Cabinet Office

Annual report and accounts

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HC 602

Cabinet Office

Annual report and accounts 2025 to 2026

For the period 1 April 2025 to 31 March 2026

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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 2025 and March 2026 (inclusive). It is divided into three main sections:

1. The **performance report** includes a summary of progress and key milestones achieved during 2025 to 2026 (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 subsections 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 2026, and additional information designed to enable readers to understand these results.

Foreword

Mark Ferguson MP
Parliamentary Secretary

It was an honour to be appointed as Parliamentary Secretary for the Cabinet Office by the Prime Minister in July. My immediate priority in this role is to champion the Prime Minister's mission of national renewal, and for all of us across the new Office for the Prime Minister and the Cabinet (OPMC) to work together to deliver for every postcode.

To achieve this, we must fundamentally rethink where decisions are made. The instinct to hoard power in Westminster has held our regions back for too long. We must do things differently, and hand the tools for economic growth back to our mayors and local leaders, commit long-term to our regional infrastructure, and ensure every community feels that they have a genuine stake in the nation's prosperity.

The progress of the last year shows that effective team-working does deliver tangible, lasting change. As noted in recent debates on the House of Lords (Hereditary Peers) Bill, we are making historic progress in modernising our constitution by removing hereditary peers from the House of Lords, alongside introducing the Hillsborough Law to establish a statutory duty of candour for public authorities. The Cabinet Office has also been at the forefront of driving immediate priorities—from rapidly lifting the two-child limit in Universal Credit through our new Child Poverty Strategy, to acting swiftly to secure the future of steelmaking in Scunthorpe.

And we have exciting changes to our internal operations. Over the last year, our Counter Fraud Function delivered over £7.5 billion in savings, and that money is being directed where it matters most, to frontline services. By announcing the new National School of Government and Public Services, launching digital platforms to speed up cross-departmental agreement, and streamlining civil service recruitment, we are ensuring our institutions are equipped to execute this bold agenda.

The Prime Minister's establishment of No 10 North in Manchester represents the next critical step towards a modern state.

By building a unified base for regional growth outside of London, supported by new regional hubs like the Digital and AI Innovation Campus, we are bridging the gap between the centre of government and the communities we serve.

Since taking office, the Prime Minister has set out a clear vision that will guide the next part of our agenda over the decade ahead. An active, decentralised state, working in partnership with regional leaders, will empower local growth, bring vital infrastructure under proper public coordination, and ensure that every community feels the benefit of national prosperity.

These choices build on the bold steps this government has already taken over the last year. Because of those choices, and because of the hard work, agility, and commitment of Cabinet Office staff during a period of profound transition, the machinery of government is today in a better position to deliver the Prime Minister's vision. Our responsibility now is to go further, to continue to drive forward our reforms, and to build a state that truly works for every part of Britain.

Mark Ferguson MP

Performance report

Permanent Secretary's perspective on performance

The Cabinet Office ensures that government works together to deliver for the people of the United Kingdom. It is at the heart of driving the Prime Minister's delivery agenda.

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

As I reflect on my second year as Permanent Secretary, I am proud we have made significant progress across our strategic outcomes, including cross-government and international policy achievements, such as the Child Poverty Strategy, the National Security Strategy, and agreeing the 'Common Understanding' and a Defence and Security Partnership with the European Union. We have also supported significant constitutional change, including the House of Lords (Hereditary Peers) Act and progress on the Hillsborough Law. We are promoting policy innovation and experimentation in the Civil Service and broader public sector, including the adoption and use of artificial intelligence (AI).

Over the 2025 to 2026 financial year we used the funds approved by Parliament to take forward the government's priorities whilst ensuring value for money for the taxpayer. By carefully directing and reallocating resources throughout the year, we managed risks and seized opportunities as they arose while operating within budget. Sound risk management also allowed us to respond to varied challenges, such as cybersecurity and data security, while starting to take advantage of the transformative power of AI.

In the coming year we will continue to apply the same approach and flexibility as we deliver the Prime Minister's agenda. My focus is to ensure the department is well-positioned to serve our role in the strategic centre of government and to deliver for the long-term. By making fundamental changes to the way the centre of government operates, we will only strengthen our ability to deliver the Prime Minister and Cabinet's most important priorities and serve the public.

Domestic and Economic

The department drives forward the priorities of the Prime Minister and the Cabinet across government. At the heart of the government's domestic policy agenda, our teams have driven collective agreement on landmark strategies that address both long term priorities and immediate economic challenges, examples of which are listed below.

A key achievement was supporting publication of the Strategy to Reduce Child Poverty, establishing a 10-year plan to increase family incomes, address food security, expand free school meals, and support the poorest children. The plan which will take hundreds of thousands of children out of poverty, including through the abolition of the two-child limit in Universal Credit. To further support parents and fix a broken system not working for families or local government we assisted in special educational needs and disabilities (SEND) reform, ensuring that children get the right level of support and schools are equipped for special provision. We also supported collective agreement of a series of plans which set strategic direction across government, including the Carbon Budget and Growth Delivery Plan, the government's response to the Nuclear Regulatory Review, the Violence Against Women and Girls Strategy, and the Immigration White Paper.

In response to immediate economic concerns, we worked to secure steelmaking in Scunthorpe and established the Middle East Response Committee to coordinate the cross-government response. We also modernised the process of collective agreement by launching a new digital platform for collective agreement processes, replacing a system that previously required thousands of emails across Whitehall. Fostering technical innovation remains a priority; we expanded the No.10 Innovation Fellowship, bringing over 20 world-class experts from the private sector to tackle complex government delivery challenges and we will continue to build on these successes in the years to come.

European and Global Issues

The department leads government efforts to deliver the reset with the European Union, implement the Windsor Framework and coordinate international economic policy. In May 2025, we supported the first UK-EU Summit since the UK's departure from the European Union, agreeing on the 'Common Understanding' and a Security and Defence Partnership. The 'Common Understanding' agreed to establish a Youth Experience Scheme, a common Sanitary and Phytosanitary Area and linkage of our Emissions Trading Systems. We have progressed technical negotiations in these areas, as well as talks on the UK's participation in the EU's Internal Electricity Market. In December 2025, we secured UK access to the Erasmus+ programme for 2027. We continued to manage implementation of the Windsor Framework notably bringing a veterinary medicines agreement with the EU online in Northern Ireland in January 2026.

Beyond Europe, our teams negotiated and agreed on the general terms of the UK-US Economic Prosperity Deal in June 2025, and built on this in April 2026 with an arrangement on pharmaceutical trade and pricing. We supported the signing of a free trade agreement with India, which has now come into effect, and the upgrading of our trade partnership with South Korea. At the November 2025 G20 Summit in Johannesburg, we launched landmark initiatives aimed at stimulating job creation, unlocking private capital, and strengthening economic ties between the UK and South Africa.

Propriety and Constitution

On 13 October 2025, we formally established the Ethics and Integrity Commission as an independent non-departmental public body within the department, replacing both the Committee on Standards in Public Life and the Advisory Committee on Business Appointments. We implemented new propriety rules that ministers should forgo severance pay if they serve for less than six months or to repay it if they leave due to a serious breach of the Ministerial Code.

We made significant progress on constitutional reform, successfully passing the House of Lords Reform (Hereditary Peers) Act 2026 to remove the right of hereditary peers to sit and vote. We also published a revised Governance Code on Public Appointments emphasising diversity. In September 2025, we introduced the Public Office (Accountability) Bill (known as the Hillsborough Bill) to create a statutory duty of candour for public authorities and establish criminal penalties for misleading the public. The introduction of this Bill is a critical step toward rebuilding public trust in government.

National Security

Summer 2025 saw the publication of a number of strategies critical to our national security across government, such as the Strategic Defence Review. The Cabinet Office itself published the National Security Strategy in June.[1] The Strategy brought together a number of reviews and strategies and was published alongside the announcement with NATO partners that the UK would spend 5% of GDP on national security by 2035. To improve domestic crisis coordination, we published the Amber Book, outlining how the central government responds collectively to emergencies requiring cross-government mobilisation. We also published the Resilience Action Plan in July 2025 and supported the release of the Counter Political Interference and Espionage Action Plan in October 2025 to strengthen our domestic defences.

We coordinated a number of high profile inward visits from world leaders in the summer of 2025. Most notable were the 37th UK-France summit, at which the Prime Minister and President Macron signed significant defence and migration agreements; the Prime Minister welcomed Chancellor Merz of Germany; and we coordinated the successful state visit of President Trump which delivered the Technology Prosperity Deal and a promise of £150bn of US investment into the UK, including AI infrastructure.

We continued our steadfast support for Ukraine. The Prime Minister continued to build on the successful establishment of the Coalition of the Willing, and he and President Zelenskyy signed a landmark defence industrial deal that has set the path for greater cooperation and technology sharing.

