in Liverpool teams created a data-driven platform to manage temporary housing.

The Places for Growth Programme met its target of 22,000 roles moved from London into the regions by 2027, three years ahead of schedule. An evaluation of the programme, published in October 2024, highlighted that the programme is on track to deliver £1.9 billion in staff and estate savings and local economic benefit by 2030.

Progress has been made on the commitments in the Civil Service People Plan

including recruitment, talent management, development, and transforming back office corporate services. The department has taken steps to transform its approach to learning and development across the Civil Service, and strengthened its professionalism. One of the largest upskilling events in Civil Service history was delivered, with over 160,000 civil servants participating in the One Big Thing training on innovation, which encouraged teams to develop and implement solutions to the problems they face.

The Public Sector Fraud Authority exceeded its target for financial benefits, which are to prevent and recover fraud and irregular payments. These results have been audited by the GIAA and will be published in the Public Sector Fraud Authority's annual report – in line with their mandate. The Authority helped the government stop over £480 million ending up in the pockets of fraudsters, £108 million more than the previous year through innovative use of AI. The Procurement Act 2023 commenced in February 2025 including a new National Procurement Policy Statement and the launch of a new central digital system. In its first month of operation over 2,000 procurement notices have been published and 13,000 suppliers registered, driving value for money for the government and supporting opportunities for small businesses, supporting the government's growth agenda.

This strategic outcome encompasses the work of the CCS, the GPA, the EHRC and a new ALB, the Infected Blood Compensation Authority. The IBCA was formed this year, starting with the appointment of the Interim Chair and Interim Chief Executive Officer in May 2024, and has gone on to build a claims service that began processing compensation claims within two months of receiving the legislative powers to do so in August 2024. As of 23 September 2025, 1,926 people had received an offer; the value of total offers made is £1,417 million.

Performance of our arm's length bodies

Within the core funding of the Cabinet Office, we have a number of advisory non-departmental public bodies and expert committees that have links to the department.

Executive agencies



Crown Commercial Service

The Crown Commercial Service (CCS) are procurement experts, helping the public sector maximise every pound so that precious resources can be directed where they are needed most.

In 2024 to 2025 the CCS channelled £33 billion of public sector spend through their commercial agreements and helped customers procure contracts with a total value of over £2.3 billion.

Due to its trading fund status, CCS is not consolidated into these accounts. The agency publishes its own annual report and accounts. Further information can be found on the CCS website.



Government Property Agency

The Government Property Agency (GPA) creates exceptional workplaces for civil servants, enabling public sector efficiency and delivering value for taxpayers through applying commercial acumen to create a smaller, better, greener government office estate.

Through 2024 to 2025, the GPA progressed delivery of one of the biggest workplace transformation programmes in the UK, which included:

- £227 million invested in creating more efficient and productive working environments
- £148 million in capital projects, across 13 inflight and completed projects
- supporting regional growth and contributing to a more distributed and efficient government presence across the UK through the disposal and exit from six non-core buildings in London, facilitating the relocation of roles out of the capital
- enhancement of digitally-enabled working offices with GovPass now at 64 locations, GovWifi with 820,000 users, and GovPrint now at 111 locations

The GPA is consolidated into these accounts but also publishes its own annual report and accounts. Further information can be found on the GPA website.

Non-departmental public bodies with executive powers

Infected Blood Compensation Authority

The Infected Blood Compensation Authority (IBCA) was set up under the Victims and Prisoners Act 2024 to pay compensation to people infected and affected by HIV, hepatitis B and hepatitis C through contaminated blood, blood products or tissue.

The IBCA was established in May 2024 and by November 2024 had made its first compensation payment. By the end of the financial year, the IBCA had made compensation payments totalling over £60 million.

The IBCA is expected to pay out over £10 billion in compensation payments over the next 10 to 15 years. There is a wide range of uncertainty within IBCA's operational environment providing an element of risk which is considered within the governance statement.

The IBCA is consolidated into these accounts, but also publishes its own annual report and accounts. Further information can be found on the IBCA website.



The Civil Service Commission has two primary functions:

- providing assurance that recruitment to the Civil Service is on merit, on the basis of fair and open competition
- hearing and determining appeals made by civil servants under the Civil Service Code

This sets out the values of the Civil Service – impartiality, objectivity, integrity and honesty – and forms part of the contractual relationship between civil servants and their employer.

The Civil Service Commission is consolidated into these accounts but also publishes its own annual report and accounts. Further information can be found on the Civil Service Commission website.

Equality and Human Rights Commission

The Equality and Human Rights Commission (EHRC) uses unique powers to challenge discrimination, promote equality of opportunity and protect human rights while being ready to take tough action against those who abuse the rights of others. It operates independently and has been awarded an 'A' status as a national human rights institution by the United Nations.

The EHRC is consolidated into these accounts but also publishes its own annual report and accounts. Further information can be found on the EHRC website.

Non-ministerial department



The UK Statistics Authority (UKSA) encompasses every aspect of statistical work from collection of data and information to the publication and regulation of statistics which touch on every aspect of daily life in the United Kingdom. The collective mission of the official statistics system is to mobilise the power of data to help the UK make better decisions.

As a non-ministerial department, the UKSA is not consolidated into these accounts. Further information can be found on the UKSA website and in the UKSA annual report and accounts.

Statutory offices

Office of the Registrar of Consultant Lobbyists

The Office of the Registrar of Consultant Lobbyists (ORCL) is an independent statutory office, established to keep and publish the register of consultant lobbyists, on which those who lobby on behalf of a third party are required to declare the names of their clients and whether or not they subscribe to a relevant code of conduct.

ORCL is consolidated into these accounts but also publishes its own annual report and accounts. Further information can be found on the ORCL section of GOV.UK.



**The Commissioner for
Public Appointments**

The Commissioner for Public Appointments provides independent assurance that public appointments are made in accordance with the Governance Code and with the Principles of Public Appointments.

Its costs are included within the core department.

Advisory non-department public bodies

There are a number of advisory non-departmental public bodies that operate within the Cabinet Office and whose costs are included within the core department.

Advisory Committee on Business

Appointments – provides independent advice to former ministers and the most senior civil servants on appointments they wish to take up on leaving government.

Committee on Standards in Public Life

– advises the Prime Minister on arrangements for upholding ethical standards of conduct across public life in England.

House of Lords Appointments

Commission – makes nominations for membership of the independent cross benches of the House of Lords and is also responsible for the vetting for propriety of all nominations to the House.

Security Vetting Appeals Panel – provides a final means of challenging a decision to refuse or withdraw national security vetting.

Senior Salaries Review Body – provides independent advice to the Prime Minister, the Lord Chancellor, the Secretary of State for Defence, the Secretary of State for Health, and the Home Secretary on the pay of senior civil servants, the judiciary, senior officers of the armed forces, senior managers in the NHS in England and Department of Health and Social Care (DHSC) ALBs, Police and Crime Commissioners, and chief police officers.

Social Mobility Commission –

exists to help create a country where the circumstances of someone's birth do not determine their outcomes in life.

Expert committee

Finally, there is one expert committee, the Main Honours Committee, which reviews and finalises recommendations for honours nominations and whose costs are included within the core department.

Financial analysis

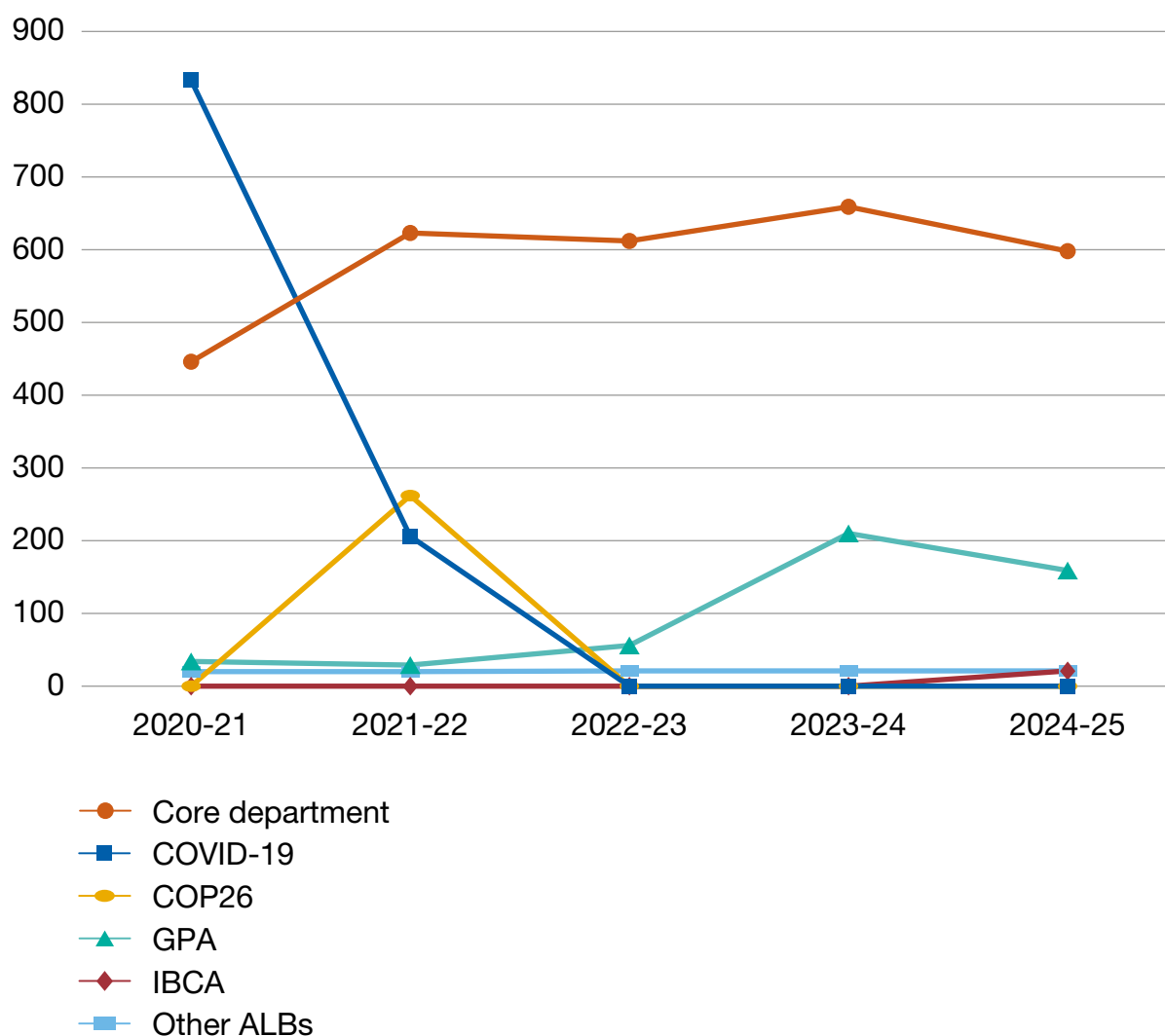
Long term expenditure trends

The table below sets out group net expenditure across the last five years. Further detail on expenditure in this period as well as plans for 2025 to 2026 can be found in annex A to this report.

Net expenditure	2020-21	2021-22	2022-23	2023-24	2024-25
RDEL					
Core department	446	623	612	659	598
COVID-19	833	206	–	–	–
COP26	–	262	–	–	–
GPA	34	29	56	210	159
IBCA	–	–	–	–	21
Other ALB's	20	20	21	21	21
CDEL					
Core department	206	28	40	54	60
GPA	19	102	151	358	197
IBCA	–	–	–	–	18
Other ALBs	–	–	–	–	1
RAME					
Core department	7	(1)	1	–	33
GPA	106	77	91	117	77
IBCA	–	–	–	–	9,582
CAME					
IBCA	–	–	–	–	60
Total	1,671	1,346	973	1,419	10,827

Since 2020 to 2021 the Cabinet Office group has seen an increase in its overall net expenditure. However, core department expenditure has remained largely consistent throughout this period. Spikes in total group expenditure have been caused by large exceptional events such as the COVID-19 pandemic, COP26 in Glasgow, the expansion of the GPA and the establishment of the IBCA.

5-year net RDEL expenditure



Developments contributing to the overall growth of the department in the five-year period beginning in 2020 to 2021 include the following.

- The COVID-19 pandemic led to an unexpected 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 hosted the COP26 climate summit 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 GPA has continued to onboard properties nationally, delivering a fully integrated property management service across government. The GPA had an increase in RDEL expenditure due to changes to the government accounting policy of PFI remeasurement, plus an increase in capital expenditure driven by additions to right of use property assets transferred to the GPA.
- The IBCA was formed in 2024 to 2025 and started to make compensation payments during that year. It also accounts for the provision associated with future compensation payments.

Long-term income trends

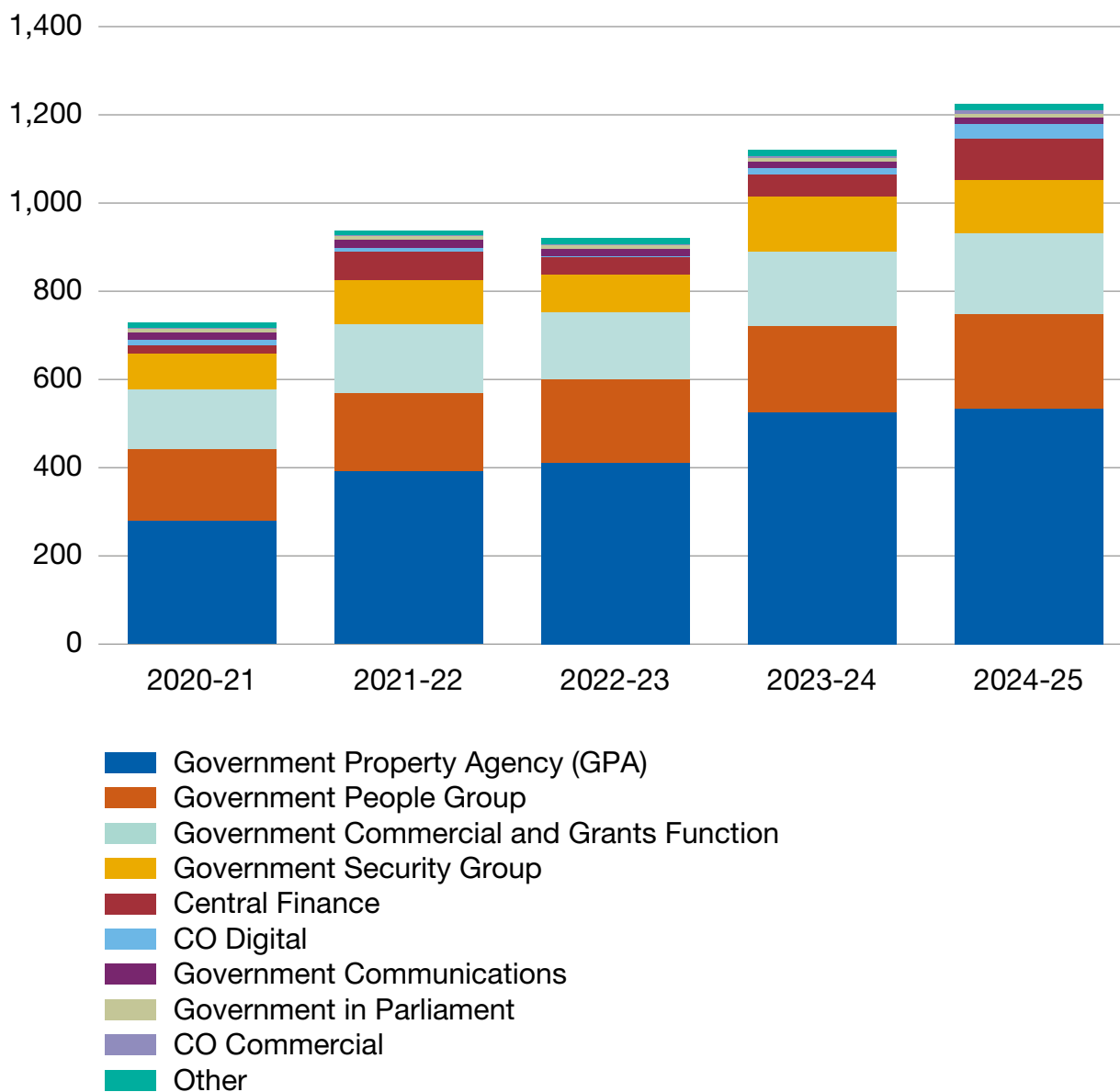
Cabinet Office income arises principally from the services it provides across government via the functional model. Under this model, certain government functions are headquartered in the Cabinet Office and departments pay to access and use their expertise. For instance, the Government People Group provides specialist human resource services to government, including staff on the fast stream programme.

Business unit £million	2020-21	2021-22	2022-23	2023-24	2024-25
Government Property Agency	278.4	391.1	410.8	525.4	598.0
Government People Group	163.9	178.9	188.1	195.5	213.7
Government Commercial and Grants Function	134.1	156.1	152.6	168.8	187.0
Government Security Group	81.6	99.6	86.5	124.4	120.0
Central Finance	18.7	62.5	37.7	50.8	92.1
CO Digital	12.0	10.1	3.0	12.8	34.9
Government Communications	17.9	17.2	16.0	15.2	13.4
Government in Parliament	7.8	8.6	8.6	9.3	10.3
CO Commercial	1.2	2.1	3.2	3.5	6.4
Other	12.7	12.2	13.8	14.4	15.6
Total income	728.3	938.4	920.3	1,120.1	1,291.4

The table above sets out the income received by the department as recognised in the statement of outturn against parliamentary supply. The income shown in note 5.2 of the financial statements differs from this as that table is only showing revenue from contracts with customers, whereas this table shows all income.

Departmental income has steadily risen since 2020 to 2021. The table above and graph below show the nine largest income generating areas of the department, with most units showing an increase in the uptake of their services year on year. This is largely due to these services becoming more widely known across government as providing an excellent service and also due to additional services being offered.

Long term income trends



■ Counter fraud report

The Cabinet Office is committed to ensuring internal fraud is tackled effectively, reducing risks of fraud, bribery, corruption or misuse of funds and assets. All staff are required to act with honesty and integrity and to safeguard the public resources they are responsible for. To support this message, the department took part in International Fraud Awareness Week in November 2024 that sought to drive awareness of what fraud is, how to spot it and that tackling it is a shared endeavour.

The department has prioritised enhancing its fraud maturity as set out in its counter fraud strategy, which adheres to the counter fraud functional standard. The strategy encompasses raising fraud awareness and enhancing prevention and detection measures across the core group and ALBs.

Due to this increased focus, the department has managed an increased number of suspected fraud cases during the year, with 36 cases being considered. It is important to note that allegations do not equate to substantiated instances of fraud. The department has not received any allegations specifically relating to bribery and corruption.

The department utilises the expert services of the Government Internal Audit Agency counter fraud and investigations team and the Public Sector Fraud Authority's Enforcement Unit to bolster its capability and resources. The department also drew upon the expertise of the Procurement

Review Unit in the Government Commercial Function to consider allegations relating to commercial fraud.

The department also took part in an assurance check against the Government Functional Standard 013: Counter Fraud which highlighted areas for improvement. The department is committed to maturing the counter fraud, bribery and corruption capability, which is set out in our action plan for 2025 to 2026.

The Cabinet Office participates in a Public Sector Fraud Authority initiative to achieve a stretching financial target across the financial year. In 2024 to 2025, the department sought to prevent and recover £37.99 million of fraud and error across the core department, Civil Service pensions schemes and the Royal Mail statutory pension scheme, and the CCS. At the end of the fourth quarter of the year, the department had surpassed its target preventing and recovering £48.5 million.

The largest proportion of this related to prevented error and fraud in the pension schemes as a result of participation in monthly data matching through the National Fraud Initiative. This data matching process enabled earlier identification of scheme 'leavers' and limited incorrect payments. In addition, the department secured a prosecution for fraud by abuse of position and made a number of dismissals where allegations were upheld by the HR processes.

■ Sustainability report

Overview: Cabinet Office domestic sustainability strategy refresh

This sustainability report has been prepared in compliance with HMT requirements for annual reports and accounts, Greening Government Commitments (GGC), and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The report aims to provide a comprehensive and integrated overview of the Cabinet Office's environmental performance, governance arrangements, and risk management related to sustainability, demonstrating how various frameworks interlink to support our outcomes. This year's reporting fulfils the TCFD Phase 2 requirements focusing on governance, risk management, metrics and targets.

In July 2024, the Cabinet Office refreshed its domestic sustainability strategy in a way that aligns to an environmental, social, and governance (ESG) model. This strategic transition enables the department to effectively assess and prioritise initiatives and prepare to report in full compliance of the requirements of Taskforce Climate-Related Financial Disclosures Phase 2 and 3. The challenging fiscal environment means we are keen to invest wisely in sustainability and to drive meaningful outcomes with full support from our leadership; articulating this through strategy was a key step in this process.

The Cabinet Office reaffirms its commitment to environmental stewardship and the development of a sustainable workplace. During the 2024 to 2025 reporting period, the department successfully completed an audit for its ISO 14001:2015 accreditation for its core estate.

The environmental management system (EMS) has demonstrated notable maturation, ensuring that environmental objectives are consistently aligned with relevant policy and legal frameworks in pursuit of the government commitment to achieve net zero by 2050.

Ongoing performance evaluation against the Greening Government Commitments continues, with yearly results published on GOV.UK and shared with the Department for Environment, Food and Rural Affairs quarterly. Since the 2023 to 2024 period, the Cabinet Office's assessment has encompassed carbon emissions from its core estate in addition to those arising from the department's ALBs, as directed by the Department for Environment, Food and Rural Affairs.

The department's core estate comprises four buildings, three of which are Grade I listed, with one situated in a UNESCO World Heritage Site. Given the historical significance of these properties, a key focus has been to thoroughly understand the carbon legacy before considering any offsetting measures.

In the current reporting year, substantial improvements have been observed in the energy performance of the buildings, with one maintaining a B rating, another rated C, and a third just shy of a C rating. To further strengthen sustainability efforts, the department's strategy specifies that any future tenancies must be in buildings with a BREEAM rating of A or above. Moving forward, the Cabinet Office intends to enhance its organisational approach to sustainability and refine reporting mechanisms to ensure continued progress and accountability in achieving its sustainability objectives.

Scope and data: Greening Government Commitments

The Greening Government Commitments (GGCs) serve as a clear demonstration of the UK government's dedication to enhancing environmental performance across its operations. The GPA are mandated to report under the GGC framework and provide a full sustainability report in their own annual report and accounts. Although the other ALBs of the Cabinet Office are not currently mandated to report under the GGC framework, they are actively encouraged to incorporate sustainability metrics into their annual accounts, thereby fostering a culture of transparency and accountability regarding environmental impact.

The Cabinet Office is proactively embedding sustainability metrics into its operational frameworks, policy design, and procurement processes. This holistic approach encompasses all areas of resource consumption, including staff travel, digital waste, and paper usage. By accounting for these elements, the department can effectively address Scope 3 emissions, which represent indirect emissions occurring in the value chain, including those associated with business travel and operational supply chains.

In alignment with GGC reporting areas, the Cabinet Office does not participate in nature recovery and biodiversity planning, primarily due to the absence of significant landholdings. Nevertheless, the department actively collaborates with the Royal Parks and other green volunteering projects to provide staff with opportunities and access to green space. Community engagement and environmental awareness are encouraged among staff.

The management of the department's estate by the GPA continues to evolve through critical lifecycle replacement initiatives. Recent upgrades include the installation of efficient dual-faceted taps and LED lighting systems, both of which contribute to energy conservation and reduced operational costs. Moreover, there have been investments aimed at enhancing recycling practices, which are integral to broader Scope 3 behavioural change initiatives.

The heritage classification of the estate presents both challenges and opportunities for sustainable management. The Cabinet Office remains committed to upholding excellence in its sustainability practices within this historic framework, ensuring that environmental considerations are woven into the fabric of its operations while respecting and preserving the significance of its heritage properties.

GGC reporting areas excluded from departmental scope

The Cabinet Office has identified specific GGC reporting areas that are not applicable to its operations, which are outlined below.



- **Nature recovery and biodiversity action planning**

- The Cabinet Office lacks significant landholdings or natural capital, which precludes the development of a nature recovery and biodiversity action plan. In lieu of this, the department has initiated partnerships with the Royal Parks to facilitate volunteering opportunities for staff, thereby promoting community engagement and environmental stewardship.



- **Sustainable construction**

- no construction or major building refurbishment projects took place during the reporting period.



- **Travel car fleet** – in 2024 to 2025 the Cabinet Office contracted seven official car services for use by its ministers and senior officials from the Government Car Service, which has been managed by the Department for Transport. Reporting on fleet vehicles will expand in future reporting periods as the Government Car Service transitioned to the Cabinet Office as part of a machinery of government change part way through the year.

For 2024 to 2025 data related to these vehicles has been included within the GGC reporting of the Department for Transport to prevent double-counting. The Cabinet Office does not own, lease, or hire any other vehicle fleets. However, investments have been made in electric vehicle charging points to support the ministerial fleet.

Performance against GGCs

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 building management system upgrades (to better understand the energy demand of the estate), and a continued programme of LED, 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.

GGC data

Metric	Measures	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18 baseline	%
Mitigating climate change: working towards net zero by 2050										
Tonnes of carbon dioxide	Scope 1 (direct) emissions	181	134	128	148	167	121	533	456	-60%
Equivalent (CO2e)	Scope 2 (energy indirect) emissions	1,487	2,068	1,684	3,274	1,342	1,640	2,554	4,025	-63%
	Scope 3 (official business travel – domestic) emissions	270	402	363	434	144	199	1,039	1,276	-79%
	Scope 3 (official business travel – international) emissions	599	657	2,001	2,586	377	2,230	2,106	1,533	-61%
	Total greenhouse gas emissions	2,537	3,261	4,176	6,442	2,030	4,190	6,232	7,290	-65%

Metric	Measures	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18 baseline	%
Kilowatt hours (kWh)	Energy electricity green tariff (scope 2 and 3)	5,273,573	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	843,360	732,615	700,300	871,153	787,479	657,935	2,875,657	2,360,194	
	District heating systems	1,487,245	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	–	
	Total related energy use	7,604,178	6,295,683	6,117,756	6,734,800	6,342,095	7,013,067	12,332,343	11,819,641	-36%
£000	Expenditure on energy (restated) ²	38	22	769	487	441	620	647	1,875	-98 %
	Expenditure on energy – GPA ³	31,666	22,363	20,177	15,980	8,616	9,101	4,032	–	N/A
	Expenditure on official business travel	23,792	19,610	11,990	10,895	2,994	13,417	13,768	10,759	121%
	Total related expenditure	55,496	41,995	12,742	11,780	3,394	14,026	14,415	12,634	339%

² Figures restated to split out costs associated with GPA which are recharged on to other government departments.

³ Figures restated to split out costs associated with GPA which are recharged on to other government departments.

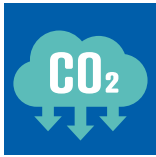
Metric	Measures	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18 baseline	%
Waste minimisation and management										
Tonnes	Total waste reused or recycled externally (excluding ICT waste)	63	64	46	31	47	85	205	937	-93%
	Total ICT waste: recycled (externally)	-	-	-	1	1	2	-	-	-
	Total ICT waste: reused (externally)	-	-	-	1	-	-	-	-	-
	Total waste composted or sent to anaerobic digestion	16	4	7	2	4	10	60	-	N/A
	Total waste recycled	79	68	53	35	52	97	265	937	-92%

Metric	Measures	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18 baseline	%
	Total waste incinerated with energy recovery	53	65	79	84	111	149	252	289	-82%
	Total waste incinerated without energy recovery	-	-	-	-	-	-	-	-	N/A
	Total waste to landfill	-	-	-	-	-	-	-	-	-
	Total waste	132	133	132	121	164	248	517	1,226	-89%
£000	Total waste disposal cost	11	3	16	149	N/A	N/A	N/A	N/A	N/A
Finite resource consumption										
Metres cubed (m³)	Water consumption ⁴	13,884	9,593	11,981	16,623	10,656	16,602	34,163	31,156	-55%
	Total water cost	689	543	456	16	N/A	N/A	N/A	N/A	N/A
Paper usage										
Reams	Paper procured (A4 equivalent)	6,331	7,176	7,759	3,004	5,456	32,874	17,154	15,800	60%

4 Quarter 3 water usage is currently under investigation as it was reported much higher than expected.

Performance against GGC targets

Overall emissions reduction



Achievements: The Cabinet Office has successfully reduced direct emissions by an impressive 65%, surpassing the overall emissions target with a reduction of 52.7%. It is anticipated that by 2030, the carbon legacy of the core estate will be thoroughly understood, enabling future reporting to reflect expanded estate profiles in multi-occupancy government buildings across the UK.

Reporting status: In the baseline year of 2017 to 2018, the distance travelled by international flights was 8,714,808 kilometres. The distance travelled in 2024 to 2025 has subsequently increased to 4,764,806 kilometres (compared to 4,698,927 kilometres in 2023 to 2024). Despite this increase, it still represents a substantial reduction of 45% against the initial reporting baseline. Although this is not a compulsory reporting objective, the Cabinet Office is committed to understanding the full carbon picture.

Domestic and international flights



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

Current status: The Cabinet Office actively encourages staff to opt for lower carbon travel options, utilising a central booking system that outlines the climate impact of travel choices. Additionally, the department has invested in technologies to facilitate hybrid working, fostering collaboration across multiple locations. Emissions from domestic flights have decreased to 270 tonnes CO₂e, a notable improvement from 402 tonnes CO₂e reported in 2023 to 2024. However, this reduction has not stabilised, and the department has yet to meet the 30% reduction target.

The department acknowledges that while domestic air travel can eliminate the need for overnight accommodation and enable ministers and officials to cover more areas of the UK within tight schedules, a continued focus on sustainability is essential.

GGC sub-target: Report the distance travelled by international business flights to gain insight into and reduce related emissions.

Analysis of rising costs in business travel

The current economic landscape has witnessed a significant increase in the costs associated with business travel. This surge can be attributed, in part, to the ongoing energy crisis, which has contributed to escalating expenses across various sectors. As organisations continue to adapt to these economic pressures, it is essential to recognise the broader implications on business operations and travel dynamics. In addition, with the Cabinet Office's second headquarters being in Glasgow there has been a general increase in business travel.

The rising costs of travel not only reflect the increased expenditure on transportation but also highlight the need for businesses to reassess their travel strategies. In an environment where budget constraints are tightening and sustainability considerations are paramount, understanding the economic impact of business travel is crucial. Departments may need to explore alternative arrangements, such as remote working models and virtual meetings, to mitigate costs and enhance operational efficiency in this challenging economic climate.

Minimising waste



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

The department has worked progressively with waste management contractors and staff to improve our overall approach to waste, successfully reducing our total profile by 89% against target. It is notable that the Cabinet Office recognises the hierarchy of waste, prioritising reuse over recycling, thereby our recycling figures have reduced slightly.

Reducing water usage



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

The core estate has achieved significant water reductions of 69% against an 8% target for the reporting period. We are moving into the final stages of the refurbishment of tea points, removing inefficient boiler units for dual faucet water taps. These provide suitable drinking water as well as hot beverage facilities and in turn, help reduce single-use plastic drinks bottles on site.

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. The department's procurement 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 with the department's needs.

Sustainability and climate change adaptation strategy

For the 2023 to 2024 period, the Cabinet Office has made significant strides in enhancing its understanding of climate resilience, particularly concerning its core estate. Comprehensive flood risk assessments for surface water and evaluations of heat stress on historic structures have fostered improved collaboration with organisations committed to preserving the UK's historical culture. The department has advanced to the physical climate resilience surveying stage for the core estate, the findings of which will inform opportunities for enhancing climate resilience and bolster the department's business continuity plans in the event of climate-related disruptions.

The priority for the core estate remains the implementation of non-obtrusive adaptations and retrofit programmes designed to protect both the environment and the integrity of the estate. The current Climate Adaptation Strategy is spearheaded by the GPA on behalf of the Cabinet Office, ensuring a cohesive and strategic approach to climate resilience.

Furthermore, the department's sustainability efforts are now supported by the newly established Cabinet Office Sustainability Steering Group. This group incorporates all aspects of corporate functions, which have been thoroughly reviewed as part of the recent strategic refresh. Each function now has a clearly defined transitional pathway for delivering sustainability outcomes, with accountability measures in place for oversight by the senior management team.

In summary, while the Cabinet Office has made substantial progress in reducing direct emissions and addressing domestic flight emissions, ongoing commitment and effort are essential for stabilising these reductions and achieving the sub-targets outlined in the GGCs. The department remains dedicated to advancing sustainable travel practices and furthering its understanding of carbon emissions associated with international flights as part of its comprehensive environmental objectives.

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 following examples are set out in line with our commitments for 2024 to 2025 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 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).
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 contributed 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 supports positive economic, social and environmental links between urban areas (target 11.a).

United Nations SDGs	Cabinet Office contribution
13: Take urgent action to combat climate change and its impacts	The department continues to contribute towards the government's participation and associated activities towards the annual UN Climate Change Conference of the Parties which 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.

Task Force on Climate-Related Financial Disclosures

Introduction

This section represents the Cabinet Office's climate disclosures, prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and relevant government guidance. This year's reporting fulfils the phase 2 requirements and focuses on governance, risk management, and metrics and targets. Detailed information regarding the broader governance structure and risk management processes, extending beyond climate considerations, can be found in the full governance report.

It is important to note that the Cabinet Office is currently undergoing a period of organisational change. This transition has had an impact on existing governance structures, and as a result, the processes for embedding climate-related discussions and risk assessments into the new framework are still in development. The ongoing restructuring necessitates a flexible approach to integrating climate considerations into our operational practices.

Governance

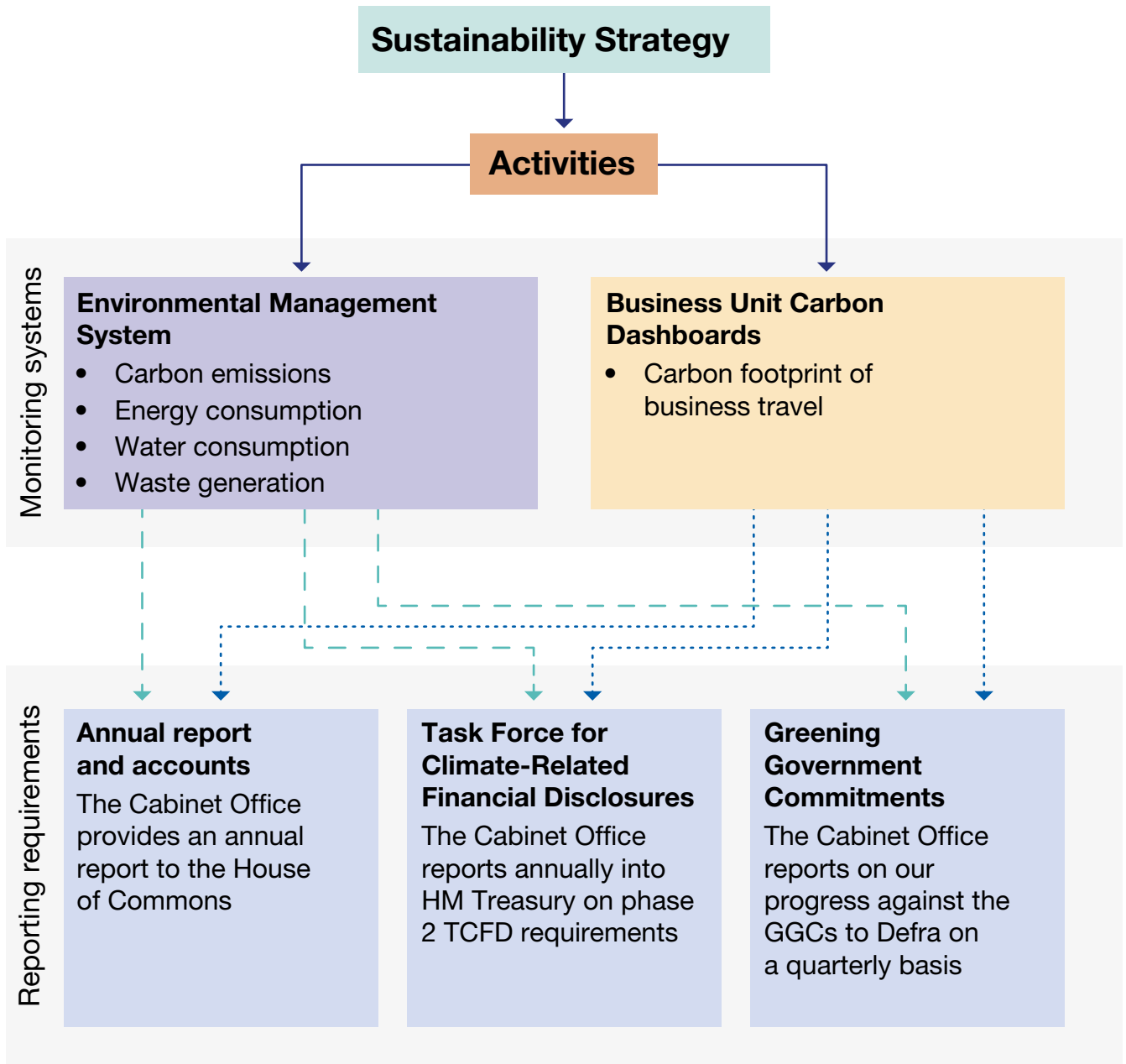
The People and Operations Committee, a sub-committee of the Executive Committee (ExCo), has convened on at least three occasions this year to discuss sustainability issues. Additionally, the Sustainability Steering Group plays an important role in delivering the sustainability strategy and addressing sustainability matters. This includes discussions on climate risks, opportunities, and impacts. The steering group serves as a key forum for coordinating and driving our sustainability initiatives across the organisation.



The Sustainability Steering Group meets 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
- 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)

Sustainability strategy



TCFD related risk management

Risk management within the Cabinet Office operates through a decentralised process, which includes the identification and assessment of climate-related risks. Each business unit and budget holder is responsible for identifying and raising any climate-related risks pertinent to their area of operations.

In the past year, a principal, cross-government climate risk, identified by the Office of Government Property, was escalated to the group performance leads and ExCo, and was subsequently included in the general quarterly review of risks. During a top tier risk register refresh, this risk was transformed into a new principal climate risk.

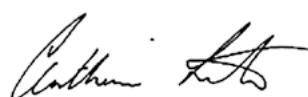
The Cabinet Office houses a number of teams working on sustainability and climate-related issues. This includes the Office of Government Property, which supports the Department for Environment, Food and Rural Affairs on GGCs, the Cabinet Office People and Places Unit, and the Cabinet Office Estates team. The GPA, an ALB of the Cabinet Office, submits its own separate TCFD reports.

Within the Cabinet Office People and Places Unit, the sustainability team has identified climate-related risks affecting the department. These risks will be discussed at the Sustainability Steering Group and escalated to the People and Operations Committee as needed. As the sustainability team becomes further integrated into the organisation, it is expected that discussions around climate risks will become more frequent and embedded into the overall decision-making process.

The process for escalating risks, including climate risks, follows the standard corporate risk escalation process. Depending on the size and complexity of the business unit, identified climate risks may be escalated to their internal senior leadership or discussed within an internal risk committee meeting if such a meeting is established. During the quarterly commissioning cycle, when business units report their risks to the corporate services risk centre, climate risks should be included. These will then be reviewed by the central team and, in discussion with the business unit, may be escalated to group performance leads or ExCo.

Metrics and targets pertaining to climate risks, sustainability expenditure and associated financial risks are currently in development to meet the requirements of phase 3. In the interim, please refer to the Greening Government Commitment metrics as included within this report.

The Cabinet Office is aware of its responsibility to identify climate related risks and are working to embed these discussions into the wider risk management process.



Catherine Little CB

Chief Operating Officer for the Civil Service,
Permanent Secretary and Principal
Accounting Officer
16 October 2025

The background features a dark blue gradient. In the upper left, there is a large, semi-circular shape in a medium blue color. To its right, a smaller teal square is positioned. Below these, a small orange square is located to the left of a light teal square. In the lower right, a large, semi-circular shape in a medium blue color is visible. The text 'Accountability report' is written in a large, white, sans-serif font at the bottom left.

Accountability report

■ Corporate governance report

The corporate governance report focuses on the activities of the core department and only references ALBs when relevant to the core department. The ALBs that produce their own annual report and accounts, will provide their own corporate governance reports.



Directors' report

Cabinet Office Lead Non-Executive's overview of the year 2024 to 2025

On 5 July 2024 there was a change of government and new ministers were appointed to the Cabinet Office. These new ministers are all set out in the Cabinet Office ministers section on the following page. Our new strategic outcomes as a result of these changes were subsequently agreed and are set out in the Performance Report.

On 26 August 2024, seven of the eight non-executive board members left the Cabinet Office. The government Lead Non-Executive left on 9 August 2024 and was replaced by Baroness Casey on 3 January 2025. Michael Ashley's term as Cabinet Office Audit and Risk Committee (COARC) Chair ended on 31 December 2024.

The Chancellor of the Duchy of Lancaster appointed Maura Sullivan as the COARC chair on 31 March 2025. He appointed me as Cabinet Office Lead Non-Executive and Lisa Tremble as Non-Executive Board Member on 21 April 2025. Greg Jackson was appointed as the final Non-Executive Board Member on 21 July 2025.

The year has also seen a number of changes among the senior management team. Catherine (Cat) Little joined as Cabinet Office Permanent Secretary and Chief Operating Officer for the Civil Service in April 2024, and Jessica de Mounteney replaced Elizabeth Gardiner as First Parliamentary Counsel and Permanent Secretary of the Government in Parliament Group at the end of April 2024.

In September 2024, Mark Bourgeois was confirmed as the new Chief Executive Officer (CEO) of the GPA after serving as interim CEO since November 2023. Rebecca Hedges took over as interim Cabinet Office Chief People Officer following the departure of Kathryn Al Shemmeri in October 2024. Jonathan Powell joined as the new National Security Adviser in November 2024, replacing Sir Tim Barrow. Ninjeri (Nin) Pandit replaced Elizabeth Perelman as the Principal Private Secretary to the Prime Minister in October 2024.

The department welcomed Clara Swinson as Second Permanent Secretary, Head of Mission Delivery Unit in September 2024 and Michael Ellam as Second Permanent Secretary, European Union and International Economic Affairs in January 2025.

Following the departure of Gareth Rhys Williams in July 2024 and the interim cover of Claire Gibbs and Marco Salzedo until February 2025, Andrew Forzani was appointed as Government Chief Commercial Officer in February 2025. Caroline Patterson joined the department in March 2025, taking over from Richard Hornby as Cabinet Office Chief Financial Officer.

The department also welcomed a new Cabinet Secretary, Sir Chris Wormald in December 2024, following the departure of Simon Case.

The board met once during 2024 to 2025. Governance arrangements, including a regular Audit and Risk Committee meeting, were still in place in the absence of a board and were carried out by the relevant committees as described in the governance statement. Escalation routes were in place to both the Accounting Officer and ministers in the absence of a board meeting.

Looking ahead, the board is focused on working with colleagues across the government to drive the digital transformation of the Civil Service, so that we are all able to deliver better outcomes and experiences, more efficiently, for UK citizens.

John Fallon

Cabinet Office Lead Non-Executive

Cabinet Office ministers

Cabinet Office ministers at 31 March 2025
(all joined the department following the general election on 5 July 2024, unless stated)



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 (until 5 September 2025)



The Rt Hon. Nick Thomas-Symonds MP

Paymaster General and Minister for the Cabinet Office (from 8 July 2024)



Ellie Reeves MP

Minister without Portfolio and Chair of the Labour Party (unpaid) (from 6 July 2024 until 6 September 2025)



The Rt Hon. Douglas Alexander MP

Minister of State for the Cabinet Office (paid by the Department of Business and Trade) (from 10 February 2025 until 5 September 2025)



The Rt. Hon. Georgia Gould OBE MP

Parliamentary Secretary for the Cabinet Office (from 9 July 2024 until 6 September 2025)

Cabinet Office ministers at 31 March 2025

(all joined the department following the general election on 5 July 2024, unless stated)



Abena Oppong-Asare MP

Parliamentary Secretary
for the Cabinet Office
(from 9 July 2024 until
6 September 2025)



The Rt Hon. Lucy Powell MP

Lord President of the
Council and Leader of
the House of Commons
(until 5 September 2025)



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 (unpaid)
(9 July 2024)



The Rt Hon. Sir Alan Campbell MP

Parliamentary Secretary
to the Treasury and Chief
Whip (paid by HM Treasury)
(until 5 September 2025)

Lord President of the
Council and Leader of
the House of Commons
(from 5 September 2025)



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) (10 July 2024)

The following ministers joined the Cabinet Office after 31 March 2025:



**The Rt Hon.
Darren Jones MP**

Chief Secretary to
the Prime Minister
(from 1 September 2025)
and Chancellor of the
Duchy of Lancaster
(from 5 September 2025)



**The Rt Hon.
Anna Turley MP**

Minister without Portfolio
and Chair of the Labour
Party (unpaid)



Major Dan Jarvis MBE MP

Minister of State for
Security and Minister of
State for the Cabinet Office
(from 6 September 2025)
(paid by the Home Office)



Satvir Kaur MP

Parliamentary Secretary
for the Cabinet Office
(from 6 September 2025)



Josh Simons MP

Parliamentary Secretary
for the Cabinet Office
(from 7 September 2025)



Chris Ward MP

Parliamentary Secretary
for the Cabinet Office
(from 6 September 2025)



**The Rt Hon.
Jonathan Reynolds MP**

Parliamentary Secretary
to the Treasury and Chief
Whip (paid by HM Treasury)
(from 5 September 2025)

The following ministers left the Cabinet Office on 5 July 2024:

- 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.
- The Rt Hon. Richard Holden MP – Minister without Portfolio (unpaid).
- The Rt Hon. Esther McVey MP – Minister without Portfolio.
- 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)
- 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), and Minister of State for the Cabinet Office.
- 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).

Official board members

Following the general election in July 2024 and the subsequent change in government, there was a major restructuring of the departmental board with most non-executive members stepping down in August 2024. Consequently, the Cabinet Office Board only met once during the financial year, prior to the general election in July.

The following officials were classified as management officials who have overall responsibility for the department on a working level as at 31 March 2025. They were all subsequently appointed to the new Cabinet Office Board in June 2025.



Cat Little CB

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



Sarah Harrison CB, MBE

Chief Operating Officer



Caroline Patterson

Chief Finance Officer
(from 10 March 2025)

The following officials were included in board membership prior to the 5 July 2024 general election, and subsequently moved roles:

- The Rt Hon. Simon Case CVO – Cabinet Secretary and Head of the Civil Service (The Rt Hon. Simon Case did not attend Cabinet Office Board meetings but is included as a person with significant influence) (until 15 December 2024)
- Richard Hornby – Chief Financial Officer (until 13 October 2024. Sarah Harrison oversaw CFO responsibilities until Caroline Patterson was appointed on 10 March 2025)

Additional officials with significant influence:

- Sir Chris Wormald KCB – Cabinet Secretary and Head of the Civil Service (the Cabinet Secretary does not attend Cabinet Office Board meetings but is included as a person with significant influence) (from 16 December 2024)

The following officials were all appointed to the Cabinet Office Board after 31 March 2025:

- Emma Churchill – Director General, Economic and Domestic Secretariat (from 16 June 2025)
- Janet Hughes – Director General, Civil Service Reform and Efficiency (from 16 June 2025)

Non-executive board members



**The Rt Hon.
The Baroness Casey
of Blackstock DBE CB**

Government Lead
Non-Executive
(from 3 January 2025)
(will not sit on the
Cabinet Office Board)



Maura Sullivan

Non-Executive Board
Member and Chair of the
Audit and Risk Committee
(from 31 March 2025)

The following non-executives were appointed to the Cabinet Office Board after 31 March 2025:

- John Fallon – Cabinet Office Lead Non-Executive Board Member (from 21 April 2025)
- Lisa Tremble – Non-Executive Board Member (from 21 April 2025)
- Greg Jackson – Non-Executive Board Member (from 21 July 2025)

The following non-executives left the Cabinet Office Board between 1 April 2024 and 31 March 2025:

- 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).
- Michael Ashley – Non-Executive Board Member and Chair of the Cabinet Office Audit and Risk Committee (until 31 December 2024).
- 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

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.

Personal data related incidents

The Cabinet Office continues to actively manage risks around personal data breaches. Business unit data protection leads, together with the data privacy and compliance team, ensure UK General Data Protection Regulation (GDPR) compliance through both quarterly data protection assessments and a data breach reporting policy supported by clear guidance.

Staff have regular training to ensure their knowledge is up to date and the data privacy and compliance team provides advice and guidance on both immediate and longer-term remediation activities.

During the period 2024 to 2025 there were eight personal data breaches reported to the Information Commissioner's Office. All of these were low volume breaches, and they resulted in no enforcement action.

Seven of the breaches were caused by human error and resulted in the individuals involved receiving further guidance and training. One of the breaches was as a result of the well-publicised Capita cyber-attack. Details of the remedial actions taken by Capita can be found on their website.⁵

⁵ Capita, 'Update on actions taken to resolve the cyber incident', available at www.capita.com/news/update-actions-taken-resolve-cyber-incident

■ The 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, by the department.

The accounts are to include its executive agencies, its sponsored non-departmental bodies and other ALBs, as designated under the Government Resource and Accounts Act 2000 by Statutory Instrument 2024 no. 295. Together with the department, these are known as the 'departmental group', as listed at note 21 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 principal 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 ALBs
- 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, Chief Executive of the Civil Service Commission, a non-departmental public body (Interim Chief Executive until 9 September 2024)
- estimate section G: John Kirkpatrick, Chief Executive of the EHRC, a non-departmental public body
- estimate section G: David Foley, Interim Chief Executive of the IBCA, 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 ALBs for which the accounting officer is responsible, are set out in Managing Public Money published by HM Treasury.

As Principal 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.

■ The 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.

The 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.

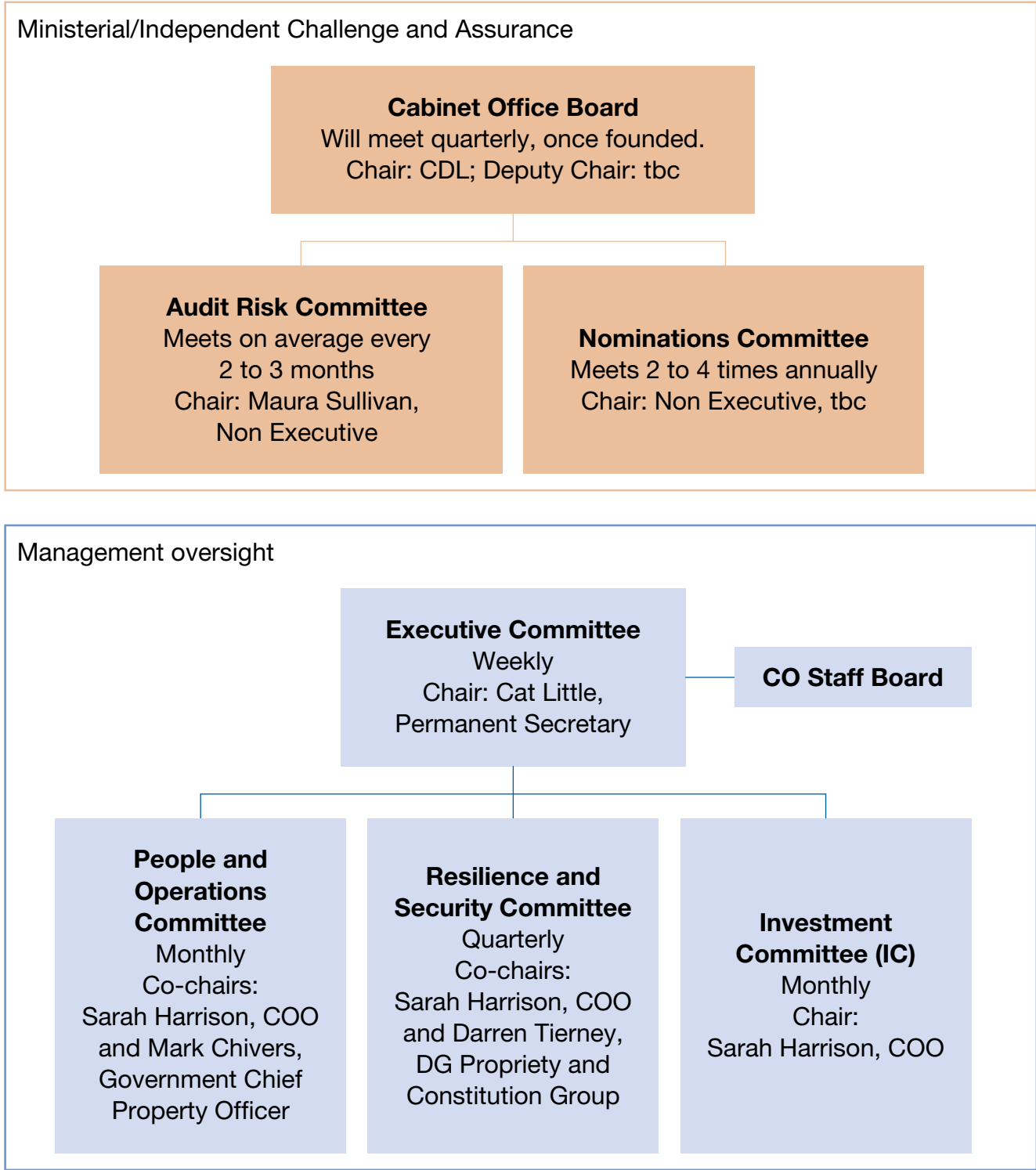


Corporate governance

Governance structure

CO Board and Executive Committee Structure

All Cabinet Office Board and Committees operate in accordance with the Corporate Governance Code.



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.

The board met once during 2024 to 2025. It was disbanded at the point of the 2024 general election and following the departure of eight of the department's non-executive board members in August 2024.

Recruitment for new non-executive board members followed. The new board was subsequently set up on 16 June 2025, following appointment of three out of four new non-executives, and met for the first time on 17 July 2025.

This was a departure from the Corporate Governance Code, due to the 2024 general election. Governance arrangements were still in place throughout this period in the absence of a board, including the Executive Committee and its sub-committees, and a regular Audit and Risk Committee.

Board attendance to 31 March 2025

Board member	Date of in-year appointment / departure	Meetings attended
Ministers		
The Rt Hon. Oliver Dowden MP, Chancellor of the Duchy of Lancaster	Departed: 5 July 2024	0/1
The Rt Hon. John Glen MP, Minister for the Cabinet Office	Departed: 5 July 2024	1/1
Baroness Neville-Rolfe DBE CMG, Minister of State	Departed: 5 July 2024	1/1
Alex Burghart MP, Parliamentary Secretary	Departed: 5 July 2024	1/1
Non-executives⁶		
Michael Jary, government Lead Non-Executive	Departed: 9 August 2024	1/1
Anand Aithal, Cabinet Office Lead Non-Executive	Departed: 26 August 2024	1/1
Michael Ashley, Non-Executive	Departed: 31 December 2024	1/1
Henry de Zoete, Non-Executive	Departed: 26 August 2024	1/1
Lord Hogan-Howe of Sheffield, Non-Executive	Departed: 26 August 2024	1/1
Jenni Myles, Non-Executive	Departed: 26 August 2024	1/1

⁶ Maura Sullivan was appointed as Non-Executive Board Member on 31 March 2025. The timing of this appointment meant that it was not possible for Maura to attend any board meetings in 2024 to 2025, therefore she has been omitted in the statistics above.

Board member	Date of in-year appointment / departure	Meetings attended
Marcus Boyle, Non-Executive	Departed: 26 August 2024	1/1
Jannette Beinart, Non-Executive	Departed: 26 August 2024	1/1
Stephen Gordon-Dando, Non-Executive	Departed: 26 August 2024	1/1
Executives⁷		
Catherine Little CB, Permanent Secretary	Appointed: 1 April 2024	1/1
Sarah Harrison CB, MBE, Chief Operating Officer	N/A	1/1
Richard Hornby, Chief Finance Officer	Departed: 13 October 2024	1/1

Quality of data used by the board

The 22 April board received reports on the Cabinet Office's financial performance and position, workforce data and performance data for the last quarter.

The Cabinet Office has a corporate data team to ensure that all data are consistent and accurate. The board considers this information to be fit for purpose.

Board effectiveness

A 2024 to 2025 board effectiveness evaluation did not take place, owing to the 2024 general election. The new board discussed and reset its focus in and prior to its first meeting on 17 July 2025. An evaluation will be carried out in 2026 to assess the new board's operation, information and effectiveness.

⁷ Caroline Patterson joined as Chief Financial Officer on 10 March 2025. The timing of this meant that it was not possible for Caroline to attend any board meetings in 2024 to 2025, therefore she has been omitted in the statistics above. Caroline was previously an interim member of the Cabinet Office Audit and Risk Committee from 16 September 2024.

Overview of the committees and boards

Cabinet Office Audit and Risk Committee

The Cabinet Office Audit and Risk Committee (COARC) is a non-executive sub-committee of the board. Until January 2025 the committee was chaired by Michael Ashley. Until August 2024 its membership included Lord Hogan Howe and Marcus Boyle.

Following the departure of the committee's members in August 2024, interim members were directly appointed by the Permanent Secretary in order to maintain COARC's membership requirements. This allowed the committee to continue meeting, providing appropriate governance oversight and scrutiny in the department in the absence of a board. The committee completed scrutiny of the Cabinet Office's annual report and accounts for 2023 to 2024, allowing the Chair to fulfil their role in formally recommending that the Accounting Officer signs the annual report and accounts and letter of representation to the Comptroller and Auditor General for certification before presenting them to Parliament.

The interim members also undertook the routine work of the committee (including scrutinising the control frameworks of departmental delivery partners such as the Government Property Agency, and overseeing the implementation of audit recommendations), to ensure appropriate governance measures were in place.

The appointed interim members were Sean Pearce, Department for Work and Pensions, Joan Lewis, Ministry of Justice, and Caroline Patterson, Ministry of Justice (until March 2025). Following the departure of the chair on 31 December 2024, Sean Pearce was appointed as the interim chair until March 2025. Maura Sullivan was formally appointed as the COARC chair on 31 March 2025.

The committee's role is to support the board and Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management and the control environment, as well as the integrity of financial statements and the annual report and accounts. COARC also works closely with the National Audit Office (NAO) and the Government Internal Audit Agency (GIAA) to oversee the progress of audits and the department's implementation of their recommendations, as well as reviewing the annual report and accounts. Both the NAO and GIAA attend COARC.

Cabinet Office Audit and Risk Committee Attendance to 31 March 2025

Audit and Risk Committee member	Date of in-year appointment / departure	Attendance
Michael Ashley, Non-Executive	Departed: 31 December 2024	6/6
Lord Hogan-Howe of Sheffield, Non-Executive	Departed: 26 August 2024	3/3
Marcus Boyle, Non-Executive	Departed: 26 August 2024	3/3
Sean Pearce, independent member	Appointed: 22 August 2024	3/3
Joan Lewis, independent member	Appointed: 22 August 2024	3/3
Caroline Patterson, independent member	Appointed: 22 August 2024	2/3

Nominations Committee

The Nominations Committee is a non-executive sub-committee of the Cabinet Office Board. It provides assurance on the effectiveness of succession plans for business-critical roles, talent pipeline and development for senior leaders. The Nominations Committee did not meet during 2024 to 2025; operations were paused while recruitment took place for new non-executives following the general election. The Nominations Committee will be set up in 2025 to 2026 to provide independent scrutiny of talent and development work done in the business.

Executive Committee (ExCo)

ExCo meets weekly and comprises senior leaders of the department. It is chaired by the Permanent Secretary and is composed of fifteen other members. ExCo provides strategic and operational leadership to the Cabinet Office.

Over 2024 to 2025, ExCo had a leading role in implementing the department's strategic priorities. Its work also included effective preparation for the general election in 2024 and ensuring smooth transition for the new administration.

Since the 2024 general election, the committee has overseen the Cabinet Office's role in supporting the delivery of the government's missions, assessed departmental performance and the risk landscape, and led the development of a future model for the Cabinet Office, including corporate transformation. Between July 2024 and the establishment of the new board in June 2025, the Executive Committee was the primary governance structure for strategic focus.

ExCo is supported by a Staff Board, made up of volunteers across all the delegated grades and from all parts of the department. Its role is to provide ExCo with the considered views of staff members on the decisions and issues discussed each week.

Resilience and Security Committee

The Resilience and Security Committee meets quarterly. It is jointly chaired by Sarah Harrison, Chief Operating Officer, and Darren Tierney, Propriety and Constitution 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.

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. It meets with the various staff networks on a six-monthly basis. 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.

Investment Committee

The Investment Committee (formerly the Cabinet Office Approvals Board) reviews and approves Cabinet Office investment proposals if the whole-life spend exceeds £5 million or the proposal is novel or contentious. Where whole-life spend exceeds £15 million, further approval is required from Cabinet Office ministers and HM Treasury. The committee meets monthly.

Compliance with the Corporate Governance Code

The department's governance operated broadly in line with the principles set out in the Corporate Governance Code for Central Government Departments. However, there were some elements of partial compliance, explained below.

In 2024 to 2025, the Departmental Board only met once and the Nominations Committee did not meet, owing to the 2024 General Election and the departure of non-executive board members. The Board's responsibilities relating to governance, risk management and internal control, including the annual report and accounts and arms' length bodies were undertaken by the Audit and Risk Committee on the Board's behalf during this time.

The Cabinet Office Audit and Risk Committee met regularly, initially with its long-standing members and then, following their departure in August 2024, with specially appointed members (see earlier).

During this period, the work of the board was covered by ExCo. The department will move towards a more normal cycle of board and board committee meetings in 2025 to 2026.

Baroness Casey, who was appointed as government Lead Non-Executive on 3 January 2025, will not sit on the Cabinet Office Board. Instead, a model has been established whereby she will maintain a roving brief across government, supporting ministerial priorities and non-executive board members.

Board member interests

In 2023 the Public Administration and Constitutional Affairs Committee published a report, titled 'The Role of Non-Executive Directors in Government', which recommended that board member interests should be published more consistently across government. To address this recommendation, on 28 November 2024 the Cabinet Office published new guidance for all departments to follow on the management and publication of board member interests.⁸

Board members are required to declare on an ongoing basis, and ahead of meetings if appropriate, any personal or business interests that may influence or be perceived to influence their judgement when performing their duties. Interests declared by board members in the 2024 to 2025 financial year that are considered to be relevant to the work of the Cabinet Office are published in a register on GOV.UK.

Cabinet away days

The Cabinet Office is also responsible for the facilitation and delivery of Cabinet away days that incur costs such as audio visual equipment and catering. During 2024 to 2025 the cost to the Cabinet Office for Cabinet away days totalled £5,288.40.

Risk management

Within the Cabinet Office, individual business units hold the primary responsibility for managing their risks. Business unit heads or budget holders are accountable for establishing and maintaining robust risk management practices within their areas. Moreover, each member of staff is expected to actively participate in risk management, identifying and escalating potential issues through the appropriate channels.

⁸ 'Non-Executive Board Member declaration of interests process', available at www.gov.uk/government/publications/non-executive-board-member-declaration-of-interests-process

Strategic oversight of risk management within the Cabinet Office is provided by the Chief Financial Officer, who acts as the designated Chief Risk Officer at the board level.

This arrangement ensures a cohesive and strategic perspective on risk management across the organisation, closely aligned with financial governance.

The department addresses both operational risks within individual business units and strategic risks at the organisational level. This methodology allows for effective management of day-to-day risks while also focusing on broader issues that could affect the Cabinet Office's strategic outcomes. Business units are primarily responsible for managing risks specific to their operations, whereas ExCo concentrates on strategic, top-tier risks.

The assurance and risk management team serves as the second line of defence, conducting quarterly reviews to assess the effectiveness of risk management practices across business units. These reviews aim to ensure adherence to established procedures and identify areas needing improvement.

The Cabinet Office Audit and Risk Committee (COARC) and ExCo regularly evaluate the overall effectiveness of risk management, providing strategic guidance and oversight. Group performance leads also play a vital role in reviewing and mitigating risks pertinent to their respective groups.

The Cabinet Office's principal risks are referred to as top-tier risks. The methodology for identifying and managing these top-tier risks has evolved during this financial year. While the top-tier risks monitored by the Cabinet Office were in development for a large part of 2024 to 2025 due to organisational and leadership changes, by the end of the year, the department was actively managing critical strategic risks.

A comprehensive review took place between November 2024 and February 2025, where ExCo identified potential risks and collaborated with the corporate services risk

team to refine these into a new top-tier risk register. This refresh was intended to create a more strategic view of the risks at ExCo level, aligning the risk conversation with the broader strategic discussions and the department's strategic plan. These top-tier risks will now be discussed in detail at ExCo meetings and will be included in the quarterly performance and risk reporting.

By the end of the financial year, the key top-tier risks being managed by the Cabinet Office included:

- risks related to cyber security and crisis readiness, which threaten government systems, data confidentiality and operational resilience, with mitigations involving robust governance, protective measures and enhanced crisis management capabilities
- technological and digital transformation risks, specifically delays or failures in AI adoption that could impact security, compliance and strategic delivery, addressed through implementation plans, AI hubs and foundational capability development
- people and organisational capacity challenges stemming from workforce skill shortages and resource gaps, mitigated through strategic workforce planning and organisational reform programmes
- risks concerning the Cabinet Office's effectiveness as the corporate centre of government, including structures and leadership, managed via future programmes and structural reforms
- risk to public trust in government communications, which could undermine policy implementation, mitigated by data-driven insights, coordinated communication and strong ethics standards
- capability development and delivery risks, with potential failure to meet government ambitions affecting service quality and ministerial expectations, mitigated through capability strengthening, support for departments and progress tracking

Our risk management practices and guidelines comply with the principles outlined in 'The Orange Book: Management of Risk – Principles and Concepts', ensuring a robust and recognised framework for risk management.

The quarterly risk review process informs compliance dashboards and assesses risk documentation, risk review and treatment effectiveness. The financial year 2024 to 2025 produced positive compliance levels overall. An annual assurance exercise (CMS) yielded a 90% confidence score, with 67% of units expressing full confidence in policy application. Data has been shared with the central risk team, and discussions will occur with units demonstrating lower confidence to identify improvement strategies. Following discussions with the affected business units, it is expected that action plans to strengthen the risk processes will be introduced. These will likely include increased or more targeted training in areas of risk reporting and management.

The risk statement evaluated how well risks are considered and documented within units. While the assurance activities suggest robust processes, there is still potential to enhance risk management practices, particularly in risk articulation and monitoring treatment actions and their implications for impact and probability.

Group specific risk and control

The Cabinet Office sponsors 15 arm's-length bodies (ALBs), which are set out in the performance report and in note 21 to the accounts. Most are small, specialist organisations that deliver a specific service or provide advice to ministers, but there are four larger scale operational bodies: the GPA, the IBCA, the CCS and the UKSA.

In March 2025, the Cabinet Office conducted its annual assessment of its ALB assurance framework, where each sponsor team identified key risks and themes across the department's ALB landscape. The public appointments backlog which

had built up between 2022 to 2024 had previously been the chief ALB risk, but this has now largely been cleared.

GPA

In 2023 to 2024 the audit of the GPA's Assets Under Construction (AUC) category indicated errors in the classification of assets (some of which were already in use, rather than in the process of being built). This resulted in both prior period reclassification adjustments and a limitation of scope audit qualification of some asset categories in the 2023 to 2024 financial statements.

Following the qualification of its accounts, the GPA has undertaken significant work on financial management and accounting arrangements. This included developing and then delivering an action plan to ensure the causes of the qualification were addressed, with particular attention given to the capability and resources of the GPA team. This has also included significant collaboration with the NAO, which has resulted in the agency's Annual Report and Accounts 2024 to 2025 being successfully laid before parliament without qualification.

IBCA

Following its establishment in 2024, the IBCA worked at pace to deliver compensation payments to claimants before the end of the calendar year. Between October 2024 and March 2025, the IBCA asked 255 people to start their compensation claim. Some 88% had started a claim by the end of March 2025. 86 had received an offer of compensation, with the total value of offers made being £95.145 million. Total compensation paid reached £59.851 million.

The IBCA initially operated with a higher risk appetite, aware that the organisation was working in an ambiguous environment while aiming to deliver against stretching targets. The IBCA has designed the service

while making payments, and therefore a number of key risks have been identified since the outset.

The IBCA is a newly formed organisation with its headquarters in Newcastle. It has a specialist resource requirement but will not be a permanent organisation, so there is a risk the IBCA may have difficulty attracting and retaining staff. This could result in the IBCA not having the capacity and capability to deliver against its strategic objectives.

The IBCA may not have built sufficient capability (including project management office (PMO), governance, strategy and corporate enablers) in time for the programme team wind down, which is planned for late 2025. This is further complicated by the need to expedite the programme.

The IBCA's main objectives are to provide a high-quality service to people making a claim, and to fulfil its obligations to the community. The IBCA's digital delivery is fundamental to achieving this and it is being driven by user-centred design, with users at the heart of everything designed and built. Due to the speed and nature of delivery with a 'test and learn' approach, there is a risk the IBCA will not get things right first time. In an attempt to mitigate this risk, the IBCA has worked closely with the infected and affected communities as services are developed, to ensure that a high quality, user-focused service is provided to everyone making a claim.

In the period ended 31 March 2025, the NAO issued a qualified opinion with a limitation of scope in respect of the provision valuation. They were satisfied with the valuation for those registered with an infected blood support scheme, a known group, but were unable to gain sufficient assurance over the volume of people eligible to claim in all other cohorts. This is due to the limited evidence the IBCA currently holds on the volumes of people that may claim, which is in line with the IBCA's expectations given the infancy of the scheme.

IBCA's valuation for the provision was based on information used to support the Inquiry and to help government estimate the potential overall cost of the scheme and the inherent uncertainties in the valuation are disclosed in note 14 to the financial statements. The IBCA will continue to refine its estimate as it progresses and as more cohorts are opened up to applications. This does not affect the compensation entitlement of those eligible in any way.

Assurance and control environment

The department operates a 'three lines of defence approach' for assurance (explained below) that enhances organisational control by defining roles and responsibilities. This layered methodology is intended to reduce risk. This model creates clear accountability, enhances risk management, improves assurance and supports continuous improvement.

The model is supported by a set of assurance products that represent key features of the control environment, provide assurances to the Accounting Officer and identify weaknesses that need to be addressed. These features include:

- **Business rules:** this document sets out the full range of responsibilities for budget holders across all corporate areas and controls. It is distributed as an addendum to delegation letters, and confirmation to comply is received in the form of a pledge.
- **Quarterly compliance dashboards:** budget holders receive a quarterly report outlining their compliance against a range of corporate controls. Budget holders are required to take the necessary action to meet the minimum standards. These dashboards are used to support performance conversations and provide scrutiny.
- **Corporate management statement (CMS):** to support the compliance dashboards, an annual management

attestation process is conducted to gain assurances from budget holders on areas that we cannot measure through corporate data.

- **Internal and external audit reports:** the Government Internal Audit Agency (GIAA) carries out a programme of audits across the department to provide advice and assurance and to inform its opinion on the department's overall control environment. The National Audit Office (NAO), in addition to its annual financial audit, also conducts Value for Money audits.

The first line of defence is represented by the business unit itself, which is responsible for ensuring that corporate controls are in place and effective. It identifies, assesses and manages risks within the unit, while adhering to established departmental policies and procedures. The department introduced a further group performance structure this year that brought together related units to consider performance, compliance and risk as an additional layer of accountability and assurance.

The second line of defence comprises corporate control themes, which provide oversight through cross-cutting functions like HR, Finance, and Digital. These teams in corporate services support the first line by establishing frameworks, monitoring risk management activities, and overseeing compliance with organisational and government standards.

The third line of defence consists of internal audit provided by the Government Internal Audit Agency (GIAA). It delivers independent assurance, evaluating the adequacy and effectiveness of controls while offering insights for improvement. The insights collected from all three lines contribute to the overall control environment, providing confidence as to where controls are effective and directing activity to address any identified deficiencies. This comprehensive approach ensures robust risk management and governance across the department.

Quarterly compliance dashboards

In 2024 to 2025, dashboards were provided to budget holders to measure compliance to corporate controls. Support was given to help units understand and meet compliance requirements. The reports were used to track progress and identify weaknesses, and informed improvement actions at both central and budget holder levels.

This year a focus was placed on improving financial hygiene factors including prompt payments, automated accruals, procurement cards reconciliation and non-compliant payments, as well as income and debt management.

The compliance data has been reported throughout the year to the Chief Operating Officer, as well as to the group performance leads. The reports tracked compliance over the year to monitor trends and identify compliance weaknesses. This year, the dashboards were used to support performance conversations of budget holders and their senior leadership teams.

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.

Corporate management statement (CMS)

The quarterly compliance dashboards are complemented by an annual process called the corporate management statement, where each budget holder must complete a self-assessment by March 2025 to confirm their adherence to delegated corporate responsibilities for the financial year.

This statement focuses on areas of control that are not easily measurable, requiring budget holders to evaluate their compliance and identify areas for improvement in the coming year.

The result of the CMS this year showed that assessments remained relatively stable when compared to the previous year. There was a positive increase in commercial confidence, which previously had been a lower ranking theme. Sustainability, health and fire safety, and business continuity were the lowest scoring themes, and they will be a priority for the coming year.

Digital compliance was above the department's minimum expectation, but it is another theme that will be prioritised for improvement. Reports are shared with theme leads, and they are asked to develop actions to support improvements. Full analysis is shared with the Chief Operating Officer and their senior leadership team across Corporate Services.

The corporate management statement is analysed alongside the quarterly dashboards, offering a more complete assurance overview. This data is submitted to the Chief Operating Officer and their leadership team for review. Analysis considers corporate service themes and individual unit assurances. For corporate services, the data identifies overarching themes for improvement and support requirements; for business units, it highlights areas needing attention to maintain compliance and aids discussions with partners.

The 2024 to 2025 corporate management statement indicated strong confidence across control themes, with an average unit score of 90%, consistent with the previous year, though not directly comparable due to slightly different questions. A few units reported low confidence in certain controls and were provided with extra support to enhance their understanding and compliance. Data from the statement has led to theme-level reports, shared with corporate services leads, outlining opportunities for improvement and the support needed to boost compliance.

Internal audit

The GIAA provides assurance on departmental controls by carrying out a risk assessment and cyclical audits of the critical controls used by finance, HR and commercial. The departmental assurance team supports the delivery of the GIAA's audit plan, by sharing their knowledge of the governance, risk and control framework that operates throughout the department. GIAA's activities during the year included audits of the following areas (this list is not exhaustive):

- key financial systems (creditor payments)
- contract management
- budget management
- ALB risk management
- contingent labour (IR35)
- project delivery model
- functional standards (analysis)
- legacy technology follow up

The department received a 'substantial' outcome for an audit on Counter-Fraud (Public Sector Fraud Authority) Efficiency Savings.

'Substantial' means the framework of governance, risk management and control is adequate and effective.

One limited opinion was given for an audit on contract management. This opinion means there were deemed to be significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective. The audit highlighted inconsistent application of the overarching framework and lack of alignment with the functional standard GovS:008.

The remaining audits were either moderate or advisory. 'Moderate' means some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

The department has committed to implementing the improvements recommended by the GIAA reports, and it 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 76 recommendations in the financial year, with a timely closure rating of 62%. This means just under two thirds of the closed recommendations were completed either early or on time. The timely closure statistics have fallen slightly from last year (69%) which has been driven by some initial delivery dates being overly optimistic and others being impacted by changing priorities.

The central process for managing actions is robust with senior oversight that ensures ownership and delivery. However, increased efforts are to be applied in 2025 to 2026 to ensure recommendations have realistic timescales and that actions are clearly understood at the point of final report as well as increased support to ensure that recommendations are implemented according to the initial timescales.

GIAA audit opinion

The Head of Internal Audit for the Cabinet Office at the GIAA provides an independent annual opinion on the adequacy and effectiveness of the department's governance, risk and control arrangements. The internal audit opinion for 2024 to 2025 was 'moderate'.

'Moderate' means some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

The internal audit reviews conducted during the year contribute to the opinion, but 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.

The work of the GIAA this year has provided assurance that there are adequate governance structures and processes within the Cabinet Office. Assurance work completed in 2024 to 2025 found examples of governance working effectively, particularly in areas such as grants management and delivery of functional savings. More broadly the department has an established governance structure. However, in 2024 to 2025, as a result of new ministers deciding to change the composition of the non-executive director group, the main departmental board did not operate. The department did importantly secure the continuing effective functioning of its Audit and Risk Committee (COARC) by means of retaining the incumbent COARC chair for three quarters of the year (until December 2024) and by appointing three independent members, one of whom became the interim chair in quarter four.

A 'moderate' opinion has been given every year since 2014 to 2015, with the exception of 2017 to 2018 when a 'limited' opinion was given. The direction of travel remains static against a backdrop of significant and ongoing change intended to deliver improvements and efficiencies. This will include building a more strategic, specialist and smaller department. Given the extent of transformational change the department is going through, and which will bite even more this year, the department will need to have close regard to the strength of its control environment to maintain the current assessment.

External audit

The department welcomes and values the NAO's objective and independent scrutiny of its operations, and it is committed to addressing the recommendations that arise from Public Accounts Committee (PAC) hearings following report publication. Throughout the year, the National Audit Office published the following reports that directly relate to the work of the Cabinet Office.

The department is committed to the NAO's recommendation tracker updates that are published on the NAO's public facing website twice a year. The update seeks to increase transparency and drive progress on recommendations on reports that have completed the PAC process. The department has set out plans to respond to the relevant recommendations from either the NAO or PAC and that progress is monitored through the NAO's recommendation tracker.

Wider reports also make reference to the department in light of its central role in government.

- **Efficiency in government procurement of common goods and services (July 2024).**

The report examined the efficiency of the central purchasing of common goods and services in the context of HM Treasury identifying procurement as a key area for efficiency savings. The report evaluated purchasing methods in the public sector, and the effectiveness of the Crown Commercial Service (CCS) in enhancing value for money and greater efficiencies.

The report recommended that the Government Commercial Function should collaborate with the Crown Commercial Service (CCS) to streamline central purchasing, to drive better value for money.

The report noted that CCS has improved its offering but that it could make better use of data and technology. CCS could also deliver efficiency through more

aggregation, better management of categories and improved understanding of its markets.

- **A planning and spending framework that enables long-term value for money (Lessons learned, October 2024).**

The report considered how the government must effectively translate its objectives into outcomes in order to ensure value for money in the medium to long term.

This involves planning and prioritising spending, monitoring costs and value, evaluating results and reporting to Parliament on the use of taxpayers' money.

The report concluded that, since the NAO's last report on the government's planning and spending framework, there has been significant change within the government and its fiscal and risk environment, leading to a predominantly short-term reactive approach.

The report noted that HM Treasury and the Cabinet Office have made efforts to implement lasting improvements, but there has not been a cultural shift towards prioritising long-term value for money through leadership, expertise and collaboration. The Cabinet Office and HM Treasury should create an action plan, as stated in the report.

- **Managing conflicts of interest: value for money (November 2024).**

The report aimed to evaluate the governance, systems and processes used by public bodies to manage conflicts of interest. It sought to address three key questions:

- the effectiveness of central government guidance in supporting public bodies
- the adequacy of their governance and controls over conflict management

- whether public bodies have fostered a culture conducive to proper conflict management

To achieve this, the report engaged with six public bodies for practical insights, one of which was the Cabinet Office. The report concludes that, while there are robust systems for managing ministerial conflicts, many public bodies lack effective mechanisms for addressing conflicts involving civil servants and public officials. This inconsistency in declaration practices and variable compliance with policies result in unmanaged conflicts, exposing the government to risk.

The report recommended that the Cabinet Office should set a clear minimum standard for the governance, systems and processes that it expects departmental public bodies to put in place. In addition, the report recommended that the department should facilitate the creation of a good practice forum, and it encourages each public body to commission their internal auditors to review the implementation of that standard, including whether mitigations have been properly implemented.

- **Maintaining public service facilities (January 2025)**

The report sought to determine whether government had effectively planned and managed property maintenance to ensure value for money.

The report concluded that the condition of government property had deteriorated over the past decade, with a maintenance backlog exceeding £49 billion.

It highlighted that the government's data on the condition of its properties and the maintenance backlog are incomplete and, in some cases, out of date, and that there is a need for the government to reassess its asset management and long-term investment strategies.

The report recommended that the Office of Government Property urgently addresses strategic planning gaps to understand maintenance requirements, to facilitate the prioritisation of repairs and promote a strategic approach to property management, to future-proof and drive value for money.

- **Government cyber resilience (January 2025)**

The report aimed to assess whether the government's efforts to enhance its cyber resilience were adequate in light of the evolving cyber threat. The report examined:

- the threat to government cyber security
- the progress made in implementing strategy
- the government's cyber resilience position
- the challenges faced by departments in building their cyber resilience

The report found that, while there were initiatives in place such as GovAssure and Secure by Design, the overall performance in this area required increased accountability and greater transparency. The report identified significant challenges faced by departments in building effective cyber resilience, particularly with legacy systems, and highlighted the need for ongoing improvements to adequately protect key functions and services against cyber security threats.

- **Managing the commercial lifecycle – Good practice guide (February 2025)**

The report stated that an estimated £407 billion, which is around one third of public sector spending (£1.2 trillion) was spent on procuring goods and services in 2023 to 2024. However, public procurement is largely decentralised, with many public sector and private sector organisations operating within the system. The risks and opportunities

to deliver value for money for the taxpayer merits ongoing focus by all public authorities. This guidance reflected upon findings and recommendations drawn from 200 reports concerning over 300 commercial arrangements that have been published over the past 20 years.

The guidance addressed both strategic and procedural considerations to improve and provide case studies to provide context. This good practice guidance has been updated in response to the implementation of the Procurement Act 2023.

The guide is aimed at policy and commercial staff involved at all levels of public procurement and commercial activities, including senior leaders and non-executive board members of public authorities.

- Commercial audit framework (February 2025)**

The report was designed to support value for money assurance relating to government's commercial and procurement activities as well as to identify common insights.

This framework updates a previous version published in 2022 and is based on the lifecycle set out in our recently updated Good practice guidance: Managing the commercial lifecycle (noted above).

The framework is organised around six stages of the commercial lifecycle and the four supporting elements required throughout the lifecycle. This 2025 framework has been updated to reflect expectations set out under the Procurement Act 2023.

Management of outside interests

Outside employment

The Civil Service Code, underpinned by the requirements of the Constitutional Reform and Governance Act 2010, sets out the fundamental principles which should frame how all civil servants discharge their duties. The requirements to act with integrity and honesty in particular frame how any outside interests should be considered. Where an actual conflict of interest arises, immediate steps must be taken to remedy it, to ensure adherence to the Civil Service Code.

Section 4.3 of the Civil Service Management Code sets out in more specific detail the standards of propriety for civil servants.

Individuals are required to declare all relevant outside interests as soon as possible. The declaration of interests is a live process and should be completed on commencing employment (including secondment into a department), moving between roles (including secondment out of a department) and on an ongoing basis, as necessary. In particular, senior civil servants are required to confirm on an annual basis that their declarations of interest are up to date, making a nil return if appropriate.

All remunerated outside employment, work and appointments should be declared, whether or not considered relevant and caught by the requirement in paragraph 4.3.4 of the Civil Service Management Code. Where work is not directly remunerated but may generate financial advantage for third parties, this should also be declared.

Where these roles might affect their work, either directly or indirectly, line manager approval must be sought to either continue this work (if previously authorised in another Civil Service role or when joining the service) or before taking up any outside work from the Civil Service, in line with the requirements in paragraph 4.3.4 of the Civil Service Management Code. Line managers are required to apply the principles contained in the Business Appointment Rules (BARs) in deciding whether the outside employment can continue or be taken up. Individuals are required to tell their manager immediately of any changes in circumstances that may affect the permission they have been given.

Senior civil servants are required to confirm on an annual basis that their declarations of interest are up to date, making a nil return if appropriate.

In line with the requirements of the Model Declaration and Management of Outside Interests Policy (section 4.2) the Cabinet Office publishes on GOV.UK the detail of any remunerated outside employment held by a senior civil servant that has been agreed through the process for the declaration and management of outside interests.⁹

Management of outside interest (other)

The Civil Service Code sets out the requirements for conduct and behaviour expected of civil servants. The Civil Service values of integrity, honesty, objectivity and impartiality are set out in legislation and Cabinet Office HR policy.

Heads of business units (directors general or directors) are responsible for putting in place appropriate arrangements to record declaration of actual / potential conflicts of interest. These must be comprehensive

and up to date, as the Cabinet Office may be asked at short notice to give detailed information based upon them.

Staff are required to record gifts and hospitality as soon as possible, ideally within five working days of receipt, when receiving or giving a gift or hospitality. When giving gifts or arranging hospitality, staff are also expected to seek the correct approvals via their budget holder and, where necessary, the Chief Financial Officer.

Special advisers' interests

In line with the current Declaration of Interests Policy for special advisers, all special advisers have been required to declare any relevant interests, or to confirm they do not consider they have any relevant interests. The Permanent Secretary has considered these returns and the relevant interests are set out in public and are routinely published on GOV.UK.¹⁰

Whistleblowing

It is crucial that we ensure the highest standards of conduct in all we do. The 'Raising a concern policy and guidance' supports people who wish to raise a concern. The department's staff survey results in 2024 showed that 68% of staff are aware of how to raise a concern under the Civil Service Code (up one percentage point from the previous year) and 70% were confident that if a concern were raised it would be investigated properly.

Speak Up Week is run biannually, and the number of nominated officers within the department has increased to eight. The nominated officer role is responsible for investigating staff concerns that are raised confidentially. They provide independence

⁹ Cabinet Office, 'SCS Declaration of Paid Outside Employment', 2023, available at www.gov.uk/government/publications/scs-declaration-of-paid-outside-employment

¹⁰ Cabinet Office, 'Cabinet Office Publication of Special Adviser Interests 2024-2025', available at www.gov.uk/government/publications/cabinet-office-publication-of-special-adviser-interests-2024-2025/cabinet-office-publication-of-special-adviser-interests-2024-2025-html

from the HR team and ensure that the department is held to account for following policy and procedure in this space.

Most recently, the Cabinet Office has been involved in a working group, led by the Government People Group. It has the aim of implementing at departmental level a number of the recommendations set out in the National Audit Office's report 'Investigation into whistleblowing in the civil service' and the Public Accounts Committee report of the same name. This includes introducing a 'Whistleblower's experience survey' from 2025 to 2026.

A total of three whistleblowing concerns were raised during the year 2024 to 2025. Of these three cases, one case is still ongoing and two were not upheld. In all cases, preliminary enquiries were carried out in line with the 'Raising a concern policy', with 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 all resulted in full investigations, particularly where preliminary enquiries have concluded that no further action is required.

Business appointment rules

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
- the risk of a former official improperly exploiting privileged access to contacts in government

Our processes

The Cabinet Office is responsible for the BARs policy, and it processes applications from 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. Approval and any conditions or mitigations are shared with line managers and applicants by the relevant HR team.