1 Cabinet Office (2025), 'National Security Strategy 2025: Security for the British People in a Dangerous World', available at https://www.gov.uk/government/publications/national-security-strategy-2025-security-for-the-british-people-in-a-dangerous-world

Our crisis response capability was demonstrated through the Cabinet Office Briefing Room (COBR) Unit's to respond to events in the Middle East, a ransomware attack at Jaguar Land Rover, and the Manchester Synagogue incident. To build resilience across the Civil Service, we trained over 2,000 civil servants and one-third of all ministers in crisis management, expanding our curriculum to include a bespoke course for ministers. Internationally, we secured a £10 billion frigates deal with Norway, an £8 billion UK-Türkiye Typhoon fighter jet deal, the Northwood Declaration with France and the Kensington Treaty with Germany. We also invested £133 million through the Integrated Security Fund to counter cyber threats, biosecurity risks, and state-based hostility.

Public Sector, Civil Service Reform and Delivery

We are leading reforms to build a better public sector and a Civil Service that innovates and delivers for the government and the public. We are committed to strengthening the Civil Service through three central principles: a relentless focus on delivery and accountability; championing innovation and productivity; and building and demonstrating pride and trust. Our focus moving forward is now on the Future Civil Service Programme, which will build a world-class Civil Service that delivers for Ministers and the public: is impartial, curious and engaged, and has the pride that comes from high performance.

Talent: As part of building a world-class Civil Service we are investing in our workforce capability, to ensure that civil servants from across the country have the skills they need to thrive in their roles.

In January 2026, we announced plans to establish a new National School for Government and Public Services. This programme will also include the College for National Security, which has reached over 100 departments and public sector bodies. We have also established localised talent schemes and created clear entry routes into the Civil Service building a talent pipeline that draws on the vast range of experiences, skills, and perspectives across the country including the Sheffield Policy Campus's award-winning 10-week internship and the Place-Based Leadership Programme led by Whitehall & Industry Group (WIG) in the North West which is bridging the gap between national policy makers and regional stakeholders.

A key aspect of reform and delivery is a focus on place, and diversifying our geographical presence to bring decision-making closer to local communities through the Places for Growth programme. This includes the cross-government target for 50% of the UK-based Senior Civil Service (SCS) to be located outside London. This metric is one of the department's key performance indicators for this outcome. As of March 2026, 35% of the UK-based SCS were located outside London, compared to 26% in June 2020.[2]

Place: The Government has launched three thematic campuses: the Energy Campus in Aberdeen, the Digital and AI Innovation Campus in Manchester, and the Transport and Infrastructure Campus in the West Midlands. This builds on the success of Darlington Economic Campus, Sheffield Policy Campus and the Leeds Health and Social Care hub to cluster skills and professions in our cross government locations where we also launched 3 Community Innovation Partnerships to test new ways of working and improve our local impact.

2 The source for this data is the SCS Database, which excludes the non-SCS roles included in the 'SCS Level' category used in Civil Service Statistics, which are not in scope for the PfG Programme. SCS in Devolved Governments, overseas, or with unknown location are also excluded.

The Test, Learn and Grow Programme works across 10 local authority areas. Additionally, in February 2026, we announced place-based budget pilots in 5 mayoral authority areas.

Finally, recognising the importance of Place based relationships we have appointed Permanent Secretary Place Champions in every English Region, Scotland, Wales and Northern Ireland to lead our civil service communities and crucially build strong relationships with our local partners.

Commercial and Counter Fraud: We are accelerating delivery and driving efficiency and savings across the Civil Service and public sector. This work includes supporting Project Reset, a government-wide programme which aims to reduce bureaucracy and deliver programmes and services more effectively for the public. Within the Cabinet Office, we cut red tape by implementing commercial self-certification in April 2025, enabling departments to self-certify £41 billion in business cases. The Counter Fraud Function, led by the Cabinet Office, secured £7.53 billion in savings across government. We also supported the passage of the Public Authorities (Fraud, Error and Recovery) Act 2025, which aims to give powers to prevent, deter and recover funds associated with public sector fraud.

Communications: Modernising how the government communicates is essential for fostering transparency and engagement with the public. With digital and social media dominating information consumption, we are adapting the government's communications approach. The newly established New Media Unit has built active partnerships with trusted content creators to enhance public awareness of government policies. We have also restructured how campaigns are prioritised and funded to improve cross-Whitehall coordination. This structural change is designed to rebuild public trust.

Pensions

We are the scheme manager for the Civil Service Pension Scheme, which serves 1.7 million members. The transition of live service delivery from MyCSP to Capita involved a number of operational challenges, alongside the inheritance of a large backlog of work from MyCSP. We are working to support members through this difficult period and bolster capacity within Capita to stabilise services and clear backlogs. There is more work to ensure that services operate in line with contractual standards and we will do everything in our power to get the service back on track, and will not rest until Capita has delivered what the service members have been promised.

Infected Blood Compensation Authority

The Infected Blood Compensation Authority (IBCA) has resolved previous reporting challenges. In the prior period (2024 to 2025), the National Audit Office (NAO) issued a qualified opinion regarding provision valuations for three of four groups. IBCA has since refined its assumptions across all groups and adjusted the relevant opening balances. These actions provided the NAO with sufficient assurance to fully lift the qualification on this year's accounts as IBCA continues delivering justice to victims. In 2025 to 2026, IBCA had made compensation payments totalling £2.0 billion.

Departmental Transformation – Cabinet Office Future

We are restructuring the department to form a stronger, leaner centre of government, focused on delivering the Prime Minister and Cabinet's most important priorities. We will continue on this journey in the year ahead.

To fundamentally change how the centre of government operates, the Prime Minister announced the creation of a new Office for the Prime Minister and Cabinet (OPMC) and No.10 North in July 2026. The OPMC establishes a dedicated strategic leadership structure to focus on only what the centre can do, enabling the department to drive greater agility, clarity and impact across the whole of government. No.10 North is the engine room for growth, ensuring that regional growth and devolution strategies are set from the heart of our communities.

Central to these plans is also the creation of a dedicated executive agency to deliver excellent operational services to the rest of government. Alongside a leaner core department, the OneGov Delivery Agency will manage services including recruitment, pensions and vetting at arms-length, with a clear mission to deliver once and well for other Government Departments and customers in the wider public sector.

This ambitious transformation agenda builds on the strong foundations of earlier phases, which began in early 2025, to drive better value for taxpayers. We have been streamlining our estate. Within the core department, we are curbing reliance on external consultancy reducing from £7.2 million to £4.2 million, and contingent labour, decreasing from £39 million to £32 million. We are also substantially reducing use of government procurement cards, with expenditure 60% lower in 2025 to 2026 compared to 2024 to 2025.

Harnessing the power of digital and AI has also been a cornerstone of our transformation in 2025 to 2026. We have deployed frontier AI models across the department and made training available to all our staff to maximise the benefits for innovation, productivity and delivering better outcomes. We will continue to take a bold, forward-leaning approach to AI adoption both within the department and across government as OPMC assumes new responsibilities in the year ahead for leading from the centre on the Government's AI strategy and on Civil Service wide AI adoption.

We are committed to serve the government and the public with pride, professionalism, impartiality and integrity, especially during times of change. I would like to thank our staff and our partners across government for their dedication and resilience as we continue to deliver. This annual report and accounts reflect our ongoing commitment to transparency and accountability in the use of public resources in explaining how we have delivered for the public.

Catherine Little CB

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

Performance overview

The section provides a strategic overview of our department. It sets out our core purpose and 2025 to 2026 strategic outcomes, how the department is changing to deliver the agenda of a new Prime Minister, and summarises our performance and what has shaped it over the past year.

Purpose and strategic outcomes

The department's core purpose is to ensure that Government works together to deliver for the people of the United Kingdom. It is at the heart of driving the Prime Minister's delivery agenda.

In 2025 to 2026, we focused on delivering five strategic outcomes:

1	**Drive delivery of Prime Minister and government priorities**
2	**Strengthen international partnerships**
3	**Strengthen the foundations of good government**
4	**Keep the country safe**
5	**Reform the Civil Service to drive a citizen-focused state**

These outcomes guide us as we deliver the Prime Minister's and Cabinet's priorities. They ensure our work effectively serves citizens and highlight the role that the Cabinet Office plays in delivering for the public.

Departmental structure 2025 to 2026

In 2025 to 2026, the Cabinet Office group was composed of the core department and our ALBs. These bodies contribute to our strategic outcomes. Advisory non-departmental public body finances are consolidated within the core department's accounts.

The Cabinet Office group includes two executive agencies that each publish separate annual reports and accounts - the Government Property Agency (GPA) and the Crown Commercial Service (CCS). (CCS was replaced by the Government Commercial Agency on 1 April 2026.) The GPA account is consolidated into the Cabinet Office departmental accounts. As a trading fund, the Crown Commercial Service reports separately and is not included in the consolidated group accounts.

The group included 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) – that publish their own accounts and are consolidated into the Cabinet Office group accounts.

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.

A further two bodies are included in the group accounts – The Office of the Registrar of Consultant Lobbyists and The Office for the Commissioner for Public Appointments. The Office of the Registrar of Consultant Lobbyists publishes its own account. There are also two expert committees – the Main Honours Committee and the Security Vetting Appeals panel.