In compliance with BARs, 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 in the department's quarterly transparency returns 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 2024 to 2025

59 Senior Civil Servants left both the Department and the Civil Service during the 2024 to 2025 financial year.

Grade	Number of BARs applications	Number of BAR applications with set conditions	Applications not required	Unsuitable applications	Breaches of rules
Executive Officer	–	–	–	–	–
Higher / Senior Executive Officers	2	2	–	–	–
Grade 7	4	4	–	–	–
Grade 6	3	3	–	–	–
SCS 1	4	4	–	–	–
SCS 2	8	5	3 ¹¹	–	1
Special Advisor	29	29	–	–	–
Total¹²	50	47	3	–	1

11 Of the eight applications received in respect of SCS2 staff, only five met the requirements that necessitate an application.

12 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.

For the more senior grades, the department provides assessments of the applications to the Advisory Committee on Business Appointments (ACOBA) to inform their advice on how to mitigate any risks related to the proposed roles. The department also provides assessments on applications received from former SCS 4 officials, such as permanent secretaries, from across government. The ACOBA 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 their page on GOV.UK. ACOBA also publishes statistics on the number of applications it has considered in its annual reports.

Increasing awareness of the Business Appointment Rules (BARs)

The people and places team continues to take the government's BARs very seriously and works to raise awareness of the BARs, who they apply to and in what circumstances, as well as colleagues' obligations.

Applicants are advised that they should not accept or announce a new role until such time as they have received final advice confirming the conditions that apply and by which they must abide, and that retrospective applications are not normally accepted. In an effort to further mitigate the risk to the department, the people and places team continues to:

- ensure that our employment contracts make reference to the BARs and that colleagues are aware of their obligations in this space, from the outset

- ensure that relevant Cabinet Office colleagues have attended the all department training programme run by the propriety and ethics team, to continue to improve staff understanding and awareness of the BARs
- work with HR business partners to ensure that colleagues across the business are regularly reminded that they are subject to the BARs and of their obligations in this space
- publish reminders of the BARs, by communications to SCS and HR business partners for dissemination across the wider business
- ensure that the BARs form part of the leavers' process, a process which is designed to be followed and applied by both individuals and line managers

The all-department BARs training programme, run by the propriety and ethics team, has delivered bespoke sessions and materials to relevant colleagues, including HR professionals, tailored to each individual department. This training has improved consistency and adherence to the BARs, and further training will be offered to all departments to maintain this progress.

Conclusion

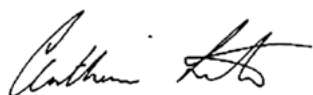
2024 to 2025 has seen many changes which affected the work of the Cabinet Office. Chief amongst these was the change of government following the general election in July 2024.

As the Cabinet Office has adapted to the needs of the new government, so have the mechanisms and structures that underpin the work of the department.

Despite the changes, I am content that the mechanisms to manage risk have been adequate. I am confident that 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 Cabinet Office Audit and Risk Committee on both risk and compliance. I am also pleased to have received GIAA's annual opinion of 'moderate'.

The pace of change will quicken in the coming year as we remodel ourselves to become a smaller more specialist and strategic department. However, I am confident that the underlying risk and assurance processes and procedures we have in place will be robust enough to support the department as it moves forward.



Catherine Little CB

Chief Operating Officer for the Civil Service,
Permanent Secretary and Principal
Accounting Officer
16 October 2025

■ 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 (SSRB). 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 SSRB takes a variety of factors into consideration when formulating its recommendations. These include:

- the need to recruit, retain and motivate suitably able and qualified people
- regional / local variations in labour markets and their effects on the recruitment and retention of staff
- government policies for improving public services, including the requirement for departments to meet the output targets for the delivery of departmental services
- the funds available to departments, as set out in the government's departmental expenditure limits
- the government's inflation target
- the evidence it receives about wider economic considerations and the affordability of its recommendations

The SSRB website contains further information about its work.

The performance management system for senior civil servants is common across all government departments. Pay awards are made in two parts:

- consolidated pay awards
- non-consolidated variable payments, which are used to reward members of staff who demonstrate exceptional performance

The Special Advisors Annual Report includes their employment terms and pay policy.¹³

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 on 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 online.¹⁴

1.3. Remuneration, including salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the ministers and most senior management (that is, board members) of the department. 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.

¹³ GOV.UK, 'Special adviser data releases: numbers and costs, November 2024', available at www.gov.uk/government/publications/special-adviser-data-releases-numbers-and-costs-november-2024

¹⁴ www.civilservicecommission.independent.gov.uk

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 (to nearest £1,000) ¹⁵		Total (to nearest £1,000)	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Chancellor of the Duchy of Lancaster (FYE £67,505)								
The Rt Hon. Pat McFadden MP (from 5 July 2024)	49,903	–	–	–	13,000	–	63,000	–
The Rt Hon. Oliver Dowden KCB CBE MP (until 5 July 2024)	34,660 ¹⁶	67,505	–	–	4,000	18,000	39,000	86,000
Minister without Portfolio (FYE £31,680)								
The Rt Hon. Esther McVey MP (until 5 July 2024)	16,266 ¹⁷	12,144	–	–	2,000	3,000	18,000	16,000
Minister for the Cabinet Office and Paymaster General (FYE 31,680)								
The Rt Hon. Nick Thomas-Symonds MP (from 8 July 2024)	23,164	–	–	–	6,000	–	29,000	–
Leader of the House of Commons and Lord President of the Counsel (FYE 67,505)								
The Rt Hon. Lucy Powell MP (from 5 July 2024)	49,903	–	–	–	13,000	–	63,000	–

¹⁵ 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.

¹⁶ The combined figure includes salary of £17,784 and a severance payment of £16,876.

¹⁷ The combined figure includes salary of £8,346 and a severance payment of £7,920.

Ministers	Salary (to nearest £)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1,000) ¹³		Total (to nearest £1,000)	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
The Rt Hon. Penny Mordaunt MP (until 5 July 2024)	34,660 ¹⁸	67,505	–	–	4,000	18,000	39,000	86,000
Minister of State for Veterans' Affairs (FYE £31,680)								
The Rt Hon. Johnny Mercer MP (until 5 July 2024)	16,266 ¹⁹	31,680	–	–	2,000	8,000	18,000	40,000
Parliamentary Secretary (FYE £22,375)								
Abena Oppong-Asare MP (from 9 July 2024)	16,300	–	–	–	4,000	–	21,000	–
Georgia Gould MP (from 9 July 2024)	16,300	–	–	–	4,000	–	21,000	–
Alex Burghart MP (until 5 July 2024)	11,487 ²⁰	22,375	–	–	1,000	6,000	13,000	28,000
Leader of the House of Lords and Lord Privy Seal (FYE £104,360)								
The Rt Hon. Baroness Smith of Basildon (from 5 July 2024)	104,031 ²¹	–	–	–	20,000	–	124,000	–
The Rt Hon. The Lord True CBE (until 5 July 2024)	27,493	104,360	–	–	10,000	(6,000)	38,000	98,000

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.

¹⁸ The combined figure includes salary of £17,784 and a severance payment of £16,876.

¹⁹ The combined figure includes salary of £8,346 and a severance payment of £7,920.

²⁰ The combined figure includes salary of £5,894 and a severance payment of £5,593.

²¹ The figure quoted includes Lord Office Holders' Allowance of £3,030 per month, which is the reduced rate for Lord's ministers whose main home is outside of Greater London.

1.5. Remuneration (salary, benefits in kind and pensions) of management officials (audited)

The figures presented below relate only to the amounts received during the period that the individuals were board members or officials with significant influence.

Single total figure of remuneration

Management Officials	Salary				Non-consolidated payments				Benefits in kind ²²				Pension benefits ²³				Total	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Cabinet Secretary and Head of the Civil Service																		
Sir Chris Wormald KCB ²⁴	60-65 ²⁵	–	–	–	–	–	18,700	–	150,000	–	230-235	–	230-235	–	–	–	230-235	–
Simon Case CVO ²⁶	360-365 ²⁷	215-220	–	–	–	–	25,900	33,800	50,000	132,000	435-440	380-385	435-440	380-385	–	–	435-440	380-385
Chief Operating Officer for the Civil Service, Permanent Secretary and Principal Accounting Officer																		
Catherine Little CB	185-190	–	–	–	–	–	–	–	122,000	–	305-310	–	305-310	–	–	–	305-310	–
Chief Operating Officer																		
Sarah Harrison CB, MBE	160-165	155-160	0-5	10-15	–	–	–	–	24,000	23,000	190-195	185-190	190-195	185-190	–	–	190-195	185-190
Chief Financial Officer and Director of Assurance, Finance and Control																		
Caroline Patterson	5-10 ²⁸	–	–	–	–	–	–	–	3,000	–	10-15	–	10-15	–	–	–	10-15	–
Richard Hornby	80-85 ²⁹	155-160	5-10	5-10	–	–	–	–	33,000	61,000	120-125	225-230	120-125	225-230	–	–	120-125	225-230

²² See 1.7 Benefits in kind, below.

²³ 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.

²⁴ As per agreement with the Chair, the Cabinet Secretary attends the board by exception.

²⁵ The figure quoted is for the period 16 December 2024 to 31 March 2025. The full year equivalent is £215,000–£220,000.

²⁶ As per agreement with the Chair, the Cabinet Secretary attends the board by exception.

²⁷ The figure quoted is for the period 1 April 2024 to 15 December 2024. The combined figure includes salary of £155,000–£160,000 and a severance payment of £201,402. The full year salary equivalent is £225,000–£230,000.

²⁸ The figure quoted is for the period 10 March 2025 to 31 March 2025. The full year equivalent is £120,000–£125,000.

²⁹ The figure quoted is for the period 1 April 2024 to 13 October 2024. The full year equivalent is £160,000–£165,000.

1.6. Salary

'Salary' includes: gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the department and thus recorded in these accounts.

In respect of ministers in the House of Commons, departments bear only the cost of the additional ministerial remuneration; the salary for their services as an MP (£91,346 from 1 April 2024) 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 Cabinet Secretary 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 Cabinet Secretary 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 2024 to 2025 relate to performance in 2023 to 2024, and the comparative payments reported for 2023 to 2024 relate to performance in 2022 to 2023. This is consistent with the approach adopted in previous years.

1.9. Fair pay disclosure (audited)

The table below shows the fair pay disclosure as at 31 March. This data is only for core department and agency with ALB's excluded.

	2024-25	2023-24
Band of highest-paid board member's total remuneration (£000)	235-240	245-250
Of which: salary component (£)	215-220	215-220
Median remuneration (£)	47,226	44,989
Of which: salary component (£)	46,725	44,500
Ratio	5.0	5.5
25th Percentile Pay	36,728	35,300
Of which: salary component (£)	36,677	35,300
Ratio	6.5	7.0
75th Percentile Pay	68,747	63,704
Of which: salary component (£)	67,935	62,875
Ratio	3.5	3.9

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

The banded remuneration of the highest-paid board member in the Cabinet Office in the financial year 2024 to 2025 was £235,000 to £240,000 (2023-24: £245,000 to £250,000).

This was 5.0 times (2023 to 2024: 5.5 times) the median remuneration of the workforce, which was £47,226 (2023 to 2024: £44,989), 6.5 times (2023 to 2024: 7.0 times) the 25th percentile remuneration of the workforce, which was £36,728 (2023 to 2024: £35,300) and 3.5 times (2023 to 2024: 3.9 times) the 75th percentile remuneration of the workforce, which was £68,747 (2023 to 2024: £63,704).

The percentage change in respect to our highest-paid board member is minus 4.0 (2023 to 2024: positive 4.2), the average percentage change in respect of all employees taken as a whole is 6.0% (2023 to 2024: 5.1%).

The median pay ratio for 2024 to 2025 is consistent with the Cabinet Office pay and reward policies for employees taken as a whole. A base pay award of 5% was awarded to all eligible staff.

In 2024 to 2025, 3 (2023 to 2024: 2) employees received remuneration in excess of the highest-paid board member. The remuneration of Cabinet Office employees ranged from £22,360 to £370,270 (2023 to 2024: £20,332 to £304,000).

Total remuneration as at 31 March 2025 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

	2024-25 salary and allowances	2023-24 salary and allowances	2024-25 performance pay	2023-24 performance pay	2024-25 overall	2023-24 overall
Highest-paid board member (%)	2.2	5.5	–	–	(4.0)	4.2
Average of all Cabinet Office employees (%)	6.0	5.0	6.0	12.0	6.0	5.1

For the highest-paid board member, while the salary and allowances have increased the overall total has decreased because the benefit-in-kind received has reduced from the previous year.

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 2024-25	Fees paid 2023-24
Michael Jary ³⁰ Government Lead Non-Executive Board Member	20,000	8,818	20,000
Anand Aithal ³¹ Cabinet Office Lead Non-Executive Board Member	20,000	8,065	20,000
Michael Ashley ³² Non-Executive Board Member	15,000	11,250	15,000
Chair of the Audit and Risk Committee	5,000	3,750	5,000
Jenni Myles ³³ Non-Executive Board Member	15,000	6,048	12,042
Henry de Zoete ³⁴ Non-Executive Board Member	15,000	6,048	15,000
The Rt Hon. The Lord Hogan-Howe of Sheffield ³⁵ Non-Executive Board Member	15,000	6,048	15,000

30 Michael Jary claimed expenses of £300.84 in 2024 to 2025, which are not included in the figures. Left the board on 9 August 2024.

31 Anand Aithal claimed expenses of £1,510.00 in 2023 to 2024 and £219.75 in 2024 to 2025, which are not included in the figures. Left the board on 26 August 2024.

32 Left the board on 31 December 2024.

33 Appointed Non-Executive Board Member on 12 June 2023. Left the board on 26 August 2024.

34 Left the board on 26 August 2024.

35 Lord Hogan-Howe claimed expenses of £177.40 in 2024 to 2025, which are not included in the figures. Left the board on 26 August 2024.

£ Non-executive board members	Annual fee entitlement	Fees paid 2024-25	Fees paid 2023-24
Janette Beinart ³⁶ Non-Executive Board Member	15,000	6,048	12,042
Marcus Boyle ³⁷ Non-Executive Board Member	15,000	6,048	12,333
Stephen Gordon Dando ³⁸ Non-Executive Board Member	15,000	8,065	12,379

1.11. Pension benefits of ministers (audited)

Ministers	Accrued pension at age 65 as at 31 March 25 £000	Real increase in pension at age 65 £000	CETV at 31 March 25 ³⁹ £000	CETV at 31 March 24 ⁴⁰ £000	Real increase in CETV £000
The Rt Hon. Pat McFadden MP	5-10	0-2.5	128	109	10
The Rt Hon. Oliver Dowden CBE MP	5-10	0-2.5	76	71	2
The Rt Hon. Esther McVey MP	0-5	0-2.5	85	82	1
The Rt Hon. Nick Thomas-Symonds MP	0-5	0-2.5	6	–	3
The Rt Hon. Lucy Powell MP – Leader of the House of Commons and Lord President of the Council	0-5	0-2.5	14	–	8
The Rt Hon. Penny Mordaunt MP	5-10	0-2.5	146	140	3
The Rt Hon. Johnny Mercer MP	0-5	0-2.5	25	23	1
Abena Oppong-Asare MP	0-5	0-2.5	4	–	2
Georgia Gould MP	0-5	0-2.5	4	–	2
Alex Burghart MP	0-5	0-2.5	16	14	1
The Rt Hon. Baroness Smith of Basildon – Leader of the House of Lords and Lord Privy Seal	20-25	0-2.5	465	439	3
The Rt Hon. The Lord True CBE	5-10	0-2.5	152	141	8

36 Janette Beinart claimed expenses of £79.60 in 2023 to 2024 and £62.30 in 2024 to 2025, which are not included in the figures. Appointed Non-Executive Board Member on 12 June 2023, left on 26 August 2024.

37 Marcus Boyle claimed expenses of £138.60 in 2023 to 2024, which are not included in the figures. Appointed Non-Executive Board Member on 12 June 2023, left on 26 August 2024.

38 Stephen Dando claimed expenses of £28.70 in 2024 to 2025, which are not included in the figures. Appointed Non-Executive Board Member on 10 July 2023, left on 26 August 2024.

39 Cash equivalent transfer value, see 1.13.

40 Cash equivalent transfer value, see 1.13.

1.12. Ministerial pensions

Pension benefits for ministers are provided by the Parliamentary Contributory Pension Fund. The scheme is made under statute and the rules of the Parliamentary Contributory Pension Fund (the Ministers' etc. Pension Scheme 2015). Further information can be found on the UK Parliament website.⁴¹

Those ministers who are members of Parliament may also accrue an MP's 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.

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 was extant at 31 March 2025.

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.

⁴¹ UK Parliament, 'MPs' Pensions', available at www.parliament.uk/about/mps-and-lords/members/pay-mps/pension-fund

1.15. Pension benefits of official board members (audited)

Management officials	Accrued pension at pension age as at 31 March 2025 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31 March 2025 ⁴² £000	CETV at 31 March 2024 ⁴² £000	Real increase in CETV ⁴² £000	Employer contribution to partnership pension account Nearest £100
Sir Chris Wormald KCB	120-125	7.5-10	2,499	2,334	150	–
Sir Simon Case CVO	60-65	2.5-5	991	939	23	–
Catherine Little CB	40-45	5-7.5	559	461	70	–
Sarah Harrison CB, MBE ⁴³	–	–	–	–	–	24,000
Caroline Patterson	5-10	0-2.5	91	89	2	–
Richard Hornby	30-35	0-2.5	491	440	22	–

1.16. Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015, a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme, or alpha – which provides benefits on a career average basis with a normal pension age equal to the member's state pension age (or 65 if higher). From that date, all newly appointed civil servants, and the majority of those already in service, joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS had four sections: three providing benefits on a final salary basis (classic, premium and classic plus) with a normal pension age of 60, and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded, with the cost of benefits met by funds voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with pensions increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015.

Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch to alpha sometime between 1 June 2015 and 1 February 2022.

⁴² Cash equivalent transfer value, see note 1.17.

⁴³ Sarah Harrison is not a member of the PCSPS and has a partnership pension account.

Because the government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the CETVs shown in this report – see below).

All members who switch to alpha have their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha, as appropriate. Where the official has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years’ initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid, with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos, a member builds up a pension based on pensionable earnings during their period of scheme membership.

At the end of the scheme year (31 March), the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the

accrued pension is uprated in line with pensions increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases, members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal and General Master Trust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension that the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or state pension age for members of alpha. Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

1.17. Officials’ 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 was extant at 31 March 2025.

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 2024 to 31 March 2025. Further details about compensation for loss of office payments can be found at legislation.gov.uk. The figures displayed are a net total, following any amounts repaid.

	Severance payment (to nearest £)	Severance entitlement (to nearest £)
Ministers		
The Rt Hon. Oliver Dowden KCB CBE MP	16,876	16,876
The Rt Hon. Esther Mcvey MP	7,920	7,920
Alex Burghart MP	5,593	5,593
Johnny Mercer MP	7,920	7,920
The Rt Hon. Penny Mordant MP	16,876	16,876
Officials		
Sir Alex Chisholm KCB	57,521	57,521
Simon Case CVO	201,402	201,402

For the financial year 2023 to 2024 the following severance payments were made.

	Severance payment (to nearest £)	Severance entitlement (to nearest £)
Ministers		
The Rt Hon. Jeremy Quin MP	7,920	7,920

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	2024-25	2023-24 restated ⁴⁴
Wages, salaries and fees	549.9	–	7.9	0.4	558.2	520.5
Social security costs	64.0	0.1	1.5	–	65.6	57.0
Apprenticeship levy	3.2	–	–	–	3.2	2.9
Other pension costs	129.1	–	2.5	–	131.6	113.0
Untaken annual leave	(2.1)	–	–	–	(2.1)	2.6
Agency / temporary	–	56.7	–	–	56.7	63.6
Chairs' and commissioners' emoluments	0.4	–	–	–	0.4	0.4
Termination benefits	1.0	–	3.1	0.1	4.2	0.8
Sub-total	745.5	56.8	15.0	0.5	817.8	760.8
Inward secondments	–	6.9	–	–	6.9	9.3
Total	745.5	63.7	15.0	0.5	824.7	770.1
Less: recoveries in respect of outward secondments	–	(3.9)	–	–	(3.9)	(4.5)
Total staff costs	745.5	59.8	15.0	0.5	820.8	765.6
Staff engaged on capital projects	(13.3)	(2.6)	–	–	(15.9)	(11.8)
Total net staff costs	732.2	57.2	15.0	0.5	804.9	753.8

Special advisers are temporary civil servants. For efficiency, the administration of staff costs for all special advisers is managed by the Cabinet Office, with corresponding budget cover transfers. Therefore, these figures include costs relating to special advisers working in all government departments for the 2024 to 2025 financial year. These figures include costs relating to the previous administration to 4 July 2024 and the current administration from 5 July 2024. Special advisers remain employed by the respective departments of their appointing minister.

During the year, costs of £131,558,319 were incurred in respect of pensions (2023 to 2024: £112,976,398). Of this amount:

- £121,310,482 (2023 to 2024 restated: £104,428,392) was borne by the core department
- £6,038,236 (2023 to 2024: £5,534,251) was borne by the Government Property Agency (GPA)
- £2,695,620 (2023 to 2024: £2,748,561) was borne by the EHRC
- £1,128,171 (2023 to 2024: £nil) was borne by the Infected Blood Compensation Authority (IBCA)

⁴⁴ The prior year comparator figures below have been restated due to Machinery of Government changes affecting the department during this financial year. See note 2 to the financial statements.

- £348,775 (2023 to 2024: £230,536) was borne by the Civil Service Commission
- £37,036 (2023 to 2024: £34,659) 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.⁴⁵

For the period 1 April 2024 to 31 March 2025, employers' contributions of £123,768,775 were payable to the PCSPS (2023 to 2024 restated: £106,182,700) 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 2024 to 2025 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 2024 to 31 March 2025, employers' contributions of £1,037,385 (2023 to 2024: £1,008,561) were paid to one or more of the panel of three appointed stakeholder pension providers.

Employer contributions are age-related and range from 8% to 14.75% of pensionable earnings. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £36,429 (2023 to 2024: £35,471) – 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 2025 were £90,069 (31 March 2024: £85,349). Contributions prepaid as at the same date were £nil (31 March 2024: £nil). Special advisers' pension costs incurred during the period 1 April 2024 to 31 March 2025 were £2,506,128 (2023 to 2024: £2,735,911).

In 2024 to 2025, two individuals (2023 to 2024: three individuals) retired early on ill-health grounds during the period 1 April 2024 to 31 March 2025. The resulting additional accrued pension liabilities amounted to £nil (2023 to 2024: £36,155).

45 Civil Service Pension Scheme, 'Resource accounts', available at www.civilservicepensionscheme.org.uk/about-us/resource-accounts

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.

Departmental group 2024-25				Departmental group 2023-24		
Exit package cost band	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 restated ⁴⁶	Total number of exit packages by cost band restated ⁴⁷
Less than £10,000	–	11	11	–	7	7
£10,000 to £25,000	–	90	90	–	8	8
£25,001 to £50,000	–	38	38	–	5	5
£50,001 to £100,000	–	12	12	–	1	1
£100,001 to £150,000	–	1	1	–	1	1
£150,001 to £200,000	–	1	1	–	–	–
£200,001 to £250,000	–	1	1	–	–	–
£250,001 to £300,000	–	–	–	–	1	1
Total number of exit packages	–	154	154	–	23	23
Total cost (£)	–	4,182,966	4,182,966	–	872,276	872,276

The figures reported in this table are for staff that have left within the relevant financial year. Although a Voluntary Exit Scheme (VES) has been announced and is reported in the financial statements, any exits as part of this scheme will take place in 2025 to 2026 and will therefore be reported in the annual report and accounts for that period.

46 The prior year comparator figures below have been restated due to Machinery of Government changes affecting the department during this financial year. See note 2 to the financial statements.

47 The prior year comparator figures below have been restated due to Machinery of Government changes affecting the department during this financial year. See note 2 to the financial statements.

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 2024 to 2025 (2023 to 2024 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 2024 to 2025, no member of staff 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 they return.

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 ⁴⁸	Total permanently employed staff	Commissioners ⁴⁹	Others ⁴⁹	2024-25 Total	2023-24 Total restated ⁵⁰
Core department	4,473	4,370	8,843	–	634	9,477	8,512
Government Property Agency	243	–	243	–	58	301	333
Arm's length bodies ⁵¹	285	–	285	22	21	328	245
Staff engaged on capital projects	166	–	166	–	44	210	382
Total	5,167	4,370	9,537	22	757	10,316	9,472
Of which:							
Core department and executive agency	4,882	4,370	9,252	–	736	9,988	9,227
Other designated bodies	285	–	285	22	21	328	245
Total	5,167	4,370	9,537	22	757	10,316	9,472

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.

Gross staff turnover in 2024 to 2025 was 12.4% (2023 to 2024: 20.7%) (unaudited).

48 UKSV – Security Vetting, GRS – Recruitment, fast stream and the GCO are all hosted by the Cabinet Office and recharge other departments for their services.

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

50 The prior year comparator figures below have been restated due to Machinery of Government changes affecting the department during this financial year.

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

2.4. Ministers and special advisers

The table below shows the number of ministers and special advisers within the Cabinet Office as at 31 March 2025.

Grade	2024-25	2023-24
Ministers ⁵²	11	14
Special advisers ⁵³	57	57

2.5. Senior civil servants

The table below shows the number of SCS staff employed by the Cabinet Office as at 31 March 2025.

The total includes 50 staff (2023 to 2024: 44) 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	2024-25	2023-24
Permanent Secretary	7	5
SCS 3	16	21
SCS 2	88	98
SCS 1	291	298
Total	402	422

The decrease in 20 SCS staff since 2023 to 2024 is principally a consequence of a machinery of government change. SCS numbers are 4.2% of the total workforce.

52 This includes all ministers working on behalf of the Cabinet Office even if unpaid or remunerated by another department. Two ministers are unpaid and three are paid by another department.

53 This figure includes special advisers who work within the Cabinet Office departmental boundary (i.e. special advisers appointed to the Prime Minister, the Chancellor of the Duchy of Lancaster, the Leader of the House of Lords, the Leader of the House of Commons, the Minister for the Cabinet Office and the Parliamentary Secretary to the Treasury (Chief Whip)). It does not include special advisers within other government departments.

2.6. Staff composition

The tables below provide a breakdown, by gender, of all the staff who have worked for the Cabinet Office during the period 1 April 2024 to 31 March 2025.

Number	Men		Women		Total	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Management officials	3	3	3	1	6	4
Senior civil servants	228	242	191	204	419	446
All staff	4,737	4,964	5,255	5,586	9,992	10,550

%	Men		Women	
	2024-25	2023-24	2024-25	2023-24
Management officials	50.0	75.0	50.0	25.0
Senior civil servants	54.4	54.3	45.6	45.7
All staff	47.4	47.1	52.6	52.9

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

2.7.1.

The table below shows temporary off-payroll appointments as at 31 March 2025, earning at least £245 per day.

2024-25 number	Core department	Executive agency	Arm's length bodies	Departmental group
Existing off-payroll engagements as at 31 March 2025	768	64	2	834
Of which, engagements that have existed at time of reporting for:				
Less than one year	161	35	2	198
Between one and two years	129	20	–	149
Between two and three years	123	5	–	128
Between three and four years	105	4	–	109
Four or more years	250	–	–	250

2.7.2.

The table below shows temporary off-payroll appointments engaged at any point during the year ended 31 March 2025 and earning at least £245 per day.

2024-25 number	Core department	Executive agency	Arm's length bodies	Departmental group
Temporary off-payroll workers engaged during the year ended 31 March 2025	221	39	2	262
Of which:				
Not subject to off-payroll legislation	1	–	–	1
Subject to off-payroll legislation and assessed as in-scope of IR35 ⁵⁴	172	37	2	211
Subject to off-payroll legislation and assessed as out-of-scope of IR35 ⁵⁵	48	2	–	50
Engagements reassessed for compliance or assurance purposes during the year	–	39	–	39
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	–	–	–	–

54 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.

55 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.

The table below shows off-payroll engagements of board members or senior officials with significant financial responsibility between 1 April 2024 and 31 March 2025.

2024-25 number	Core department	Executive agency	Arm's length bodies	Departmental group
Off-payroll engagements of board members or senior officials with significant financial responsibility during the financial year	–	1 ⁵⁶	–	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	37	11	13	61

2.8. Staff loans

The table below shows the number of staff loans at 31 March 2025.

Staff loaned in by grade	Headcount	Staff loaned out by grade	Headcount
Permanent Secretary	–	Permanent Secretary	–
Special adviser	–	Special adviser	–
Commercial specialist	4	Commercial specialist	–
SCS 3	–	SCS 3	–
SCS 2	–	SCS 2	3
SCS 1	2	SCS 1	4
Band 6	40	Band 6	10
Band 7	105	Band 7	39
Band SEO	103	Band SEO	19
Band HEO	69	Band HEO	14
Band EO	11	Band EO	5
Band AO	1	Band AO	–
Total staff loaned in by grade	335	Total staff loaned out by grade	94

⁵⁶ Mark Bourgeois was engaged on a contingent basis as the interim CEO of the Government Property Agency between 27 November 2023 and 30 September 2024.

2.9. Sickness and absence

The sickness absence figure for 2024 to 2025 stands at 1.9 (3.7 for 2023 to 2024) 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, including temporary workers, interim managers and specialist contractors, who are used to cover business-as-usual or service delivery activities within an organisation
- consultancy, including 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 reduced from £14.8 million in 2023 to 2024 (restated) to £13.8 million in 2024 to 2025. This is mostly attributable to discontinuing of consultancy advice in areas that were no longer required, government policy and restrictions on the use of consultancy advisors. Of the total, £0.5 million related to the GPA (2023 to 2024: £1.8 million) and £1.9 million to other ALBs (2023 to 2024: £nil).

Expenditure on temporary staff reduced from £63.6 million in 2023 to 2024 (restated) to £56.7 million in 2024 to 2025 due to filling permanent vacancies with civil servants and restricting the use of temporary staff hire. Of the total, £10.3 million related to the GPA (2023 to 2024: £12.2 million) and £2.3 million to ALBs (2023 to 2024: £nil million).

2.11. People Survey results

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

Core theme	2024-25	2023-24
People engagement score	60%	58%
My work	76%	77%
Objectives and purpose	68%	69%
My manager	76%	75%
My team	84%	84%
Learning and development	52%	50%
Inclusion and fair treatment	77%	77%
Resources and workload	74%	72%
Pay and benefits	34%	32%
Leadership, management and change	47%	45%

Percentage shows the proportion of respondents selecting a positive response to the questions. The overall engagement score is up two percentage points to 60%. Other results show improvements across most areas. There were also significant improvements in the following areas:

- recommending the Cabinet Office as a great place to work
- having an acceptable workload
- senior managers being significantly visible

The results are encouraging, given the pace of change and new priorities the department has needed to navigate over the past year.

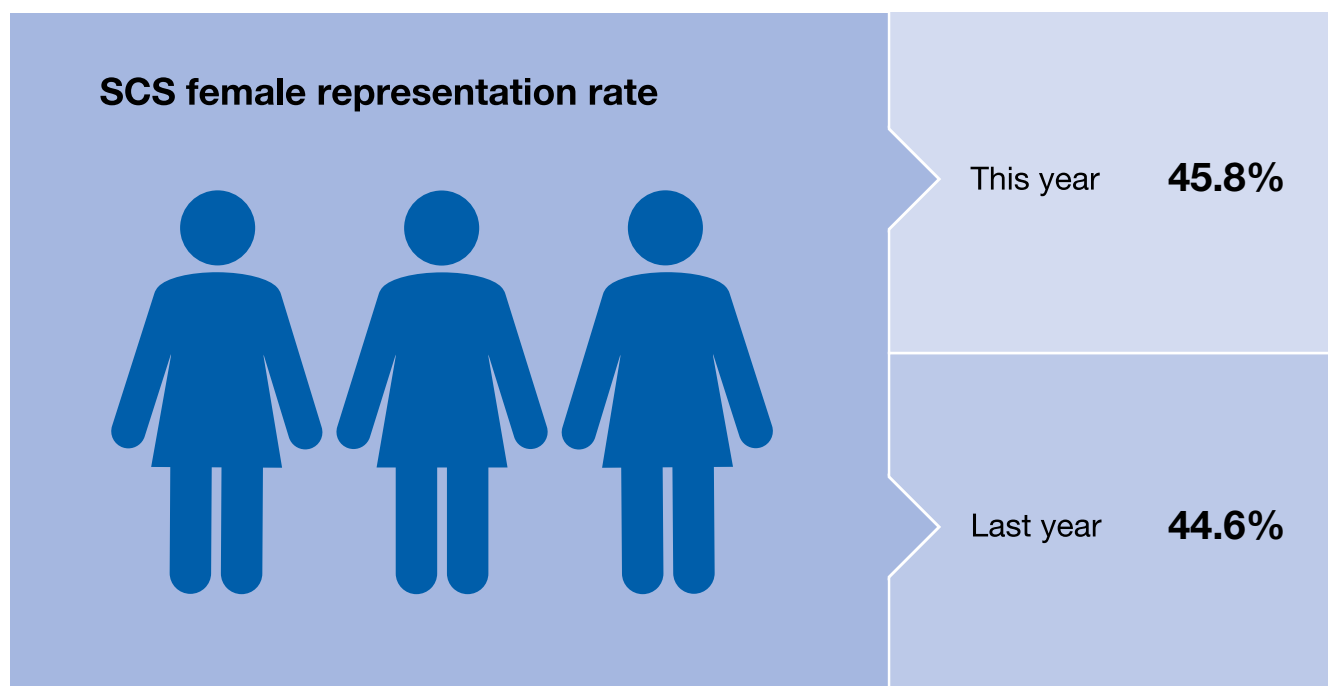
As well as continuing to work on the areas where things are going well, we collectively need to focus on where things need even more effort.

Understanding our organisation's purpose and objectives has seen no significant change compared to 2023 and we remain below the Civil Service benchmark.

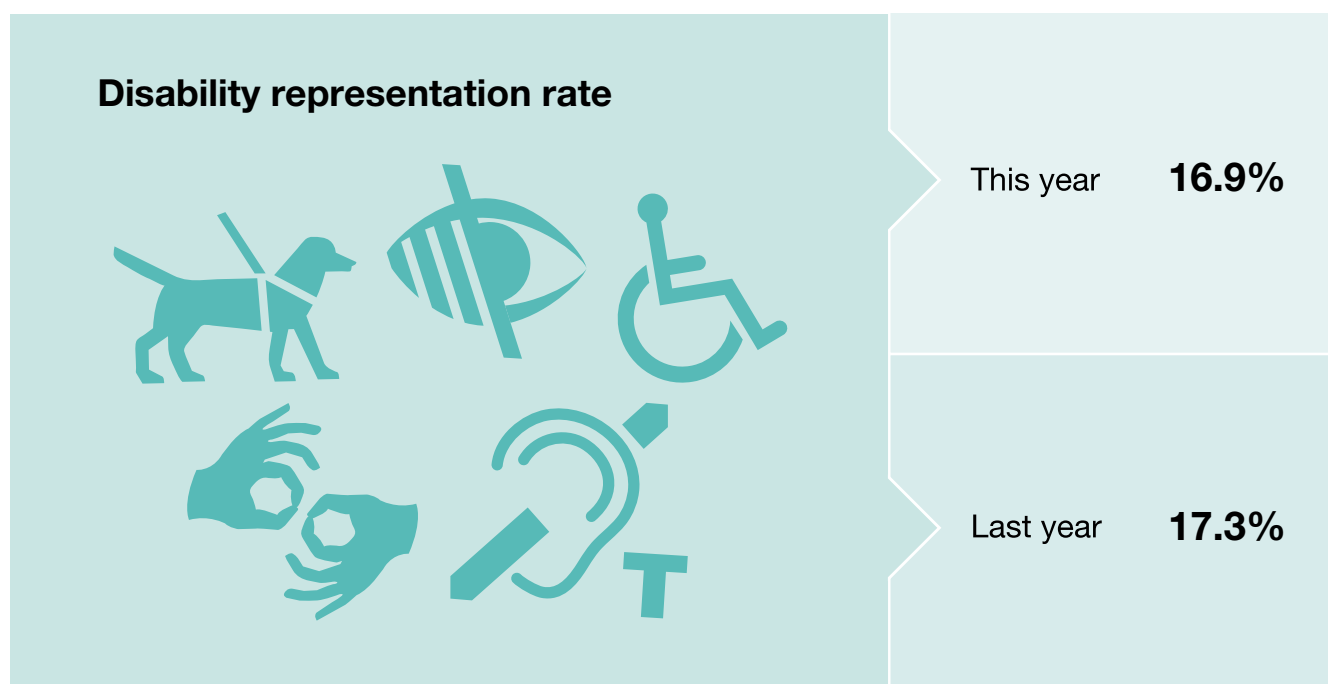
2.12. Diversity and inclusion

In terms of diversity and inclusion, representation rates at Senior Civil Service (SCS) levels highlight that the Cabinet Office has 15.2% of staff with disabilities and 9.9% of SCS staff identifying as ethnic minorities.

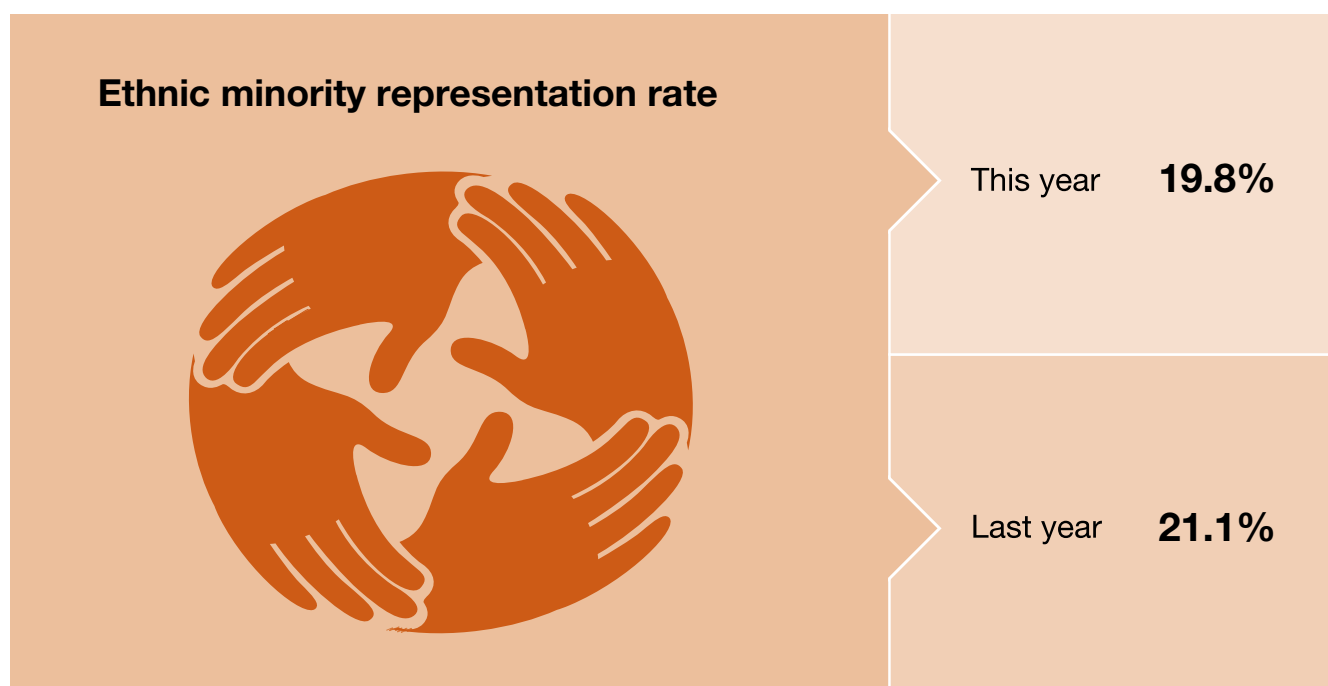
Women make up 45.8% of the SCS. The Cabinet Office overall has a median gender pay gap of 18.4%. Women now make up 53.0% of all staff, which is an increase of 0.1 percentage points from 52.9% last year.



Across all grades disabled staff make up 16.9% of the Cabinet Office workforce, a decrease of 0.4 percentage points from 17.3% (restated) last year.



Ethnic minority staff make up 19.8% of the total workforce, which is a decrease of 0.3 percentage points from 21.1% (restated) last year.



All Cabinet Office data as at 31 March 2025 excludes Government Commercial and fast stream staff who do not work in CO but are on CO payroll. This is a change for 2025, and 2024 comparisons have been recalculated using this methodology.

2.13. 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 with 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.

The Cabinet Office is developing a Disabilities Toolkit to support line managers understand their role, raise awareness and show what they can do to improve the lived experience of those with a disability with a focus on neurodiversity.

The Cabinet Office has developed Disability Smart Training to support line managers and provide a greater understanding of disability and what it means to cultivate a culture of disability inclusion in day-to-day interactions with disabled colleagues. The aim is for the learner to develop an awareness of disability, to learn the models of disability and their impacts on employees, and to understand the organisation's legal requirements to support disabled employees. The learner will be able to identify potential barriers for disabled employees and discuss key considerations for adjustments throughout the employee lifecycle.

2.14. 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, including a mental health toolkit, infographics, videos, best practice and legal case studies.

The Cabinet Office has an active disability network and a deputy director disability champion. They regularly discuss how the organisation can remove barriers in the workplace, including 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.

2.15. 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. Twenty-one accidents were reported, of which none were reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013. There were minor remedial works carried out for incidents that were related to faulty facilities, and support was sought from emergency services for incidents where staff reported they were ill.

2.16. 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.

	2024-25	2023-24
Number of employees who were relevant union officials during the relevant period	36	40
Full-time equivalent employee number	34.88	36.61
Percentage of time spent on trade union activities 0%	9	4
Percentage of time spent on trade union activities, between 1% and 50%	28	36
Percentage of time spent on trade union activities, between 51% and 99%	–	–
Percentage of time spent on trade union activities (100%)	–	–
Total time spent (hours)	2,366	1,854
Total cost of facility time (£000)	103	64
Total pay bill (£000)	568,896	663,257
The percentage of the total pay bill spent on facility time (%)	0.02%	0.01%

2.17. Volunteering

The aim of the Cabinet Office volunteering policy is to encourage staff to participate in volunteering activities in the community, and to enable staff to build their skills through practical experience.

Volunteering is a way in which the Cabinet Office supports and encourages its staff to develop both professionally and personally. It does this by enabling them to take time to engage in activities and practical challenges, which endeavour to have a positive impact in their local community. Staff are permitted to take up to 5 days of special paid leave per performance year for volunteering activity as part of their personal development plan.

Examples of the sorts of volunteering opportunities that might be appropriate include public duties such as being a school governor or magistrate, or volunteering for a charity or community project. This may include sports, environmental issues or youth leadership. It can also be used by Cabinet Office colleagues who are carers, in their caring roles.

■ 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 utilise. The estimate details supply and is voted on by Parliament at the start of the financial year.

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

The format of the SOPS mirrors the supply 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 statement of outturn against parliamentary supply 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.

Reconciliation between performance report and SOPS

The department adopted new strategic outcomes during the year, but the estimates were based on the previous departmental objectives. The table below shows where the department's business units are captured in the performance report and in the estimates.