In the 2025 to 2026 financial year, the Cabinet Office had three machinery of government changes, two out of the department and one into the department.

These were as follows:

Infrastructure and Projects Authority moved to HM Treasury and merged with the National Investment Committee to become the National Infrastructure and Service Transformation Authority.

Responsibility for **cyber security** moved to the Department for Science, Innovation and Technology.

Responsibility for **Digital ID** came in from the Department for Science, Innovation and Technology.

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

How we are changing

In July 2026, a new Prime Minister was appointed. To support his agenda to fundamentally rewire the state, the Prime Minister has announced a major restructuring of the centre of government. The Cabinet Office will now make a clear and definitive distinction between: services to the Prime Minister and Cabinet to enable them to lead the government; and the delivery of excellent operational services to enable the rest of government to succeed.

As key changes:

- We have established No.10 North based in Manchester, as the engine room for a new economic approach for Britain, flowing power to the regions and driving good growth in every postcode.
- We have created an Office for the Prime Minister and the Cabinet (OPMC), to ensure the centre of government is focused on delivering the Government's top strategic priorities. The OPMC will house No.10, No.10 North and core Cabinet Office functions.
- Recognising that the transformative power of AI needs a strategic approach driven from the centre, OPMC will lead on AI strategy across government. A new AI Taskforce will drive this work to unlock the opportunities AI holds for growth, prosperity and public sector transformation. OPMC will also lead on Civil Service AI adoption and oversight of the AI Safety Institute.
- A new OneGov Delivery Agency will be established as an executive arm's-length body in the Cabinet Office Family, which will manage operational services, including the Government Recruitment Service, Pensions, Shared Services strategy, and Security Vetting. This will establish a unified space to deliver services to customers including the wider public sector and government departments 'once and well', driving efficiency and effectiveness with excellent service outcomes as its mission.
- As part of this overall restructuring, several functions will move out of the core department to slim down the centre of government and align these functions with departments suited to their purpose:
  - The Office for Equality and Opportunity will move to the Ministry of Housing, Communities and Local Government (MHCLG); Responsibility for the EHRC will also move to MHCLG as part of the July 2026 machinery of government changes and this will be reflected in next year's report.
  - The Office for Impact Economy and responsibility for policy on digital identity will move to the newly expanded Department for Digital, Culture, Media and Sport.
  - The Public Sector Fraud Authority will move to the Department for Work and Pensions (DWP), with continued sponsorship from HM Treasury.
  - The Investment Security Unit will move to the Department for Business, Innovation, Science and Trade (BIST).

Further detail on the implementation of these changes will be provided in next year's (2026 to 2027) performance report, but are included here given their significance to the future direction of the department at the time of this report.

Cabinet Office Group

Office for the Prime Minister and Cabinet Office

Prime Minister's Office

- **No.10 DS**
- **No.10 North**

Cabinet Office

No.10 North was established in July 2026

Arms Length Bodies

OneGov Delivery Agency
NEW Executive Agency

Infected Blood Compensation Authority
Non-Departmental Public Body

Government Commercial Agency
Executive Agency

UK Statistics Authority
Non-Ministerial Department

Government Property Agency
Executive Agency

Other Small Expert ALBs
Senior Salaries Review Body (SSRB)
CS Commission (CSC)
Ethics and Integrity Commission (EIC)
Office of the Commissioner for Public Appointments (OCPA)

OneGov is to be formally established from 1 April 2027

Performance summary

This section provides a brief synopsis of the key deliverables, including manifesto commitments, towards each of the department's strategic outcomes (2025 to 2026). Further information on the delivery of these outcomes can be found in the performance analysis section.

Drive delivery of Prime Minister and government priorities	• Ensured collective agreement of major government policy announcements – addressing long-term priorities (such as the Carbon Budget and Growth Delivery Plan and the Child Poverty Strategy) and shorter-term issues, such as steelmaking in Scunthorpe. • Published the Strategy to Reduce Child Poverty (December 2025) setting out the steps the government is taking to reduce child poverty in the short and long term. • Supported effective running of the Cabinet and its committees, including revisions to the committee structures. • Appointed over 20 Innovation Fellows, bringing world-class talent into government.
Strengthen international partnerships	• Held the UK-EU Summit in May 2025, where the 'Common Understanding' and Security and Defence Partnership were agreed. • Agreed the UK-United States Economic Prosperity Deal general terms in June 2025. • Concluded the UK-France Agreement on the Prevention of Dangerous Journeys in July 2025. • Signed the UK-India free trade agreement in 2025. • Upgraded the UK-South Korea free trade agreement in December 2025.
Strengthen the foundations of good government	• Established the Ethics and Integrity Commission (October 2025). • Implemented post-government employment rules. • Passed the House of Lords Reform (Hereditary Peers) Act 2026 (March 2026). • Published the Governance Code on Public Appointments (October 2025) setting out principles, including diversity, that should underpin all public appointments.

Keep the country safe	• Supported the delivery of the then Prime Minister's core foreign policy objectives, including international agreements and high-profile international visits. • Published the Amber Book (April 2025) outlining how central government responds collectively to crises that require cross-government co-ordination. • Trained over 2,000 civil servants on crisis management response across the full grade range to Permanent Secretary, an increase of almost 300 on previous year. • Invested £133 million through the Integrated Security Fund on innovative programming to tackle cyber and tech, state threats and biosecurity challenges. • Published the Counter Political Interference and Espionage Action Plan (November 2025).
Reform the Civil Service to drive a citizen-focused state	• Launched GovXchange, a secondment programme between local authorities and the Civil Service. • Launched the Career Launch Apprenticeship in Birmingham, London and Manchester, with the aim of attracting more young people into the Civil Service. • Expanded the Test, Learn and Grow Programme, which brings policymakers closer to the frontline, to include 10 sites. • Continued the Places for Growth Programme, moving further Civil Service roles out of London exceeding the original 2027 target of 22,000 roles. 35% of UK-based Senior Civil Servants are now based outside of London (March 2026, compared to 33% in September 2024 and 26% in March 2020). • Announced 13 cross Government Hubs in Aberdeen, Edinburgh, Glasgow, Newcastle, Darlington, Manchester, Leeds, York, Birmingham (including Wolverhampton), Belfast, Bristol, Sheffield and Cardiff. • Delivered 3 successful Community Innovation Partnerships in Darlington, Sheffield and Leeds modelling partnership working to deliver local impact. • Strengthened the Government approach to Place leadership by appointing Permanent Secretary Place Champions in every English Region, Scotland, Wales and Northern Ireland.

	• Established the Aberdeen Energy Campus, the Digital and AI Innovation Campus (May 2025) and the Infrastructure and Transport Thematic Campus in Birmingham (February 2026) to cluster key roles and government departments in place. • Agreed the Plan for the London estate (May 2025) and delivered 4 of 11 building closures saving £17.5m per annum. • Reduced red tape so that departments could self-certify £41 billion of business cases over the 2025 to 2026 financial year. • Delivered £7.53 billion in savings across government via the Counter Fraud Function.

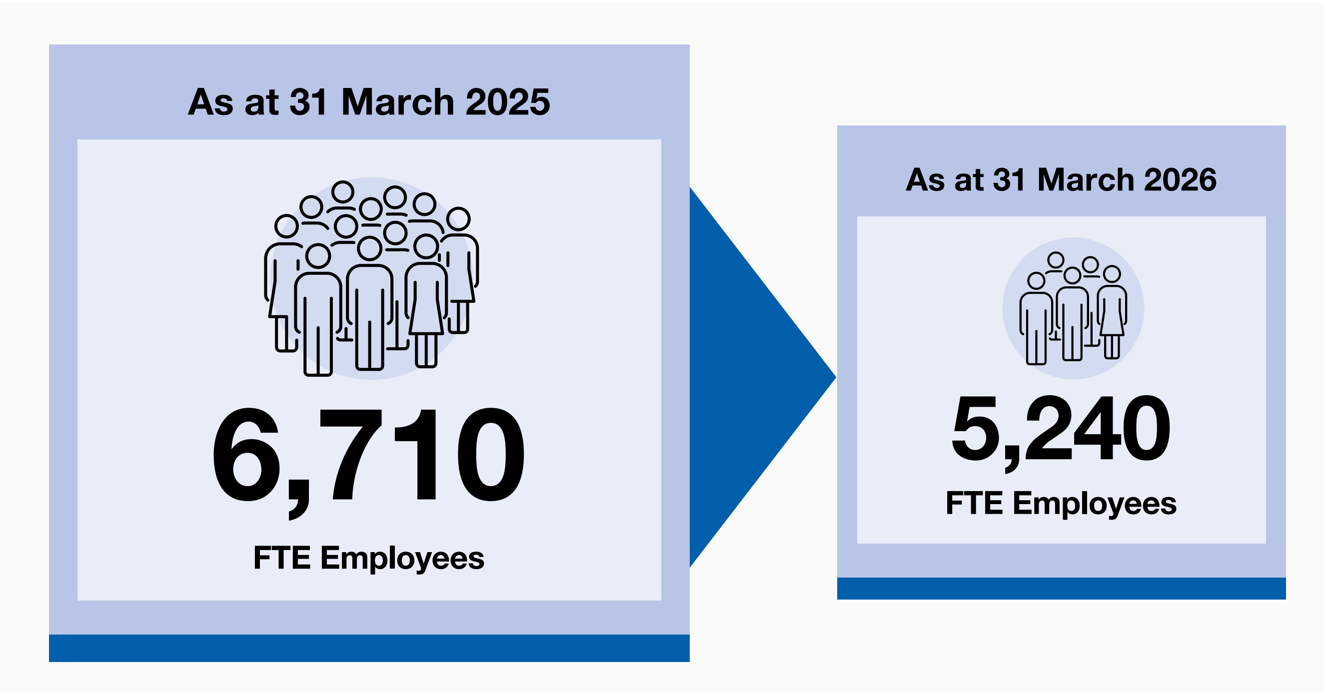
Cabinet Office Future

The Cabinet Office has undergone major transformation to strengthen delivery and implement the latest Spending Review settlement during 2025 to 2026. This restructuring has directly contributed to a significant reduction in headcount and will reduce cost in the core department.

As of 31 March 2026, the Cabinet Office core department had 5,240 full-time equivalent (FTE) employees, on payroll.[3] The comparable figure for 31 March 2025 was 6,710, representing a decrease of 1,470 FTE (c.22%) during 2025 to 2026.[4] These figures include civil servants on payroll across the department, excluding those working in other departments through the Government Commercial Organisation and the Fast Stream, and those in arm's-length bodies – IBCA, GPA, and the Crown Commercial Service (which became the Government Commercial Agency).[5]

Reductions have been achieved as part of the Cabinet Office Future transformation programme and several machinery of government changes, including the transfer out of digital functions, the Infrastructure and Projects Authority, and responsibility for Government Cyber Security. Reductions are also due to the reclassification of the Infected Blood Compensation Authority (IBCA) as a non-departmental public body, in May 2025.

Alongside the underlying reduction resulting from these organisational changes, we have seen targeted growth in specific delivery areas, including Government Skills, G7/20 delivery, and digital change programmes. This growth also reflected new demands in 2025 to 2026 including support to the Middle East Response Committee and the now closed Digital ID programme.



3 Office of National Statistics (ONS) published data https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/publicsectorpersonnel/datasets/publicsectoremploymentreferencetable

4 Includes staff that transferred to IBCA during the year and ceased to be civil servants. Figure taken from the ONS published data https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/publicsectorpersonnel/datasets/publicsectoremploymentreferencetable

5 ONS report actual full time equivalent on payroll at a point in time. Table 2.3 in the Accountability Report reports and average over the year. The methodology required by Government Financial Reporting Manual means that the average reported is lower than the actuals.

In 2026 to 2027 we will be updating our strategic workforce plan to reflect the recently announced inward and outward machinery of government changes and re-configuration of the core department including the creation of No.10 North. Establishment of the OneGov Delivery Agency will move operational services currently within the core department to arm's-length. Through these changes, it is anticipated that c.1,500 further staff will leave the core department and move into the OneGov Delivery Agency, as we streamline its remit.

Summary of risks to performance

The Cabinet Office Executive Committee (ExCo) is responsible for identifying and overseeing our principal risks. During the 2025 to 2026 financial year, our overall risk profile remained largely unchanged. However, to implement our latest Spending Review settlement, we are undergoing a major transformation to become a smaller, more specialist and strategic organisation.

This transformation has heightened our internal capacity risks, particularly around workforce capacity and capability, the volume and pace of organisational change, and the delivery of Civil Service reform. These risks can influence how we deliver our strategic outcomes to reform the Civil Service to drive a citizen focused state and drive delivery of Prime Minister and Government priorities. To manage these challenges, we are implementing long-term strategic workforce planning alongside improved portfolio governance to better sequence concurrent changes.

Externally, we continue to manage significant operational and security threats, including cybersecurity and data loss, artificial intelligence (AI) adoption, and crisis response. These risks present ongoing challenges to our strategic outcomes to keep the country safe and strengthen the foundations of good government. We are actively mitigating these threats by establishing strong AI governance, rolling out enhanced cybersecurity training and updating our crisis management and delivery structures.

The summary in the principal risks section below provides more detail on each top risk.

Financial summary

HM Treasury sets the budgetary framework for government spending. We are given our own supply estimate, which sets our proposed maximum spending. It is voted on by Parliament at the start of the financial year. The total amount we spend as a government department is known as total managed expenditure. In 2025 to 2026, this was £1,717 million.

Total managed expenditure is split into Departmental Expenditure Limit (DEL) and Annually Managed Expenditure (AME) budgets. DEL sets our budget for controllable expenditure. AME covers our more flexible budgets, including volatile or demand-led expenditure.

We have a number of limits in our budget, as guided by HM Treasury's spending control framework to hold us accountable for our performance and the use of taxpayers' funds.

DEL is split between Resource DEL and Capital DEL. Resource DEL (RDEL) includes day-to-day resource and administration costs. Capital DEL (CDEL) is our capital investment expenditure. Within our DEL budgets, we have programmes where we receive a budget for a specific policy, against which we can only spend on that measure. Such budgets are referred to as the HM Treasury policy ringfence. A full explanation of these different types of budgets can be found on the following page.

Summary of financial performance 2025 to 2026 split by net DEL and AME

	Budget £million	Outturn £million	Variance £million
Resource DEL	1,103	880	223
Capital DEL	521	417	104
Total DEL	**1,624**	**1,297**	**327**
Resource AME	186	(28)	(214)
Capital AME	2,730	1,980	750
Total AME	**2,916**	**1,952**	**964**
Total budget	**4,540**	**3,249**	**1,291**
Non-budget resource AME[6]	**–**	**(1,532)**	**1,532**
Total non-budget[6]	**–**	**(1,532)**	**1,532**
Total departmental expenditure	**4,540**	**1,717**	**2,823**

All budget categories are showing that spend has been managed within the delegated budget. The largest underspend is within capital AME, which was due to actual in year claim experience being significantly less than originally budgeted.

For 2025 to 2026, the Infected Blood Compensation Authority (IBCA) has restated its prior period accounting in respect of the compensation provision to individuals affected by the infected blood scandal. The prior period adjustment has reduced the department's non-budget DEL in 2025 to 2026.

A full analysis and explanation of the variances can be found in the statement of outturn against parliamentary supply.

6 Non-budget expenditure is restated to prior period adjustments. See note 2 to the financial statements for more detail.

The different budgets managed by the department, their purpose and the outturn

The diagram below explains the different budgets managed by the department, their purpose and the outturn.

£1,717 million total net expenditure
Total amount that the department spends less any income received. This is split into categories of expenditure: DEL and AME (voted and non-voted).

£1,297 million DEL Budgets that are planned and set for multi-year periods in Spending Reviews. They are linked to the department's objectives.

£880 million resource DEL
Spending on items which do not give rise to an asset.

£417 million capital DEL
Expenditure for the purchase of assets, investments and capital grants to third parties to fund purchase of assets.

£1,952 million AME Budgets that are volatile or demand-led in a way that the department cannot control.

£1,980 million capital AME
Recognition of the utilisation of the provision for compensation payments for the Infected Blood Compensation Authority

(£28) million resource AME
Adjustments to fixed assets and provisions.

(£1,532) million non budget AME
Relates to prior period adjustment in relation to the Infected Blood Compensation Authority

£597 million administration (HM Treasury control total)
Support costs, including staff, accommodation (rent, rates, utilities and maintenance) and office services (IT and telecommunications).

£125 million ring-fenced
Annual depreciation and amortisation.

£472 million non-ring-fenced
All other expenditure.

£283 million programme
Frontline costs including support costs which are directly associated with frontline service delivery.

£51 million ring-fenced
Annual depreciation and amortisation.

£232 million non-ring-fenced
All other expenditure.

Summary of financial position as at 31 March 2026

	Assets £million	Liabilities £million	Assets less liabilities £million
Current	679	(3,262)	2,583
Non-current	3,167	(7,081)	(3,914)
Total	**3,846**	**(10,343)**	**(6,497)**

The expectation is that the total liabilities will reduce in future years and the Total assets less liabilities will eventually return to a positive figure. See the Financial Analysis section for further information.

Performance analysis

Performance against outcomes

The performance analysis section provides more detail on our performance during the financial year 2025 to 2026. This section details performance towards our outcomes, highlighting key achievements and challenges.

Plans will be developed to reflect changes to the department including the creation of No.10 North with a focus on regional growth, a new AI Taskforce and the OneGov Delivery Agency, as well as machinery of government changes.

Drive delivery of Prime Minister and government priorities.