Business unit	Performance report	SOPS
Economic and Domestic Secretariat	Strategic outcome 1	Estimate line E
Prime Minister's Office	Strategic outcome 1	Estimate line E
Mission Delivery Unit	Strategic outcome 1	Estimate line E
Borders Group	Strategic outcome 2	Estimate line A
EU Relations Secretariat	Strategic outcome 2	Estimate line A
Propriety and Constitution Group	Strategic outcome 3	Estimate line E
Government in Parliament	Strategic outcome 3	Estimate line E
Intelligence and Security Committee of Parliament	Strategic outcome 3	Estimate line B
COVID-19 Inquiry	Strategic outcome 3	Estimate line E
National Security Secretariat	Strategic outcome 4	Estimate line E
Joint Intelligence Organisation	Strategic outcome 4	Estimate line B
Government Commercial and Grants Function	Strategic outcome 5	Estimate line D
Government Communication Service	Strategic outcome 5	Estimate line D
Government People Group	Strategic outcome 5	Estimate line D
Government Security Group	Strategic outcome 5	Estimate line B
Infrastructure and Projects Authority	Strategic outcome 5	Estimate line D
Public Sector Reform Unit & Efficiency	Strategic outcome 5	Estimate line D
Office for Equality and Opportunity	Strategic outcome 5	Estimate line C
Office of Government Property	Strategic outcome 5	Estimate line D
Public Inquiry Response Unit	Strategic outcome 5	Estimate line D

Business unit	Performance report	SOPS
Public Sector Fraud Authority	Strategic outcome 5	Estimate line D
Public Sector Reform	Strategic outcome 5	Estimate line D
Central corporate services	Strategic outcome 5	Estimate line D
Grenfell Tower Inquiry	Strategic outcome 5	Estimate line E

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 ALBs allocated an administration budget in the Spending Round. Some categories of ALBs 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 ALBs' 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 Consolidated Statement of Net Expenditure (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 that are not being recycled as sustainable grants are recognised as income in the statement of outturn against parliamentary supply 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 annually managed expenditure (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 2024 to 2025

£000

2024-25 2023-24

		Outturn				Estimate		Outturn vs estimate: saving / (excess)		Outturn restated ⁵⁷	
SOPS note	Voted	Non- voted	Total	Voted	Non- voted	Total	Voted	Non- voted	Total	Total	Total
Departmental expenditure limit (DEL)											
Resource 1.1	799,127	–	799,127	915,643	–	915,643	116,516	–	116,516	889,926	
Capital 1.2	275,539	–	275,539	362,361	–	362,361	86,822	–	86,822	411,910	
Total DEL	1,074,666	–	1,074,666	1,278,004	–	1,278,004	203,338	–	203,338	1,301,836	
Annually managed expenditure (AME)											
Resource 1.1	9,692,464	–	9,692,464	14,970,005	–	14,970,005	5,277,541	–	5,277,541	117,080	
Capital 1.2	59,851	–	59,851	302,005	–	302,005	242,154	–	242,154	–	
Total AME	9,752,315	–	9,752,315	15,272,010	–	15,272,010	5,519,695	–	5,519,695	117,080	
Total budget											
Total resource	10,491,591	–	10,491,591	15,885,648	–	15,885,648	5,394,057	–	5,394,057	1,007,006	
Total capital	335,390	–	335,390	664,366	–	664,366	328,976	–	328,976	411,910	
Total budget expenditure	10,826,981	–	10,826,981	16,550,014	–	16,550,014	5,723,033	–	5,723,033	1,418,916	
Non-budget expenditure											
Prior period adjustment resource	–	–	–	–	–	–	–	–	–	34,726	
Prior period adjustment capital	–	–	–	–	–	–	–	–	–	(53,498)	
Total non-budget expenditure	–	–	–	–	–	–	–	–	–	(18,772)	
Total departmental expenditure	10,826,981	–	10,826,981	16,550,014	–	16,550,014	5,723,033	–	5,723,033	1,400,144	

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.

⁵⁷ See note 2 to the financial statements.

Net cash requirement 2024 to 2025

£000				2024-25	2023-24
	SOPS note	Outturn	Estimate	Outturn compared with estimate: saving / (excess)	Outturn restated ⁵⁸
Net cash requirement	3	1,273,878	1,774,101	500,223	1,411,651

Administration costs 2024 to 2025

£000				2024-25	2023-24
	SOPS note	Outturn	Estimate	Outturn compared with estimate: saving / (excess)	Outturn restated ⁵⁹
Administration costs	1.1	535,863	608,198	72,335	633,979

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.

Notes SOPS 1 to SOPS 4 form part of these accounts.

⁵⁸ See note 2 to the financial statements.

⁵⁹ See note 2 to the financial statements.

Notes to the statement of outturn against parliamentary supply

SOPS 1. Outturn detail by estimate line

SOPS 1.1. Analysis of resource outturn by estimate line

£000	2024-25				2023-24			
	Estimate				Outturn restated ⁶⁰			
	Administration				Programme			

60 See note 2 to the financial statements.

£000

2024-25 2023-24

	Outturn						Estimate	Outturn vs Total estimate including virements	Outturn vs estimate: saving / (excess)	Outturn restated ⁶⁰	
	Administration			Programme							
	Gross	Income	Net	Gross	Income	Net					Net total estimate
Spending in departmental expenditure limit (DEL)											
B: Secure a safe, prosperous and resilient UK by coordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	43,339	(9,372)	33,967	153,758	(111,813)	41,945	75,912	27,425	76,835	923	62,189
C: Advance equality of opportunity across the UK	12,179	–	12,179	3,856	–	3,856	16,035	545	16,736	701	16,524
D: Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	683,559	(529,404)	154,155	90,751	(26,208)	64,543	218,698	(47,950)	262,600	43,902	319,255

Spending in departmental expenditure limit (DEL)	Administration					Programme			Outturn		Estimate	Outturn revised ⁶⁰
	Gross	Income	Net	Gross	Income	Net	Net	Total	Net	Total	Total estimate including virements	Outturn vs estimate: saving / (excess)
E: Support the design and implementation of government's and Prime Minister's priorities	154,963	(15,255)	139,708	142,477	(1,197)	141,280	280,988	254,302	26,686	280,988	–	243,585
F: Executive agency – Government												
Property Agency	756,787	(597,791)	158,996	–	–	–	158,996	231,336	(9,089)	222,247	63,251	209,829
G: ALBs (net)	36,850	–	36,850	5,378	–	5,378	42,228	47,786	2,181	49,967	7,739	21,068
Total voted DEL	1,687,685	(1,151,822)	535,863	402,482	(139,218)	263,264	799,127	915,643	–	915,643	116,516	889,926
Voted annually managed expenditure (AME)												
H: Cabinet Office AME	–	–	–	9,615,668	–	9,615,668	9,615,668	14,704,005	–	14,704,005	5,088,337	186
I: Government Property Agency AME	–	–	–	76,796	–	76,796	76,796	266,000	–	266,000	189,204	116,894
Total voted AME	–	–	–	9,692,464	–	9,692,464	9,692,464	14,970,005	–	14,970,005	5,277,541	117,080

£000	2023-24				2024-25				2023-24			
Spending in departmental expenditure limit (DEL)	Administration				Programme				Outturn		Outturn restated ⁶⁰	
	Administration				Programme				Estimate		Estimate	
	Gross	Income	Net	Gross	Income	Net	Net total	Total estimate	estimate including virements	estimate: saving / (excess)	Net total	Net total
Non-budget spending												
Prior period adjustment ⁶¹	-	-	-	-	-	-	-	-	-	-	-	34,726
Total non-budget	-	-	-	-	-	-	-	-	-	-	-	34,726
Total resource	1,687,685	(1,151,822)	535,863	10,094,946	(139,218)	9,955,728	10,491,591	15,885,648	-	15,885,648	5,394,057	1,041,732

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.

61 The statements of parliamentary supply were adjusted in 2023 to 2024 due a prior period adjustment. The adjustment was 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 2024 to 2025 resource outturn before adjustment for virements

Estimate sub-heading	2024-25 outturn (£000)	2024-25 estimate (£000)	Variance (£000)	Explanation
A: Seize the opportunities of EU Exit, through creating the world's most effective border to increase UK prosperity and enhance security	6,270	6,068	(202)	
B: Secure a safe, prosperous and resilient UK by coordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	75,912	49,410	(26,502)	This overspend is due to the fact that the depreciation budget for the core department is all within estimate line D however depreciation outturn is still recognised against individual cost centres and therefore in this line.
C: Advance equality of opportunity across the UK	16,035	16,191	156	
D: Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	218,698	310,550	91,852	This underspend is largely due to the estimate containing depreciation for the core department but only costs for this area being included in the outturn.
E: Support the design and implementation of government's and Prime Minister's priorities	280,988	254,302	(26,686)	This overspend is largely due to additional spending on national security programmes and spend on depreciation which is budgeted in estimate line D.
F: Executive agency – Government Property Agency	158,996	231,336	72,340	The saving is due to lower than anticipated depreciation and amortisation charges, delays on projects, unused contingency and higher than anticipated gainshare income.
G: ALBs (net)	42,228	47,786	5,558	The IBCA was established within the financial year so the estimate was inherently uncertain as a projection of likely costs of establishing a new organisation. Costs of establishing the organisation were lower than anticipated.

Estimate sub-heading	2024-25 outturn (£000)	2024-25 estimate (£000)	Variance (£000)	Explanation
H: Cabinet Office AME	9,615,668	14,704,005	5,088,337	This underspend is due to a reduction in the provision required for infected blood compensation.
I: Government Property Agency AME	76,796	266,000	189,204	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.
Total	10,491,591	15,885,648	5,394,057	

Explanations of variances between 2024 to 2025 and 2023 to 2024 resource outturn

Estimate sub-heading	2024-25 outturn (£000)	2023-24 outturn restated (£000) ⁶²	Variance (£000)	Explanation
A: Seize the opportunities of EU Exit, through creating the world's most effective border to increase UK prosperity and enhance security	6,270	17,476	11,206	This reduction in expenditure is due to increased programme activity in Borders Group in the prior year which was not replicated this year.
B: Secure a safe, prosperous and resilient UK by coordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	75,912	62,189	(13,723)	This increase in expenditure is due to increased spending on national security programmes.
C: Advance equality of opportunity across the UK	16,035	16,524	489	
D: Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	218,698	319,255	100,557	This decrease is largely driven by the drawdown of the CCS dividend in 2024 to 2025. See note 5.3 to the financial statements for further information.
E: Support the design and implementation of government's and Prime Minister's priorities	280,988	243,585	(37,403)	This increase is largely due to additional spending on national security programmes and spend on depreciation.
F: Executive agency – Government Property Agency	158,996	209,829	50,833	The decrease is predominantly due to reduced indexation charges on private finance initiative (PFI) liabilities.
G: ALBs (net)	42,228	21,068	(21,160)	Increase is due to resource expenditure for the new ALB the IBCA.
H: Cabinet Office AME	9,615,668	186	(9,615,482)	Increase is related to the creation of the provision for Infected Blood Compensation.
I: Government Property Agency AME	76,796	116,894	40,098	In 2023 to 2024 the GPA had a large amount of AME spend relating to the onboarding of properties which wasn't required in 2024 to 2025.
Total	10,491,591	1,007,006	(9,484,585)	

62 See note 2 to the financial statements.

SOPS 1.2. Analysis of net capital outturn by estimate line

£000	2024-25		2023-24	
	Outturn		Estimate	Outturn restated ⁶³
	Gross	Income	Net total estimate	Outturn vs estimate: saving / (excess)
Spending in departmental expenditure limit (DEL)			Virements	Net total
Voted DEL				
A: Seize the opportunities of EU Exit, through creating the world's most effective border to increase UK prosperity and enhance security	–	–	–	–
B: Secure a safe, prosperous and resilient UK by coordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	27,463	–	27,463	–
C: Advance equality of opportunity across the UK	–	–	–	–
D: Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	27,415	–	16,731	10,684
E: Support the design and implementation of government's and Prime Minister's priorities	5,559	–	6,299	(740)
F: Executive agency – Government Property Agency	381,923 (185,379)	196,544	286,646	(11,357)
G: ALBs (net)	18,558	–	26,635	–
Total voted DEL	460,918 (185,379)	275,539	362,361	86,822
				411,910

63 See note 2 to the financial statements.

£000	2024-25			2023-24		
Spending in departmental expenditure limit (DEL)	Outturn			Outturn restated ⁶³		
	Gross	Income	Net total estimate	Estimate including virements	Outturn vs estimate: saving / (excess)	Net total
Voted annually managed expenditure (AME)						
H: Cabinet Office AME	59,851	–	59,851	272,005	–	212,154
I: Government Property Agency AME	–	–	–	30,000	–	30,000
Total voted AME	59,851	–	59,851	302,005	–	242,154
Non-budget spending						
Prior period adjustment ⁶⁴	–	–	–	–	–	(53,498)
Total non-budget spending	–	–	–	–	–	(53,498)
Total capital	520,769	(185,379)	335,390	664,366	–	328,976
						358,412

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.

⁶⁴ The statements of parliamentary supply was restated due a prior period adjustment performed in 2023 to 2024. The adjustment was 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 2024 to 2025 capital outturn before adjustment for virements

Estimate sub-heading	2024-25 outturn (£000)	2024-25 estimate (£000)	Variance (£000)	Explanation
A: Seize the opportunities of EU Exit, through creating the world's most effective border to increase UK prosperity and enhance security	–	–	–	
B: Secure a safe, prosperous and resilient UK by coordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	27,463	26,050	(1,413)	This overspend is due to additional costs for government-wide secure IT systems.
C: Advance equality of opportunity across the UK	–	–	–	
D: Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	27,415	16,731	(10,684)	This overspend is largely additional costs associated with the refresh of the Cabinet Office's IT hardware.
E: Support the design and implementation of government's and Prime Minister's priorities	5,559	6,299	740	
F: Executive agency – Government Property Agency	196,544	286,646	90,102	This underspend is due to delays on government hub projects and lower than expected right of use asset charges.
G: ALBs (net)	18,558	26,635	8,077	This underspend is due to the costs of setting up the IBCA being uncertain and based on estimates. Actual costs were lower than the original projection.
H: Cabinet Office AME	59,851	272,005	212,154	This underspend is driven by there being fewer compensation payments made in-year by the Infected Blood Compensation Authority than allowed for in their budget.

Estimate sub-heading	2024-25 outturn (£000)	2024-25 estimate (£000)	Variance (£000)	Explanation
I: Government Property Agency AME	–	30,000	30,000	GPA requested £30 million of Capital AME in the estimate, but this was subsequently not required. AME outturn is by its nature unpredictable so the request is based on a worst-case scenario that didn't materialise.
Total	335,390	664,366	328,976	

Explanations of variances between 2024 to 2025 and 2023 to 2024 capital outturn

Estimate sub-heading	2024-25 outturn (£000)	2023-24 outturn restated (£000) ⁶⁵	Variance (£000)	Explanation
A: Seize the opportunities of EU Exit, through creating the world's most effective border to increase UK prosperity and enhance security	–	–	–	
B: Secure a safe, prosperous and resilient UK by coordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	27,463	25,713	(1,750)	This increase in outturn was due to additional costs for government-wide secure IT systems.
C: Advance equality of opportunity across the UK	–	–	–	
D: Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	27,415	19,182	(8,233)	The increase in outturn was driven by additional spend on digital projects and lease costs.
E: Support the design and implementation of government's and Prime Minister's priorities	5,559	9,049	3,490	In 2023 to 2024 there was an increase in capital expenditure attributable to fitting out the COVID-19 Inquiry building.

⁶⁵ See note 2 to the financial statements.

Estimate sub-heading	2024-25 outturn (£000)	2023-24 outturn restated (£000) ⁶⁵	Variance (£000)	Explanation
F: Executive agency – Government Property Agency	196,544	357,722	161,178	In 2023 to 2024 GPA had an increase in capital expenditure driven by additions to right-of-use property assets.
G: ALBs (net)	18,558	244	(18,314)	This increase is due to capital expenditure required to set up the Infected Blood Compensation Authority.
H: Cabinet Office AME	59,851	–	(59,851)	AME expenditure has increased due to compensation payments made by the Infected Blood Compensation Authority.
I: Government Property Agency AME	–	–	–	
Total	335,390	411,910	76,520	

SOPS 2. Reconciliation of net outturn

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		2024-25	2023-24
	Note	Outturn	Outturn restated ⁶⁶
Budget		10,491,591	1,007,006
Non-budget		–	34,726
Total resource outturn in the SOPS	SOPS 1.1	10,491,591	1,041,732
Add items in CSoCNE and not in SOPS:			
Capital grants	4	150,279	12,340
Compensation payments (CAME)	4	59,851	–
(Gain) / loss on disposal of finance asset	4, 10	–	(30,811)
Capital grant income	5	(4,917)	(17,869)
Crown Commercial Service dividend income	5, SOPS 4	(71,000)	(71,000)
Official Receiver working capital received	5, SOPS 4	(3,000)	(43,250)
Capital receipts from disposals	5	–	(375)
Income from minor disposals – payable to the Consolidated Fund	5, SOPS 4	–	(22)
Share of associates' profit	10	(587)	(7,531)
Fair value (gain) / loss on financial assets – associate put options (non-cash)	10	1,090	(262)
Elimination adjustment ⁶⁷		797	11,956
Less items in SOPS and not in CSoCNE:			
UK members of the European Parliament salaries and pension		(2,006)	(1,939)
Dividends received from associates	10	753	4,251
Local government loan repayments	10	1,132	1,893
GPA prior period adjustment		–	(34,726)
Net expenditure in the CSoCNE	CSoCNE	10,623,983	864,387

⁶⁶ See note 2 to the financial statements.

⁶⁷ 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.

The following items function as reconciling items between resource and net operating expenditure due to differences in how they are treated in budgeting and in the financial statements.

Capital grants and capital grant income are budgeted for as capital departmental expenditure limit (CDEL) but accounted for as expenditure and income in the Consolidated Statement of Net Expenditure (CSoCNE). Capital grant transactions generally relate to property assets transfer to and from the GPA. In 2024 to 2025, property with a value of £144.3 million was transferred to the Home Office and property with a value of £2.8 million was transferred in from Companies House. These amounts are offset by capital grant-in-kind expenditure/income in the CSoCNE.

Compensation payments are budgeted for as capital annually managed expenditure (CAME) but accounted for as expenditure in the CSoCNE.

Income payable to the Consolidated Fund does not appear in the budgetary framework but is accounted for as income in the financial statements. This category includes the Crown Commercial Service dividend income (£71.0 million) and the Official Receiver working capital received (£3.0 million).

The dividends received from associates are budgeted for as income but they are treated as a reduction in the 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.

The fair value (gain) / loss on financial assets – associate put options (non-cash) is not included in budgeting for but is recognised as income or expenditure in the CSoCNE.

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.

The UK members of the European Parliament salaries and pension are budgeted for as Annually Managed Expenditure (AME) but are not included in the financial statements because the actual cash payments are made by HM Treasury.

Loan repayments which are not being recycled as sustainable grants are budgeted for as income but are recognised as loan repayments against the value of the asset in 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

2024-25

		Note	Outturn	Estimate	Outturn vs estimate saving / (excess)
Total resource outturn	SOPS 1.1		10,491,591	15,885,648	5,394,057
Total capital outturn	SOPS 1.2		335,390	664,366	328,976
Adjustments for arm's length bodies:					
Add cash grant-in-aid			104,719	346,731	242,012
Remove voted resource and capital	SOPS 1.1		(9,702,756)	(15,046,731)	(5,343,975)
Remove voted resource and capital – accruals			9,644,294	–	(9,644,294)
Adjustments to remove non-cash items:					
Depreciation, impairment and property gains	4		(239,927)	(472,713)	(232,786)
Provisions and other non-cash costs	4		(9,686,956)	(23,200)	9,663,756
Non-cash income	5		1,022	–	(1,022)
Salary and pension costs of the UK members of European Parliament ('Consolidated Fund Standing Services' in the estimate)	SOPS 2		(2,006)	–	2,006
Adjustment to reflect movements in working balances:					
Increase / (decrease) in inventories			135	–	(135)
Increase / (decrease) in trade receivables			272,735	60,000	(212,735)
(Increase) / decrease in trade payables			40,023	360,000	319,977
Use of provisions	14		61,225	–	(61,225)
Elimination adjustment			797	–	(797)
Remove voted resource and capital – accruals			(46,388)	–	46,388
Net total			1,273,898	1,774,101	500,203
Removal of amounts due to the consolidated fund:					
Cash surrendered to the Consolidated Fund from disposals			(47)	–	47

£000

2024-25

**Outturn vs
estimate
saving /
(excess)**

	Note	Outturn	Estimate	
Registrar of Consultant Lobbyists				
- Cash surrendered to the Consolidated Fund	13, SOPS 4	(224)	–	224
- Cash surrenderable to the Consolidated Fund – registration fees	13, SOPS 4	240	–	(240)
- Cash surrenderable to the Consolidated Fund – civil penalties	13, SOPS 4	11	–	(11)
Net cash requirement		1,273,878	1,774,101	500,223

The net cash requirement is under budget by £500.2 million due to the movement in working capital (£92.2 million) being lower than budgeted for, as well as underspends on voted resource (£79.0 million) and capital (£329.0 million). See SOPS 1.1 and SOPS 1.2 for explanations for the main variances against the estimate provided, which have 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		2024-25	2024-25	2023-24	2023-24
	Note	Accruals	Cash basis	Accruals	Cash basis
Crown Commercial Service					
Recoveries from Crown Commercial Service	10.3	71,000	71,000	71,000	71,000
Disposal of financial assets					
Disposal of Carillion assets	12	–	–	40,750	40,750
Disposal of UK Cloud assets	12	3,000	3,000	2,500	2,500
Shareholding in Shared Services Connected Limited	10.2	–	–	82,150	82,150
Disposal of non-financial assets					
Other minor disposals		–	–	22	22
Registrar of Consultant Lobbyists					
Registration fees from consultant lobbyists	5.1, 13	240	240	222	222
Registration fees from consultant lobbyists – receivable		–	–	1	–
Revenue collected on behalf of the Consolidated Fund					
Civil penalties applied to consultant lobbyists – collected on behalf of Consolidated Fund	13	11	11	3	3
Total amount payable to the Consolidated Fund		74,251	74,251	196,648	196,647

Income payable to the Consolidated Fund

Crown Commercial Service

The dividend which the Cabinet Office receives from the Crown Commercial Service has been treated as income in the financial statements; however, in 2024 to 2025 and 2023 to 2024, £71 million was returned to HM Treasury and is not classified as income in the statement of outturn against parliamentary supply. In 2024 to 2025, the Cabinet Office retained £90 million, which is recognised as income in both the financial statements and the statement of parliamentary supply.

Recoveries from the Official Receiver

In 2024 to 2025 Cabinet Office received £nil (2023 to 2024: £40.8 million) relating to the receivership of Carillion plc and £3 million (2023 to 2024: £2.5 million) relating to UK Cloud Ltd which is surrenderable to the Consolidated Fund.

Disposal of shareholdings in associates

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 recognised in 2023 to 2024.

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. The final cash receipts were received in 2023 to 2024 and amounted to £21,775.

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 2024 to 2025 amounted to £240,430 (2023 to 2024: £222,564).

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 2024 to 2025 was £10,731 (2023 to 2024: £2,632).

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.

	2024-25	2024-25	2023-24	2023-24
	Core department and agency	Departmental group	Core department and agency	Departmental group
Total value of losses (£000)	1,181	1,181	8,802	8,802
Total number of losses	437	437	352	352
Cash losses				
Value (£000)	616	616	347	347
Number of cases	392	392	317	317
Claims abandoned				
Value (£000)	–	–	371	371
Number of cases	–	–	1	1
Administrative write-offs				
Value (£000)	12	12	2	2
Number of cases	4	4	4	4
Fruitless payments				
Value (£000)	26	26	52	52
Number of cases	26	26	19	19
Special payments				
Value (£000)	527	527	8,030	8,030
Number of cases	15	15	11	11

Includes six special severance payments with a maximum of £201,401.78 a median of £58,910.79 and a minimum of £30,000

Details of cases over £300,000

No payments over £300,000 were made in 2024 to 2025.

4.2. Fees and charges (audited)

The Cabinet Office does not fund any services through fees or charges based upon 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 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 2020.⁶⁸

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.

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 2021.⁶⁹

⁶⁸ Cabinet Office, '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

⁶⁹ UK Parliament, 'Indemnification to UNFCCC: Notification to Parliament', available at <https://hansard.parliament.uk/commons/2021-07-21/debates/21072185000013/IndemnificationToUNFCCCNotificationToParliament>

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 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 not less than 14 days' notice. Parliament was notified of this contingent liability on 15 January 2018.⁷⁰

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 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 not less than 14 days' notice. Parliament was notified of this contingent liability on 26 October 2022.⁷¹

Indemnity for trustees of the Commission for Racial Equality Pension and Life Assurance Scheme

The government has indemnified the trustees of the Commission for Racial Equality Pension and Life Assurance Scheme (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 2022.⁷²

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.

Commercial sensitivity – GPA

The GPA has entered into contingent liabilities in the ordinary course of business by offering contractual guarantee limitations to supplier liabilities. The details of these liabilities 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.

70 UK Parliament, 'Indemnification to UNFCCC: Notification to Parliament', available at <https://hansard.parliament.uk/commons/2021-07-21/debates/21072185000013/IndemnificationToUNFCCCNotificationToParliament>

71 UK Parliament, 'Notification of Contingent Liabilities: Liquidation of UKCloud Ltd and Virtual Infrastructure Group', available at <https://hansard.parliament.uk/commons/2022-10-26/debates/22102642000005/NotificationOfContingentLiabilitiesLiquidationOfUkcloudLtdAndVirtualInfrastructureGroup>

72 GOV.UK, 'Commission for Racial Equality Pension and Life Assurance Scheme (CREPLAS) wind-up: departmental minute', 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

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, of which the likelihood of future outflow of economic resources is considered unlikely.

Legally privileged – GPA

The GPA has contingent liabilities entered into in the ordinary course of business which are subject to legal privilege for which details are not given to avoid prejudicing the position of the GPA. The likelihood of future outflow of economic resources is considered remote.

Dilapidations – GPA

The GPA is party to Memorandum of Terms of Occupation (MOTO) payable lease agreements on behalf of clients. A liability for dilapidations exists upon exit of the lease, contingent on the landlord pursuing a successful claim against the GPA. The GPA considers that the likelihood of dilapidations liabilities accruing to the GPA under MOTO payables to be remote. Using floor areas of the lease agreements and industry standard rates, the GPA has reliably estimated this remote contingent liability to be £10.0 million. Where dilapidations settlements are made against MOTO payable lease agreements, it is the GPA's policy to seek cost recovery from the underlying client.

4.4. Reconciliation between contingent liabilities reported in the supply estimate and those reported in the annual report and accounts

Quantifiable CLs

Description	Supply estimate	Amount disclosed in annual report and accounts (£000)	Variance
Dilapidations – GPA	No	Yes – £10,000	New disclosure added during the accounts production process

Unquantifiable CLs

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	–
Commercial sensitivity – GPA	No	Yes	New disclosure added during the accounts production process
Legally privileged – remote	Yes	Yes	One row included in the supply estimate which covered both remote and non-remote legally privileged contingent liabilities
Legally privileged – non remote	Yes	Yes	One row included in the supply estimate which covered both remote and non-remote legally privileged contingent liabilities
Legally privileged – GPA	Yes	Yes	One row included in the supply estimate which covered both remote and non-remote legally privileged contingent liabilities
Dilapidations – GPA	No	Yes	New disclosure added during the accounts production process

5. Other matters of public interest

5.1. 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 10 to the accounts and on the Crown Commercial Service page of the GOV.UK website.

Non-ministerial department – UK Statistics Authority

The UK Statistics Authority was established under the Statistics and Registration Service Act 2007. The authority is an independent statutory body. It operates at arm's length from government as a non-ministerial department and reports directly to the UK Parliament, the Scottish Parliament, the Welsh Parliament and the Northern Ireland Assembly. It has a statutory objective of promoting and safeguarding the production and publication of official statistics that 'serve the public good'. Further information can be found on the UK Statistics Authority website.

5.2. 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 GOV.UK.

5.3. Government functional standards

The Cabinet Office follows the government functional standards (further information on the content of the government functional standards can be found on GOV.UK).

5.4. Complaints to the Parliamentary and Health Service Ombudsman (PHSO)

In 2024 to 2025 the Parliamentary and Health Service Ombudsman (PHSO) closed ten complaints against the Cabinet Office; six did not meet the threshold for primary investigation and four cases were closed following primary investigation. One complaint was accepted for detailed investigation and no complaints were upheld. Three complaints are still in progress with no decision made in 2024 to 2025.

The Cabinet Office treats the complaints it receives seriously however, the volume of complaints was too low to identify any systemic issues or draw any conclusions. Every complaint is investigated thoroughly by a trained official at the appropriate level of authority. The department is committed to providing a quality service and to reviewing its processes for handling all incoming correspondence, including our handling of complaints. The department has published its complaint handling procedure on GOV.UK.

5.5. Performance in responding to correspondence from the public

During the 2024 to 2025 reporting year, the Cabinet Office responded to 2,317 correspondence enquiries from members of the public ('treat official' correspondence). 85% of these responses were sent within 20 working days (the cross-Government target is 80%). These enquiries covered policies across Cabinet Office responsibilities, with a particular interest in the government's response to the Infected Blood Inquiry and the law on conversion practices.

5.6. Expenditure on official residences

The Downing Street estate 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 allowance of up to £30,000 a year on average to contribute towards the costs associated with routine redecoration and modernisation of the residency within the Downing Street estate. During 2024 to 2025 the Cabinet Office spent £14,319.20 on refurbishment and £15,442.47 on furnishing the empty flat*. Prime Ministers are given the choice of bringing their own items or allowing Cabinet Office to furnish on a modest basis in which case the items are permanently retained by Government.

5.7. Publicity and advertising

The Government Communication Service (GCS) is the part of the Cabinet Office that spends the most on publicity and advertising. It spent circa £10.4 million during the 2024 to 2025 financial year.

The vast majority of this expenditure was in respect of the GREAT Britain & Northern Ireland Campaign (GREAT) campaign. The GREAT campaign aims to enhance the UK's international reputation and drive economic growth across the nation by encouraging a primarily international audience to visit, study, trade, invest, live and work in the UK.

*These figures have not been subject to audit.

5.8. Details of sponsorship agreements over £5,000

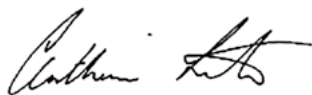
The Cabinet Office did not have any sponsorship expenditure in 2024 to 2025.

The Cabinet Office has received sponsorship income for two events hosted by the GREAT campaign.

GREAT FUTURES was a major event in Riyadh which connected 450 British businesses with over 800 Saudi decision-makers, creating opportunities across trade, investment, tourism, education and cultural engagement as Saudi Arabia delivers Vision 2030 GREAT FUTURES.

GREAT's annual reception is held for its network of private sector supporters, to engage potential new private sector supporters (individuals and companies) and inform them about the work of HMG and GREAT to get them involved in future long-term activities.

Sponsor	Sponsorship amount	Event
TAG	£75,000	GREAT FUTURES KSA
Bechtel	£50,000	GREAT FUTURES KSA
Howden	£50,000	GREAT FUTURES KSA
GUS	£50,000	GREAT FUTURES KSA
Innovo	£50,000	GREAT FUTURES KSA
North Highland	£100,000	GREAT FUTURES KSA
HSBC (EI Advisory)	£200,000	GREAT FUTURES KSA
HSBC (EI Advisory)	£12,500	GREAT reception
LADBible Group	£12,500	GREAT reception
Premier League	£10,000	GREAT reception



Catherine Little CB

Chief Operating Officer for the Civil Service,
Permanent Secretary and Principal
Accounting Officer
16 October 2025

■ The certificate 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 2025 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 2024. The financial statements comprise: the Department's and the Departmental Group's:

- Consolidated Statement of Financial Position as at 31 March 2025;
- Consolidated Statement of Comprehensive Net Expenditure, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Taxpayers' Equity for the year then ended; and
- 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 effects of the matters described in *the Basis for 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 2025 and their net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2025 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for qualified opinion on the financial statements

In respect of the provisions held by the Departmental Group, the evidence available to me was limited as the Departmental Group was unable to provide sufficient evidence to support its key assumptions on the expected volume of claimants for three of the four cohorts within the Infected Blood Compensation Scheme. I was unable to satisfy myself by using alternative means as other available data sources were not appropriate to support alternative audit procedures to obtain the required evidence.

Consequently, I have been unable to obtain sufficient appropriate evidence to support the value of £6,987 million of the £9,582 million Infected Blood Compensation Scheme provisions included within the Departmental Group Statement of Financial Position as at 31 March 2025, comprising liabilities for compensation due to infected non-registered people (£1,415 million), estates of infected people who have died (£2,819 million) and affected people (£2,753 million). I have also been unable to obtain sufficient appropriate evidence to support the related expenditure of £6,987 million included within the Departmental Group Statement of Comprehensive Net Expenditure for the recognition of provisions during the period.

Whilst I have not been able to reliably quantify the effect of this matter due to the limitations described, I consider the effect of these issues to be potentially material in terms of the valuation of these liabilities and the accuracy of the related expenditure. I was unable to determine whether any adjustment to the valuation of the provisions or the related expenditure was necessary.

My assessment of the matters giving rise to qualified opinion

Recognition and Measurement of the Infected Blood Compensation Scheme Provision

Matter giving rise to the qualification

The Departmental Group has recognised a provision of £9,582 million for the first time during the financial year ended 31 March 2025 in respect of the Infected Blood Compensation Scheme and estimated compensation due to individuals who have suffered as a result of infected blood and infected blood products. Note 14 to the financial statements discloses further information on the Infected Blood Compensation Scheme.

I have qualified my opinion on the Departmental Group's financial statements as the Departmental Group, through the Infected Blood Compensation Authority, has been unable to provide sufficient evidence to support its key assumptions on the expected volume of claimants for three of the four cohorts within the Infected Blood Compensation Scheme, amounting to £6,987 million of the provision as at 31 March 2025 and the related expenditure incurred on recognition.

The Departmental Group, through the Infected Blood Compensation Authority, has however been able to provide sufficient evidence to support the £2,595 million provision for compensation to infected individuals registered on an existing Infected

Blood Support Scheme and the £60 million compensation payments made from the provision during the year.

Scope of my work

My audit work on the Infected Blood Compensation Scheme provision included:

- assessing the design and implementation of the Departmental Group's controls related to the recognition and measurement of the provision;
- assessing the completeness of provisions recognised by reference to the Victims and Prisoners Act 2024, The Infected Blood Compensation Scheme Regulations 2025, and public announcements made in response to recommendations from the Infected Blood Public Inquiry;
- evaluating the reasonableness of assumptions made by the Infected Blood Compensation Authority in relation to the number of expected claimants for each cohort;
- evaluating the reasonableness of other key medical and financial assumptions, utilising support from a medical expert as appropriate;
- testing of input data used within the provision model including review of consistency with The Infected Blood Compensation Scheme Regulations 2025;
- assessing the operation and mathematical integrity of the provision model;
- sample testing compensation payments made during the year; and
- evaluating management's related disclosures.

Why I was unable to obtain sufficient appropriate evidence

As at 31 March 2025 the Infected Blood Compensation Authority had not opened its claim service for infected individuals not yet registered, the estates of infected individuals who have died, and affected individuals. The infancy of the Compensation Scheme means there is minimal historic data available, if any, for these three cohorts, and the Infected Blood Compensation Authority and Departmental Group has not provided sufficient evidence to support its key assumptions on the number of expected claimants. The key assumptions on claimant volumes have a material impact on the provisions calculated and therefore I limited the scope of my audit opinion in relation to £6,987 million of the £9,582 million Infected Blood Compensation Scheme provisions.

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 (2024)*. 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 2024*. 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 - Victims and Prisoners Act 2024 - The Infected Blood Compensation Scheme Regulations 2025
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.

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 following areas because they did not have a significant effect on the overall audit strategy or allocation of resources in the audit and because my work has not identified any matters to report: presumed risk on the potential for management override of controls; presumed risk of fraud in revenue recognition; Machinery of Government changes; identification of the accounting boundary; valuation of dilapidation provisions; and recognition and measurement of the support services contingent liability.

The key audit matters I have determined to be communicated in my certificate, below, are in addition to the issue described in the *Basis for qualified opinion on the financial statements* section of my certificate. I discussed both sets of issues with the Audit and Risk Committee. Matters that they considered to be significant to the

financial statements are included within risks reported in the governance statement on pages 67-70.

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

- a new key audit matter for the recognition and measurement of the Infected Blood Compensation Scheme Provisions;
- new significant risks on the accounting boundary and recognition and measurement of the support services contingent liability which do not represent key audit matters; and
- risks in the prior year related to accounting for the sale of SSCL, accounting for the dividend from CCS, IT systems changes within GPA, PFI financing liabilities, manual accruals and breach of CO spending controls are not considered significant risks for 2024-25.

Assets under construction held by the Government Property Agency

Description of risk

This key audit matter was one of the most significant assessed risks of material misstatement in both the year ended 31 March 2025 and the presentation of prior year comparatives. I qualified my opinion on the Department and Departmental Group financial statements for the year ended 31 March 2024 in respect of limited evidence available from the Government Property Agency to support £28 million of the £330 million payments on accounts and assets under construction represented in the Department and its Group's Statement of Financial Position at 31 March 2024, and £127 million of the £295 million payments on account and assets under construction at 31 March 2023. The evidence available during the prior year was also insufficient 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, into the operational asset categories of intangible assets, IT, plant and machinery and leasehold improvements. Consequently, I was also unable to assess the completeness and accuracy of the depreciation, amortisation and impairment transactions in the Department and its Group's Statement of Comprehensive Net Expenditure for the years ended 31 March 2024 and 31 March 2023. My report on the financial statements for the year ended 31 March 2024 provided further details of these matters.

During 2024-25, the Government Property Agency planned to complete a project to review all of its assets under construction transactions and balances. As a result of my prior year qualification and the scale of work to be completed by management, I considered there was a significant risk of material misstatement related to the valuation and classification of assets under construction and the completeness and

valuation of depreciation and amortisation charges for 2024-25. This risk related to balances recognised in the Department and Departmental Group Statement of Financial Position as at 31 March 2025, 31 March 2024 and 1 April 2023 and transactions in the 2024-25 and 2023-24 Statements of Comprehensive Net Expenditure.

How the scope of my audit responded to the risk

My work included:

- reviewing the design and implementation of the Department's controls over additions to assets under construction and reclassifications and impairments of assets under construction;
- sample testing reclassifications from assets under construction to operational asset categories across the financial years ended 31 March 2023, 31 March 2024 and 31 March 2025 to assess the appropriateness of the reclassifications and the supporting evidence available;
- reviewing a sample of assets under construction at 1 April 2023, 31 March 2024 and 31 March 2025 to assess whether projects were still in progress at the reporting dates;
- reviewing the Department's impairment assessment at 31 March 2024 and 31 March 2025 and undertaking an independent review for slow-moving and static balances to assess the completeness of impairments;
- testing a sample of additions to assets under construction during the year ended 31 March 2025;
- assessing the level of adjustments processed in 2024-25 relating to previous financial years to ensure the level of cumulative misstatement was not material for either the year ended 31 March 2025 or the prior year comparatives; and

- reviewing the reconciliation of the non-current asset register to the general ledger to support predictive analytical procedures completed on depreciation and amortisation charges.

Key observations

I found management's controls were designed and implemented sufficiently to address the risk of material misstatement. Through the substantive procedures completed I have obtained sufficient appropriate assurance over the valuation of the Department and Departmental Group's assets under construction and the reclassification and other adjustments made to operational asset categories as at 31 March 2025, 31 March 2024 and 1 April 2023. I have also obtained sufficient assurance over the depreciation, amortisation and impairment transactions within the Statements of Comprehensive Net Expenditure for the years ended 31 March 2025 and 31 March 2024.

Management of non-current assets at the core department

Description of risk

The core department held property, plant and equipment of £144 million (note 6) and intangible assets of £61 million (note 8) at 31 March 2025. During the prior year's audit, I found that the core department had not properly maintained its non-current asset register for the 2023 to 2024 financial year. In particular, it had not processed additions in the non-current asset register on a timely basis or reclassified assets which were already in operational use from assets under construction to other asset categories. Through testing completed for the year ended 31 March 2025, I found that the core department had corrected the non-current asset register to include all 2023-24 activity but had not properly maintained the non-current asset register for the activity in the 2024-25 financial year. In particular, it had not processed additions in the non-current asset register on a timely basis nor reclassified assets which were already in operational use from assets under construction to other asset categories. I identified a risk that plant and equipment plus intangible 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

My work included:

- reviewing the design and implementation of management's controls to account for non-current assets;
- reviewing the adjustments posted to the non-current asset register to confirm that appropriate corrections had been made for 2023 to 2024 financial year transactions;
- reviewing the reconciliation of the non-current asset register to the balances reported in the financial statements as 31 March 2025;

- testing a sample of additions and reperforming the calculations for depreciation and amortisation;
- reviewing and testing intangible asset projects to gain assurance that assets under development had been appropriately classified and held at the appropriate value;
- considering management's conclusions on the need for impairment and any write-offs arising; and
- evaluating management's post year-end assessment of 2024-25 activity that had not been appropriately accounted for and agreeing adjustments and the impact of any misstatements.

Key observations

I found that the core department had corrected the non-current asset register to include all 2023-24 activity but deficiencies still exist in the processes to maintain the non-current asset register for the activity in the 2024-25 financial year. Management undertook processes to assess the impact of this after the year end and I have sufficient evidence to support my opinion.

Accounting for leasehold properties under IFRS 16 Leases

Description of risk

Through the Government Property Agency, the Department 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 Department and Departmental Group recognises a right of use asset. Where the sub-lease is a finance lease, a finance lease receivable is recognised. At 31 March 2025, the Departmental Group held £295 million of right of use assets (Note 7.1) and £840 million of finance lease receivables (Note 7.2) (2024 restated: £354 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 the Department's controls over the recognition of lease liabilities and lease receivables;
- confirming the completeness of the leases recognised by reconciling to the prior year audited lease listing, considering Investment Committee and National Property Board approvals for new leases and lease modifications, reconciling the list

of properties with income recharges to the lease listing and reviewing post year-end right of use additions and de-recognitions;

- 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 appropriately;
- reperforming the calculation of lease receivables and liabilities for a sample of new and ongoing leases; and
- 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 found that the Group's key controls in relation to recognition, measurement and completeness of leases had been designed and implemented adequately. I also found that lease arrangements were materially complete and for a sample of lease arrangements, I observed that transactions and balances had been accounted for appropriately in accordance with IFRS 16 Leases.

Valuation of freehold land and buildings

Description of risk

The Departmental Group recognises £1,335 million of land and buildings assets on its consolidated statement of financial position as at 31 March 2025 (£1,337 million as at 31 March 2024). The Government Property Agency (a significant component of the group) recognises £1,250 million (Note 6) of these assets (£1,252 million as at 31 March 2024).

As described in note 1.18 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; and
- considering changes to the property portfolio and any impact on the basis of valuation

Key observations

I found that the Departmental 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.

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 a whole as follows:

Departmental Group

Materiality for the group financial statements as a whole	£191.6 million
Basis for determining materiality	2% of the value of the Infected Blood Compensation Scheme provision
Rationale for the benchmark applied	The Infected Blood Compensation Scheme provision is of interest to the users of the accounts as the largest and most complex balance being managed by the Departmental Group. Its valuation is subject to significant uncertainty arising from the complexity of estimating the expected number of claimants, and other key assumptions. I have therefore set materiality at a level intended to reflect my view that a greater level of precision would potentially overstate the confidence that users may place on using this information for their decision making.
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 the Infected Blood Compensation Scheme provisions (excluding provisions utilisation) and the related expenditure.
Additional materiality for transactions, balances and disclosures unrelated to the Infected Blood Compensation Scheme	£39.2 million
Basis for determining materiality	1% of the value of gross assets
Rationale for the benchmark applied	There are activities and financial statement values unconnected with the provision that will be of interest and misstatements of a lesser amount than overall materiality could influence the decisions of users of the accounts. The group manages a significant proportion of the governmental estate which is also considered a key focus of users of the account.
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 the Infected Blood Compensation Scheme provision.

Departmental Group

Materiality for Infected Blood Compensation Scheme payments	£1.2 million
Basis for determining materiality	2% of Infected Blood Compensation Scheme provisions utilisation representing the compensation payments made.
Rationale for the benchmark applied	There is a high degree of public and parliamentary interest in the speed of claims being paid, the average value of claims and whether individual claims have been calculated accurately in accordance with the Scheme regulations.
Particular classes of transactions, account balances and disclosures where this level of materiality has been applied	Applicable to compensation payments made for the infected blood compensation scheme.

Department

Materiality for the parent financial statements as a whole	£39.0 million
Basis for determining materiality	1% of the value of gross assets
Rationale for the benchmark applied	Assets are the largest item in the Department's statement of financial position and are considered 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	All assets, liabilities, income and expenditure in the parent with the exception of Public Duty Costs Allowance expenditure.
Materiality for Public Duty Cost Allowance	£15,650
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 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 Costs 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 65% of the overall Group materiality for the Infected Blood Compensation Scheme provision related transactions and balances and 75% of the applicable reduced materiality levels

for all other transactions and balances for the 2024-25 audit (2023-24: 75%). The performance materiality of 65% has been set for 2024-25 to recognise the greater uncertainty associated with the new provision for compensation for infected blood. In determining performance materiality for all other transactions and balances, I have also considered the uncorrected misstatements identified in the previous period.

Other Materiality Considerations

There were significant revisions to materiality compared to prior period reflecting the expansion of the Departmental Group to include the Infected Blood Compensation Authority established on 24 May 2024. The Group financial statements include a new significant complex provision for compensation payments to be made to those impacted by infected blood products. Overall Group Materiality has been set based on the Infected Blood Compensation provision with a reduced materiality applicable to all other classes of transactions, balances and disclosures that are not directly related to the provision.

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 report 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 have decreased net expenditure by £19.3m, decreased net assets by £13.0m and increased reserves by £32.3m.

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. This included a consideration of the estimation uncertainty attaching to specific balances, transaction streams and disclosures. In making this assessment in respect of my work on regularity, I considered the risks of non-compliance with the framework of authorities, including both statutory elements and other authorities including HM Treasury and Cabinet Office controls.

The Cabinet Office group has £12.0 billion of gross liabilities, £3.9 billion of gross assets and £11.9 billion of gross expenditure.

The group's largest transactions and balances include £9.6 billion of liabilities and gross expenditure for the Infected Blood Compensation provision recognised for the first time during the financial year ended 31 March 2025. Components within the group that have significant transactions and balances are the Infected Blood Compensation Authority, the Government Property Agency and the core department. Other components within the group are the Equality and Human Rights Commission, the Civil Service Commission and the Office of the Registrar of Consultant Lobbyists.

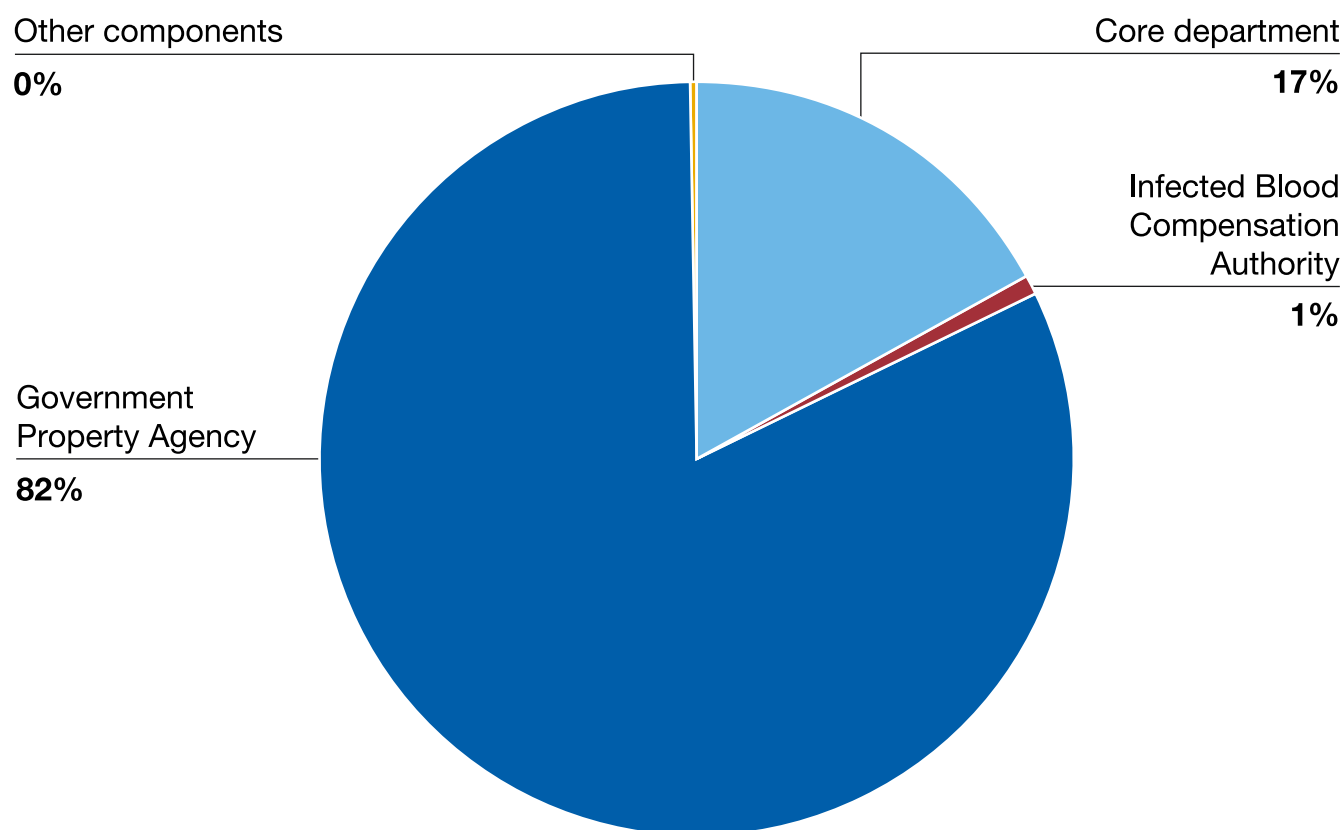
I have audited the full financial information of the core department, the Government Property Agency, and the Infected Blood Compensation Authority as well as the group consolidation. As Group auditor, I have

used the work of the component auditors in respect of specific account areas per my risk assessment. I have engaged regularly with component auditors on the Group significant risks, and I asked component auditors to report issues and errors identified by exception and considered the impact of them on the Group audit. I have used the work of component auditors for specific account areas which contribute to significant risks. I instructed the component auditors of the Government Property Agency and the Infected Blood Compensation Authority to test key journals relating to the risk of management override and the manipulation of the Statement of Outturn against Parliamentary Supply.

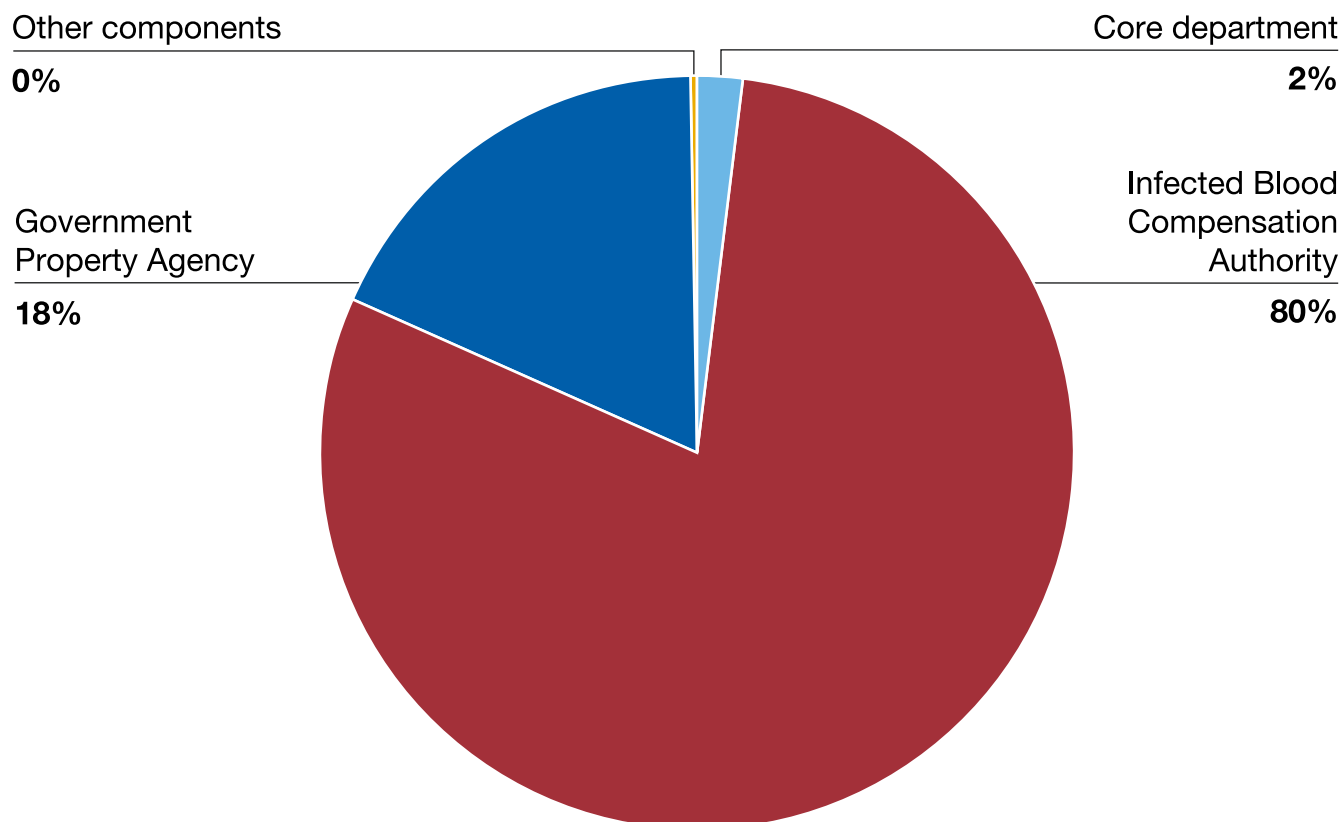
The Statement of Outturn against Parliamentary Supply was audited through reconciliation of all disclosures back to underlying records that were audited. I also assessed the likelihood of management override through procedures seeking to identify any amendments which would avoid a breach of parliamentary 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.

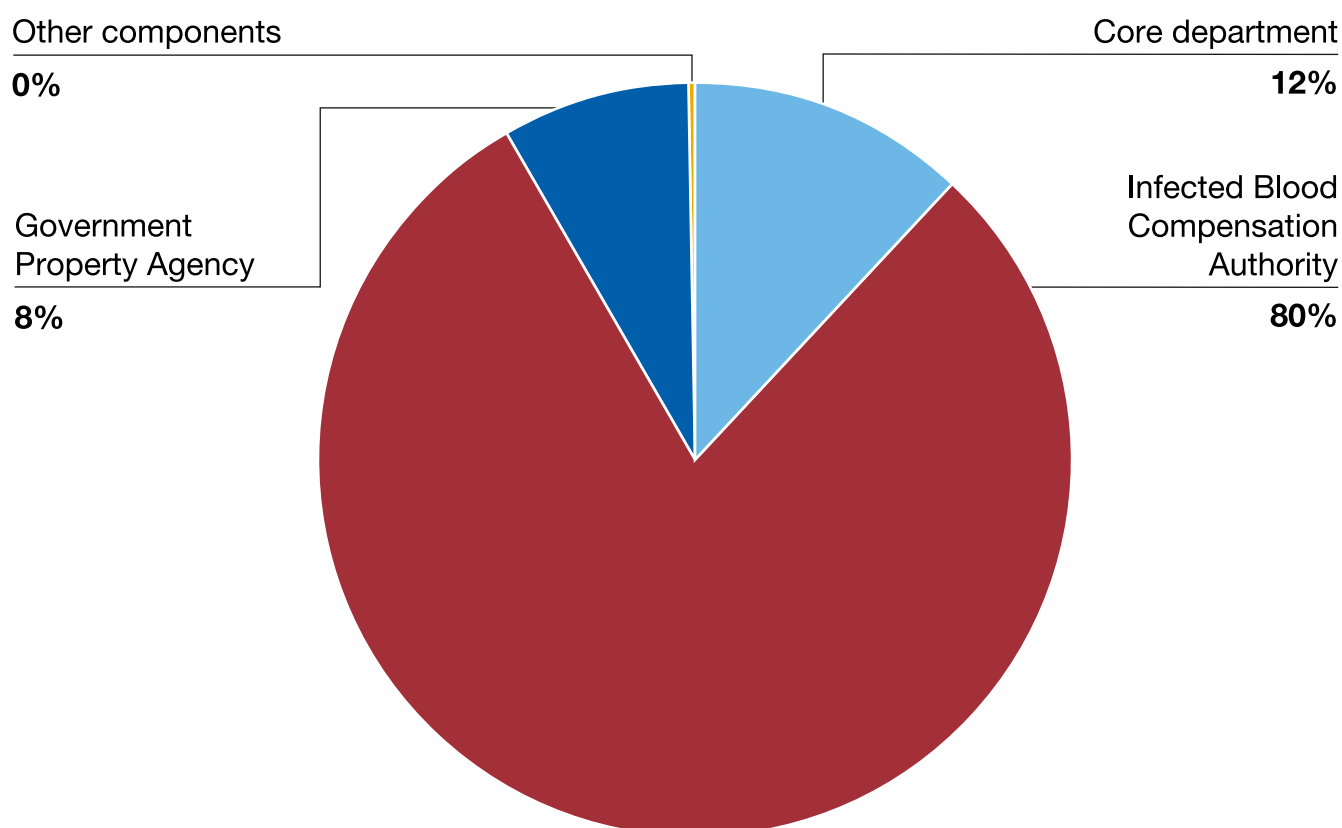
Gross Assets of Individual Components of the Cabinet Office group at 31 March 2025



Gross Liabilities of Individual Components of the Cabinet Office group at 31 March 2025



Gross Expenditure of Individual Components of the Cabinet Office group for the year to 31 March 2025



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.

As stated under *Basis for qualified opinion on the financial statements*, I have been unable to obtain sufficient and appropriate evidence that the value of the Infected Blood Compensation Scheme provisions recognised by the Departmental Group for the compensation due to infected non-registered people, estates of infected people who have died and affected people or the related transactions reported in the financial statements are free from material misstatement. Where other information refers to these balances it may be materially misstated for the same reasons.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000.

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

- I have not received all of the information and explanations I require for my audit; and
- 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 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; or
- 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 is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within 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; and
- 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 regulations⁷³, 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; and
 - 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, the Victims and Prisoners Act 2024, The Infected Blood Compensation Scheme Regulations 2025, and Managing Public Money;

- 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 relevant 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 its Group's framework of authority and other legal and regulatory frameworks in which the Department and its 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 Government Resources and Accounts

⁷³ Non-compliance is defined as acts of omission or commission intentional or unintentional, committed by the entity, or by those charged with governance, by management or by other individuals working for or under the direction of the entity, which are contrary to the prevailing laws or regulations. Non-compliance does not include personal misconduct unrelated to the business activities of the entity. ISA 700 uses the word "irregularities" to describe non-compliance with laws and regulations. We do not use the word irregularities to describe non-compliance within our certificates and reports as it has another meaning in the context of PN10.

Act 2000, the Victims and Prisoners Act 2024, The Infected Blood Compensation Scheme Regulations 2025, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2024, 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 in-house 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 are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I addressed the risk of fraud in revenue recognition through testing a sample of property reconciliations, non-rental income and rental income recognised by the Government Property Agency to assess the appropriateness of the recognition of income and accuracy of calculations. I also reviewed a sample of accrued income recognised as at 31 March 2025 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

relevant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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
Comptroller and Auditor General
17 October 2025

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

The Cabinet Office (the Department) supports the Prime Minister and aims to ensure 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 Departmental Group, through the Infected Blood Compensation Authority (IBCA) established on 24 May 2024, is responsible for paying compensation to:

- those who have been directly or indirectly infected through contaminated blood, blood products or tissue. This includes anyone, living or deceased, who has been infected with HIV, Hepatitis C and chronic Hepatitis B, including those who were indirectly infected through their partners or loved ones. Those who had an acute Hepatitis B infection and died from their infection during the acute period, will also be eligible under IBCA's Compensation Scheme;

- representatives of the estate of an infected person who would have been eligible to apply to IBCA's Compensation Scheme that has sadly died;
- those affected people who have suffered the impacts of infected blood through their relationship with an infected person. This includes partners, parents, children and siblings, and other friends and family members who cared for loved ones with an infection without reward or remuneration.

The Compensation Scheme is at an early stage and during the period ended 31 March 2025 was only open to individuals that were already registered on an existing Infected Blood Support Scheme and invited to apply. The Departmental Group has recognised a provision within its financial statements for the full Compensation Scheme.

This Report explains the basis of my qualification in relation to the availability of evidence to support £6,987 million of the £9,582 million Compensation Scheme provisions recognised during the period and as at 31 March 2025.

Infected Blood Compensation Scheme Provision

The Infected Blood Compensation Scheme provision model is based on eligible individuals that may claim grouped into the following four cohorts:

- living infected people registered with an existing Infected Blood Support Scheme (IBSS);
- infected people not registered with an IBSS;
- estates of infected people who have died; and
- affected people.

As set out in Note 14 to the financial statements, the total compensation for each cohort is calculated by estimating the volume of eligible people and the expected amount of compensation due, then discounting this to its present value based on the forecast payment profile.

IBCA has the most data available in respect of living infected people registered with an IBSS. I have been able to obtain sufficient appropriate evidence to support the valuation of the £2,595 million provision as at 31 March 2025 and the related expenditure for the living infected people registered with an IBSS. I have also obtained sufficient appropriate assurance over the compensation payments that have been made to fifty three individuals during the period (representing the £60 million utilisation of provisions).

For the remaining three cohorts, IBCA had not opened its claim service as at 31 March 2025. The infancy of the Compensation Scheme means there is minimal historic data available, if any. The estimation of the number of claimants for each of these three cohorts has therefore been a challenge for IBCA and the Departmental Group and represents the most significant judgements and greatest uncertainties in the valuation of the associated provisions.

IBCA has utilised a model developed for the purpose of assessing the potential impact of recommendations from the Infected Blood Public Inquiry and related Government policy decisions, whilst its operational focus has been on establishing itself as a new organisation and beginning payments to infected registered individuals during 2024-25. IBCA has not sought expressions of interest in its Compensation Scheme due to the early stages of the scheme and did not have detailed data sharing agreements in place with the existing IBSS providers at the reporting date to inform an estimate for estates of infected people who have died and affected individuals.

Whilst I consider it reasonable that the Departmental Group has prepared its provision with estimated amounts of eligible individuals, due primarily to the Compensation Scheme being in its early stages and IBCA prioritising making compensation payments over refining its estimate, I have been unable to obtain sufficient, appropriate evidence to support the Departmental Group's estimates of the number of potential infected people not registered with IBSS, estates of infected people who have died, and affected people, in the timetable available to complete the 2024-25 audit. IBCA and the Department consider that further evidence will not be available until IBCA's claim service is opened to more individuals and cohorts during 2025 and future years. Consequently, I have been unable to obtain sufficient appropriate

evidence to support the valuation of the associated provisions for three cohorts which amount to £6,987 million.

For each of the cohorts where I have limited the scope of my audit opinion on the provisions valuation and related expenditure, I have set out below the key judgements and assumptions where IBCA and the Departmental Group have been unable to provide sufficient, appropriate audit evidence, and I have been unable to obtain sufficient evidence through alternative evidence sources and methods.

Infected non-registered people

IBCA has estimated that approximately 1,800 people living with infection that have not previously registered on an IBSS scheme will apply to IBCA's Compensation Scheme. The basis for this estimate is a multiplier of 17.5% applied to the population of living infected people registered with IBSS. A further 1,228 individuals with acute Hepatitis C have been estimated, representing approximately 3% (£40m) of the £1,415 million provision.

In July 2022, the Government announced interim payments would be made to eligible infected individuals registered with IBSS and a 7-12% increase in the number of applications to IBSS across different infection categories was observed over the period July 2022 to March 2023. IBCA considered this trend was a reasonable proxy for the number of infected non-registered people that may apply to its Compensation Scheme and added a further 5.5% to bring the expected increase to 17.5%. The additional 5.5% takes into account that there may be increased incentives to apply to an independent body offering expected higher levels of compensation, and that IBCA's Compensation Scheme covers a wider period of infection dates and conditions such as Hepatitis B. This assumption was developed for the purpose of considering the potential budget implications of policy decisions as the regulations for the Compensation

Scheme were being established. IBCA has not provided sufficient audit evidence to support the IBSS increase in applications as an appropriate data source for the number of infected non-registered people or the additional 5.5% applied, and I have not been able to identify an alternative reliable source of evidence to support the volume of potential eligible claimants. I set out to IBCA the additional action and information that would be needed to provide sufficient audit evidence. However, IBCA considers that it would not be possible to provide further evidence to support its assumption in a reasonable timeframe and as a result would prefer to focus on opening up its registration and claim service for infected non-registered people which IBCA considers should provide more information on the volume of eligible claimants. This position has been supported by the Department.

I expect that once IBCA has opened up its claim service to those living with infection and not already registered on IBSS, it will have better data to develop its own model and support an estimate, such that it should not be necessary for me to limit the scope of my opinion on the Departmental Group's Infected Blood Compensation Scheme provision estimate in future years. However, for the position presented in these financial statements, I have observed that small variances in the number of estimated claimants would result in a material change to the provision recorded as at 31 March 2025 and therefore consider the effects of this current limitation in evidence to be potentially material as a result.

Estates of infected people who have died

IBCA has estimated there to be 8,473 estates of infected people who have died that may apply to IBCA's Compensation Scheme. This estimate is informed by the Infected Blood Inquiry's Statistical Expert Group report, analysis that was in progress by the Department of Health and Social Care (DHSC) before being passed to the Cabinet Office in early Spring 2023, prior to the establishment of IBCA, and further adjustments made by IBCA.

The Statistical Expert Group (SEG) were requested by the Infected Blood Public Inquiry to identify the potential scale of people that may have been directly infected from infected blood and blood products. The analysis was not designed for financial reporting purposes, although it could provide useful information to potentially support specific valuation assumptions. My audit identified some limitations in the SEG report as a sole source of evidence for the provision, for example secondary infected individuals were not within scope and the analysis does not distinguish between those that may not be eligible to claim. Comparison of the SEG report to those living within infection and registered on IBSS has highlighted some further anomalies such as expected lower numbers of those infected and living with HIV than currently registered on IBSS. IBCA has applied a number of adjustments to the SEG report to calculate the provision for estates but has not provided evidence to support these adjustments. IBCA has also not been able to support some of the key assumptions that DHSC identified as working assumptions requiring an evidence base, such as the assumption that if someone is symptomatic they will make a claim. I have therefore been unable to obtain sufficient appropriate evidence to support the estimated number of claimants and the valuation of the £2,819 million provision as at 31 March 2025. Sensitivity analysis conducted by both IBCA

and my audit team indicates that reasonable changes in assumptions could have a material impact on the provision.

Subsequent to the reporting date, IBCA has begun to receive data from IBSS providers on infected individuals that have died. The dataset is not complete, including anomalies such as dates of death prior to dates of infection periods, and IBCA considers that it is not currently in a format that could be used to form and support an estimate in the timeframe available for finalising the 2024-25 audit. IBCA's exercise to review and cleanse the data will be an ongoing process over several months and will occur alongside IBCA opening its claim service for estate claims during the financial year ended 31 March 2026. As a result there should be more data available to support an estimate and it should not be necessary for me to limit the scope of my opinion on the Departmental Group's Infected Blood Compensation Scheme provision estimate in future years.

Affected people

IBCA acknowledges that even less is known about the number of affected people who will claim than for other cohorts. IBCA has estimated that 51,006 individuals may claim which covers affected individuals (37,510) and affected carers (13,496), recognising a £2,753 million provision for the expected compensation that will be paid. The number of affected people has been determined on a basis of "affected per infected". This means that an average number of affected in each category has been assumed per infected individuals. As I have been unable to form an opinion on the underlying population for infected non-registered people and estates of infected people who have died, I am also unable to obtain sufficient evidence to form an opinion on the affected individuals. Furthermore, IBCA has determined there to be 1.3 affected carers per infected individual but has not provided sufficient evidence to

support this assumption and I have not been able to corroborate the assumption through other available data sources.

IBCA and the Department acknowledge that more reliable data to support this estimate will be available once it has opened up its claim service to affected people. During the 2025-26 financial year, IBCA will be prioritising making payments to infected individuals and the expected level of affected claims that may be processed may still be insufficient to support the estimate of affected carers for at least two years. IBCA and the Department will need to take other action to form an estimate that can be sufficiently supported and enable me to form an opinion on the affected provision estimate in future years.

Gareth Davies
Comptroller and Auditor General
17 October 2025

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 2025

The consolidated statement of comprehensive net expenditure (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		2024-25		2023-24 restated ⁷⁴	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Revenue from contracts with customers	5	(1,094.7)	(1,091.5)	(1,039.8)	(1,039.6)
Other income	5	(5.1)	(5.3)	(53.3)	(53.5)
Non-cash income	5	(3.8)	(3.8)	(8.9)	(8.9)
Total operating income	5	(1,103.6)	(1,100.6)	(1,102.0)	(1,102.0)
Staff costs	4	779.8	804.9	737.1	753.8
Purchase of goods and services	4	922.0	933.8	904.9	908.2
Grant expenditure	4	112.6	7.9	38.3	16.7
Depreciation, impairment and property gains	4	240.2	242.6	267.1	267.9
Provisions and other non-cash costs	4	44.5	9,686.5	23.8	23.9
Capital Grant-in-Kind transfers of assets to other government departments	4	144.3	144.3	–	–
Total operating expenditure		2,243.4	11,820.0	1,971.2	1,970.5
Net operating expenditure		1,139.8	10,719.4	869.2	868.5
Finance income	5.3	(194.2)	(194.2)	(105.9)	(105.9)
Finance expenditure	4.2	98.3	98.3	109.4	109.4
Net finance (income) / expenditure		(95.9)	(95.9)	3.5	3.5
Share of associates' results	10	(0.6)	(0.6)	(7.5)	(7.5)
Fair value (gain) / loss on financial assets – associate put options	10	1.1	1.1	(0.3)	(0.3)
Net associates (non-cash)		0.5	0.5	(7.8)	(7.8)
Net expenditure for the year		1,044.4	10,624.0	864.9	864.2
Other comprehensive income					
Items that will not be reclassified to net operating expenditure:					
Net (gain) / loss on revaluation of:					
- property, plant and equipment	4, 6	2.3	2.3	76.8	76.8
- intangible assets	8	(1.7)	(1.7)	(0.4)	(0.4)
- Right-of-use assets		0.7	0.7	2.5	2.5
Actuarial (gain) / loss on pension scheme liabilities	14	–	(0.1)	–	0.1
Total other comprehensive (income) / expenditure		1.3	1.2	78.9	79.0
Comprehensive net expenditure for the year		1,045.7	10,625.2	943.8	943.2

Notes 1 to 22 form part of these accounts.

74 The prior year comparator figures have been restated due to Machinery of Government changes affecting the department during this financial year. Further details are provided in note 2 to the financial statements.

Consolidated statement of financial position

As at 31 March 2025

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	As at 31 March 2025 As at 31 March 2024 restated ⁷⁵				As at 31 March 2023 restated ⁷⁵		
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group	Core department and agency	Departmental group
Non-current assets							
Property, plant and equipment	6			1,908.5	1,909.4	1,898.2	1,899.2
Right-of-use assets	7.1			352.8	353.8	337.9	339.1
Investment in sub-lease and unguaranteed residual value	7.2			722.9	722.8	634.0	633.8
Intangible assets	8			89.8	89.8	32.9	33.0
Other financial assets	10			6.6	6.6	40.8	40.8
Trade and other receivables	12			155.6	155.7	116.8	116.8
Total non-current assets				3,236.2	3,238.1	3,060.6	3,062.7
Current assets							
Investment in sub-lease and unguaranteed residual value	7.2			99.5	99.5	111.8	111.8
Other financial assets	10			1.9	1.9	18.0	18.0
Cash and cash equivalents	11			40.4	40.7	71.2	71.2
Trade and other receivables	12			369.0	369.5	313.0	313.5
Assets classified as held for sale				1.0	1.0	4.6	4.6
Inventories				0.4	0.4	0.3	0.3
Total current assets				512.2	513.0	518.9	519.4
Total assets				3,748.4	3,751.1	3,579.5	3,582.1

⁷⁵ The prior year comparator figures have been restated due to Machinery of Government changes affecting the department during this financial year. Further details are provided in note 2 to the financial statements.

£m	As at 31 March 2025 As at 31 March 2024 restated ⁷⁵ As at 31 March 2023 restated ⁷⁵						
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group	Core department and agency	Departmental group
Current liabilities							
Lease liabilities	7.3	(184.7)	(185.0)	(174.8)	(175.6)	(125.8)	(126.3)
Trade and other payables	13	(439.3)	(451.8)	(457.2)	(459.7)	(469.1)	(471.5)
Provisions	14	(69.8)	(1,929.0)	(38.4)	(38.5)	(24.6)	(24.7)
Total current liabilities		(693.8)	(2,565.8)	(670.4)	(673.8)	(619.5)	(622.5)
Total assets less current liabilities		3,181.6	1,329.2	3,078.0	3,077.3	2,960.0	2,959.6
Non-current liabilities							
Lease liabilities	7.3	(1,004.7)	(1,010.3)	(1,037.9)	(1,038.2)	(923.5)	(923.9)
Trade and other payables	13	(608.8)	(608.8)	(625.7)	(625.7)	(456.3)	(456.3)
Provisions	14	(113.4)	(7,837.4)	(115.4)	(116.6)	(91.9)	(93.0)
Total non-current liabilities		(1,726.9)	(9,456.5)	(1,779.0)	(1,780.5)	(1,471.7)	(1,473.2)
Total assets less total liabilities		1,454.7	(8,127.3)	1,299.0	1,296.8	1,488.3	1,486.4
Taxpayers' equity and other reserves							
General fund		803.4	(8,778.6)	631.8	629.6	726.5	724.5
Revaluation reserve		651.3	651.3	667.2	667.2	761.8	761.9
Total equity		1,454.7	(8,127.3)	1,299.0	1,296.8	1,488.3	1,486.4

Notes 1 to 22 form part of these accounts.



Catherine Little CB

Chief Operating Officer for the Civil Service, Permanent Secretary and Principal Accounting Officer
16 October 2025

Consolidated statement of cash flows

For the year ended 31 March 2025

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		2024-25		2023-24 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Cash flows from operating activities					
Net operating expenditure	CSoCNE	(1,139.8)	(10,719.4)	(869.2)	(868.5)
Adjustments for non-cash transactions	4, 5	425.2	10,069.6	282.1	283.1
(Increase) / decrease in trade and other receivables	7.2, 12	(260.7)	(261.6)	(171.4)	(171.7)
Less movements in receivables relating to items not passing through the CSoCNE or related to non-cash costs	4, 7.2, 14	6.4	6.3	112.9	113.1
Increase / (decrease) in trade and other payables and lease liabilities	7.3, 13	(58.1)	(43.3)	318.2	318.2
Less movements in payables relating to items not passing through the CSoCNE	7.3, 7.5, 13, 18	102.8	97.6	(302.6)	(303.2)
(Increase) / decrease in inventories		(0.1)	(0.1)	(0.1)	(0.1)
Use of provisions	14	(1.3)	(61.3)	(23.1)	(23.1)
Net cash inflow / (outflow) from operating activities		(925.6)	(912.2)	(653.2)	(652.2)

£m		2024-25		2023-24 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Cash flows from investing activities					
Purchase of non-financial assets – PPE and intangible assets	6, 8	(272.2)	(285.4)	(353.7)	(354.0)
Proceeds from disposal of non-financial assets – assets held for sale		–	–	4.2	4.2
Proceeds from financial assets – dividends received from associates	10	0.8	0.8	4.3	4.3
Proceeds from financial assets – sale of shareholding in Shared Services Connected Limited	10	–	–	82.2	82.2
Proceeds from financial assets – repayment received on loans to local government	10	1.1	1.1	1.9	1.9
Movement in capital accruals		(17.5)	(17.3)	(10.3)	(10.4)
Net cash inflow / (outflow) from investing activities		(287.8)	(300.8)	(271.4)	(271.8)
Cash flows from financing activities					
From the Consolidated Fund (supply) – current year CSoCTE		1,267.5	1,267.5	1,393.0	1,393.0
From the Consolidated Fund (supply) – prior year CSoCTE		40.2	40.2	58.8	58.8
From the Consolidated Fund (supply) – in respect of machinery of government transfer of function	2	–	–	(242.7)	(242.7)
Advances from the Contingencies Fund		272.0	272.0	–	–
Repayments to the Contingencies Fund		(272.0)	(272.0)	–	–
Capital element of payments in respect of finance leases	CSoCNE	(110.8)	(111.0)	(97.2)	(97.2)
Capital element of payments in respect of PFI contracts	CSoCNE	(11.9)	(11.9)	24.8	24.8
Interest income	5	33.2	33.2	35.0	35.0

£m		2024-25		2023-24 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Dividend received from Crown Commercial Service	5	161.0	161.0	71.0	71.0
Interest expense	4	(98.2)	(98.3)	(140.3)	(140.3)
Net financing		1,281.0	1,280.7	1,102.4	1,102.3
Net increase / (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		67.6	67.7	177.8	178.3
Payment of amounts due to the Consolidated Fund – consultant lobbyists' registration fees	SOPS 4	–	(0.2)	–	(0.2)
Payments of amounts due to the Consolidated Fund	10.3, SOPS 4	(71.0)	(71.0)	(208.6)	(208.5)
Net increase / (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(3.4)	(3.5)	(30.8)	(30.5)
Cash and cash equivalents at the beginning of the period	11	40.4	40.7	71.2	71.2
Cash and cash equivalents at the end of the period	11	37.0	37.2	40.4	40.7

Notes 1 to 22 form part of these accounts.

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' (i.e. 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 2025

£m		General fund	Revaluation reserve	Taxpayers' equity
		Core department and agency	Core department and agency	Core department and agency
	Note			
Balance at 31 March 2023		788.4	763.2	1,551.6
Amounts relating to machinery of government transfer of function	2	(61.9)	(1.4)	(63.3)
Balance at 1 April 2023		726.5	761.8	1,488.3
Net parliamentary funding – drawn down		1,393.0	–	1,393.0
Net parliamentary funding – deemed		58.8		58.8
Supply payable adjustment		(40.2)		(40.2)
Amounts relating to machinery of government transfer of function (adjustment to supply drawn down)	2	(248.6)	–	(248.6)
Restated comprehensive net expenditure for the year	CSocNE	(864.9)	–	(864.9)
Cash surrendered to the Consolidated Fund	5, SOPS 4	(196.5)	–	(196.5)
Non-cash charges – auditors' remuneration	4	1.0		1.0
Other reserves movements including transfers		(197.3)	(94.6)	(291.9)
Balance at 31 March 2024		631.8	667.2	1,299.0
Balance at 1 April 2024		631.8	667.2	1,299.0
Net parliamentary funding – drawn down		1,267.5	–	1,267.5
Net parliamentary funding – deemed		40.2		40.2
Supply payable adjustment		(33.8)		(33.8)
Comprehensive net expenditure for the year	CSocNE	(1,044.4)	–	(1,044.4)
Cash surrendered to the Consolidated Fund	5, SOPS 4	(74.0)	–	(74.0)
Non-cash charges – auditors' remuneration	4	1.3	–	1.3
Other reserves movements including transfers		14.8	(15.9)	(1.1)
Balance at 31 March 2025		803.4	651.3	1,454.7

Departmental group for the year ended 31 March 2025

£m		General fund	Revaluation reserve	Taxpayers' equity
	Note	Departmental group	Departmental group	Departmental group
Balance at 31 March 2023		786.5	763.2	1,549.7
Amounts relating to machinery of government transfer of function	2	(62.0)	(1.3)	(63.3)
Balance at 1 April 2023		724.5	761.9	1,486.4
Net parliamentary funding – drawn down		1,393.0	–	1,393.0
Net parliamentary funding – deemed		58.8		58.8
Supply payable adjustment		(40.2)		(40.2)
Amounts relating to machinery of government transfer of function (adjustment to supply drawn down)	2	(248.6)	–	(248.6)
Restated comprehensive net expenditure for the year	CSoCNE	(864.4)	–	(864.4)
Cash surrendered to the Consolidated Fund	5, SOPS 4	(196.7)	–	(196.7)
Non-cash charges – auditors' remuneration	4	1.0	–	1.0
Other reserves movements including transfers		(198.0)	(94.7)	(292.7)
Balance at 31 March 2024		629.6	667.2	1,296.8
Balance at 1 April 2024		629.6	667.2	1,296.8
Net parliamentary funding – drawn down		1,267.5	–	1,267.5
Net parliamentary funding – deemed		40.2	–	40.2
Supply payable adjustment		(33.8)	–	(33.8)
Comprehensive net expenditure for the year	CSoCNE	(10,624.0)	–	(10,624.0)
Cash surrendered to the Consolidated Fund	5, SOPS 4	(74.2)	–	(74.2)
Non-cash charges – auditors' remuneration	4	1.3	–	1.3
Other reserves movements including transfers		14.8	(15.9)	(1.1)
Balance at 31 March 2025		(8,778.6)	651.3	(8,127.3)

Notes 1 to 22 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 (GRAA), these financial statements have been prepared in accordance with the Government Financial Reporting Manual 2024 to 2025 (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context, taking account of the designation of those entities to be included within the consolidated departmental group as determined by statutory instrument and accordingly 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 ALBs which fall within the departmental boundary as defined in the FReM and listed in the Designation Order 2024 to 2025 issued by HM Treasury. A list of all those entities within the departmental boundary is given at note 21.

The financial reporting year for the core department, its executive agency and ALBs is 31 March and their accounting policies are not materially different. Transactions between these entities are eliminated.

The Infected Blood Compensation Authority (IBCA) is a new body consolidated into the group that was established on 24 May 2024 and its results are consolidated from the period established to 31 March 2025. Any costs related to infected blood prior to the establishment of the IBCA are accounted for in the core department.

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 was included in the Spending Review 2025, which set out budgets for day-to-day spending until 2028 to 2029, and until 2029 to 2030 for capital investment. Parliament has authorised spending for 2025 to 2026 in the Central Government Main Supply Estimates 2025 to 2026 (HC 871).

The financial statements for the Civil Service Commission (CSC), the Registrar of Consultant Lobbyists (RoCL), the EHRC and the Infected Blood Compensation Authority (IBCA) have been prepared on the basis that they are going concerns financed by grant-in-aid from the Cabinet Office.

The Government Property Agency (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 is 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 (MOG) transfers of function. There were five MOG changes in 2024 to 2025. See note 2 for further details.

MOG 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 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 are covered by the provisions of the Civil Service pension arrangements.

The Civil Service pensions arrangements are multi-employer defined benefit pension schemes and it is not possible to identify the Cabinet Office's share of assets and liabilities. In accordance with IAS 19, the Cabinet Office therefore accounts for the annual contributions to the schemes, similar to the approach for defined contribution schemes.

EHRC pensions

Pension benefits for former chairs of the EHRC and its legacy organisations are provided under a scheme 'broadly by analogy' on the same terms as the staff pension scheme and / or PCSPS classic or premium. This scheme is an unfunded defined-benefit scheme, and any pensions are administered by it in accordance with the standard rules (by analogy with the PCSPS). The scheme is recognised as a liability on the CSofP.

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 utilised 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 ALB. 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.

No payments are made to the IBCA, the CSC and the ORCL. Instead, the Cabinet Office makes payments on their behalf and the grant is thus akin to non-cash and is classified as notional grant-in-aid.

1.10. Operating leases

The Cabinet Office accounts for leases in accordance with IFRS 16; further details can be found in note 7. Leases outside of the scope of IFRS 16 are recognised as operating leases in the CSocNE

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.

1.11. Finance expenditure

Finance expenditure comprises interest expense on lease liabilities, interest on PFI liabilities, and other borrowing costs. Finance expenditure is recognised in the CSocNE in the period in which it is incurred.

Interest on lease liabilities is recognised using the effective interest method in accordance with IFRS 16 Leases. Interest on PFI liabilities is recognised using the effective interest method in accordance with the requirements of IFRIC 12 Service Concession Arrangements and the applicable contractual terms.

Accounting policies for income

1.12. Revenue from contracts with customers

The Cabinet Office accounts for revenue from contracts with customers in accordance with IFRS 15.

The Cabinet Office recognises revenue at the following points:

Income stream	Performance obligation
Recharges to other government departments	The delivery of goods and services as set out in the initial or subsequently revised contract or access to subscription services for the time period stated (usually in multiples of 12 months)
Non-rental income from properties	Recovery of the operating expenses as incurred by the GPA as well as management fees based on the GPA charging policy
Rental income from operating subleases	Provision of rental property over the duration of the lease
Central management of Civil Service pension arrangements	The satisfaction of pension services as set out in the initial or subsequently revised contract

Recharges to other government departments

IFRS 15 is the relevant accounting standard for revenue recognition based on the transfer of control rather than the transfer of risks and rewards of ownership, and on satisfaction of performance obligations. The core principle of this standard is that an entity shall recognise revenue that reflects the consideration to which the entity expects to be entitled in exchange for a transfer of promised goods or services.

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.

For service provision, the point of recognition is dependent on contract terms. Revenue is measured based on consideration specified in a contract. Revenue related to performance obligations recognised over time as the service is rendered is measured by reference to either input (resources consumed in satisfying a performance obligation) or output (measurements of value to the customer of services transferred) methods. The department generally measures revenue by reference to input and operates various cost recovery models. Most of the department's performance obligations relate to services satisfied over time, such as assurance reviews, Fast Stream recruitment and supply of IT hardware and licences – see note 5.

Non-rental Income from properties

Income from contracts outside the scope of IFRS 16 is recognised in accordance with IFRS 15 Revenue from Contracts with

Customers. The GPA applies the term 'client' to the IFRS 15 definition of customer. The GPA recognises revenue when it satisfies a performance obligation by transferring a promised good or service to a client.

The GPA typically satisfies performance obligations as services are rendered. There are no significant financing components of any contracts carried out with cash flows matching the provision of services and a receivable recognised when the amount can be reliably measured and it is probable that future economic benefits will flow to the GPA.

Income from Rates, Other Landlord Services and Workplace Services arise from lease arrangements with clients which provide for the recovery of the operating expenses incurred by the GPA as well as management fees based on the GPA charging policy. The non-rental element of the contract is separated from the lease rental element and assessed by reference to the operating costs incurred in relation to each lease and rental space. Clients are invoiced quarterly in advance based on estimated annual budgets. Performance obligations are assumed to be satisfied evenly over the period of the quarterly charge and income recognised on a straight-line basis.