The Cabinet Office supports the Prime Minister and the Cabinet in taking forward the government's highest priority policy commitments. We do this by working closely with departments to provide data and analysis to ministers, helping to drive data-based decision-making. Our work tracks progress towards key milestones and targets across government. While individual departments lead on delivery, our department co-ordinates and challenges performance, ensuring a shared view on how departments are delivering and where further progress is needed. We also provide targeted support to departments working to unblock delivery challenges.

We support the work to deliver the Prime Minister's priorities by providing robust, evidenced-based analysis, data and insight to support policy development, and Cabinet and sub-committees' decision-making. This work includes playing a co-ordinating role for analysis and data for the Middle East Response Committee, National Security Council, and committees on public services, growth and living standards, and domestic and border security.

Over the financial year 2025 to 2026, we have helped achieve collective agreement on a number of government priorities. Highlights include the Carbon Budget and Growth Delivery Plan, the government's response to the Nuclear Regulatory Review, the Violence Against Women and Girls Strategy, and the Immigration White Paper. We published the Child Poverty Strategy resulting in the rapid withdrawal of the two-child limit in Universal Credit. We have also responded rapidly to emerging issues such as securing steelmaking in Scunthorpe and addressing the consequences of the conflict in the Middle East.

Alongside work on specific policies, we enabled the then Prime Minister to establish a new Cabinet committee structure to support ministers taking critical decisions and track delivery. We launched a new digital platform for the processes of collective agreement, replacing the previous system that required thousands of emails across government to administer. And we also worked closely with other departments to deliver the legislative programme and oversee the passage of primary legislation through Parliament.

We also brought technical talent from the private sector to government, fostering innovation through ensuring specialist technical advice. The No.10 Innovation Fellowship, fostering innovation and bringing world-class technologists into government for short periods to work on challenging problems, was expanded this year. There are now over 20 Innovation Fellows in post.

Strengthen international partnerships.

The Cabinet Office is responsible for centrally co-ordinating the UK's collective agreement of the government's international economic and European policy. We provide advice on these matters to the Prime Minister and departmental ministers.

In 2025 to 2026 there were a number of achievements in the UK's relationship with Europe. In May 2025, the UK and EU held their first joint summit since the UK left the EU. A joint statement (the 'Common Understanding') was issued outlining key areas for negotiation and co-operation. Subsequently, the UK has negotiated access to Erasmus+ for 2027, offering opportunities particularly for the younger generation. Negotiations are ongoing on key strategic areas. There is a commitment to conclude negotiations on sanitary and phytosanitary agreement, electricity trading, and youth mobility ahead of the 2026 summit.

We also oversee the implementation of the Windsor Framework. This work includes managing the domestic regulatory process to ensure compliance with commitments to the framework and the UK internal market. We also supported the government's response to the independent review of the Windsor Framework. Notably, in January 2026, an agreement on veterinary medicines in Northern Ireland with the EU came into effect.

As part of our work harmonising the government's trade policy across departments, we reached important milestones with other strategic partners.

- We agreed the general terms of the Economic Prosperity Deal between the UK and the United States. We have since initiated negotiations and made a critical announcement on pharmaceuticals with the United States.
- We supported the signing of a free trade agreement with India.
- We supported the upgrading of a free trade agreement with South Korea.
- The 2025 G20 summit was considered a success. It included the announcement of an initiative between the UK and South African governments to strengthen ties.

Future plans will focus on delivering the UK-EU 'Common Understanding', advancing the UK-EU strategic partnership, implementing the Windsor Framework, co-ordinating international economic policies, and planning for the UK's G20 presidency in 2027 and G7 presidency in 2028. These activities will promote strong international partnerships and will help strengthen the economy and national security.

The challenging geopolitical climate and dynamic nature of international negotiations will have an impact on delivery and performance. These impacts are outside the sole control of the UK government and require proactive and reactive handling.

Strengthen the foundations of good government.

The Cabinet Office works to create higher standards for those in public life and improve relations between central, devolved and local governments, through managing different fora such as the Council of Nations and Regions. We do this by providing guidance on strategy, policy and casework to the Prime Minister, Cabinet members, the Cabinet Secretary and other government departments.

We support the Independent Adviser on Ministerial Standards, a position appointed by the Prime Minister to advise on matters concerning the Ministerial Code. Changes were announced in October 2025, including that ministers should forego severance payments if they served less than six months. Ministers who leave following serious breaches of the Ministerial Code are expected to repay any severance payment. The Ethics and Integrity Commission was established on 13 October 2025 as a non-departmental public body within the department, replacing the Committee on Standards in Public Life.

We worked on the Public Office (Accountability) Bill, also known as the Hillsborough Bill, which was introduced in Parliament in September 2025. This bill will create a statutory duty of candour and assistance for public authorities when engaging with inquiries, inquests and similar investigations. It will also create new criminal offences for failing to uphold this duty and misleading the public, as well as two new statutory offences to replace the common law offence of misconduct in public office. The bill was carried over to the next parliamentary session, while the government consulted families and stakeholders on how certain provisions would apply to intelligence services. It has now passed a vote in the House of Commons and is expected to receive Royal Assent in 2026 to 2027.

We made considerable progress on delivering on the government's ambitions for constitutional reform, including House of Lords reform. The right of hereditary peers to sit and vote in the House of Lords was removed through the House of Lords Hereditary Peers Act 2026. These changes aim to modernise and enhance the constitution to make it more representative and accountable.

We have also supported the fulfilment of the humble address motion of 4 February 2026.

Our key performance indicator for this outcome is public trust in government. The most recent figures from the Organisation for Economic Co-operation and Development, dating to 2023, show that only 34.2% of the public within the United Kingdom have trust in the national government, compared to 42.9% in 2016.[7]

We will continue to strengthen the foundations of good government through delivering constitutional reform and legislative changes to ensure the constitution is representative and accountable. We will also continue to advise the Prime Minister on other key ethical and propriety issues, including supporting the Hillsborough Bill and creating a mechanism to remove peerages.

7 Trust in government is measured as the percentage of those over the age of 15 stating that they have trust in the national government. https://www.oecd.org/en/data/indicators/trust-in-government.html

Keep the country safe.

The Cabinet Office promotes security at home and abroad. We work against a challenging backdrop of geopolitical uncertainty and instability, increased competition, a complex threat landscape, and the rapid pace of technological change.

We lead the national security system on critical national security issues, such as cyber and resilience, and run certain national security programmes. In June 2025, we published the National Security Strategy, setting the direction for the government around three pillars: security at home, strength abroad and sovereign capabilities. We are now driving its implementation and we are embedding the priorities and objectives across departments. We also screened national security investment decisions, the details of which are published separately.

We work to keep the country safe through working with other countries. In doing so, this work also supports our outcome to strengthen our international partnerships and vice versa. This year, we have worked to enhance the UK's security through sustaining the transatlantic alliance, deepening co-operation with the EU and European states and further expanding the Tech Security Initiative with India. We supported the Prime Minister in enhancing the UK's security position through the Northwood Declaration with France and the Kensington Treaty with Germany, a £10 billion frigates deal with Norway and an £8 billion UK-Türkiye Typhoon deal, the largest fighter jet deal in nearly 20 years.

We demonstrated leadership in the Euro-Atlantic security theatre and commitment to NATO through increased defence spending and capability investment. We continued to show support to Ukraine including through our co-leadership of the Coalition of the Willing, a new defence industrial partnership agreement, and our annual commitment of £3 billion in military aid. We co-ordinated the government's response in Iran. Moreover, through the Integrated Security Fund, we invested £133 million on innovative programming to tackle cyber and tech, state threats, and biosecurity challenges.

We have addressed domestic security concerns. This work includes countering the enduring and evolving threat of terrorism and state-based security threats. We ensure that intelligence agencies and law enforcement bodies have the powers and capabilities they need. In July 2025, we published the Resilience Action Plan, setting out our plans to strengthen domestic resilience. Moreover, we led cross-government work to improve national resilience and preparedness for risks in the National Risk Register, including cyber threats, food security and critical supply chain disruption.

We also ensure a co-ordinated, cross-government response to national emergencies and major disruptions through the Cabinet Office Briefing Room Unit, such as unrest in the Middle East, the ransomware attack at Jaguar Land Rover, and the Manchester Synagogue incident. We also trained just over 2,000 civil servants from administrative officer grade to Permanent Secretary grade in crisis management, nearly 300 more than the previous year, including one-third of all ministers. Additionally, we diversified our training offering, adding two new courses to the curriculum, including a bespoke course for ministers.

Reform the Civil Service to drive a citizen-focused state.

The Cabinet Office is driving forward reform of the state. We are ensuring that the government is responsive, public services are innovative and public-focused, bureaucracy is decreased and delivery is sped up. Our focus, going forward, is now on the Future Civil Service Programme, established by the Cabinet Secretary and led by the new Director General Future Civil Service. The programme will deliver transformative change to how the Civil Service operates, leveraging new technology and developing a high-performance culture. It builds on a number of key strengths as detailed in our achievements over 2025 to 2026.