A contract liability is recognised for income relating to performance obligations which have not yet been satisfied. Within four months of the annual service period ending, the GPA will reconcile estimated annual budget to actual cost of service provision and issue balancing charges or refunds as appropriate.

Additional Property & Project Services, Consultancy Services and Logistics Services contracts tend to be ad hoc and relate to specific goods or services. The transaction price is determined in the contract and is recognised at the point in time when the client takes possession of the asset. Cash flows match the provision of services and a receivable is recognised when the

amount can be reliably measured and it is probable that future economic benefits will flow to the GPA.

Gainshare income is recognised where the GPA achieves savings on behalf of clients through commercial advisory work such as service charge challenges. The GPA receives a share of savings as set out in client Managed Services Agreements. Income is recognised when the amount can be reliably measured and it is probable that future economic benefits will flow to the GPA.

Rental income from operating leases

Rental income, including fixed rental uplifts, is recognised in accordance with IFRS 16 on a straight-line basis over the term of the lease which is considered to be the date of the lease commencement to the earliest termination date. A rent adjustment based on open market estimated rental value is recognised from the rent review date in relation to unsettled rent reviews and adjusted once the outcome of a rent review is known. Lease incentives, such as rent-free periods and contributions towards tenant costs are recognised evenly over the lease term.

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

1.13. Grant income

Capital grant income is recognised where the department receives grants from clients to carry out capital investment to properties on their behalf. Income is recognised in accordance with IAS 20.

1.14. Other income

The Cabinet Office receives income from the Official Receiver for excess funds associated with liquidations it is managing on behalf of the government. All recoveries are to be returned to the Consolidated Fund.

1.15. Non-cash income

Capital grant-in-kind income is the fair value of assets transferred to the department for nil consideration. Income is recognised on the date of asset transfer.

1.16. Finance income

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

The department recognises income in respect of effective interest relating to its financial assets.

1.17. Income payable to the Consolidated Fund and recognised in the CSoCNE

Occasionally the department generates income acting as principal that is not otherwise retainable in budgets, as directed by HM Treasury. Where the department acts as principal, the associated income passes through the CSoCNE. Whereas where the department is acting as an agent on behalf of the Consolidated Fund, the receipts pass through the CSoFP as a payable to the Consolidated Fund.

The various income streams and cash flows payable to the Consolidated Fund can be found in SOPS 4.

Accounting policies for assets and liabilities

1.18. Property, plant and equipment

The Cabinet Office accounts for property, plant and equipment in accordance with IAS 16.

Freehold properties which are held for their service potential are valued in line with their existing use value (EUV) as defined in the Royal Institute of Chartered Surveyors (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.

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. Specialised assets are considered as part of the impairment process on an annual basis.

Heritage assets are assets that are non-depreciating. These include art and antiques held by the department. 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.

Other operational assets are revalued using relevant indices. Indexation is not applied to assets under construction.

1.19. Donated assets

Donated properties

Donated properties which are held for their service potential are capitalised at current value in existing use. The value of donated properties is recognised as capital grant-in-kind income. Any associated

revaluation reserves are also transferred in full, with a corresponding opposite entry debited from the general fund on transfer.

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.

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 heritage assets valuation process. Gifts are not depreciated as, by their nature, their useful economic life is indefinite.

1.20. Intangible assets

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at fair value in the CSoFP where an active market exists. Where there are no active markets, intangible assets are valued at the lower of depreciated replacement cost and value in use.

1.21. Depreciation and amortisation

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, machinery and vehicles	1 to 20 years
Furniture and fittings	2 to 10 years
Purchased software licences	1 to 5 years
IT software	1 to 5 years
Website	1 to 5 years

Assets under construction are not depreciated until the assets are available for use. No depreciation is provided on freehold land and heritage assets 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.

1.22. Impairment and revaluation

Impairment losses that arise from a clear consumption of economic benefit are taken to the CSocNE.

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.

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.

1.23. Capitalisation thresholds

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

The EHRC is an ALB 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.

1.24. Leases

Cabinet Office as a lessee

In accordance with IFRS 16, the Cabinet Office holds right-of-use assets and associated lease liabilities related to properties and transport.

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.

For a small portion of property leases, amortised cost is assessed not to 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 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.

Cabinet Office as a lessor

The Cabinet Office classifies its sub-leases as finance leases or operating leases. A sub-lease 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.

1.25. 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.

1.26. 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. 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 associates

The Cabinet Office has one investment in an associate which is accounted for using the equity method in accordance with IAS 28. 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.

The Cabinet Office's sole associate has a reporting date of 30 June, the same date as its major shareholder. When applying the equity method of accounting, its 2024 audited financial statements were used and adjustments were made for the effects of transactions between 1 July 2024 and 31 March 2025.

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 re-measurement to fair value at the end of each reporting period.

The receivable is calculated at formula values linked to the associates' net cash or debt positions and prior year earnings, or future year forecasts, and is stated net of the fair value of the investment. See note 10.

Investments in public 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.

Loans to public bodies

The department has entered into below market rate of interest loan arrangements with local authorities, which have been classified as financial assets measured at amortised cost in accordance with IFRS 9, and these are held within a business model whose objective is to collect contractual cash flows on specified future dates payments of principal outstanding. See note 10.

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.

1.27. Impairment of financial assets

In accordance with 'IFRS 9: Financial Instruments', as adapted by the Government Financial Reporting Manual, the department has developed a provision matrix to estimate expected credit losses, grouping receivables by sector (private, public and central government departments) and factoring in historical experience of write-offs and age of the debt.

1.28. 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.

1.29. 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, income, stamp duty land tax or capital gains taxes.

1.30. Financial liabilities

Trade and other payables

Trade and other payables are recognised when the department has an obligation as a result of a past event. They 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.

1.31. Provisions

The Cabinet Office recognises provisions in accordance with 'IAS 37: Provisions, Contingent Liabilities and Contingent Assets'. 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 14.

Compensations scheme provision

A provision is made to recognise a liability for compensation payable to persons infected and affected by HIV, hepatitis B and C through contaminated blood, blood products or tissue. For the majority of applicants to the compensation scheme, tariffs are used to calculate compensation, with a further assessment of individual needs in defined circumstances. Compensation is awarded based on the severity of infection and symptoms under five different categories of award: injury impact award, social impact award, autonomy award, care award, and a financial loss award.

The estimated risk-adjusted cash flows are discounted using rates set by HM Treasury, based on the government's incremental borrowing rate. More information about the judgements made in arriving at the provision can be found in the IBCA annual report and accounts.

Specific dilapidation provision

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 sub-lease arrangements with tenants that include rights to recharge the respective dilapidation charge upon exit, the GPA recognises a corresponding receivable, calculated on the same basis, in the CSoFP.

Other provisions

Other provisions are made where the liability meets the recognition requirements in accordance with IAS 37.

Accounting estimates and judgements

1.32. 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.

Materiality of accruals

The Cabinet Office core department applies a materiality of £50,000 per transaction 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 recognise accruals at cost, which is deemed to be materially the same as the fair value and subsequently measured at amortised cost.

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.

Development costs

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

GPA private finance initiative (PFI) arrangements

The GPA is party to 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 annual report and accounts.

Transfer of assets between other government departments

The transfer of assets and programmes to the department is assessed for recognition and application in accordance with the Government Financial Reporting Manual 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.

Where the department is the recipient of donated assets, an equal and opposite operating capital grant-in-kind is recognised in note 5.1 as non-cash income. Where

the department is the originator of donated assets, an equal and opposite operating capital grant-in-kind is recognised in note 4.1 within provisions and other non-cash expenditure. Freehold properties onboarded from other government entities are subject to measured surveys and 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 Government Financial Reporting Manual.

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.

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 per cent higher (lower), the value of the GPA's land and buildings assets would increase (decrease) by £130.3 million.

The GPA's net valuation losses for 2024 to 2025 totalled £62.4 million (4.8% of net book value). Approximately 16% of the loss (£10.0 million) has been absorbed by the revaluation reserve, it being offset against revaluation gains recorded in previous financial years. The remaining 84% (£52.4 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.

Determining whether an arrangement contains a lease

The GPA makes judgements about the classification of long-term arrangements as containing a lease based on an evaluation of the terms and conditions of each arrangement, whether the arrangement depends on a specific asset or assets and whether the arrangement conveys a right to use the asset.

Lease classification

Cabinet Office as lessee – The 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.

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 2025, the HM Treasury discount rate is 4.81%. For leases that commenced or are remeasured during the period 1 January 2024 to 31 December 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%.

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, amongst 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 EUV 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.

Infected blood compensation scheme provision

Judgements and assumptions affecting the value of the compensation scheme administered by IBCA are the key source of estimation uncertainty in the financial statements.

Compensation is based on a tariff framework and the amount awarded is based on the severity of the impact on people making a claim. There are five different categories of award:

- injury impact award
- social impact award
- autonomy award
- care award
- financial loss award

Within IBCA's valuation model, individuals are grouped into cohorts. These cohorts are:

- living infected people registered with an existing Infected Blood Support Scheme (IBSS)
- infected people not registered with an IBSS
- estates of infected people who have died
- affected people

Once a person's eligibility status has been established through the claim process, the compensation amount payable is well defined. However, material uncertainty remains about the number of people or the estate of people eligible to make a claim who will enter the scheme, particularly infected people who have died and affected people.

There is also uncertainty about the population characteristics of certain cohorts. The groups most affected by this uncertainty are infected people who have died and affected people.

This uncertainty affects the determination of the award category of people making a claim, and therefore the estimated compensation payable to these groups.

Key factors affecting uncertainty about timing of compensation payments and discounting assumptions include IBCA's ability to meet operational scale-up targets for the scheme as well as changes in those targets, and the trend in people making a claim opting for regular payments or a lump-sum settlement.

In future years, responsibility for support payments currently paid under existing schemes will transfer to IBCA. The timing of this is set out in legislation however there is uncertainty in estimations made based on assumptions of the value and duration of support payments IBCA will fund based on decisions of those who are entitled.

The key assumptions made are described in note 14, together with a sensitivity analysis outlining the impact of a change in those assumptions.

1.33. Changes in accounting policy and disclosures

There are no new and amended standards adopted within this reporting period.

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

'IFRS 17: Insurance Contracts'

'IFRS 17: Insurance Contracts' replaces 'IFRS 4: Insurance Contracts' and is to be included in the FReM for mandatory implementation from 2025 to 2026. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this standard.

IFRS 17 requires insurance contracts, including reinsurance contracts, to be recognised on the statement of financial position as the total of the fulfilment cashflows and the contractual service margin (CSM).

The fulfilment cashflows consist of the present value of future cash flows calculated using best estimate assumptions with an explicit risk adjustment for non-financial risk.

The risk adjustment is released to the CSoCNE as risk expires. The CSM is the unearned profit on insurance contracts and is released to the CSoCNE over the insurance contract period as insurance services are provided. Where an insurance contract is onerous, it will have no CSM and the onerous element of the insurance contract will be recognised immediately in the CSoCNE.

Impact

This standard is due to be adopted by the public sector by 1 April 2025. The Cabinet Office has undertaken an initial assessment of whether any indemnities provided fall within scope of the standard and currently assess that all of the indemnities held are out of scope of IFRS17. Reviews will continue throughout 2025 to 2026. Current indemnities are set out in the accountability report, section 4.3.

'IFRS 18 Presentation and Disclosure in Financial Statements'

'IFRS 18 Presentation and Disclosure in Financial Statements' will replace 'IAS 1: Presentation of Financial Statements' and is effective for annual reporting periods beginning on or after 1 January 2027 in the private sector. The public sector implementation date is not yet confirmed. The impact of IFRS 18 on the public sector is still being assessed.

'IFRS 19 Subsidiaries without Public Accountability: Disclosures'

'IFRS 19 Subsidiaries without Public Accountability: Disclosures' was issued in May 2024 and applies to annual reporting periods beginning on or after 1 January 2027 (subject to UK and Financial Reporting Advisory Board (FRAB) endorsement). The Cabinet Office does not intend to early adopt 'IFRS 19 Subsidiaries without Public Accountability: Disclosures'.

Non-investment asset valuations

In December 2023 HM Treasury released an exposure draft on potential changes to make to valuing and accounting for non-investment

assets (e.g. PPE, intangible assets). The following changes to the valuation and accounting of non-investment assets is to be included in the 2025 to 2026 FReM for mandatory implementation:

References to assets being held for their 'service potential' and the terms 'specialised / non-specialised' assets are being removed from the FReM. Non-investment assets are instead described as assets held for their 'operational capacity'. This change has no impact on the valuation basis of non-investment assets, which remains EUV.

An adaptation to IAS 16 will be introduced to withdraw the requirement to revalue an asset where its fair value materially differs from its carrying value. Assets are now valued using the one of the following processes:

- a quinquennial revaluation supplemented by annual indexation
- a rolling programme of valuations over a 5-year cycle, with annual indexation applied to assets during the 4 intervening years
- for non-property assets only, appropriate indices
- in rare circumstances where an index is not available, a quinquennial revaluation supplemented by a desktop revaluation in year 3

The option to measure intangible assets using the revaluation model is withdrawn. The carrying values of intangible assets at 31 March 2025 will be considered the historical cost at 1 April 2025.

Social benefits

The 2025 to 2026 FReM will include new guidance on accounting for social benefits. The 2025 to 2026 FReM will define social benefits as 'current transfers received by households (including individuals) intended to provide for the needs that arise from certain events or circumstances, for example, sickness, unemployment, retirement, housing, education, or family circumstances'.

2. Restatement of prior year comparatives

Machinery of government changes

In 2024 to 2025 Cabinet Office was affected by the following five machinery of government changes:

Entity	Exporting department	Importing department
Responsibility for the relationship with the European Union	Foreign, Commonwealth and Development Office	Cabinet Office
Office for Veterans' Affairs	Cabinet Office	Ministry of Defence
Digital services	Cabinet Office	Department for Science, Innovation and Technology
Government Car Service	Department for Transport	Cabinet Office
Union and devolution policy	Ministry of Housing, Communities and Local Government	Cabinet Office

The first four machinery of government transfers were announced in a Prime Ministerial statement on 24 July 2024, taking 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, moved from the Foreign, Commonwealth and Development Office to the Cabinet Office. This change allows 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 moved from the Cabinet Office to the Ministry of Defence. This change enables 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 moved from the Cabinet Office to the Department for Science, Innovation and Technology. This change embeds 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 moved from the Department for Transport to the Cabinet Office. This change better aligns the Government Car Service with other centrally provided protective security services for ministers, and supports end-to-end provision of executive protective security.

Union and devolution policy for 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 moved from the Ministry of Housing, Communities and Local Government to the Cabinet Office with immediate effect.

This change supports cross-government coordination and engagement with the devolved governments, 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 remains with the Deputy Prime Minister and the Ministry of Housing, Communities and Local Government.

Reclassifications

In 2024 to 2025 Cabinet Office has simplified the presentation of the accounts in a number of areas. In some cases, whole notes to the accounts from 2023 to 2024 have been merged together and, in other cases, sections within the same note have been merged. This has required a prior period reclassification.

These simplifications are in line with how other government departments present their accounts and makes the statements easier to understand. This is particularly true in the statement of cash flow, which has been simplified with note references providing further detail.

PFI liability indexation

Included within the reclassification column of note 2.1 is a reclassification of £65.7 million from provisions and other non-cash costs to finance expenditure which relates to the indexation charge against the department's PFI liabilities which has been reclassified according to the disclosure requirements of Government Financial Reporting Manual.

The impact of the restatements on the 2023 to 2024 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 2024

£m	2023-24 published accounts	Digital MOG out	Other MOGs out	Other MOGs in	Reclassification	2023-24 restated accounts
Revenue from contracts with customers	(902.2)	25.5	–	(5.5)	(157.6)	(1,039.8)
Other income	(210.9)	–	–	–	157.6	(53.3)
Non-cash income	(8.9)	–	–	–	–	(8.9)
Total operating income	(1,122.0)	25.5	–	(5.5)	–	(1,102.0)
Staff costs	801.7	(76.5)	(3.6)	15.5	–	737.1
Purchase of goods and services	958.3	(110.7)	(2.2)	1.8	57.7	904.9
Rentals under operating leases	57.7	–	–	–	(57.7)	–
Grant expenditure	52.7	–	(15.9)	1.5	–	38.3
Depreciation, impairment and property gains	284.5	(18.4)	–	1.0	–	267.1
Provisions and other non-cash costs	89.6	(0.1)	–	–	(65.7)	23.8
Total operating expenditure	2,244.5	(205.7)	(21.7)	19.8	(65.7)	1,971.2
Net operating expenditure	1,122.5	(180.2)	(21.7)	14.3	(65.7)	869.2
Finance income	(105.9)	–	–	–	–	(105.9)
Finance expenditure	43.7	–	–	–	65.7	109.4
Net finance (income) / expenditure	(62.2)	–	–	–	65.7	3.5
Share of associates' results	(7.5)	–	–	–	–	(7.5)
Fair value (gain) / loss on financial assets – associate put options	(0.3)	–	–	–	–	(0.3)
Net associates (non-cash)	(7.8)	–	–	–	–	(7.8)
Net expenditure for the year	1,052.5	(180.2)	(21.7)	14.3	–	864.9
Other comprehensive income						
Items that will not be reclassified to net operating expenditure:						
Net (gain) / loss on revaluation of:						
- property, plant and equipment	76.6	0.2	–	–	–	76.8
- intangible assets	(0.7)	0.3	–	–	–	(0.4)
- right-of-use assets	2.4	0.1	–	–	–	2.5
Actuarial (gain) / loss on pension scheme liabilities	–	–	–	–	–	–
Total other comprehensive (income) / expenditure	78.3	0.6	–	–	–	78.9
Comprehensive net expenditure for the year	1,130.8	(179.6)	(21.7)	14.3	–	943.8

Departmental group for the year ended 31 March 2024

£m	2023-24 published accounts	Digital MOG out	Other MOGs out	Other MOGs in	Reclassification	2023-24 restated accounts
Revenue from contracts with customers	(902.2)	25.5	–	(5.5)	(157.4)	(1,039.6)
Other income	(210.9)	–	–	–	157.4	(53.5)
Non-cash income	(8.9)	–	–	–	–	(8.9)
Total operating income	(1,122.0)	25.5	–	(5.5)	–	(1,102.0)
Staff costs	818.4	(76.5)	(3.6)	15.5	–	753.8
Purchase of goods and services	961.7	(110.8)	(2.2)	1.8	57.7	908.2
Rentals under operating leases	57.7	–	–	–	(57.7)	–
Grant expenditure	31.1	–	(15.9)	1.5	–	16.7
Depreciation, impairment and property gains	285.2	(18.3)	–	1.0	–	267.9
Provisions and other non-cash costs	89.7	(0.1)	–	–	(65.7)	23.9
Total operating expenditure	2,243.8	(205.7)	(21.7)	19.8	(65.7)	1,970.5
Net operating expenditure	1,121.8	(180.2)	(21.7)	14.3	(65.7)	868.5
Finance income	(105.9)	–	–	–	–	(105.9)
Finance expenditure	43.7	–	–	–	65.7	109.4
Net finance (income) / expenditure	(62.2)	–	–	–	65.7	3.5
Share of associates' results	(7.5)	–	–	–	–	(7.5)
Fair value (gain) / loss on financial assets – associate put options	(0.3)	–	–	–	–	(0.3)
Net associates (non-cash)	(7.8)	–	–	–	–	(7.8)
Net expenditure for the year	1,051.8	(180.2)	(21.7)	14.3	–	864.2
Other comprehensive income						
Items that will not be reclassified to net operating expenditure:						
Net (gain) / loss on revaluation of:						
- property, plant and equipment	76.6	0.2	–	–	–	76.8
- intangible assets	(0.7)	0.3	–	–	–	(0.4)
- right-of-use assets	2.4	0.1	–	–	–	2.5
Actuarial (gain) / loss on pension scheme liabilities	0.1	–	–	–	–	0.1
Total other comprehensive (income) / expenditure	78.4	0.6	–	–	–	79.0
Comprehensive net expenditure for the year	1,130.2	(179.6)	(21.7)	14.3	–	943.2

2.2. Restated consolidated statement of financial position

Departmental core and agency as at 31 March 2024

£m	2023-24 published accounts	Digital MOG out	Other MOGs out	Other MOGs in	Reclassification	2023-24 restated accounts
Non-current assets						
Property, plant and equipment	1,933.8	(27.4)	–	2.1		1,908.5
Right-of-use assets	353.6	(2.1)	–	1.3		352.8
Investment in sub-lease and unguaranteed residual value	722.9	–	–	–		722.9
Intangible assets	196.1	(106.3)	–	–		89.8
Other financial assets	5.9	–	–	–	0.7	6.6
Investments in associates	0.7				(0.7)	–
Trade and other receivables	155.6	–	–	–		155.6
Total non-current assets	3,368.6	(135.8)	–	3.4	–	3,236.2
Current assets						
Investment in sub-lease and unguaranteed residual value	99.5	–	–	–	–	99.5
Assets classified as held for sale	1.0	–	–	–	–	1.0
Inventories	0.4	–	–	–	–	0.4
Other financial assets	1.9	–	–	–	–	1.9
Cash and cash equivalents	40.4	–	–	–	–	40.4
Trade and other receivables	382.3	(13.2)	(0.1)	–	–	369.0
Total current assets	525.5	(13.2)	(0.1)	–	–	512.2
Total assets	3,894.1	(149.0)	(0.1)	3.4	–	3,748.4
Current liabilities						
Lease liabilities	(175.3)	0.8	–	(0.3)	–	(174.8)
Trade and other payables	(477.1)	19.8	0.1	–	–	(457.2)
Provisions	(38.4)	–	–	–	–	(38.4)
Retirement benefit obligations	–	–	–	–	–	–
Total current liabilities	(690.8)	20.6	0.1	(0.3)	–	(670.4)
Total assets less current liabilities	3,203.3	(128.4)	–	3.1	–	3,078.0
Non-current liabilities						
Lease liabilities	(1,037.8)	1.4	–	(1.5)	–	(1,037.9)
Trade and other payables	(625.7)	–	–	–	–	(625.7)
Provisions	(116.4)	1.0	–	–	–	(115.4)
Retirement benefit obligations	–	–	–	–	–	–
Total non-current liabilities	(1,779.9)	2.4	–	(1.5)	–	(1,779.0)
Total assets less total liabilities	1,423.4	(126.0)	–	1.6	–	1,299.0

£m	2023-24 published accounts	Digital MOG out	Other MOGs out	Other MOGs in Reclassification		2023-24 restated accounts
Taxpayers' equity and other reserves						
General fund	755.4	(125.2)	–	1.6	–	631.8
Revaluation reserve	668.0	(0.8)	–	–	–	667.2
Total equity	1,423.4	(126.0)	–	1.6	–	1,299.0

Departmental group as at 31 March 2024

£m	2023-24 published accounts	Digital MOG out	Other MOGs out	Other MOGs in Reclassification		2023-24 restated accounts
Non-current assets						
Property, plant and equipment	1,934.9	(27.4)	–	1.9	–	1,909.4
Right-of-use assets	354.7	(2.1)	–	1.2	–	353.8
Investment in sub-lease and unguaranteed residual value	722.8	–	–	–	–	722.8
Intangible assets	196.1	(106.3)	–	–	–	89.8
Other financial assets	5.9	–	–	–	0.7	6.6
Investments in associates	0.7				(0.7)	–
Trade and other receivables	155.7	–	–	–	–	155.7
Total non-current assets	3,370.8	(135.8)	–	3.1	–	3,238.1
Current assets						
Investment in sub-lease and unguaranteed residual value	99.5	–	–	–	–	99.5
Assets classified as held for sale	1.0	–	–	–	–	1.0
Inventories	0.4	–	–	–	–	0.4
Other financial assets	1.9	–	–	–	–	1.9
Cash and cash equivalents	40.7	–	–	–	–	40.7
Trade and other receivables	382.9	(13.3)	(0.1)	–	–	369.5
Total current assets	526.4	(13.3)	(0.1)	–	–	513.0
Total assets	3,897.2	(149.1)	(0.1)	3.1	–	3,751.1
Current liabilities						
Lease liabilities	(176.2)	0.9	–	(0.3)		(175.6)
Trade and other payables	(479.5)	19.7	0.1	–		(459.7)
Provisions	(38.4)	–	–	–	(0.1)	(38.5)
Retirement benefit obligations	(0.1)	–	–	–	0.1	–
Total current liabilities	(694.2)	20.6	0.1	(0.3)	–	(673.8)
Total assets less current liabilities	3,203.0	(128.5)	–	2.8	–	3,077.3

£m	2023-24 published accounts	Digital MOG out	Other MOGs out	Other MOGs in	Reclassification	2023-24 restated accounts
Non-current liabilities						
Lease liabilities	(1,038.1)	1.4	–	(1.5)	–	(1,038.2)
Trade and other payables	(625.7)	–	–	–	–	(625.7)
Provisions	(116.7)	1.1	–	–	(1.0)	(116.6)
Retirement benefit obligations	(1.0)	–	–	–	1.0	–
Total non-current liabilities	(1,781.5)	2.5	–	(1.5)	–	(1,780.5)
Total assets less total liabilities	1,421.5	(126.0)	–	1.3	–	1,296.8
Taxpayers' equity and other reserves						
General fund	753.5	(125.5)	–	1.6	–	629.6
Revaluation reserve	668.0	(0.8)	–	–	–	667.2
Total equity	1,421.5	(126.3)	–	1.6	–	1,296.8

2.3. Restated consolidated statement of cash flows

Departmental core and agency for the year ended 31 March 2024

£m	2023-24 published accounts	Digital MOG out	Other MOGs out	Other MOGs in	Reclassification	2023-24 restated accounts
Cash flows from operating activities						
Net operating expenditure	(1,122.5)	180.1	21.7	(14.3)	65.8	(869.2)
Adjustments for non-cash transactions	–	–	–	–	282.1	282.1
- Adjustments for non-cash expenditure	261.3	(18.3)	–	1.0	(244.0)	–
- Adjustments for non-cash income	(8.9)	–	–	–	8.9	–
Increase in trade and other receivables and sub-lease receivables	(176.1)	4.6	0.1	–	–	(171.4)
Less movements in receivables relating to items not passing through the CSoCNE or related to non-cash costs	–	–	–	–	112.9	112.9
- Amounts relating to long-term and short-term debtors which offset dilapidation provision	39.2	–	–	–	(39.2)	–
- Movement in amounts relating to provision for credit losses for trade receivables	(2.5)	–	–	–	2.5	–
- Amounts relating to bad debt write-off	(0.3)	–	–	–	0.3	–
- Movement in IFRS 16 lease receivables	76.6	–	–	–	(76.6)	–
(Increase) / decrease in inventories	(0.1)	–	–	–	–	(0.1)
Increase / (decrease) in trade and other payables and lease liabilities	319.4	(3.1)	–	1.9	–	318.2

£m	2023-24 published accounts	Digital MOG out	Other MOGs out	Other MOGs in	Reclassification	2023-24 restated accounts
Less movements in payables relating to items not passing through the CSoCNE	–	–	–	–	(302.6)	(302.6)
- Amounts due to the Consolidated Fund for supply	(40.2)	–	–	–	40.2	–
- Amounts relating to PFI liabilities transferred as non-budget	(239.0)	–	–	–	239.0	–
- Amounts payable to the Consolidated Fund	12.2	–	–	–	(12.2)	–
- Movement in capital accruals relating to investing activities	10.3	–	–	–	(10.3)	–
- Movement in IFRS 16 lease liabilities	(44.0)	(1.0)	–	(1.8)	46.8	–
Remeasurement of right-of-use asset	0.8	–	–	–	(0.8)	–
Use of provisions	(23.1)	–	–	–	–	(23.1)
Net cash inflow / (outflow) from operating activities	(936.9)	162.3	21.8	(13.2)	112.8	(653.2)
Cash flows from investing activities						
Purchase of non-financial assets	–	–	–	–	(353.7)	(353.7)
- Purchase of property, plant and equipment	(319.1)	30.9	–	(0.9)	289.1	–
- Purchase of intangible assets	(108.5)	43.8	–	–	64.7	–
Proceeds from disposal of assets held for sale	4.2	–	–	–	–	4.2
Dividends received from associates	4.3	–	–	–	–	4.3
Proceeds from sale of shareholding in Shared Services Connected Limited	82.2	–	–	–	–	82.2
Repayment received on loans to local government	1.9	–	–	–	–	1.9
Movement in capital accruals	(10.3)	–	–	–	–	(10.3)
Net cash inflow / (outflow) from investing activities	(345.3)	74.7	–	(0.9)	0.1	(271.4)

£m	2023-24 published accounts	Digital MOG out	Other MOGs out	Other MOGs in	Reclassification	2023-24 restated accounts
Cash flows from financing activities						
From the Consolidated Fund (supply) – current year	1,393.0	–	–	–	–	1,393.0
From the Consolidated Fund (supply) – prior year	58.8	–	–	–	–	58.8
From the Consolidated Fund (supply) – in respect of machinery of government transfer of function	–	(235.0)	(21.7)	14.0	–	(242.7)
Capital element of payments in respect of finance leases	(95.2)	(2.2)	–	0.2	–	(97.2)
Capital element of payments in respect of PFI contracts	(40.9)	–	–	–	65.7	24.8
Interest income	35.0	–	–	–	–	35.0
Dividend received from Crown Commercial Service	71.0	–	–	–	–	71.0
Interest expense	38.3	–	–	–	(178.6)	(140.3)
Net financing	1,460.0	(237.2)	(21.7)	14.2	(112.9)	1,102.4
Net increase / (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund						
	177.8	(0.2)	0.1	0.1	–	177.8
Payment of amounts due to the Consolidated Fund – consultant lobbyists' registration fees	–	–	–	–	–	–
Payments of amounts due to the Consolidated Fund	(208.6)	–	–	–	–	(208.6)
Net increase / (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund						
	(30.8)	(0.2)	0.1	0.1	–	(30.8)
Cash and cash equivalents at the beginning of the period	71.2	–	–	–	–	71.2
Cash and cash equivalents at the end of the period	40.4	(0.2)	0.1	0.1	–	40.4

Departmental group for the year ended 31 March 2024

£m	2023-24 published accounts	Digital MOG out	Other MOGs out	Other MOGs in	Reclassification	2023-24 restated accounts
Cash flows from operating activities						
Net operating expenditure	(1,121.8)	180.0	21.7	(14.3)	65.8	(868.5)
Adjustments for non-cash transactions	–	–	–	–	283.1	283.1
Adjustments for non-cash expenditure	262.1	(18.3)	–	1.0	(244.8)	–
Adjustments for non-cash income	(8.9)	–	–	–	8.9	–
Increase in trade and other receivables and sub-lease receivables	(176.4)	4.6	0.1	–	–	(171.7)
Less movements in receivables relating to items not passing through the CSocNE or related to non-cash costs	–	–	–	–	113.1	113.1
- Amounts relating to long-term and short-term debtors which offset dilapidation provision	39.2	–	–	–	(39.2)	–
- Movement in amounts relating to provision for credit losses for trade receivables	(2.5)	–	–	–	2.5	–
- Amounts relating to bad debt write-off	(0.3)	–	–	–	0.3	–
- Movement in IFRS 16 lease receivables	76.7	–	–	–	(76.7)	–
(Increase) / decrease in inventories	(0.1)	–	–	–	–	(0.1)
Increase / (decrease) in trade and other payables	319.8	(3.4)	(0.1)	1.9	–	318.2

£m	2023-24 published accounts	Digital MOG out	Other MOGs out	Other MOGs in	Reclassification	2023-24 restated accounts
Less movements in payables relating to items not passing through the CSoCNE:	–	–	–	–	(303.2)	(303.2)
- Amounts due to the Consolidated Fund for supply	(40.2)	–	–	–	40.2	–
- Amounts relating to PFI liabilities transferred as non-budget	(239.0)	–	–	–	239.0	–
- Amounts payable to the Consolidated Fund	12.2	–	–	–	(12.2)	–
- Movement in capital accruals relating to investing activities	10.4	–	–	–	(10.4)	–
- Movement in IFRS 16 lease liabilities	(44.7)	(0.9)	–	(1.8)	47.4	–
Remeasurement of right-of-use asset	0.8	–	–	–	(0.8)	–
Use of provisions	(23.1)	–	–	–	–	(23.1)
Net cash inflow / (outflow) from operating activities	(935.8)	161.9	21.7	(13.2)	113.0	(652.2)
Cash flows from investing activities						
Purchase of non-financial assets	–	–	–	–	(354.0)	(354.0)
- Purchase of property, plant and equipment	(319.4)	31.1	–	(0.9)	289.2	–
- Purchase of intangible assets	(108.6)	43.8	–	–	64.8	–
Dividends received from associates	4.3	–	–	–		4.3
Proceeds from sale of shareholding in Shared Services Connected Limited	82.2	–	–	–	–	82.2
Loans to local government	1.9	–	–	–		1.9
Proceeds from disposal of assets held for sale	4.2	–	–	–	–	4.2
Movement in capital accruals	(10.4)	–	–	–	–	(10.4)
Net cash inflow / (outflow) from investing activities	(345.8)	74.9	–	(0.9)	–	(271.8)

£m	2023-24 published accounts	Digital MOG out	Other MOGs out	Other MOGs in	Reclassification	2023-24 restated accounts
Cash flows from financing activities						
From the Consolidated Fund (supply) – current year	1,393.0	–	–	–	–	1,393.0
From the Consolidated Fund (supply) – prior year	58.8	–	–	–	–	58.8
From the Consolidated Fund (supply) – in respect of machinery of government transfer of function	–	(235.0)	(21.7)	14.0	–	(242.7)
Capital element of payments in respect of finance leases	(95.2)	(2.2)	–	0.2	–	(97.2)
Capital element of payments in respect of PFI contracts	(40.9)	–	–	–	65.7	24.8
Interest income	34.9	–	–	–	–	34.9
Dividend received from Crown Commercial Service	71.0	–	–	–	–	71.0
Interest expense	38.3	–	–	–	(178.6)	(140.3)
Net financing	1,459.9	(237.2)	(21.7)	14.2	(112.9)	1,102.3
Net increase / (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund	178.3	(0.2)	–	0.1	0.1	178.3
Payment of amounts due to the Consolidated Fund – consultant lobbyists' registration fees	(0.2)	–	–	–	–	(0.2)
Payments of amounts due to the Consolidated Fund	(208.6)	–	–	–	–	(208.6)
Net increase / (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund	(30.5)	(0.2)	–	0.1	0.1	(30.5)
Cash and cash equivalents at the beginning of the period	71.2	–	–	–	–	71.2
Cash and cash equivalents at the end of the period	40.7	(0.2)	–	0.1	0.1	40.7

2.4. Restated consolidated statement of financial position

Departmental core and agency as at 1 April 2023

£m	2022-23 published accounts	Digital MOG out	Other MOGs out	Other MOGs in	Reclassification	2022-23 restated accounts
Non-current assets						
Property, plant and equipment	1,897.8	(1.5)	–	1.9	–	1,898.2
Right-of-use assets	340.9	(3.0)	–	–	–	337.9
Investment in sub-lease and unguaranteed residual value	634.0	–	–	–	–	634.0
Intangible assets	107.4	(74.5)	–	–	–	32.9
Other financial assets	7.0	–	–	–	33.8	40.8
Investments in associates	33.8	–	–	–	(33.8)	–
Trade and other receivables	116.8	–	–	–	–	116.8
Total non-current assets	3,137.7	(79.0)	–	1.9	–	3,060.6
Current assets						
Investment in sub-lease and unguaranteed residual value	111.8	–	–	–	–	111.8
Assets classified as held for sale	4.6	–	–	–	–	4.6
Inventories	0.3	–	–	–	–	0.3
Other financial assets	18.0	–	–	–	–	18.0
Cash and cash equivalents	71.2	–	–	–	–	71.2
Trade and other receivables	321.6	(8.6)	–	–	–	313.0
Total current assets	527.5	(8.6)	–	–	–	518.9
Total assets	3,665.2	(87.6)	–	1.9	–	3,579.5
Current liabilities						
Lease liabilities	(125.8)	–	–	–	–	(125.8)
Trade and other payables	(487.6)	18.5	–	–	–	(469.1)
Provisions	(24.6)	–	–	–	–	(24.6)
Total current liabilities	(638.0)	18.5	–	–	–	(619.5)
Total assets less current liabilities	3,027.2	(69.1)	–	1.9	–	2,960.0
Non-current liabilities						
Lease liabilities	(926.5)	3.0	–	–	–	(923.5)
Trade and other payables	(456.3)	–	–	–	–	(456.3)
Provisions	(92.8)	0.9	–	–	–	(91.9)
Total non-current liabilities	(1,475.6)	3.9	–	–	–	(1,471.7)
Total assets less total liabilities	1,551.6	(65.2)	–	1.9	–	1,488.3
Taxpayers' equity and other reserves						
General fund	788.4	(63.8)	–	1.9	–	726.5
Revaluation reserve	763.2	(1.4)	–	–	–	761.8
Total equity	1,551.6	(65.2)	–	1.9	–	1,488.3

Departmental group as at 1 April 2023

£m	2022-23 published accounts	Digital MOG out	Other MOGs out	Other MOGs in	Reclassification	2022-23 restated accounts
Non-current assets						
Property, plant and equipment	1,899.0	(1.7)	–	1.9	–	1,899.2
Right-of-use assets	342.0	(2.9)	–	–	–	339.1
Investment in sub-lease and unguaranteed residual value	633.8	–	–	–	–	633.8
Intangible assets	107.5	(74.5)	–	–	–	33.0
Other financial assets	7.0	–	–	–	33.8	40.8
Investments in associates	33.8	–	–	–	(33.8)	–
Trade and other receivables	116.8	–	–	–	–	116.8
Total non-current assets	3,139.9	(79.1)	–	1.9	–	3,062.7
Current assets						
Investment in sub-lease and unguaranteed residual value	111.8	–	–	–	–	111.8
Other financial assets	18.0	–	–	–	–	18.0
Cash and cash equivalents	71.2	–	–	–	–	71.2
Trade and other receivables	322.1	(8.6)	–	–	–	313.5
Assets classified as held for sale	4.6	–	–	–	–	4.6
Inventories	0.3	–	–	–	–	0.3
Total current assets	528.0	(8.6)	–	–	–	519.4
Total assets	3,667.9	(87.7)	–	1.9	–	3,582.1
Current liabilities						
Lease liabilities	(126.3)	–	–	–	–	(126.3)
Trade and other payables	(490.1)	18.6	–	–	–	(471.5)
Provisions	(24.6)	–	–	–	(0.1)	(24.7)
Retirement benefit obligations	(0.1)	–	–	–	0.1	–
Total current liabilities	(641.1)	18.6	–	–	–	(622.5)
Total assets less current liabilities	3,026.8	(69.1)	–	1.9	–	2,959.6
Non-current liabilities						
Lease liabilities	(926.9)	3.0	–	–	–	(923.9)
Trade and other payables	(456.3)	–	–	–	–	(456.3)
Provisions	(92.9)	0.9	–	–	(1.0)	(93.0)
Retirement benefit obligations	(1.0)	–	–	–	1.0	–
Total non-current liabilities	(1,477.1)	3.9	–	–	–	(1,473.2)
Total assets less total liabilities	1,549.7	(65.2)	–	1.9	–	1,486.4
Taxpayers' equity and other reserves						
General fund	786.5	(63.9)	–	1.9	–	724.5
Revaluation reserve	763.2	(1.3)	–	–	–	761.9
Total equity	1,549.7	(65.2)	–	1.9	–	1,486.4

2.5. Restated full time equivalent employees

Departmental core and agency for the year ended 31 March 2024

	2023-24 published accounts	MOGs in	MOGs out	2023-24 restated accounts
Permanently employed staff	9,117	192	(803)	8,506
Commissioners	–	–	–	–
Others	721	–	–	721
Total	9,838	192	(803)	9,227

Departmental group for the year ended 31 March 2024

	2023-24 published accounts	MOGs in	MOGs out	2023-24 restated accounts
Permanently employed staff	9,351	192	(803)	8,740
Commissioners	10	–	–	10
Others	722	–	–	722
Total	10,083	192	(803)	9,472

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 2024 to 2025 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			2024-25	2023-24 restated
Operating segment	Gross resource expenditure	Gross resource income	Net resource outturn	Net resource outturn (restated)
A: Seize the opportunities of EU Exit, through creating the world's most effective border to increase UK prosperity and enhance security	6.3	–	6.3	17.5
B: Secure a safe, prosperous and resilient UK by coordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	197.1	(121.2)	75.9	62.2
C: Advance equality of opportunity across the UK	16.0	–	16.0	16.5
D: Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	774.3	(555.6)	218.7	319.3
E: Support the design and implementation of government's and Prime Minister's priorities	297.5	(16.5)	281.0	243.6
F: Executive agency – Government Property Agency	756.8	(597.8)	159.0	209.8
G: ALBs	42.5	(0.3)	42.2	21.1
Total DEL operating segments	2,090.5	(1,291.4)	799.1	890.0
H: Cabinet Office AME	9,615.7	–	9,615.7	0.2
I: Government Property Agency AME	76.8	–	76.8	116.9
Total AME operating segments	9,692.5	–	9,692.5	117.1
Total resource	11,783.0	(1,291.4)	10,491.6	1,007.1

3.2. Capital

£m	2024-25			2023-24 restated
Operating segment	Gross capital expenditure	Gross capital income	Net capital outturn	Net capital outturn (restated)
A: Seize the opportunities of EU Exit, through creating the world's most effective border to increase UK prosperity and enhance security	–	–	–	–
B: Secure a safe, prosperous and resilient UK by coordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	27.4	–	27.4	25.7
C: Advance equality of opportunity across the UK	–	–	–	–
D: Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	27.4	–	27.4	19.2
E: Support the design and implementation of government's and Prime Minister's priorities	5.6	–	5.6	9.0
F: Executive agency – Government Property Agency	381.9	(185.4)	196.5	357.7
G: ALBs (net)	18.6	–	18.6	0.2
H: Cabinet Office AME	59.9	–	59.9	–
I: Government Property Agency AME	–	–	–	–
Total capital	520.8	(185.4)	335.4	411.8

4. Expenditure

4.1. Operating expenditure

£m		2024-25		2023-24 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Wages and salaries		542.1	558.2	508.3	520.5
Social security costs		63.9	65.6	55.7	57.0
Other pension costs		127.3	131.6	110.0	113.0
Other staff costs		46.5	49.5	63.1	63.3
Total staff costs⁷⁶		779.8	804.9	737.1	753.8
Goods and services					
Rentals under operating leases		55.9	55.9	58.1	58.1
Accommodation and utilities		239.7	238.7	260.2	260.7
Business rates		113.2	113.3	100.9	101.0
PFI service charges		76.5	76.5	72.3	72.3
Professional services and other supplies		309.5	317.8	293.4	295.5
Consultancy		11.9	13.8	14.8	14.8
Travel, subsistence and hospitality		31.6	32.0	25.9	26.1
Other staff-related costs		26.2	27.8	32.4	32.7
Central management of Civil Service pension arrangements	5	56.7	56.7	46.1	46.1
Public Duty Cost Allowance	4.1	0.8	0.8	0.8	0.8
Auditors' remuneration and expenses – arm's length bodies ⁷⁷		–	0.5	–	0.1
Total goods and services		922.0	933.8	904.9	908.2

76 Further analysis is located in note 2 of the remuneration and staff report.

77 During the year, the group's ALB's have not purchased any non-audit services from their auditor, the National Audit Office (2023 to 2024: £nil). The total fee for arm's length bodies comprises: EHRC £0.087 million (2023 to 2024: £0.073 million), the Civil Service Commission £0.025 million (2023 to 2024: £0.019 million), the Registrar of Consultant Lobbyists £0.019 million (2023 to 2024: £0.015 million), IBCA £0.335 million (2023 to 2024: £nil).

£m		2024-25		2023-24 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Grants					
Resource grants		0.4	0.4	2.9	2.9
Capital grants		6.0	6.0	12.3	12.3
Grant-in-aid to arm's length bodies ⁷⁸		104.7	–	21.6	–
Grant-in-aid to the Chequers Trust		1.3	1.3	1.3	1.3
Grant-in-aid to Civil Service welfare bodies		0.2	0.2	0.2	0.2
Total grants⁷⁹		112.6	7.9	38.3	16.7
Depreciation, impairment and property gains					
Depreciation	6	95.3	96.2	97.4	98.0
Depreciation of right-of-use asset	7.1	41.1	42.4	41.4	41.6
Amortisation	8	23.7	23.7	8.2	8.2
Impairment	9	9.3	9.5	8.5	8.5
Revaluation	9	68.0	68.0	107.4	107.4
Amounts written off		0.5	0.5	0.3	0.3
Gain / loss on disposal	6, 7.1	27.7	27.7	11.0	11.0
Gain / loss on remeasurement of right-of-use assets	7.1	(25.4)	(25.4)	(7.1)	(7.1)
Total depreciation, impairment and property gains		240.2	242.6	267.1	267.9
Provisions and other non-cash costs					
Provisions provided for in-year and written back	14	42.2	9,684.2	21.2	21.3
Expected loss allowance	10	–	–	0.6	0.6
Auditors' remuneration and expenses ⁸⁰		1.3	1.3	1.0	1.0

78 Grant-in-aid to arm's length bodies has been eliminated on consolidation: Registrar of Consultant Lobbyists £0.329 million (2023 to 2024: £0.304 million), Civil Service Commission, £2.952 million (2023 to 2024: £2.340 million), EHRC, £17.546 million (2023 to 2024: £18.973 million), IBCA, £83.890 million (2023 to 2024: £nil).

79 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.

80 During the year, the GPA purchased non-audit services that relate to landlord services. The GPA rents accommodation from the NAO on behalf of a client. The cost comprises £0.248 million (2023 to 2024: £nil). The total group audit fee comprises: Cabinet Office £0.510 million (2023 to 2024: £0.505 million), the GPA £0.505 million (2023 to 2024: £0.440 million), Civil Service Pension Scheme £0.182 million (2023 to 2024: £0.177 million) and Royal Mail Pension Scheme £0.063 million (2023 to 2024: £0.061 million).

£m		2024-25		2023-24 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Notional digital apprenticeship service grant	5	1.0	1.0	1.0	1.0
Total provisions and other non-cash costs		44.5	9,686.5	23.8	23.9
Capital Grant-in-Kind					
Capital grant-in-kind – property, plant and equipment	6	144.3	144.3	–	–
Total Capital Grant-in-Kind		144.3	144.3	–	–
Total operating expenditure		2,243.4	11,820.0	1,971.2	1,970.5

4.2. Finance expenditure

£m		2024-25		2023-24 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Effective interest expense					
- Finance cost element of PFI unitary payment	18	55.6	55.6	56.4	56.4
- Remeasurement element of PFI liability	18	22.6	22.6	65.7	65.7
- Right of use asset lease liabilities	7.3	20.1	20.1	17.1	17.1
- Official Receiver working capital payable to the Consolidated Fund		–	–	0.9	0.9
- Loans to local authorities	10	–	–	0.1	0.1
Gain/loss on disposal of financial assets	10	–	–	(30.8)	(30.8)
Total finance expenditure		98.3	98.3	109.4	109.4

4.3. 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.

£	2024-25	2023-24
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	114,644	114,788
The Rt Hon. Lord David Cameron ⁸¹	85,054	68,546
The Rt Hon. Lady Theresa May	114,319	113,475
The Rt Hon. Liz Truss	97,152	101,332
The Rt Hon. Boris Johnson ⁸²	115,000	182,083
Staff pension costs	26,618	26,121
Total⁸³	782,787	836,345

81 The Rt Hon. Lord David Cameron ceased to receive the allowance when he was appointed the Secretary of State for Foreign, Commonwealth and Development Affairs on 13 November 2023. He subsequently re-applied to claim an allowance after the general election and change of government in July 2024.

82 The Rt Hon. Boris Johnson was eligible to claim the Public Duty Cost Allowance in 2022 to 2023, however no claims were received in this financial year. The Cabinet Office agreed to reimburse these costs in 2023 to 2024, as his office was being established during this period. Therefore, 2022 to 2023 office costs of £67,083 are included within the 2023 to 2024 figure. All future office costs are to be claimed in-year, with claims received by 31 March.

83 Rishi Sunak has confirmed to the Cabinet Office that he does not intend to claim the Public Duty Cost Allowance.

5. Income

5.1. Operating income

£m		2024-25		2023-24 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Revenue from contracts with customers					
Recharges to other government departments	5.2	533.3	533.3	495.7	495.8
Non-rental income from properties		357.5	354.4	339.3	339.0
Rental income from operating sub-leases	7.4	147.9	147.8	157.6	157.6
Central management of Civil Service pension arrangements	4	56.0	56.0	47.2	47.2
Total revenue from contracts with customers		1,094.7	1,091.5	1,039.8	1,039.6
Other income					
Income from grants		2.1	2.1	10.0	10.0
Official Receiver – non-budget	SOPS 4	3.0	3.0	43.3	43.3
Other income from disposals – non-budget	SOPS 4	–	0.2	–	0.2
Total other income		5.1	5.3	53.3	53.5
Non-cash income					
Capital grant-in-kind – transfer of assets in from other government departments		2.8	2.8	7.9	7.9
Notional digital apprenticeship service grant	4	1.0	1.0	1.0	1.0
Total non-cash income		3.8	3.8	8.9	8.9
Total operating income		1,103.6	1,100.6	1,102.0	1,102.0

5.2. Revenue from contracts with customers

Income from recharges to other government departments

The department receives income from other government departments for a number of cross-government services which are provided. Those services are as follows:

£m	2024-25		2023-24 restated	
	Core department and agency	Departmental group	Core department and agency	Departmental group
Government Commercial and Grants Function	183.8	183.8	164.6	164.6
Government People Group	163.3	163.3	157.6	157.6
Government Security Group	120.0	120.0	124.4	124.4
Cabinet Office Digital	21.6	21.6	6.6	6.6
Government Communications Service	13.2	13.2	14.8	14.8
Office of Parliamentary Counsel	9.8	9.8	9.1	9.1
VIP transport aircraft service	5.4	5.4	2.7	2.7
Infrastructure and Projects Authority	2.6	2.6	2.6	2.6
National Fraud Initiative	1.9	1.9	1.6	1.6
Other minor cost recoveries	11.7	11.7	11.7	11.8
Total	533.3	533.3	495.7	495.8

Rental and non-rental income from properties

The GPA provides departments and ALBs 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 from pensions

The Cabinet Office is responsible for the management of the PCSPS and the Royal Mail Statutory Pension Scheme. Cabinet Office receives income to cover the administration cost.

Other operating income

Income from grants

The GPA received contributions through capital grants from the other government departments for the fit-out of GPA-held properties that the other government departments are occupying. In addition, 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.

Income from the Official Receiver

In 2024 to 2025, the Cabinet Office received £nil (2023 to 2024: £40.8 million) in respect of the liquidation of Carillion plc and £3.0 million (2023 to 2024: £2.5 million) in respect of the liquidation of Virtual Infrastructure Group Ltd and UK Cloud Ltd. Cabinet Office recognises a receivable for the remaining expected repayments in respect of these two liquidations, see note 13.

5.3. Finance income

£m		2024-25		2023-24	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Dividend received from Crown Commercial Service – non-CFER		90.0	90.0	–	–
Dividend received from Crown Commercial Service – CFER		71.0	71.0	71.0	71.0
Effective interest income ⁸⁴	7.4	33.1	33.1	34.8	34.8
Interest receivable from loans to local authorities		0.1	0.1	0.1	0.1
Total finance income		194.2	194.2	105.9	105.9

Dividends

The dividend which the Cabinet Office receives from the Crown Commercial Service has been treated as income in the financial statements. In 2024 to 2025 Cabinet Office received £161.0 million, of which £71.0 million was returned to HM Treasury and is not classified as income in the statement of outturn against parliamentary supply. In 2023 to 2024 the full amount of £71.0 million was returned to HM Treasury, and it is not classified as income in the statement of outturn against parliamentary supply.

84 In 2023 to 2024, effective interest income was made up of £33.9 million related to the right-of-use asset investment in sub-lease and £0.8 million related to Official Receiver working capital receivable.

6. Property, plant and equipment

Consolidated 2024 to 2025

Departmental group £m	Land	Buildings and dwellings	Leasehold improvements	Information technology	Plant, machinery and vehicles	Furniture and fittings	Heritage assets	Payments on account and assets under construction ⁸⁵	2024-25 total
Cost or valuation									
At 1 April 2024 (restated)	610.1	769.3	348.4	181.4	26.2	34.4	9.4	212.9	2,192.1
Additions	–	–	2.9	16.4	0.7	(0.1)	–	210.7	230.6
Disposals ⁸⁶	–	–	(0.4)	(0.1)	–	–	–	–	(0.5)
Impairments ⁸⁷	(5.0)	(47.4)	(6.5)	(2.0)	–	–	–	12.5	(73.4)
Revaluations ⁸⁷	(52.8)	17.4	6.0	2.0	–	(0.1)	–	–	(27.5)
Reclassifications ⁸⁸	(0.5)	88.7	146.4	1.6	(13.0)	17.6	–	(244.7)	(3.9)
Reclassifications to assets held for sale	(0.8)	(1.1)	–	–	–	–	–	–	(1.9)
Asset transfers ⁸⁹	–	2.8	(137.0)	(0.5)	–	(10.1)	–	–	(144.8)
At 31 March 2025	551.0	829.7	359.8	198.8	13.9	41.7	9.4	166.4	2,170.7
Depreciation									
At 1 April 2024 (restated)	–	42.9	101.1	120.0	7.1	11.6	–	–	282.7

⁸⁵ The majority of the department's PPE assets under construction relate to building improvement works on both freehold and leasehold buildings.

⁸⁶ Disposals include retired assets. Their values are fully written down and they are no longer in use.

⁸⁷ Impairments and revaluations 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.

⁸⁸ Property, plant and equipment reclassifications net nil with intangibles reclassifications. See note 8. Further reclassifications arose from a GPA review of their policy on componentisation of freehold building assets. This led to items of fixed plant and machinery within freehold buildings being reclassified as building assets.

⁸⁹ Asset transfers relate to property assets transferred to and from the GPA. In 2024 to 2025, property with a value of £144.3 million was transferred to the Home Office and property with a value of £2.8 million was transferred in from Companies House. These amounts are offset by capital grant-in-kind expenditure / income in the CSocNE.

Departmental group £m	Land	Buildings and dwellings	Leasehold improvements	Information technology	Plant, machinery and vehicles	Furniture and fittings	Heritage assets	Payments on account and assets under construction ⁸⁵	2024-25 total
Charged in-year	-	28.7	33.3	25.6	2.2	6.4	-	-	96.2
Disposals ⁸⁶	-	-	(0.4)	(0.1)	-	-	-	-	(0.5)
Impairments ⁸⁷	-	-	(5.1)	(1.7)	-	-	-	-	(6.8)
Revaluations ⁸⁷	-	(28.3)	1.6	1.5	-	-	-	-	(25.2)
Reclassifications ⁸⁸	-	2.5	-	-	(2.5)	-	-	-	-
Asset transfers ⁸⁹	-	-	(2.7)	-	-	(0.6)	-	-	(3.3)
At 31 March 2025	-	45.8	127.8	145.3	6.8	17.4	-	-	343.1
Carrying amount at 31 March 2025	551.0	783.9	232.0	53.5	7.1	24.3	9.4	166.4	1,827.6
Carrying amount at 31 March 2024 (restated)	610.1	726.4	247.3	61.4	19.1	22.8	9.4	212.9	1,909.4
Asset financing:									
Owned	551.0	582.8	232.0	53.5	7.1	24.3	9.4	166.4	1,626.5
Finance leased	-	-	-	-	-	-	-	-	-
PFI and other service concession arrangements	-	201.1	-	-	-	-	-	-	201.1
Carrying amount at 31 March 2025	551.0	783.9	232.0	53.5	7.1	24.3	9.4	166.4	1,827.6
Of the total:									
Department	25.0	59.9	0.9	34.1	1.8	9.0	9.3	3.7	143.7
Executive agency	526.0	724.0	229.0	17.9	5.3	15.1	0.1	162.7	1,680.1
Other designated bodies	-	-	2.1	1.5	-	0.2	-	-	3.8
Carrying amount at 31 March 2025	551.0	783.9	232.0	53.5	7.1	24.3	9.4	166.4	1,827.6

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

Consolidated 2023 to 2024

Departmental group £m	Land	Buildings and dwellings	Leasehold improvements	Information technology	Plant, machinery and vehicles	Furniture and fittings	Heritage assets	Payments on account and assets under construction ⁹⁰	2023-24 total (restated)
At 1 April 2023 (restated)	663.6	824.5	215.7	153.0	15.0	18.5	9.4	216.4	2,116.1
Additions	5.5	(0.1)	–	7.3	0.8	10.6	–	265.2	289.3
Disposals ⁹¹	–	–	(1.1)	(0.4)	–	–	–	–	(1.5)
Impairments ⁹²	(3.8)	(70.7)	(6.5)	–	–	–	–	(29.2)	(110.2)
Revaluations ⁹²	(55.2)	(52.6)	5.9	(1.7)	(0.3)	(0.9)	–	–	(104.8)
Reclassifications ⁹³	–	69.0	130.5	23.2	10.7	6.1	–	(239.5)	–
Reclassifications to right-of-use assets	–	(4.7)	–	–	–	–	–	–	(4.7)
Asset transfers ⁹⁴	–	3.9	3.9	–	–	0.1	–	–	7.9
At 31 March 2024 (restated)	610.1	769.3	348.4	181.4	26.2	34.4	9.4	212.9	2,192.1
Depreciation									
At 1 April 2023 (restated)	–	40.8	69.8	93.0	5.0	8.3	–	–	216.9
Charged in-year	–	31.0	33.0	28.3	2.1	3.6	–	–	98.0
Disposals ⁹¹	–	–	(1.1)	(0.4)	–	–	–	–	(1.5)

⁹⁰ The majority of the department's PPE assets under construction relate to building improvement works on both freehold and leasehold buildings.

⁹¹ Disposals include retired assets. Their values are fully written down and they are no longer in use.

⁹² 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.

⁹³ Property, plant and equipment reclassifications net nil with intangibles reclassifications. See note 8.

⁹⁴ Asset transfers relate to property assets transferred to and from the GPA. In 2023 to 2024, £4.0 million of property was transferred in from the Department for Work and Pensions and £3.9 million of property was transferred in from the Office for National Statistics. These amounts are offset by capital grant-in-kind expenditure / income in the CSocNE.

Departmental group £m	Land	Buildings and dwellings	Leasehold improvements	Information technology	Plant, machinery and vehicles	Furniture and fittings	Heritage assets	Payments on account and assets under construction ⁹⁰	2023-24 total (restated)
Impairments ⁹²	-	-	(2.7)	-	-	-	-	-	(2.7)
Revaluations ⁹²	-	(28.9)	2.1	(0.9)	-	(0.3)	-	-	(28.0)
At 31 March 2024 (restated)	-	42.9	101.1	120.0	7.1	11.6	-	-	282.7
Carrying amount at 31 March 2024 (restated)	610.1	726.4	247.3	61.4	19.1	22.8	9.4	212.9	1,909.4
Carrying amount at 1 April 2023 (restated)	663.6	783.7	145.9	60.0	10.0	10.2	9.4	216.4	1,899.2
Asset financing:									
Owned	610.1	523.5	247.3	61.4	19.1	22.8	9.4	212.9	1,706.5
Finance leased	-	-	-	-	-	-	-	-	-
PFI and other service concession arrangements	-	202.9	-	-	-	-	-	-	202.9
Carrying amount at 31 March 2024 (restated)	610.1	726.4	247.3	61.4	19.1	22.8	9.4	212.9	1,909.4
Of the total:									
Department	23.1	61.2	1.7	38.1	1.8	10.8	9.3	1.9	147.9
Executive agency	587.0	665.2	245.4	22.8	17.3	11.8	0.1	211.0	1,760.6
Other designated bodies	-	-	0.2	0.5	-	0.2	-	-	0.9
Carrying amount at 31 March 2024 (restated)	610.1	726.4	247.3	61.4	19.1	22.8	9.4	212.9	1,909.4

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

7. Leases

7.1. Right-of-use assets

Right-of-use assets 2024 to 2025

Departmental group

£m	Buildings	Transport	Total
Cost or valuation			
At 1 April 2024	385.5	47.6	433.1
Additions	157.6	–	157.6
Disposals	(181.2)	–	(181.2)
Impairments	1.9	–	1.9
Revaluations	(2.3)	–	(2.3)
Reclassifications	2.1	–	2.1
Remeasurements	8.6	0.5	9.1
At 31 March 2025	372.2	48.1	420.3
Depreciation			
At 1 April 2024 (restated)	59.9	19.4	79.3
Charged in-year	32.9	9.5	42.4
Disposals	(0.8)	–	(0.8)
Impairments	6.2	–	6.2
Revaluations	(1.6)	–	(1.6)
At 31 March 2025	96.6	28.9	125.5
Carrying amount at 31 March 2025	275.6	19.2	294.8
Carrying amount at 31 March 2024 (restated)	325.6	28.2	353.8
Of the total:			
Department	25.1	19.2	44.3
Executive agency	245.7	–	245.7
Other designated bodies	4.8	–	4.8
Carrying amount at 31 March 2025	275.6	19.2	294.8

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

Right-of-use assets 2023 to 2024

Departmental group £m	Buildings	Transport	Total
Cost or valuation			
At 1 April 2023 (restated)	329.8	48.4	378.2
Additions	272.2	–	272.2
Disposals	(211.8)	–	(211.8)
Impairments	(5.6)	–	(5.6)
Revaluations	(3.8)	–	(3.8)
Reclassifications	4.7	–	4.7
Remeasurements	–	(0.8)	(0.8)
At 31 March 2024 (restated)	385.5	47.6	433.1
Depreciation			
At 1 April 2023 (restated)	29.4	9.7	39.1
Charged in-year	31.9	9.7	41.6
Disposals	(0.1)	–	(0.1)
Revaluations	(1.3)	–	(1.3)
At 31 March 2024 (restated)	59.9	19.4	79.3
Carrying amount at 31 March 2024 (restated)	325.6	28.2	353.8
Carrying amount at 1 April 2023 (restated)	300.4	38.7	339.1
Of the total:			
Department	25.6	28.2	53.8
Executive agency	299.1	–	299.1
Other designated bodies	0.9	–	0.9
Carrying amount at 31 March 2024 (restated)	325.6	28.2	353.8

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

7.2. Investment in sub-lease and unguaranteed residual value

£m	2024-25		2023-24		2022-23	
	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	105.8	105.8	99.5	99.5	111.8	111.8
Non-current – amounts falling due after more than one year	733.7	733.7	722.9	722.8	634.0	633.8
Total	839.5	839.5	822.4	822.3	745.8	745.6
Less than one year	105.8	105.8	99.5	99.5	111.8	111.8
One to two years	128.3	128.3	140.0	140.0	92.8	92.8
Two to three years	125.1	125.1	120.1	120.1	82.5	82.5
Three to four years	112.3	112.3	113.8	113.8	75.5	75.5
Four to five years	91.9	91.9	97.1	97.1	72.0	72.0
More than five years	767.4	767.4	578.4	578.3	357.5	357.3
Discount	(491.3)	(491.3)	(326.5)	(326.5)	(46.3)	(46.3)
Total	839.5	839.5	822.4	822.3	745.8	745.6

7.3. Lease liabilities

£m	2024-25			2023-24 restated			2022-23 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	184.7		185.0	174.8		175.6	125.8		126.3
Non-current – amounts falling due after more than one year	1,004.7		1,010.3	1,037.9		1,038.2	923.5		923.9
Total	1,189.4	1,195.3		1,212.7	1,213.8		1,049.3	1,050.2	
Less than one year	184.7		185.0	175.3		176.2	125.8		125.8
One to two years	72.5		74.3	135.5		135.5	116.8		116.8
Two to three years	5.2		5.2	126.0		126.0	117.2		117.2
Three to four years	60.2		60.2	118.2		118.2	111.4		111.4
Four to five years	38.2		38.2	100.1		100.2	104.8		104.8
More than five years	883.5		883.5	737.9		738.1	568.5		568.5
Discount	(54.9)		(51.1)	(180.3)		(180.4)	(95.2)		(94.3)
Total	1,189.4	1,195.3		1,212.7	1,213.8		1,049.3	1,050.2	

The majority of the group's lease liabilities are for buildings held by GPA. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the SoFP 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.

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.

7.4. Amounts recognised in CSoCNE

£m		2024-25		2023-24 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Lease expenditure					
Depreciation of right-of-use asset	4.1	41.1	42.4	41.4	41.6
Effective interest expense – right-of-use asset lease liabilities	4.2	20.1	20.1	17.1	17.1
Impairment – right-of-use asset	4.1	4.1	4.3	5.6	5.6
Gain / loss on disposal of right-of-use assets	4.1	27.7	27.7	11.6	11.6
Gain / loss on remeasurement of right-of-use assets	4.1	(25.4)	(25.4)	(7.1)	(7.1)
Total lease expenditure		67.6	69.1	68.6	68.8
Lease income					
Operating sub-lease income	5.1	(147.9)	(147.8)	(157.6)	(157.6)
Effective interest income – right-of-use asset investment in sub-lease	5.3	(33.1)	(33.1)	(33.9)	(33.9)
Total lease income		(181.0)	(180.9)	(191.5)	(191.5)
Net lease expenditure / (income)		(113.4)	(111.8)	(122.9)	(122.7)

7.5. Amounts recognised in SoCF

£m	2024-25		2023-24 restated	
	Core department and agency	Departmental group	Core department and agency	Departmental group
Cash flows as lessee				
Effective interest expense – right-of-use asset lease liabilities	20.1	20.2	17.1	17.1
Repayment of principal	110.8	111.0	97.2	97.2
Cash flows as lessor				
Effective interest income – right-of-use asset investment in sub-lease	(33.1)	(33.1)	(33.9)	(33.9)
Receipt of principal	(96.9)	(96.9)	(117.8)	(117.8)

7.6. Consolidated operating leases with clients

The group balance is fully from the GPA. During 2024 to 2025 the GPA received £286.9 million (2023 to 2024: £163.1 million) of lease income (including service charges) from operating lease contracts in which it acts as a lessor.

The following sets out a maturity analysis of lease payments to be received after the reporting date. This excludes service charges which are dependent on usage.

£m	2024-25	2023-24
Less than one year	2.9	3.4
One to two years	4.8	10.8
Two to three years	1.4	13.0
Three to four years	2.3	12.1
Four to five years	5.5	0.6
More than five years	1,184.5	1,354.1
Total operating leases with clients	1,201.4	1,394.0

The core and agency figures are not shown separately as the difference is immaterial.

The department has recognised £33.9 million (2023 to 2024: £34.8 million) of finance income from sub-leasing right-of-use assets. See note 5.3.

8. Intangible assets

Consolidated 2024 to 2025

Departmental group £m	Purchased software licences	IT software	Website	Payments on account and assets under construction ⁹⁵	Total
Cost or valuation					
At 1 April 2024 (restated)	39.9	51.6	0.7	30.8	123.0
Additions	–	21.0	0.4	33.4	54.8
Reclassifications ⁹⁶	13.2	22.1	–	(33.4)	1.9
Revaluations ⁹⁷	–	3.6	–	–	3.6
Impairments	(1.1)	–	–	(6.7)	(7.8)
At 31 March 2025	52.0	98.3	1.1	24.1	175.5
Amortisation					
At 1 April 2024 (restated)	0.9	32.3	–	–	33.2
Charged in-year	9.5	14.0	0.2	–	23.7
Revaluations ⁹⁷	–	1.9	–	–	1.9
At 31 March 2025	10.4	48.2	0.2	–	58.8
Carrying amount at 31 March 2025	41.6	50.1	0.9	24.1	116.7
Carrying amount at 31 March 2024 (restated)	39.0	19.3	0.7	30.8	89.8
Asset financing:					
Owned	41.6	50.1	0.9	24.1	116.7
Carrying amount at 31 March 2025	41.6	50.1	0.9	24.1	116.7
Of the total:					
Department	–	50.1	0.9	10.4	61.4
Executive agency	41.1	–	–	4.9	46.0
Other designated bodies	0.5	–	–	8.8	9.3
Carrying amount at 31 March 2025	41.6	50.1	0.9	24.1	116.7

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

95 Assets under construction relate to work on increasing functionality of secure IT assets.

96 Property, plant and equipment reclassifications net nil with intangibles reclassifications. See note 6.

97 Revaluations arise as a result of published indices and annual impairment reviews, which ensure the asset base is correctly valued.

Consolidated 2023 to 2024

Departmental group £m	Purchased software licences	IT software	Website	Payments on account and assets under construction ⁹⁸	Total (restated)
Cost or valuation					
At 1 April 2023 (restated)	4.1	37.4	–	15.0	56.5
Additions	–	11.6	0.7	52.3	64.6
Reclassifications ⁹⁹	35.8	0.7	–	(36.5)	–
Revaluations ¹⁰⁰	–	1.9	–	–	1.9
At 31 March 2024 (restated)	39.9	51.6	0.7	30.8	123.0
Amortisation					
At 1 April 2023 (restated)	0.7	22.8	–	–	23.5
Charged in-year	0.2	8.0	–	–	8.2
Revaluations ¹⁰⁰	–	1.5	–	–	1.5
At 31 March 2024 (restated)	0.9	32.3	–	–	33.2
Carrying amount at 31 March 2024 (restated)	39.0	19.3	0.7	30.8	89.8
Carrying amount at 1 April 2023 (restated)	3.4	14.6	–	15.0	33.0
Asset financing:					
Owned	39.0	19.3	0.7	30.8	89.8
Carrying amount at 31 March 2024 (restated)	39.0	19.3	0.7	30.8	89.8
Of the total:					
Department	–	19.3	0.7	27.9	47.9
Executive agency	39.0	–	–	2.9	41.9
Other designated bodies	–	–	–	–	–
Carrying amount at 31 March 2024 (restated)	39.0	19.3	0.7	30.8	89.8

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

98 Assets under construction relate to work on increasing functionality of secure IT assets.

99 Intangibles reclassifications net nil with property, plant and equipment reclassifications. See note 6.

100 Revaluations arise as a result of published indices and annual impairment reviews, which ensure the asset base is correctly valued.

9. Impairments

£m		2024-25		2023-24 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Charged to CSoCNE					
Impairment of property, plant and equipment	4.1	0.1	0.1	0.4	0.4
Impairment of right-of-use assets	4.1	4.1	4.3	5.6	5.6
Impairment of intangible assets	4.1	6.4	6.4	–	–
Impairment of trade receivables	4.1	5.7	5.7	7.9	7.9
Impairment of trade receivables – write back	4.1	(7.0)	(7.0)	(5.4)	(5.4)
Revaluation of property, plant and equipment	4	66.5	66.5	107.4	107.4
Revaluation of intangible assets	4	1.5	1.5	–	–
Total charged to the CSoCNE		77.3	77.5	115.9	115.9

Revaluation

There was a property, plant and equipment devaluation of £66.5 million (2023 to 2024 restated: devaluation £106.6 million) largely driven by revised valuations of properties held by GPA following their annual revaluation exercise.

10. Financial assets

£m	Investment in associates	Derivatives	Public dividend capital	Loans to public bodies	Total departmental group
Balance at 1 April 2023	33.8	18.6	0.4	6.0	58.8
Additions	–	–	–	0.1	0.1
Disposals	(36.3)	(15.0)	–	–	(51.3)
Share of results in associate	7.5	–	–	–	7.5
Dividend received	(4.3)	–	–	–	(4.3)
Fair value gain / (loss) on financial assets	–	0.3	–	–	0.3
Loan repayments	–	–	–	(1.9)	(1.9)
Impairment	–	–	–	(0.1)	(0.1)
Expected loss allowance	–	–	–	(0.6)	(0.6)
Balance at 31 March 2024	0.7	3.9	0.4	3.5	8.5
Additions	–	–	–	0.1	0.1
Share of results in associate	0.6	–	–	–	0.6
Dividend received	(0.8)	–	–	–	(0.8)
Fair value gain / (loss) on financial assets	–	(1.1)	–	–	(1.1)
Impairment	–	–	–	(1.1)	(1.1)
Loan repayments	–	–	–	–	–
Expected loss allowance	–	–	–	–	–
Balance at 31 March 2025	0.5	2.8	0.4	2.5	6.2
Of which:					
Current asset	–	–	–	1.0	1.0
Non-current asset	0.5	2.8	0.4	1.5	5.2
Balance at 31 March 2025	0.5	2.8	0.4	2.5	6.2
Of which:					
Current asset	–	–	–	1.9	1.9
Non-current asset	0.7	3.9	0.4	1.6	6.6
Balance at 31 March 2024	0.7	3.9	0.4	3.5	8.5

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

10.1. Investments in associates

The department has a 25.1% shareholding in Crown Hosting Data Centres Limited (CHDC) at a value of £0.5 million (2023 to 2024: 0.7 million). In 2024 to 2025 the department recognised £0.6 million (2023 to 2024 £0.4 million) in relation to share of results and dividends of £0.8 million (2023 to 2024: £0.3 million) were received.

In 2023 to 2024 the department sold its shares in Shared Services Connect Ltd (SSCL) recognising a disposal value of £36.3m. Prior to selling the department recognised £7.1 million in relation to share of results and dividends of £4.0 million were received.

10.2. Derivatives

As at 31 March 2024, a put option was exercisable in relation to the department's investment in CHDC valued at £2.8 million (2023 to 2024: £3.9 million). This is all classified as a non-current asset.

In 2023 to 2024, the department completed the sale of its shares in Shared Services Connected Ltd by exercising the put option for consideration of £82.2 million, resulting in an overall accounting profit of £30.8 million.

10.3. Public dividend capital

In accordance with the Government Financial Reporting Manual, the Cabinet Office's investment in the Crown Commercial Service is shown at its historical cost (£0.350 million).

In 2024 to 2025 Cabinet Office received dividends of £161.0 million, of which £71.0 million was returned to HM Treasury and is not classified as income in the statement of outturn against parliamentary supply. In 2023 to 2024 the full amount of £71.0 million was returned to HM Treasury, and it is not classified as income in the statement of outturn against parliamentary supply.

10.4. 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.

11. Cash and cash equivalents

£m		Total
	Core department and agency	Departmental group
Balance at 1 April 2023	71.2	71.2
Net change in cash and cash equivalent balances	(30.8)	(30.5)
Balance at 31 March 2024	40.4	40.7
Net change in cash and cash equivalent balances	(3.4)	(3.5)
Balance at 31 March 2025	37.0	37.2
The following balances at 31 March were held at:		
Government Banking Service – supply – Cabinet Office	(42.3)	(42.3)
Government Banking Service – supply – GPA	79.3	79.3
Government Banking Service – supply – EHRC	–	0.2
Balance at 31 March 2025	37.0	37.2

11.1. Reconciliation of liabilities arising from financing activities

£m	Opening liabilities / (assets) at 1 April 2024 (restated)	Cash flows	Non-cash changes	Closing liabilities / (assets) at 31 March 2025
Carillion working capital payable to the Consolidated Fund	(8.2)	–	–	(8.2)
UK Cloud working capital payable to the Consolidated Fund	(4.7)	3.0	(1.1)	(2.8)
Leases	1,213.8	(111.0)	92.5	1,195.3
PFI service charges	699.6	(34.5)	22.6	687.7
Total	1,900.5	(142.5)	114.0	1,872.0

12. Trade receivables and other assets

£m		2024-25	2023-24 restated		2022-23 restated	
	Note	Core department and agency	Core department and agency	Departmental group	Core department and agency	Departmental group
Current – amounts falling due within one year						
Amounts due from importing departments and restatement adjustments in respect of machinery of government transfers		264.0	3.7	3.7	(0.3)	(0.3)
Contract assets under 'IFRS 15: Revenue from Contracts with Customers' – accrued income		119.7	119.7	119.7	77.7	77.7
Trade receivables		80.9	80.9	46.1	53.7	53.6
Prepayments		52.2	52.7	45.3	30.7	31.3
Contract assets under 'IFRS 15: Revenue from Contracts with Customers' – trade receivables		43.7	43.7	47.3	40.3	40.3
Accrued income		40.9	40.9	95.9	63.2	63.2
Amounts from other government departments to offset provisions	14	14.7	14.7	5.3	3.7	3.7
VAT		5.3	5.3	1.1	1.0	1.0
Deposits and advances		6.8	6.8	0.4	0.3	0.3
Current lease incentive receivable		–	–	1.2	0.4	0.4
Official Receiver working capital receivable		2.8	2.8	3.0	42.3	42.3
Total current assets		631.0	631.5	369.0	313.0	313.5

£m		2024-25	2023-24 restated	2022-23 restated
	Note	Core department and agency	Core department and agency	Core department and agency
		group	group	group
Non-current – amounts falling due after more than one year				
Official Receiver working capital receivable		8.2	8.2	10.9
Amounts from other government departments to offset provisions	14	119.2	140.1	102.7
Other receivables		2.3	3.2	–
Non-current lease incentive receivable		7.5	7.5	3.2
Total non-current assets		137.2	155.6	116.8
Total		768.2	524.6	430.3

12.1. Provision for credit losses

Trade receivables are non-interest bearing and are generally on 30-days' terms, and are shown net of a provision for impairment. Movements in the provision for impairment of receivables were as follows.

£m		2024-25	2023-24	2022-23
	Note	Core department and agency	Core department and agency	Core department and agency
		group	group	group
At 1 April		9.0	6.5	9.6
Provided in the year	4, 9	5.7	7.9	1.1
Provisions written back in the year	4, 9	(7.0)	(5.4)	–
Provisions debts recovered	4, 9	–	–	(4.2)
At 31 March		7.7	9.0	6.5

Analysis 2024 to 2025

Departmental group	Provision (%)				Provision (£000)		2024-25	
	Private sector	Public sector	Other government department	Private sector	Public sector	Other government department	Total	£000
Trade receivables								
Current to 60 days	2%			34	–	–	34	34
61 to 90 days	10%			5	–	–	5	5
91 to 180 days	30%	50%		39	59	–	98	98
Over 180 days	100%	100%		1,602	128	–	1,730	1,730
Over 361 days			100%	–	–	72	72	72
Total trade receivables				1,680	187	72	1,939	1,939
Other receivables								
Current to 60 days	2%			25	–	–	25	25
61 to 150 days	10%			22	–	–	22	22
151 to 331 days	30%			76	–	–	76	76
Over 331 days	100%			1,516	–	–	1,516	1,516
Total other receivables				1,639	–	–	1,639	1,639
GPA trade receivables ¹⁰¹				971	556	2,620	4,147	4,147
Grand total				4,290	743	2,692	7,725	7,725

¹⁰¹ The GPA applies a separate risk-based approach to providing for credit losses.

Analysis 2023 to 2024

Departmental group	Provision (%)				Provision (£000)		2023-24 Total £000
	Private sector	Public sector	Other government department	Private sector	Public sector	Other government department	
Trade receivables							
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
Total trade receivables				1,985	157	332	2,474
Other receivables							
Current to 60 days	2%			14	–	–	14
61 to 150 days	10%			19	–	–	19
151 to 331 days	30%			58	–	–	58
Over 331 days	100%			1,188	–	–	1,188
Total other receivables				1,279	–	–	1,279
GPA trade receivables ¹⁰²				71	3,887	1,262	5,220
Grand total				3,335	4,044	1,594	8,973

102 The GPA applies a separate risk-based approach to providing for credit losses.

13. Trade payables and other liabilities

£m		2024-25		2023-24 restated		2022-23 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group	Core department and agency	Departmental group
Current – amounts falling due within one year							
Other taxation and social security		19.2	19.4	16.5	16.8	15.1	15.4
Trade payables		20.7	21.9	57.4	57.4	52.6	52.9
Other payables		31.5	32.7	20.4	21.6	13.7	14.2
Other payables and restatement adjustments in respect of machinery of government transfers		6.8	6.8	4.3	4.3	(0.8)	(0.8)
Contract liabilities under 'IFRS 15: Revenue from Contracts with Customers' – deferred income		25.9	25.9	21.1	21.1	37.1	37.1
Accruals		154.8	163.6	192.0	192.5	185.9	186.3
Accrual for untaken annual leave		13.2	13.7	15.8	16.1	13.3	13.7
Deferred income		40.5	40.8	2.7	2.7	23.7	24.0
Imputed finance lease element of PFI contracts	18	87.1	87.1	83.8	83.8	15.2	15.2
Amounts issued from the Consolidated Fund for supply but not spend at year end		33.8	33.8	40.2	40.2	58.8	58.8
Amounts payable to the Consolidated Fund							
- received	SOPS 4	3.0	3.3	–	0.2	12.2	12.4
- receivable	SOPS 4	2.8	2.8	3.0	3.0	42.3	42.3
Total current liabilities		439.3	451.8	457.2	459.7	469.1	471.5

£m		2024-25		2023-24 restated		2022-23 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group	Core department and agency	Departmental group
Non-current – amounts falling due after more than one year							
Imputed finance lease element of PFI contracts	18	600.6	600.6	615.8	615.8	445.4	445.4
Amounts payable to the Consolidated Fund – proceeds receivable from disposals	12	8.2	8.2	9.9	9.9	10.9	10.9
Total non-current liabilities		608.8	608.8	625.7	625.7	456.3	456.3
Total		1,048.1	1,060.6	1,082.9	1,085.4	925.4	927.8

14. Provisions for liabilities and charges

£m	Infected blood compensation ¹⁰³	Voluntary exit scheme	Specific dilapidations	Retirement benefit obligations	Other provisions	Total
	Departmental group	Departmental group	Departmental group	Departmental group	Departmental group	Departmental group
At 1 April 2023 (restated)	–	–	116.6	1.1	–	117.7
Provided in the year	–	–	68.7	–	–	68.7
Provisions utilised in year	–	–	(23.0)	(0.1)	–	(23.1)
Provisions not required written back	–	–	(8.3)	–	–	(8.3)
Actuarial (gain) / loss	–	–	–	0.1	–	0.1
At 31 March 2024 (restated)	–	–	154.0	1.1	–	155.1
Provided in year	9,641.9	27.0	19.9	–	4.0	9,692.8
Provisions utilised in the year	(59.9)	–	(1.3)	(0.1)	–	(61.3)
Provisions not required written back	–	–	(20.2)	–	–	(20.2)

103 For 2024 to 2025, the Infected Blood provision was only utilised in relation to the infected IBSS registered people cohort with no utilisation by the other cohorts.

£m	Infected blood compensation ¹⁰³	Voluntary exit scheme	Specific dilapidations	Retirement benefit obligations	Other provisions	Total
	Departmental group	Departmental group	Departmental group	Departmental group	Departmental group	Departmental group
Actuarial (gain) / loss	-	-	-	(0.1)	-	(0.1)
Net interest	-	-	-	0.1	-	0.1
At 31 March 2025	9,582.0	27.0	152.4	1.0	4.0	9,766.4
Of which:						
Core department and agency	-	27.0	152.2	-	4.0	183.2
Arm's length bodies	9,582.0	-	0.2	1.0	-	9,583.2
At 31 March 2025	9,582.0	27.0	152.4	1.0	4.0	9,766.4
Core department and agency	-	-	153.8	-	-	153.8
Arm's length bodies	-	-	0.2	1.1	-	1.3
At 31 March 2024 (restated)	-	-	154.0	1.1	-	155.1
Core department and agency	-	-	116.5	-	-	116.5
Arm's length bodies	-	-	0.1	1.1	-	1.2
At 1 April 2023 (restated)	-	-	116.6	1.1	-	117.7
Of which:						
Current liability	1,859.1	27.0	38.8	0.1	4.0	1,929.0
Non-current liability	7,722.9	-	113.6	0.9	-	7,837.4
At 31 March 2025	9,582.0	27.0	152.4	1.0	4.0	9,766.4
Current liability	-	-	38.4	0.1	-	38.5
Non-current liability	-	-	115.6	1.0	-	116.6
At 31 March 2024 (restated)	-	-	154.0	1.1	-	155.1
Current liability	-	-	24.6	0.1	-	24.7
Non-current liability	-	-	92.0	1.0	-	93.0
At 1 April 2023 (restated)	-	-	116.6	1.1	-	117.7

Analysis of expected timing of discounted cash flows – 2024 to 2025

£m	Infected blood compensation	Voluntary exit scheme	Specific dilapidations	Retirement benefit obligations	Other provisions	Total
	Departmental group	Departmental group	Departmental group	Departmental group	Departmental group	Departmental group
Not later than one year	1,859.1	27.0	38.7	–	4.0	1,928.8
Later than one year and not later than five years	6,935.6	–	46.9	0.5	–	6,983.0
Later than five years	787.3	–	66.8	0.5	–	854.6
Balance at 31 March 2025	9,582.0	27.0	152.4	1.0	4.0	9,766.4

Analysis of expected timing of discounted cash flows – 2023 to 2024 (restated)

£m	Infected blood compensation	Voluntary exit scheme	Specific dilapidations	Retirement benefit obligations	Other provisions	Total
	Departmental group	Departmental group	Departmental group	Departmental group	Departmental group	Departmental group
Not later than one year	–	–	38.4	0.1	–	38.5
Later than one year and not later than five years	–	–	42.0	0.5	–	42.5
Later than five years	–	–	73.6	0.5	–	74.1
Balance at 31 March 2024 (restated)	–	–	154.0	1.1	–	155.1

Infected blood compensation analysis of expected timing of discounted flows – 2024 to 2025

£m	Infected IBSS registered people	Infected nonregistered people	Estates of infected people who have died	Affected people	Compensation scheme provision total
	Departmental group	Departmental group	Departmental group	Departmental group	Departmental group
Not later than one year	1,647.3	35.5	174.1	2.2	1,859.1
Later than one year and not later than five years	377.6	1,379.8	2,644.4	2,533.8	6,935.6
Later than five years	570.1	–	–	217.2	787.3
Balance at 31 March 2025	2,595.0	1,415.3	2,818.5	2,753.2	9,582.0
Undiscounted balance at 31 March 2025	3,433.4	1,648.3	2,959.9	3,361.2	11,402.8

Infected blood compensation

Nature and scope of the obligation

IBCA was established to deliver compensation to those eligible to claim, as established by the Victims and Prisoners Act 2024.¹⁰⁴ The legislation establishes entitlement to compensation for individuals who have suffered as a result of infected blood and infected blood products. While there is a high degree of uncertainty relating to the number of people eligible to make a claim, IBCA holds an estimate based on reasonable assumptions available and, as a result, IBCA can make an estimate as to the value of compensation payable to those eligible to make a claim.

Within IBCA's valuation model, individuals are grouped into cohorts. These cohorts are:

- living infected people registered with an existing Infected Blood Support Scheme (IBSS)
- infected people not registered with an IBSS
- estates of infected people who have died
- affected people

Infected people are those who have been directly or indirectly infected through NHS blood, blood products or tissue. This includes anyone, living or deceased, who has been infected with HIV, hepatitis C and chronic hepatitis B, including those who were indirectly infected through their partners or loved ones. Those who had an acute hepatitis B infection and died from their infection during the acute period will also be eligible under this scheme.

Where a person who would have been eligible to apply to the scheme as an infected person has sadly died, the personal representatives of the deceased person's estate may apply for compensation on behalf of the estate.