Talent

The Civil Service continues to decentralise and strengthen its presence across the country through the Places for Growth (PfG) programme. This includes the cross-government target for 50% of the UK-based Senior Civil Service (SCS) to be located outside London.[8] This metric is one of the department's key performance indicators for this outcome. As of March 2026, 35% of the UK-based SCS were located outside London, compared to 26.0% in June 2020. Further commitments from departments are required to achieve the 2030 target.

Our work includes a number of initiatives to bring talent from across the country into the Civil Service. We have set an ambition for 50% of all Fast Stream placements to be located outside London by 2030. This will support end to end careers across the country. Following the 2024 reforms, the Fast Stream, the Civil Service graduate development programme, regained the Times' Top 100 Graduate Employers Awards and won the title of best public sector employer.

We launched a Civil Service career launch apprenticeship scheme and also refocused the Summer Internship Programme to target students from lower socio-economic backgrounds. In partnership with the Local Government Association, we developed GovXchange, a secondment programme between local and national government. Moreover, we supported the Going Forward into Employment initiative, which offers ring-fenced roles to bring diverse voices and lived experiences into the Civil Service. These pathways tackle societal issues, diversify the Civil Service and, in the last financial year, delivered over £27 million in social value.[9] In 2025 to 2026 we accredited and supported over 20 pathways, which recruited nearly 900 people facing employment barriers into government roles.

By establishing localised talent schemes and creating clear entry routes into the Civil Service, PfG is building a talent pipeline that draws on the vast range of experiences, skills, and perspectives across the country. For example, in the Sheffield Policy Campus over 1,300 students and hundreds of school pupils have been engaged through outreach activities including the campus's award-winning 10-week internship which has engaged over 100 students to date. Similarly, the Cabinet Office Second Headquarters at 1 Atlantic Square in Glasgow recently welcomed six paid university interns through its Future Leaders Internship Programme. In the North West, the Whitehall & Industry Group (WIG) Place-Based Leadership

8 The source for this data is the SCS Database, which excludes the non-SCS roles included in the 'SCS Level' category used in Civil Service Statistics, which are not in scope for the PfG Programme. SCS in Devolved Governments, overseas, or with unknown location are also excluded.

9 Calculated using Thrive's Impact Evaluation Standard.

Programme is bridging the gap between national policy makers and regional stakeholders. Running for 12 months from late March 2026, the pilot is bringing together 30 Directors and Deputy Directors from the Civil Service, local authorities, private sector, not-for-profit organisations and higher education to support the 'leaders of tomorrow'.

Providing high-quality training across the Civil Service is also an important part of our delivery of this outcome. In January 2026, we announced plans to establish a new National School of Government and Public Services. The College for National Security has rapidly expanded its delivery, reaching over 100 departments and public sector bodies with almost 8,000 engagements in 2025 to 2026, a 66% increase on the previous year.

We are also growing and developing talent within the Civil Service. Through our work in government recruitment, we enhanced fraud detection capabilities, introduced new screening services, agreed cross-government benchmarks, reviewed candidate selection processes, and created candidate guidance on the use of AI. On behalf of the Civil Service, our services delivered 10,000 recruitment campaigns and 18,500 appointments. We also conducted 70,000 full and partial pre-employment checks.

Building connections

We are developing connections between national and local government, building on the success of the thematic campus approach. We also launched the Community Mission Challenge in Darlington, Leeds and Sheffield. This programme brings together cross-government campuses and local governments to work in partnership on a shared challenge, using test and learn methodology. It also builds on the strengths of the existing thematic campus system. Since May 2025, we launched the Energy Campus in Aberdeen, the Digital and AI Innovation Campus in Manchester, and the Transport and Infrastructure Campus in the West Midlands. In February 2026, alongside the Ministry of Housing, Communities and Local Government, we announced pilots for place-based budgets in five mayoral strategic authority areas to support public service reform.

Public Sector Reform

We foster innovation in how the government is delivered. An example of this innovation is seen in the Test, Learn, and Grow (TLG) Programme. This programme models and scales an approach that closes gaps between policy, delivery and service users. We have announced accelerators in 10 locations and have commenced work with local partners to design and deliver test and learn schemes. In June 2025 TLG and PfG supported the launch of 3 targeted Community Innovation Partnerships in Sheffield, Darlington and Leeds. These projects focused on developing new ways of working between local and central governments to find innovative solutions to local challenges; showing the value of closer working across different spheres of government.

Despite the progress there are challenges, particularly in partner capacity, data sharing and culture due to shifts in ways of working. We learn from resolving these issues and the lessons inform our work moving forwards, as we aim to foster innovative approaches.

Digital ID

In September 2025, the then Prime Minister announced plans for a new digital ID scheme which intended to make it easier for most people to access vital government services. To support this policy we launched a nationwide public consultation, which closed in May 2026, to understand the views of the public. The Digital ID programme has now been closed and Digital ID policy moved to the Department for Digital, Culture, Media and Sport in July 2026.

Counter fraud

The government's Counter Fraud Function, led by the Public Sector Fraud Authority, has delivered £7.53 billion in savings through their focus on prevention, recovery and enforcement.

These results are subject to audit and are published separately in the Public Sector Fraud Authority's annual report, in line with their mandate.

We also supported the passage of the Public Authorities (Fraud, Error and Recovery) Act 2025. This Act provides additional powers to the Public Sector Fraud Authority to identify, prevent and deter fraud in the public sector outside of tax and social security. It will also introduce non-criminal penalties for public sector fraud and focus is now on its implementation. Public sector fraud policy moved to the Department for Work and Pensions in July 2026.

Commercial

We are improving commercial policy across the government, speeding up decision-making. In April 2025, we implemented self-certification for commercial business cases. This change means that departments no longer require this aspect of Cabinet Office approval, significantly reducing approval times. In the 2025 to 2026 financial year, departments self-certified £41 billion of business cases. At the 2025 Budget, the government set out plans to reform the public spending control and accountability framework, as part of Project Reset. These reforms went live on 1 April 2026.

Communications

We are transforming government communications. Because digital and social media are central to how people consume information, we are adapting our communications approach and transforming the communications profession. The New Media Unit, in partnership with departments, collaborates with content creators, enhancing public awareness of new and existing government policies and initiatives. We have also changed how government campaigns are prioritised and funded, to improve co-ordination across government. We will measure our progress using government approval as a key performance indicator. Data from YouGov shows that only 15% of the public supported the government's record as of 30 March 2026, no change from March 2025, highlighting the scale of the challenge.[10]

10 Percentage of adults indicating they approve of the government's record to date. Figures as of 31 March 2025 and 30 March 2026: https://yougov.com/en-gb/trackers/government-approval

Pensions and Operational Services

As Scheme Manager, we manage the third party provided administration service for the Civil Service Pension Scheme, which serves 1.7 million members. Capita was awarded the contract in November 2023 and following a 24-month transition period, the live provision of services transferred from MyCSP to Capita on 1 December 2025.

Capita experienced a number of issues delivering services from day one, some of which were exacerbated by the backlog of work from MyCSP. These issues resulted in unacceptable delays for members, including delays to some vulnerable members, receiving their pensions payments and urgent payments for bereavement and ill-health. Members also experienced unacceptable call wait times trying to contact Capita for information and to progress their payments.

It quickly became clear that the performance challenges were more than initial teething issues and as a result, in January, a specialist Government Pensions Recovery Taskforce, including circa 140 government surge resources, was brought in to bolster operational capacity within Capita, stabilise services and clear backlogs. To support members impacted by payment delays, a Transitional Support Loan scheme was also introduced at speed. As at August 2026, the Scheme has provided over £22.1 million in interest-free bridging funds to more than 3,900 members.

Ministers have been clear that the issues and delays facing a number of civil servants and pension scheme members in receiving their pension benefits is unacceptable. Since the work of the Recovery team commenced progress has been made to relieve hardship and stabilise services. However, there is much more work yet to be done as the services are still not operating in line with contractual service standards.

Our current plans are focused on bringing services in line with standard service levels. Similar to other previous deadlines missed, Capita missed its latest deadline of 30 June 2026 to bring services in line with standard service levels. Approximately £9.9 million in administration contract payments have been withheld due to missed deadlines and service failures and the Government will look to recover all surge team costs. Through the Government Internal Audit Agency, independent technical auditors are being deployed to complete a technical review, alongside an on-the-ground Remedial Adviser. Further commercial and contractual levers remain under consideration.

Additionally, there have been challenges in other areas of operational services in 2025 to 2026. Following a feasibility study, it was concluded that the Civil Service Jobs Applicant Tracking System Programme should close, facilitating the transition to a new project that can more effectively support and align with the Shared Services for Government Strategy. This has been recorded as a constructive loss of £7.767 million. Further information can be found in the Losses and Special payments note of the Parliamentary accountability disclosures.

The National Audit Office reported on shared services in March 2026. They found that clusters were progressing and that the model is the right one for government, but potential divergence across functions and clusters should be mitigated.

Principal risks

The following table provides an overview of our principal risks for the 2025 to 2026 financial year. It outlines department's top-tier risks and summarises how these could affect the organisation's ability to achieve its strategic objectives. The table also captures the high-level mitigating actions in place and how the risks have changed over the reporting period, including the emergence of new risks that may impact future plans and performance.

Principal risk	Risk description	Mitigation	In-year change
Cybersecurity and data loss	Risk of a security or data incident driven by hostile external action, such as a cyber-attack or internal vulnerabilities. This could lead to the compromise of official information, operational disruption (ranging from targeted system impacts to broader business continuity challenges), and wider reputational or legal consequences.	Updating security policies to align with the Cyber Assessment Framework and embedding Secure by Design principles. Conducting GovAssure reviews to establish Targeted Improvement Plans, coordinating the department-wide rollout of the CybSafe training platform to build staff capability, and centralising breach reporting.	No change in risk level

Principal risk	Risk description	Mitigation	In-year change
AI adoption	Risk that the department may face challenges in securely operationalising AI technology. Potential impacts include compliance issues, reputational impacts or delays in keeping pace with technological advancements and strategic efficiency goals.	Establishing the AI Hub to deliver an adoption plan focused on robust governance, data foundations, and deploying proven tools in transaction-heavy areas. Delivering staff training and exploring resourcing options for technical guardrails to safely bridge pilot-to-production gap.	No change in risk level
Capacity and capability	Risk that potential shortfalls in workforce capacity and specialist skills (particularly in digital, data and change leadership) could limit the department's ability to deliver its strategic objectives and major programmes.	Developing a Strategic Workforce Plan to 2030 and aligning organisational design with budget profiling. Prioritising critical capability gaps (such as digital and data) using secondments and specialised pay frameworks, while active headcount controls are utilised to manage downsizing and early-talent pipelines.	**New Risk** Q2 2025 to 2026

Principal risk	Risk description	Mitigation	In-year change
Volume and pace of organisational change	Risk that the volume and pace of concurrent changes may exceed organisational capacity. This could potentially result in delayed delivery of intended benefits, increased change fatigue or the need for remedial actions.	Development of central change tracking and improving portfolio governance to monitor concurrent interdependencies. Support for line managers executing change.	**New Risk** Q4 2025 to 2026
Crisis response	Risk that the department may face challenges in optimally managing and responding to unforeseen crises. If realised, this could temporarily impact operational response and affect public trust.	Updating crisis management plans and structures, and delivering specialist decision-making training to key crisis management team personnel. Providing focused guidance to help business units improve business continuity and resilience.	Increase in risk level

Principal risk	Risk description	Mitigation	In-year change
Strategic centre	Risk that the department may not optimally support the government's leadership in executing its priorities if appropriate structures, personnel and resources are not fully aligned.	Delivering the Cabinet Office Future Programme to create a smaller, strategic and more specialist department. Developing the Strategic Plan to 2028 to 2029 and a new strategic workforce plan. Undertaking cultural transformation and strengthening partnerships with HM Treasury and and between some business units.	No change in risk level
Public communications	Risk that a fragmented information ecosystem and complex media landscape may reduce the effectiveness of government communications in reaching diverse communities and building public trust.	Developing a redesigned communications strategy to rebuild public trust. Utilising the New Media Unit to build partnerships with trusted influencers and deliver tailored campaigns. Updating disinformation frameworks to build resilience against information threats.	No change in risk level

Principal risk	Risk description	Mitigation	In-year change
Delivery of civil service reform	The risk of the Cabinet Office failing to effectively lead system-wide Civil Service transformation and deliver the government's ambitions. The target to locate 50% of the UK-based SCS outside of London is off-track. This could be impacted by competing departmental priorities or barriers to flexible cross-government collaboration.	Establishing the Cabinet Secretary-led Future Civil Service (FCS) Programme, supported by securing active sponsorship from all Heads of Departments (HoDs) to align cross-government delivery.	No change in risk level

Performance of our arm's length bodies

As noted in the introduction to this report, the Government is in the process of establishing the new OneGov Delivery Agency, which will manage operational services at arm's length, including the Government Recruitment Service, Pensions, Shared Services, Government Car Service and Security Vetting. Reporting on the set-up of this agency will follow in the 2026 to 2027 annual report and accounts.

Executive agencies

Crown Commercial Service

The Crown Commercial Service consisted of procurement experts, helping the public sector maximise every pound so that precious resources can be directed where they are needed most. In 2025 to 2026, the Crown Commercial Service channelled £41.6 billion of public sector spend through their commercial agreements and helped customers procure contracts with a total annual contract value of over £1.28 billion.

Due to its trading fund status, the Crown Commercial Service is not consolidated into these accounts. The agency publishes its own annual report and accounts. Further information can be found on the Government Commercial Agency website (www.gca.gov.uk).

On 1 April 2026 the Crown Commercial Service was replaced by the Government Commercial Agency (GCA). The GCA combines commercial delivery expertise that was previously split between Cabinet Office's Central Commercial Teams and Crown Commercial Service. The transformation will create a stronger, more integrated commercial function across government through a central hub of commercial excellence, offering expert support to government departments and the wider public sector.

Government Property Agency

The GPA creates modern 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 2025 to 2026, the GPA progressed delivery of one of the biggest workplace transformation programmes in the UK, which included:

- investing £152 million in capital projects, across 11 inflight and completed projects
- closing four central London buildings, securing approximately £17.5 million in annual cost savings within the first year of the programme[11]
- securing approval of the outline business case for the Manchester Digital Campus project, which will be the GPA's largest and most transformative project to date
- enhanced digitally-enabled offices with GovPass, GovWifi and GovPrint, a suite of interoperable PropTech services, now available at multiple locations

11 The Rookery, Clive House, 10 Victoria Street and Temple Chambers.

The GPA is consolidated into the Cabinet Office accounts, but also publishes its own annual report and accounts. Further information can be found on the GPA website (https://gpa.gov.uk).

Non-departmental public bodies with executive powers

Infected Blood Compensation Authority

IBCA was established 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.

IBCA was established in May 2024 and had made its first compensation payment by November 2024. In 2025 to 2026, IBCA had made compensation payments totalling £2.0 billion.

The government has pledged £11.8 billion for infected blood compensation and is committed to paying the required compensation over the life of the scheme.

IBCA is consolidated into these accounts, but also publishes its own annual report and accounts. Further information can be found on the IBCA website (https://ibca.org.uk).

Civil Service Commission

The Civil Service Commission has two primary functions:

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

It 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 (https://civilservicecommission.independent.gov.uk).

Equality and Human Rights Commission

The 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. It also publishes its own annual report and accounts. Further information can be found on the EHRC website (www.equalityhumanrights.com).

Non-ministerial department

The UK Statistics Authority encompasses every aspect of statistical work, from collection of data and information to the publication and regulation of statistics. 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 UK Statistics Authority is not consolidated into these accounts. Further information can be found on its website (www.statisticsauthority.gov.uk) and in the UKSA annual report and accounts.

Statutory offices

The Office of the Registrar of Consultant Lobbyists is an independent statutory office. It keeps and publishes 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 of the Registrar of Consultant Lobbyists is consolidated into these accounts but also publishes its own annual report and accounts. Further information can be found on its website (https://registrarofconsultantlobbyists.org.uk).

The Commissioner for Public Appointments provides independent assurance that public appointments are made in accordance with the Governance Code on Public Appointments and with the principles of public appointments. Its costs are included within the core department. Further information can be found on its website (https://publicappointmentscommissioner.independent.gov.uk).

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.

The Ethics and Integrity Commission promotes the highest standards in public life, reports to the Prime Minister on matters concerning ethical standards, and advises public authorities on the development of clear codes of conduct with effective oversight arrangements. On 13 October 2025, the Ethics and Integrity Commission replaced the Advisory Committee on Business Appointments and the Committee on Standards in Public Life.

The 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.

The 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 the Department of Health and Social Care's ALBs
- police and crime commissioners
- chief police officers

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

Expert committees

Finally, there are two expert committees.

The Main Honours Committee reviews and finalises recommendations for honours nominations. Its costs are included within the core department. The Main Honours Committee is supported by the following committees that make recommendations for honours in their respective fields:

- arts and media
- community and voluntary service
- the economy
- education
- health and social care
- parliamentary and political service
- public service
- science, technology and research
- sport
- state
- diversity and outreach

The Security Vetting Appeals Panel provides a final means of challenging a decision to refuse or withdraw national security vetting. On 21 January 2026, it was declassified from an ALB to an expert committee.

Financial analysis

Long term expenditure trends

The table below sets out net expenditure across the last five years. Further detail on expenditure in this period as well as plans for 2026 to 2027 can be found in Annex A to this report.