Affected people are those who have suffered the impacts of infected blood through their relationship with an infected person. This includes partners, parents, children and siblings, and other friends and family members who cared for loved ones with an infection without reward or remuneration.

For most people who are eligible to claim, tariffs are used to calculate compensation. The tariffs are based on the severity of infection and negative impacts suffered by victims in different aspects of their lives. In certain circumstances, a further assessment of an individual's needs may result in a supplementary route for compensation to ensure the appropriate compensation is awarded.

Under the scheme, compensation is calculated in line with the categories of award. Each category of award recognises and compensates for the impacts of the infected blood scandal in different areas of a person's life. The categories of award are:

- injury award
- social impact award
- autonomy award
- care award
- financial loss award

The affected community is not eligible for the care award and financial loss award, with the exception of some bereaved partners and children, who may be eligible for a financial loss award if they are able to provide evidence of dependency on the infected person at the time of death and for at least six months prior to this point.

For people diagnosed with an eligible infection before 1 April 2025, IBCA's scheme will remain open to applications until 31 March 2031. For people diagnosed after 1 April 2025, the scheme will remain open to applications for 6 years from the person's date of diagnosis.

¹⁰⁴ The legislation under which compensation payments are made can be seen in The Infected Blood Compensation Scheme Regulations 2025 www.legislation.gov.uk/ukdsi/2025/9780348268843/contents

Basis for the recognition of provision

In accordance with ministerial statements and the legislation, IBCA has a present obligation under 'IAS 37: Provisions, Contingent Liabilities and Contingent Assets'. IBCA therefore has made provision in the annual report and accounts for the best estimate at 31 March 2025 of the total compensation payable by IBCA under the Infected Blood Compensation Scheme.

Under current arrangements, registered infected people who claim and bereaved partners receive regular support payments by an IBSS.¹⁰⁵ The UK government, through the IBSS, has also made interim compensation payments to infected persons, bereaved partners and estates of those registered on an IBSS.

The legislation applicable on 31 March 2025 states that the IBSS schemes would transfer to IBCA in the financial year 2025 to 2026, meaning the responsibility to make ongoing support payments, where someone eligible to claim has elected to continue receiving them, will be transferred. This is reflected in the valuation of the infected IBSS registered and estates provisions, with IBCA recognising at 31 March 2025 the portion of compensation payments for which IBCA will be responsible beyond the transfer dates. The payments due after 5 years shown within the analysis of timing of cashflows above reflect the expectations related to ongoing support payments. Subsequent announcements post year-end have indicated that transfer dates between IBSS and IBCA will be delayed to enable them to complete the transfer by the end of 2026.

Developments affecting the provisions

Events affecting the provision during the period

As this is the first operating period for IBCA, the liability has been recognised during the year, meaning that the total valuation, though payable over a number of years, was recognised in full in both the statement of financial position and the statement of comprehensive net expenditure.

In the period to 31 March 2025, the scheme opened up and started processing claims for living infected people registered with an existing IBSS. This is the first cohort of claims to be started. Compensation payments for infected people not registered with an IBSS, estates of infected people who have died and affected people will be made in upcoming financial years. Payments made during the period are accounted for as a utilisation of the provision.

Events affecting the provision in future periods

In July 2025, agreement was obtained to accelerate payments under the scheme, which will impact the future profile of payments across the years. In addition, a further inquiry report was issued in July which proposed the changes in IBSS transfer dates and additional changes to regulations. These events are considered to be non-adjusting in accordance with IAS 10 and have not been incorporated within the valuation of the provision as at 31 March 2025. Further information about the estimated impact of these changes can be found in note 22. Events after the reporting period.

¹⁰⁵ IBSS are the responsibility of the Department of Health and Social Care (DHSC) in England and the devolved governments in the other nations of the UK.

Method of calculation

Approach applied across cohorts

The provision has been estimated under 'IAS 37: Provisions, Contingent Liabilities and Contingent Assets'. The standard has been applied in order to derive a best estimate for the cost of the scheme. When determining the best estimate, two primary approaches can be considered:

- Most likely outcome (MLO) – this approach is suitable for where there is a single, most probable outcome.
- Expected value method (EVM) – this method is appropriate when there are multiple possible outcomes, each with its own probability. The best estimate is calculated based on consideration of multiple scenarios.

IBCA have prepared the provision cost model using MLO due to the significant uncertainty around the possible number of those eligible to claim that could come forward. Different possible scenarios of claim volumes have been costed. As the model has progressed it has purposefully excluded probability, though will work towards its inclusion in future iterations.

The broad mechanics of the modelling is relatively simple: the overall cost of the scheme is calculated by multiplying the number of people claiming compensation (estimating how many) by the amount awarded (estimating how much someone eligible is entitled to).

The expected cash outflows are then profiled, based on expected timing of the claim service being opened for each cohort and assumptions made on whether individuals will opt to receive a lump sum payment or continuing with ongoing support payments (applicable to those individuals making a claim who are infected and IBSS registered). The estimate is discounted in the financial statements to represent the total cost of compensation at its present value. The applicable discount rate is prescribed by HM Treasury.

Calculation of compensation due to infected people

Those who are already registered on an IBSS are a known group, which is approximately 3,500 individuals, and the IBSS registered infected provision reflects the compensation expected to be paid to those individuals. There is however limited available information on those who are infected but not registered on the IBSS (incorporated within the infected non-registered provision).

The Infected Blood Inquiry commissioned a group of statistical experts to investigate the number of people infected during the scandal. This group spent over a year gathering data and working on this question, and it concluded that the number directly infected (both living and deceased) could vary by a large amount: 25,000 to 45,000 individuals.

The cost profile listed here is based on the central scenario of the overall scheme cost and infected numbers, detailed below.

To estimate the number of living infected individuals with chronic disease severities:

- The starting point is the number of infected individuals registered on IBSS, which is approximately 3,500 individuals.
- Historical data is considered from IBSS of successful applications and mortality. Overall, a relatively small change in registrations prior to April 2025 was expected (where IBSS registrations will close), approximately 40 individuals.
- An uplift is applied for the assumed increase in applications once the scheme opens.
- The end result is an estimate that approximately 4,100 people living with chronic infections will be awarded compensation, approximately 600 more than are registered with an IBSS.

People who had an acute hepatitis C infection are not eligible for IBSS but are eligible for compensation through the scheme. In the central scenario it is estimated approximately 1,200 living individuals will come forward. These are in addition to the 4,100 people estimated above. This is informed by the Infected Blood Inquiry's Statistical Expert Group (SEG) report and subsequent analysis across government.

Calculation of compensation due to the estates of infected people who have died

This is informed by the SEG report which estimates the number of people who have died who were infected through transfusion and blood products. We apply assumptions to account for secondary infections and how many estates will actually come forward to make a claim, arriving at a central scenario where we assume approximately 8,400 estates of infected people who have died will claim.

Calculation of compensation due to affected people

This cohort includes partners, parents, children and siblings, and other friends and family members who cared for loved ones with an infection without reward or remuneration. To be eligible for compensation, the affected individual must be living, as required by Regulation 4 in The Infected Blood Regulations 2025.

As there is no data available specifically relating to this affected cohort, ONS data on the mortality and living arrangements of the general public was used instead. The ONS data was used to help estimate the number of potential children, siblings, parents and partners an infected person would have. This was based on the infected person being the average age of someone on the England Infected Blood Support Scheme (EIBSS).

The final range of affected persons per infected person was not solely reliant on the figures derived from the analysis of ONS data. This analysis contributed to shaping a profile of the number of people affected by an individual's blood infection, considering

a range of ages for infected people, but it was supplemented by logical assumptions derived from policy and analytical professions as well as expert opinion.

ONS data on marriage and cohabitation provided statistics on how many eligible partners a person is likely to have had. Data on birth rates and fertility enabled us to see how many children and siblings a person is likely to have, and also how much older their parents are likely to be than them. Mortality data was then used to understand how many of these affected individuals were likely to still be alive. For all of these, consideration was given to age and date of birth, and this produced a lifetime profile that could then be applied to the assumptions as to the ages of infected persons.

Key assumptions and areas of uncertainty

Significant estimation uncertainties exist in measuring the provisions due to the complex nature and unpredictability of the underlying data. At present, estimates continue to be both very large and broad, predominantly reflecting the considerable uncertainty about the volume of infected non-registered and affected people, and of the number of estates of infected individuals that may come forward for compensation.

As the scheme opens to more cohorts in future years, increased confidence can be held as to the assumptions in place. Further data will become available to strengthen the evidence to support the assumptions made by management and refine those assumptions as required. Outcomes within the next financial year that are different from the assumptions made this year could require a material adjustment to the carrying amount of the liability as a result of refined assumptions. Consequently, the final cost of the scheme may differ materially from the amount currently recognised.

Assumptions and uncertainties relevant to all cohorts

All cohorts are impacted by the following key assumptions or areas of uncertainty:

- **Discounting:** the provision is discounted to reflect the time value of money. Compensation payments estimated in the future are discounted back to a present value. The applicable discount rate is prescribed by HM Treasury.
- **Severity of infection:** infection severity affects the award category and assumptions about severity are made using existing data from IBSS-registered databases.
- **Operational scale-up decisions:** the cash out flows in relation to compensation payments have been modelled based on IBCA's current operational targets for processing claims, reflecting assumptions on sequencing based on IBCA's publicly stated plans at 31 March 2025, being that IBCA would start processing those registered on an Infected Blood Support Scheme (IBSS) in the period ending 31 March 2025 and open access to all cohorts in the financial year 2025 to 2026, aiming to scale to 500 claims managers by the end of 2025 to 2026. The order in which claims are processed, and IBCA's ability to achieve those targets, will impact the discounted value of the provision.

Assumptions relating to infected IBSS registered people

Those who are already registered on an IBSS are a known group. Based on operational payment data, we assume that 60% will choose the 'core' route, where they receive a higher lump sum in lieu of support payments for life.

Assumptions relating to infected non-registered people

The key assumption and area of estimation uncertainty impacting this group is the number of infected non-registered people that may be eligible to claim. There is limited available information about those who are

infected, but not registered on the IBSS. Using the findings of the SEG, and data held by IBSS, reasonable assumptions have been incorporated into the model to estimate the number of people eligible to claim who will come forward for compensation.

The key assumption in the central scenario is that an additional 17.5% of applications will occur once the scheme opens to those infected but not previously registered on IBSS. This is linked to analysis of the increase in applications to IBSS; once the interim payments were announced, applications rose between 7% and 12%. This assumption was increased to 17.5% to factor:

- compensation amounts are higher under IBCA's scheme and there may be more motivation to apply
- widening eligibility for claimants, such as those individuals with chronic hepatitis B infections, now being eligible to claim
- the eligibility of the date of infection being relaxed

Assumptions relating to the estates of infected people who have died

There is much less information about the number of infected people who have died, and this assumption is the primary driver for the considerable estimation uncertainty on the estates provision. The provision of £2,819 million is based on the undiscounted central scenario of £2,960 million.

The key assumptions impacting this group are:

- **Number of estate claims:**
 - low: 3,832
 - central: 8,473
 - high: 10,453
- **Estimating years of survivorship:** survivorship is the time between infection and death. Available statistics on survivorship of transfusion recipients stratified by age are used to estimate years of survivorship for the infected people who

have died. This could impact the award amount of claims of estates of infected people who have died.

Assumptions relating to affected people

The number of affected people who will claim is both the key assumption for this group and the area of considerable estimation uncertainty. There is far less information for this group than any of the cohorts. Due to the variety of eligible affected groups, the wide age range of infected persons, the uniqueness of this particular cohort in comparison to the general public, the factors of mortality, awareness of the scheme and willingness to apply, there is a high degree of uncertainty attached to the volume estimates.

Following the method of calculation described above, we have estimated that the number of potential affected people ranges from 18,000 to 96,000. This estimate has been generated using the limited data available and draws on the numbers and population characteristics of the infected group, with assumptions made about the potential number of people who have suffered the impacts of infected blood through their relationship with an infected person. Available ONS data is also used to inform the assumptions as to the number of affected people per infected person.

The provision of £2,753 million is based on the central scenario of approximately 51,000 affected persons, which undiscounted amounts to £3,361 million. The range on the undiscounted estimate for variation in claimant numbers is a low of £1,213 million to a high of £5,634 million.

Sensitivity analysis

The provision is highly sensitive to changes in assumptions on volumes of people eligible to claim. Those registered with an existing IBSS provide the basis of the valuation for that cohort, with all others being based on estimates using available data and meetings of the Statistical Expert Group. As such, there is a high degree of uncertainty about the number of people eligible to claim in

all cohorts, apart from those registered with an IBSS. The model holds a range of scenarios, presented at low, central and high, as outlined below:

- Low: 27,059, of which, 8,584 are infected claimants and 18,475 are affected claimants.
- Central: 64,849, of which, 13,843 are infected claimants and 51,006 are affected claimants.
- High: 112,775, of which, 16,574 are infected claimants and 96,201 are affected claimants.

The central scenario forms the basis of the valuation.

A sensitivity analysis has been undertaken to identify the impact of any changes to key assumptions. For each of the key assumptions listed below, a reasonable change has been identified and the impact on the overall financial liability calculated. For each assumption analysed, all other assumptions are held constant in order to isolate the effect of a change for the specified assumption.

The analysis has been performed on the undiscounted provision. However, the effect on the discounted liability has been calculated in respect of the following assumption:

- a change in the discount rate, showing the discounted effect of a reasonable change in the discount rate

Sensitivity analysis on undiscounted provision:

		Undiscounted change in provision – (decrease) / increase £ million		
Key assumption	Description of sensitivity	Central estimate (in £ millions)	Reasonable low (difference between the central and low estimate)	Reasonable high (difference between the high and central estimate)
Numbers of people eligible to make a claim:				
Number of core route claims (assumption in relation to living infected cohort only and excluding those who remain receiving annual support payments)	Central estimate used for the provision assumes 3,959 people making a claim. Sensitivity change calculated using a low of 3,343 and a high of 4,711.	2,900	(789)	849
Number of estate claims of infected people who have died	Central estimate used for the provision assumes 8,473 estate claims of infected people who have died. Sensitivity change calculated using a low of 3,832 and a high of 10,453.	2,959	(1,448)	837
Number of affected claims (affected cohort assumption)	Central estimate used for the provision assumes 51,006 people making a claim. Sensitivity change calculated using a low of 18,475 and a high of 96,201.	3,361	(1,632)	2,519
Characteristics of people who claim:				
Survivorship of people who have died (assumption in relation to estates of infected people who have died only)	The model's central estimate assumes an average weighted number of years survivorship of 8 years. The reasonable low assumes 7 years and the reasonable high assumes 15 years.	11,403	(245)	728

Sensitivity analysis on discounted provision:

		Discounted change in provision – (decrease) / increase £ million		
Key assumption	Description of sensitivity	Central estimate (in £ millions)	Reasonable low (difference between the central and low estimate)	Reasonable high (difference between the high and central estimate)
Numbers of people eligible to make a claim:				
Discount rate (assumption impacts all cohorts)	Central estimate used for the provision assumes a discount rate of 4.03% to 4.07% for years one to six.	9,582 (excluding ongoing support payments)	(436)	474

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 12. 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. Assuming all other variables remain constant, a 10 per cent increase (or decrease) in floor space will result in approximately 10 percent increase (or decrease) in the provision (£12.3 million).

Receivables recognised in respect of provisions

Where the GPA recognises dilapidation provision liabilities on behalf of clients, the GPA recognises a dilapidation receivable due from clients once it becomes virtually certain that the dilapidations charge will be recovered.

These receivables are recognised within trade receivables and other assets in note 12. The movement and reconciliation to the CSoCNE is presented below.

£m	2024-25		2023-24	
	Core department and agency	Departmental group	Core department and agency	Departmental group
Balance at 1 April	145.4	145.4	106.4	106.4
Provided in the year	12.7	12.7	66.1	66.1
Provisions not required written back	(22.9)	(22.9)	(27.1)	(27.1)
Received in the year	(1.3)	(1.3)	–	–
Balance at 31 March	133.9	133.9	145.4	145.4

£m	2024-25		2023-24	
	Core department and agency	Departmental group	Core department and agency	Departmental group
Increase / (decrease) in dilapidation provision liability	(1.5)	(1.5)	37.4	37.4
(Increase) / decrease in dilapidation provision receivable	11.5	11.5	(39.1)	(39.1)
Net increase / (decrease) in provisions during the year passing through SoCNE	10	10	(1.7)	(1.7)

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 2025.

Voluntary exit scheme

The department is required to reduce its core staff numbers and a voluntary exit scheme was offered to staff. A new provision was created in 2024 to 2025 for the estimated costs of voluntary redundancy payments. It is expected that all payments will have been made against the provision during 2025 to 2026.

The department provides for redundancy payments after an initial quote has been issued and retains the provision until:

- either the individual accepts the valuation of the payment and the provision is utilised
- or the individual rejects the offer and the provision is written back

Other provisions

A payment of £4 million is expected to be 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.

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.

15. Contingent assets

The Cabinet Office has no contingent assets.

16. Contingent liabilities

IR35

Since April 2017, the responsibility for assessing the employment status of contingent workers has rested with the employing public sector body, which decides if engagements are inside the off-payroll working rules and is responsible for informing the fee-paying agency to allow appropriate deductions to be made. Since 2019, HMRC has been undertaking audit compliance work on our determinations for workers engaged since April 2017.

The department applied the off-payroll rules with care; however, it may be liable for any tax unpaid as a result of an incorrect determination passed to the fee-paying agency. The audit compliance work has progressed considerably in 2024 to 2025. HMRC has reached conclusions on some groups of contingent workers and fed these back to the department. In general, HMRC is of the view that those contingent workers within these groups who were classified outside of IR35 for tax purposes should have been within scope of IR35.

The department agreed with HMRC that it would await its opinions on the four groups of workers under review before responding. At this stage, it is only possible to state that the department does not agree with all aspects of HMRC's argument. The department expects to put its views to HMRC in the last quarter of 2025 calendar year.

The department is therefore not in a position to assess the extent of its exposure to this potential liability accurately.

The department is 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.

16.1. 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 are classified as remote contingent liabilities in the accountability report.

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.

Indemnity for the Commission for Racial Equality Pension and Life Assurance Scheme trustees

The government has indemnified the trustees of the Commission for Racial Equality Pension and Life Assurance Scheme 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.

17. Financial instruments

The department is exposed to little credit or liquidity 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.

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.

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. Further details are published in the GPA's annual report and accounts.

17.1. 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

2024-25					2023-24		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
£m	Note	1	2	3	1	2	3
Financial assets: fair value through profit and loss							
Derivative financial assets	10	–	–	2.8	–	–	3.9
Official Receiver receivables	12	–	–	11.0	–	–	12.9
Financial liabilities: fair value through profit and loss							
Official Receiver payable	13	–	–	(11.0)	–	–	(12.9)

There were nil transfers between the levels in 2024 to 2025.

Derivative financial assets valuation risk

The department is exposed to valuation risk of its derivative financial assets held at fair value through profit or loss in relation to its put options over its investments in certain associates – see note 10. This risk would arise at the point at which the department exercises its respective put options, attributable to inherent valuation uncertainty when measuring fair value and the corresponding sale consideration owed to the department.

Official Receiver receivable / payable

The department is due to receive excess funds in respect of the liquidations of Carillion plc, Virtual Infrastructure Group Ltd and UK Cloud Ltd. Any excess funds received are due to be returned to the Consolidated Fund. See notes 12 and 13.

18. Commitments under private finance initiative contracts and other service concession arrangements

Private finance initiative (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) government 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	January 2005	32	PFI contract covering refurbishment and maintenance of 100 Parliament Street. Initial contract with HMRC and PFI provider was signed in January 2005 for a 32-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 2025	As at 31 March 2024
Rentals due not later than one year	90.3	86.8
Rentals due later than one year but not later than five years	363.3	349.5
Rentals due later than five years	567.7	641.3
Sub-total	1,021.3	1,077.6
Less interest element	(333.6)	(378.1)
Present value of obligations	687.7	699.5

The present value of liabilities under PFI service concession arrangements recognised in the CSoFP are as follows.

£m	As at 31 March 2025	As at 31 March 2024
Rentals due not later than one year	87.1	83.8
Rentals due later than one year but not later than five years	288.4	277.4
Rentals due later than five years	312.2	338.4
Present value of obligations	687.7	699.6

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 2025	As at 31 March 2024 restated
Not later than one year	35.5	44.0
Later than one year but not later than five years	142.6	176.5
Later than five years	146.0	235.1
Total service element	324.1	455.6

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 £154.7 million for the period to 31 March 2025 (2023 to 2024: £194.3 million). Of this total, £76.5 million (2023 to 2024: £72.3 million) has been charged to operating expenditure comprising both the fixed and variable service charge element of £39.2 million (2023 to 2024: £38.8 million) and non-contract specific costs of £37.3 million (2023 to 2024: £33.5 million). Charges to finance expenditure include interest charges of £55.6 million (2023 to 2024: £56.4 million) and finance liability indexation charges of £22.6 million (2023 to 2024: £65.7 million).

19. Capital and other financial commitments

19.1. Capital commitments

Contracted capital commitments at 31 March 2025 for which no provision has been made and not otherwise included in these financial statements are as follows.

£m	2024-25		2023-24	
	Core department and agency	Departmental group	Core department and agency	Departmental group
Property, plant and equipment	74.6	74.6	105.9	105.9
Total	74.6	74.6	105.9	105.9

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.

As at 31 March 2025 the £74.6m is made up of the following contracts: £27.3 million in relation to government hubs and Whitehall campus programmes, £37.7 million in relation to workplace project design and delivery, and £9.6 million for property technology projects.

Substantially all capital commitments are expected to be incurred within 12 months of the reporting date.

19.2. 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	2024-25		2023-24	
	Core department and agency	Departmental group	Core department and agency	Departmental group
Not later than one year	257.5	257.5	120.0	120.0
Later than one year and not later than five years	352.4	352.4	311.3	311.3
Later than five years	117.7	117.7	125.3	125.3
Total	727.6	727.6	556.6	556.6

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.

As at 31 March 2025 the £727.6 million is made up of the following material contracts:

- £229.3 million in relation to the administration of the Civil Service Pension Scheme
- £115.1 million in relation to cross-government learning and development contracts
- £112.8 million in relation to facilities management
- £82.8 million on client-funded construction projects
- £57.4 million with our operational security provider

20. Related party transactions

The department is the parent of its agencies and other designated bodies (see note 21) and sponsor of its associate CHDC. These bodies are regarded as related parties with which the department has had a number of transactions during the year.

The GPA and the CCS are executive agencies of the Cabinet Office. The GPA provides accommodation and property services. The CCS brings together policy, advice and direct buying, providing commercial services to the public sector and saving money for the taxpayer.

The Cabinet Office is a sponsor of three executive non-departmental public bodies (the Civil Service Commission, the Equality and Human Rights Commission and the Infected Blood Compensation Authority), and of the Registrar of Consultant Lobbyists, a corporation sole, see note 21. Neither the Registrar nor their staff have undertaken any material transactions with registered consultant lobbyists during the year.

Balances and transactions between the department and its ALBs have been eliminated on consolidation and are not disclosed in this note.

The Cabinet Office had one associate company during the year: Crown Hosting Data Centres Limited (CHDC), see note 10.

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 2024 to 2025 financial year was £0.594 million (2023 to 2024: £1.870 million).

In addition, the department had a number of transactions with other government departments and other central government bodies. The main suppliers to the Cabinet Office within government were:

- HM Revenue and Customs
- Department for Work and Pensions
- Foreign, Commonwealth and Development Office
- Government Legal Department
- DVLA
- Home Office

The main customers of the Cabinet Office group within government were:

- Ministry of Defence
- Home Office
- Department for Education
- Foreign, Commonwealth and Development Office
- Ministry of Justice
- Crown Prosecution Service

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.

21. 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 and whose funding arrangements can be separate.

These advisory non-departmental public bodies provide independent and expert advice to ministers on particular topics of interest. Advisory non-departmental public bodies of the Cabinet Office include:

- Advisory Committee on Business Appointments
- Committee on Standards in Public Life
- House of Lords Appointments Commission
- Security Vetting Appeals Panel
- Senior Salaries Review Body
- Social Mobility Commission

Expert committees

Expert committees provide independent and expert advice to the government and ministers. Expert committees of the Cabinet Office include the Main Honours Committee.

Executive agency

Government Property Agency – supply financed

The GPA was established on 1 April 2018. It is an executive agency of the Cabinet Office which provides the centralised ownership, control and delivery infrastructure needed to unlock benefits across organisational boundaries. It further positions government to deliver workforce change and wider business transformation, delivering efficiencies and releasing land and property for productive use, including building new homes.

The agency publishes its own annual report and accounts. Further information can be found on the GPA website.

Non-departmental public bodies with executive powers

Civil Service Commission

The Civil Service Commission in its current form was established by the Constitutional Reform and Governance Act 2010, although the commission has existed as a non-statutory body since 1855. The Act assigns the commission two primary functions:

- providing assurance that recruitment to the Civil Service is on merit, on the basis of fair and open competition
- hearing and determining appeals made by civil servants under the Civil Service Code, which sets out the values of the Civil Service – impartiality, objectivity, integrity and honesty – and forms part of the contractual relationship between civil servants and their employer

As an independent, statutory body the Civil Service Commission publishes its own annual report. Further information can be found on the Civil Service Commission website and in the Civil Service Commission annual report and accounts.¹⁰⁶

Equality and Human Rights Commission (EHRC)

The EHRC is the independent regulator for equality, human rights and good relations in Britain, established by the Equality Act 2006. The commission operates independently and has been awarded an 'A' status as a national human rights institution by the United Nations. It uses unique powers to challenge discrimination, promote equality of opportunity and protect human rights while being ready to take tough action against those who abuse the rights of others.

As an independent, statutory body, the EHRC publishes its own annual report. Further information can be found on the EHRC website and in the EHRC annual report and accounts.¹⁰⁷

Infected Blood Compensation Authority

The IBCA was established in May 2024, so this is the first year that the IBCA is consolidated into the Cabinet Office group accounts. The IBCA is the independent body set up to pay compensation to people infected and affected by HIV, hepatitis B and C through contaminated blood, blood products or tissue, established by the Victims and Prisoners Act 2024.

As an independent, statutory body, the IBCA publishes its own annual report. Further information can be found on the IBCA website and in the IBCA annual report and accounts.¹⁰⁸

Statutory offices

The Office of the Registrar of Consultant Lobbyists

The Office of the Registrar of Consultant Lobbyists (ORCL) was set up following the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014. The Registrar is an independent statutory office, established to keep and publish the register of consultant lobbyists, on which those who lobby on behalf of a third party are required to declare the names of their clients and whether or not they subscribe to a relevant code of conduct.

The office publishes its own annual report and accounts. Further information can be found on the ORCL website and in the ORCL annual report and accounts.¹⁰⁹

The Office of the Commissioner for Public Appointments

The Office of the Commissioner for Public Appointments is not a non-departmental public body. However, its spending falls within the Cabinet Office budget and therefore it is listed in the Designation Order.

¹⁰⁶ www.civilservicecommission.independent.gov.uk

¹⁰⁷ www.equalityhumanrights.com

¹⁰⁸ www.ibca.org.uk

¹⁰⁹ www.registrarofconsultantlobbyists.org.uk

22. Events after the reporting period

In accordance with the requirements of 'IAS 10: Events after the reporting period', events after the reporting period are considered up to the date on which the accounts are authorised for issue by the accounting officer. This is interpreted as being the date of the certificate and report of the Comptroller and Auditor General to the House of Commons.

Machinery of government transfers

Infrastructure and Projects Authority

In a Prime Ministerial statement on 17 January 2025, it was announced that the National Infrastructure and Service Transformation Authority (NISTA) will be a joint unit of HM Treasury and the Cabinet Office. This change will bring infrastructure strategy and delivery together to address systemic challenges to growth, and combine the expertise and functions of the Infrastructure and Projects Authority and the National Infrastructure Commission.

To support this, responsibility for all of the Infrastructure and Project Authority's functions and responsibilities, including the government's project delivery expertise and functions, and assurance reviews for the government's largest projects, will move from the Cabinet Office to HM Treasury.

The principal accounting officer for NISTA will be the Treasury Permanent Secretary. The lead minister will be the Chief Secretary to the Treasury. This change was effective from 1 April 2025.

Cyber security

In a Prime Ministerial statement on 3 June 2025, it was announced that responsibility for government and public sector cyber security will move from the Cabinet Office to the Department for Science, Innovation and Technology.

This change will strengthen technology resilience and policymaking across the public sector, by better integrating cyber-security responsibilities and expertise into the Government Digital Service. This change was effective immediately.

Ethics and Integrity Commission

In a written ministerial statement on 21 July 2025, it was announced that the government will establish an Ethics and Integrity Commission to strengthen probity in public life, delivering on a key manifesto commitment. Our new commission will sit at the heart of our standards system. It will:

- promote the Seven Principles of Public Life
- support public bodies developing codes of conduct
- enable the sharing of best practice across the public sector
- report to government on specific areas in need of improvement

The commission will be established by strengthening and reforming the Committee on Standards in Public Life (CSPL). The commission will be granted a stronger mandate and an expanded role to promote, oversee and report on the Seven Principles of Public Life. The Ethics and Integrity Commission will become operational on 13 October 2025.

Advisory Committee on Business Appointments

In the same ministerial statement on 21 July 2025, it was announced that the government has decided to close the Advisory Committee on Business Appointments (ACOBA) and to transfer its function to provide independent advice on the application of the BARs in respect of the most senior civil servants and special advisers to the Civil Service Commission.

IBCA acceleration of operations

In July 2025, HM Treasury agreed funding and Ministerial agreement was given to enable accelerated delivery of compensation. IBCA presented a plan to enable all registered infected people eligible to claim to be paid by the end of 2025. This plan required additional funding to enable accelerated scale up of the service and to put the necessary workforce in place sooner. In line with IAS 10 – events after the reporting period, this forms a non-adjusting event, being an event that is reflective of conditions that arose after the reporting period.

In respect of the financial obligations of IBCA, this has a direct impact on the valuation of the provision for compensation payable recognised at the period end. This is the result of changes to discounting, which adjusts the valuation for the time value of money. The financial impact is presented below.

£m	Note	As at 31/3/25	Impact on provision	As at 31/3/25 including additional projected cost
Discounted provision	14	£9,582.0	£34.1	£9,616.1
Undiscounted provision	14	£11,402.8	–	£11,402.8

This does not affect amounts to which those eligible to claim are entitled, but rather reflects the time value of money. The accelerated profile projects that IBCA will pay compensation sooner than previously projected. In today's money terms, a payment made sooner is accounted for as a higher cost than a payment made later, which has led to the change in discounted valuation outlined above.

It should be noted that uncertainty remains around the total number of people eligible to claim and this projection is based on our central scenario. Please see note 14 for more detail.

Additional inquiry report

On 9 July 2025, the Infected Blood Inquiry published an additional report on compensation.¹¹⁰ The report outlined a suite of recommendations which were considered by the government. On 21 July 2025, the government agreed to accept some of the recommendations and consult further with the community on others. In line with IAS 10 – events after the reporting period, this forms a non-adjusting event, being an event that is reflective of conditions that arose after the reporting period.

The policy decisions announced are currently estimated to cost around £1 billion in further compensation payments, as stated by the Minister for the Cabinet Office in Parliament on 21 July 2025. The total cost depends on what is agreed following consultation with the community.

¹¹⁰ www.infectedbloodinquiry.org.uk/sites/default/files/documents/Final%20proof%20CCS0325782952-001_PN9556747_IBI_Additional%20Report_Bookmarked.pdf



Annexes

Regulatory reporting: Core expenditure table

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 2020 to 2021 to 2028 to 2029

£000	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Outturn ¹¹¹	Outturn ¹¹¹	Outturn ¹¹¹	Outturn ¹¹¹	Outturn	Plans	Plans	Plans	Plans
Resource departmental expenditure limit (DEL)									
Seize the opportunities of EU Exit, through creating the world's most effective border to increase UK prosperity and enhance security	–	55,860	23,396	17,476	6,270	–	–	–	–
Secure a safe, prosperous and resilient UK by coordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	67,926	37,617	61,749	62,189	75,912	–	–	–	–
Advance equality of opportunity across the UK	–	16,703	15,387	16,524	16,035	–	–	–	–

¹¹¹ 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	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Outturn ¹¹¹	Outturn ¹¹¹	Outturn ¹¹¹	Outturn ¹¹¹	Outturn	Plans	Plans	Plans	Plans
Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	658,808	378,734	296,731	319,255	218,698	–	–	–	–
Support the design and implementation of HM Government's policies and the Prime Minister's priorities	366,061	461,296	223,231	243,585	280,988	–	–	–	–
Ensure the effective running of the department and contribute to the government's cross-cutting priorities	153,432	124,819	–	–	–	–	–	–	–
Executive agency – Government Property Agency	33,913	27,992	52,953	209,829	158,996	224,898	–	–	–
Arm's length bodies (net)	19,205	19,532	21,088	21,068	42,228	131,016	–	–	–
UK Members of the European Parliament	2,232	2,161	2,120	–	–	–	–	–	–
Strengthen international partnerships to support growth	–	–	–	–	–	13,200	–	–	–
Strengthen the foundations of good government	–	–	–	–	–	115,511	–	–	–
Make the country safer, more secure & increasingly resilient	–	–	–	–	–	72,092	–	–	–
Run a high-quality Civil Service	–	–	–	–	–	531,137	977,329	1,170,279	1,000,279
Drive delivery of the Government's missions and foundations	–	–	–	–	–	56,019	–	–	–

£000	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Outturn ¹¹¹	Outturn ¹¹¹	Outturn ¹¹¹	Outturn ¹¹¹	Outturn	Plans	Plans	Plans	Plans
Total resource DEL	1,301,577	1,124,714	696,655	889,926	799,127	1,143,873	977,329	1,170,279	1,000,279
Of which:									
Staff costs ¹¹²	581,389	628,098	627,576	656,505	745,293	706,478	-	-	-
Purchase of goods and services	1,220,699	1,071,796	591,524	804,418	716,984	1,632,217	-	-	-
Income from sales of goods and services ¹¹³	(241,673)	(322,885)	(325,856)	(370,777)	(388,077)	(421,000)	-	-	-
Current grants to local government (net)	19,296	11,948	4	622	(886)	-	-	-	-
Current grants to persons and non-profit (net)	8,701	2,846	3,284	15,670	1,735	-	-	-	-
Current grants abroad (net)	-	120	-	-	-	-	-	-	-
Rentals	10,629	8,368	44,694	(8,531)	(51,185)	-	-	-	-
Depreciation	49,063	68,526	114,749	137,324	151,543	228,760	-	-	-
Other resource	(346,527)	(344,103)	(359,320)	(345,305)	(376,280)	(1,002,582)	977,329	1,170,279	1,000,279
Resource AME									
Cabinet Office AME	4,446	(3,537)	(1,339)	186	9,615,668	(2,819,700)	-	-	-
Executive agency – Government Property Agency – AME	105,851	76,975	55,833	116,894	76,796	260,000	-	-	-
Total resource AME	110,297	73,438	54,494	117,080	9,692,464	(2,559,700)	-	-	-
Of which:									
Depreciation ¹¹⁴	80,000	93,300	55,588	39,800	-	220,000	-	-	-
Take up of provisions	-	-	-	83,034	-	-	-	-	-
Release of provision	(89)	(3,601)	-	(33,598)	-	-	-	-	-
Other resource	30,386	(16,261)	(1,094)	27,844	9,692,464	(2,779,700)	-	-	-

112 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'.

113 Income is also included against the rentals and other resource lines.

114 Includes impairments.

£000	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Outturn ¹¹¹	Outturn ¹¹¹	Outturn ¹¹¹	Outturn ¹¹¹	Outturn	Plans	Plans	Plans	Plans
Total resource budget	1,411,874	1,198,152	751,149	1,007,006	10,491,591	(1,415,827)	977,329	1,170,279	1,000,279
Of which:									
Depreciation ¹¹⁴	129,063	161,826	170,337	177,124	151,543	448,760	–	–	–
Capital DEL									
Seize the opportunities of EU Exit, through creating the world's most effective border to increase UK prosperity and enhance security	–	707	162	–	–	–	–	–	–
Secure a safe, prosperous and resilient UK by coordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	9,413	23,213	26,220	25,713	27,463	–	–	–	–
Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	48,196	1,140	6,845	19,182	27,415	–	–	–	–
Support the design and implementation of HM Government's policies and the Prime Minister's priorities	147,952	5,768	3,920	9,049	5,559	–	–	–	–
Executive agency – Government Property Agency	19,748	101,757	204,153	357,722	196,544	410,800	622,000	451,500	318,700
Arm's length bodies (net)	385	490	700	244	18,558	27,950	–	–	–

£000	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Outturn ¹¹¹	Outturn ¹¹¹	Outturn ¹¹¹	Outturn ¹¹¹	Outturn	Plans	Plans	Plans	Plans
Strengthen international partnerships to support growth	-	-	-	-	-	4,200	-	-	-
Make the country safer, more secure & increasingly resilient	-	-	-	-	-	8,900	-	-	-
Run a high-quality Civil Service	-	-	-	-	-	27,153	-	-	-
Drive delivery of the Government's missions and foundations	-	-	-	-	-	1,350	-	-	-
Total capital DEL	225,694	133,075	242,000	411,910	275,539	480,353	622,000	451,500	318,700
Of which:									
Income from sales of assets	12,373	870,993	(616,125)	(233,690)	(181,221)	-	-	-	-
Net lending to the private sector and abroad	-	-	-	-	-	-	-	-	-
Other capital	(411,600)	(886,321)	51,186	(817)	144,939	-	622,000	451,500	318,700
Purchase of assets	624,927	148,412	798,742	632,002	309,655	480,353	-	-	-
Purchase of goods and services	-	-	-	-	-	-	-	-	-
Capital grants to persons and non-profit (net)	(6)	(9)	8,197	14,415	-	-	-	-	-
Capital grants to private sector companies (net)	-	-	-	-	2,166	-	-	-	-
Capital AME									
Cabinet Office AME	-	-	-	-	59,851	2,820,000	-	-	-
Executive agency – Government Property Agency – AME	-	-	-	-	-	30,000	-	-	-
Total capital AME	-	-	-	-	59,851	2,850,000	-	-	-
Of which:									
Purchase of assets	-	-	-	-	-	30,000	-	-	-
Capital grants to persons and non-profit (net)	-	-	-	-	59,851	2,820,000	-	-	-

£000	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Outturn ¹¹¹	Outturn ¹¹¹	Outturn ¹¹¹	Outturn ¹¹¹	Outturn	Plans	Plans	Plans	Plans
Total capital budget	225,694	133,075	242,000	411,910	335,390	3,330,353	622,000	451,500	318,700
Total department spending¹¹⁵									
Of which:									
Total DEL	1,527,271	1,257,789	938,655	1,301,836	1,074,666	1,624,226	1,599,329	1,621,779	1,318,979
Total AME	110,297	73,438	54,494	117,080	9,752,315	290,300	-	-	-

¹¹⁵ 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 2020 to 2021 to 2028 to 2029

£000	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Outturn ¹¹⁶	Outturn ¹¹⁶	Outturn ¹¹⁶	Outturn ¹¹⁶	Outturn ¹¹⁶	Plans	Plans	Plans	Plans
Resource departmental expenditure limit (DEL)									
Seize the opportunities of Brexit, through creating the world's most effective border to increase UK prosperity and enhance security	–	–	3,538	183	8	–	–	–	–
Secure a safe, prosperous and resilient UK by coordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review.	12,868	68,618	31,441	26,906	33,967	–	–	–	–
Advance equality of opportunity across the UK.	–	–	8,269	10,684	12,179	–	–	–	–
Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the Government Functions.	22,747	37,236	165,998	251,248	154,155	–	–	–	–
Support the design and implementation of HM Government's policies and the Prime Minister's priorities	133,052	312,651	113,268	119,693	139,708	–	–	–	–

¹¹⁶ 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	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Outturn ¹¹⁶	Outturn ¹¹⁶	Outturn ¹¹⁶	Outturn ¹¹⁶	Outturn ¹¹⁶	Plans	Plans	Plans	Plans
Ensure the effective running of the Department and contribute to the Government's cross-cutting priorities	120,396	122,772	–	–	–	–	–	–	–
Executive Agency – Government Property Agency	33,913	27,992	52,953	209,829	158,996	224,898	510,250	455,000	456,000
Arm's Length Bodies (NET)	14,090	14,880	14,901	15,436	36,850	125,519	–	–	–
Strengthen international partnerships to support growth	–	–	–	–	–	1,604	–	–	–
Strengthen the foundations of good government	–	–	–	–	–	28,937	–	–	–
Make the country safer, more secure & increasingly resilient	–	–	–	–	–	47,447	–	–	–
Run a high-quality Civil Service	–	–	–	–	–	241,862	–	–	–
Drive delivery of the Government's missions and foundations	–	–	–	–	–	51,977	–	–	–

£000	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Outturn ¹¹⁶	Outturn ¹¹⁶	Outturn ¹¹⁶	Outturn ¹¹⁶	Outturn ¹¹⁶	Plans	Plans	Plans	Plans
Total administration budget	337,066	584,149	390,368	633,979	535,863	722,244	510,250	455,000	456,000
Staff costs ¹¹⁷	453,225	495,660	516,047	543,740	609,277	566,358	–	–	–
Purchase of goods and services	335,492	586,173	357,409	528,792	495,417	1,294,488	–	–	–
Income from sales of goods and services	(141,389)	(210,641)	(222,598)	(235,016)	(253,566)	(281,103)	–	–	–
Current grants to local government (net)	400	–	30	2,065	–	–	–	–	–
Current grants to persons and non-profit bodies (net)	–	516	125	333	–	–	–	–	–
Rentals	10,680	941	45,311	(6,276)	(51,656)	–	–	–	–
Depreciation ¹¹⁸	18,754	43,641	75,597	95,368	104,355	156,526	–	–	–
Other resource	(340,096)	(332,141)	(381,553)	(295,027)	(367,964)	(1,014,025)	510,250	455,000	456,000

¹¹⁷ 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'.

¹¹⁸ 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 2024 to 2025, the Cabinet Office made grants totalling £0.419 million (2023 to 2024: £0.278 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 £0.209 million was issued to the Centre for Information Resilience for the National Security Communications Team (NSCT), Communications Measure Framework Project, as agreed. The core benefit of this project will be to enable us to measure our national security communications in target languages, which we currently cannot do. This will allow our communications to be more targeted, achieve better behavioural change results and work in a leaner way, achieving best value for money. Better measurement of effect will also mean less risk, as we will better be able to inform future campaigns.

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 coordinate 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.

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 ALB.

	Total operating expenditure			Total operating income			Net expenditure for the year	Permanently employed staff			Other staff		
	£m	£m	£m	£m	£m	£m		Number of employees	Staff costs	£m	Number of employees	Staff costs	£m
Core department	1,420.6	(600.4)		820.2			8,850	651	689.5		651	62.1	
Executive agency – GPA	882.1	(568.1)		314.0			402	85	33.9		85	10.3	
Arm's length body – IBCA	9,663.0	–		9,663.0			85	14	6.3		14	2.2	
Arm's length body – EHRC	17.8	–		17.8			190	3	13.7		3	0.1	
Arm's length body – Civil Service Commission	3.0	–		3.0			29	4	1.8		4	0.5	
Arm's length body – Registrar of Consultant Lobbyists	0.4	(0.2)		0.2			3	–	0.2		–	–	
Group eliminations	(166.9)	68.1		(98.8)			–	–	–		–	–	
Total	11,820.0	(1,100.6)		10,719.4			9,559	757.0	745.4		757.0	75.2	

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