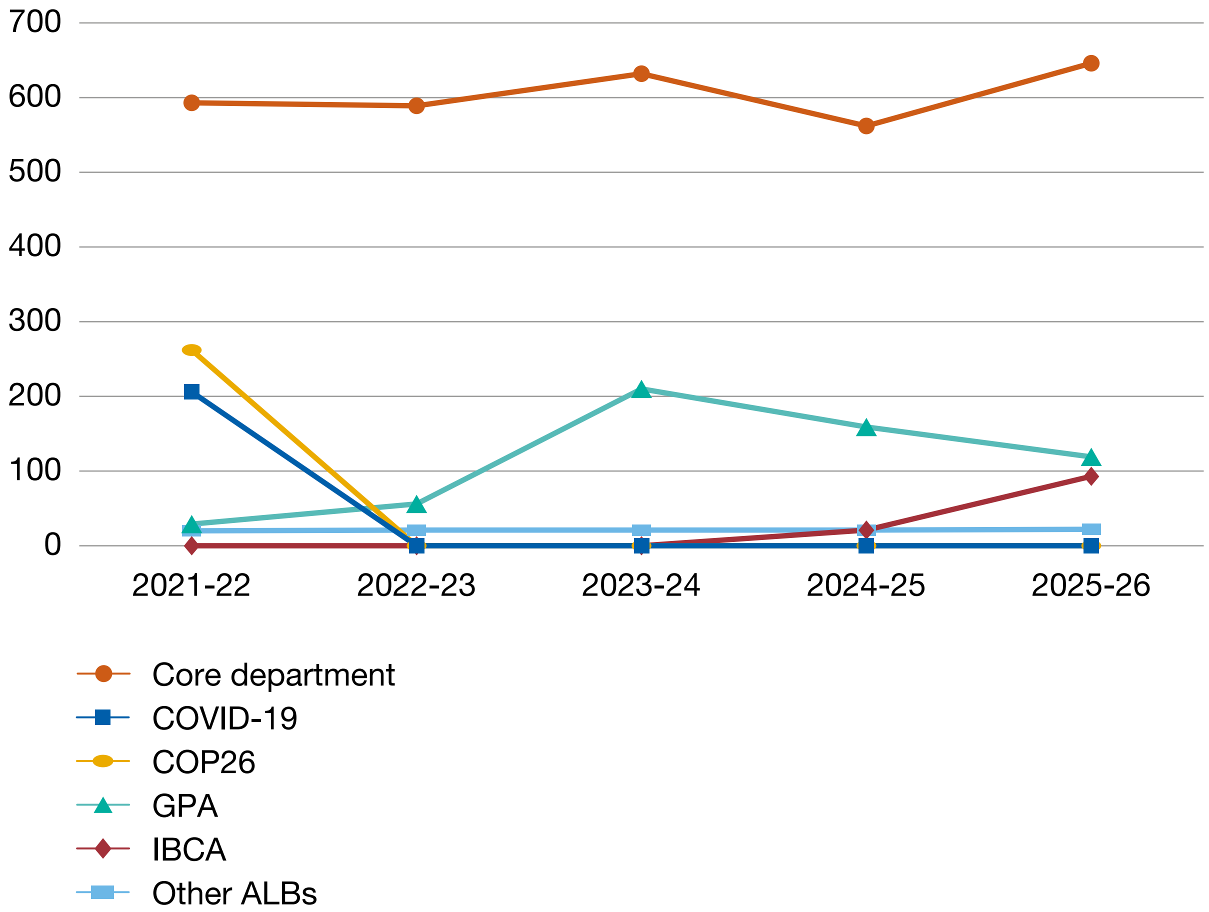
Net expenditure	2021-22 Restated[12] £million	2022-23 Restated[12] £million	2023-24 Restated[12] £million	2024-25 Restated[12] £million	2025-26[12] £million
Resource DEL					
Core department	593	589	632	562	646
COVID-19	206	–	–	–	–
COP26	262	–	–	–	–
GPA	29	56	210	159	119
IBCA	–	–	–	21	93
Other ALBs	20	21	21	21	22
Capital DEL					
Core department	28	39	60	60	93
GPA	102	151	358	197	285
IBCA	–	–	–	18	39
Other ALBs	–	–	–	1	–
Resource AME					
Core department	(1)	1	–	32	1
GPA	77	91	117	77	87
IBCA	–	–	–	9,582	(1,648)[13]
Capital AME					
IBCA	–	–	–	60	1,980
Total	**1,316**	**948**	**1,398**	**10,790**	**1,717**

Since 2021 to 2022, the Cabinet Office group has seen an increase in its overall net expenditure. 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 IBCA.

12 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.

13 Negative resource AME relates to the utilisation of the provision. Positive capital AME is the amount of compensation paid.

5-year net RDEL expenditure (£million)



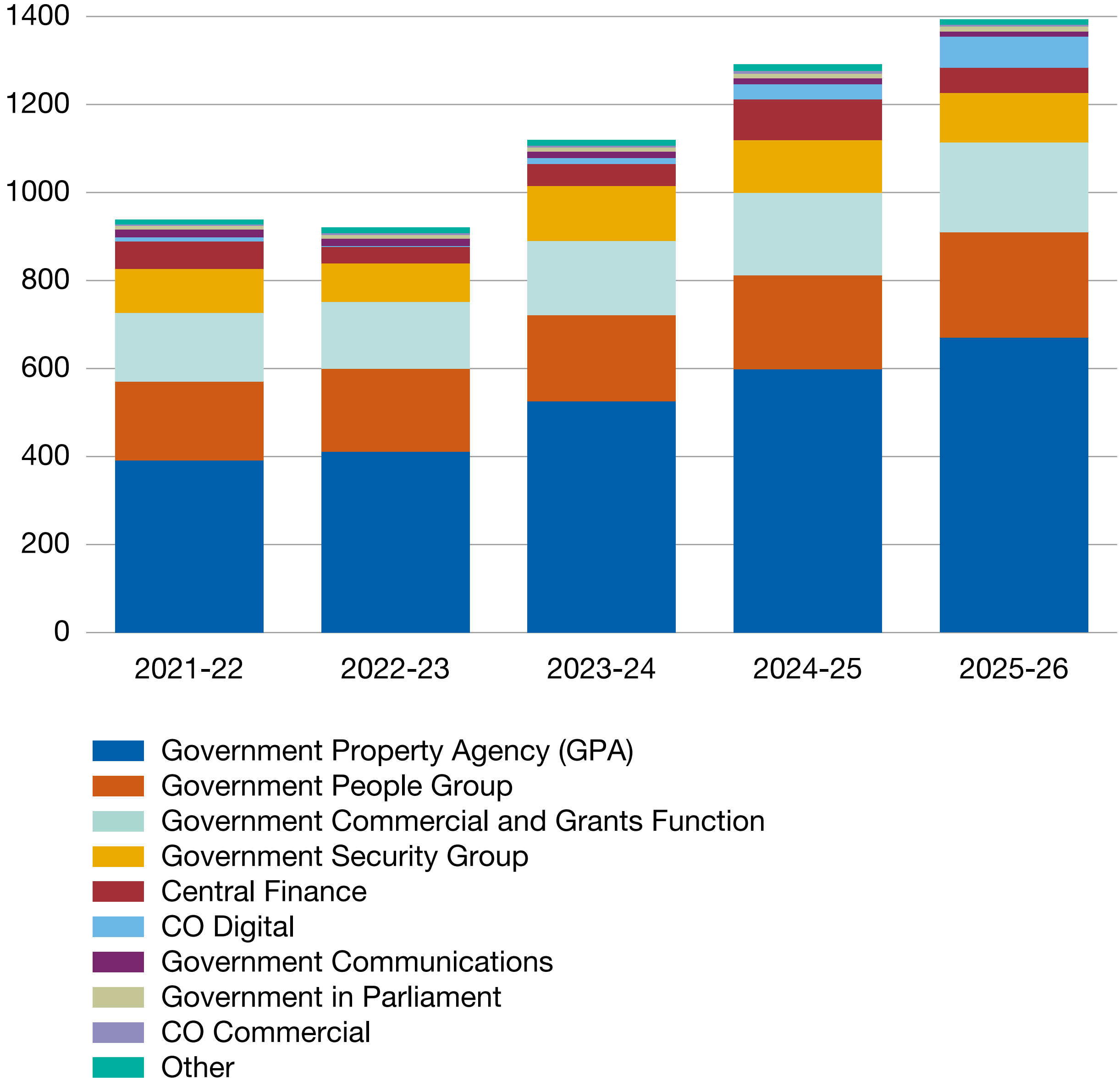
Developments contributing to the overall growth of department spending in the five-year period beginning in 2021 to 2022 include the following.

- The COVID-19 pandemic led to an unexpected increase in Cabinet Office expenditure in 2021 to 2022, 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 had an increase in resource DEL expenditure from 2023 to 2024 due to changes to the government accounting policy of private finance initiative (PFI) remeasurement, plus an increase in capital expenditure driven by additions to right-of-use property assets transferred to the GPA.
- 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. 2025 to 2026 represented IBCA's first full period of operating, with expenditure significantly increasing to support this scaling-up of activity.
- The core department's resource DEL has increased from 2024 to 2025, due to £43 million of DEL expenditure offset by the utilisation of provisions to the voluntary exit scheme and the HMRC investigation into IR35 investigation. Capital DEL also increased and was due largely to the £40 million Queen Elizabeth II endowment.

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.

Long term income trends (£million)

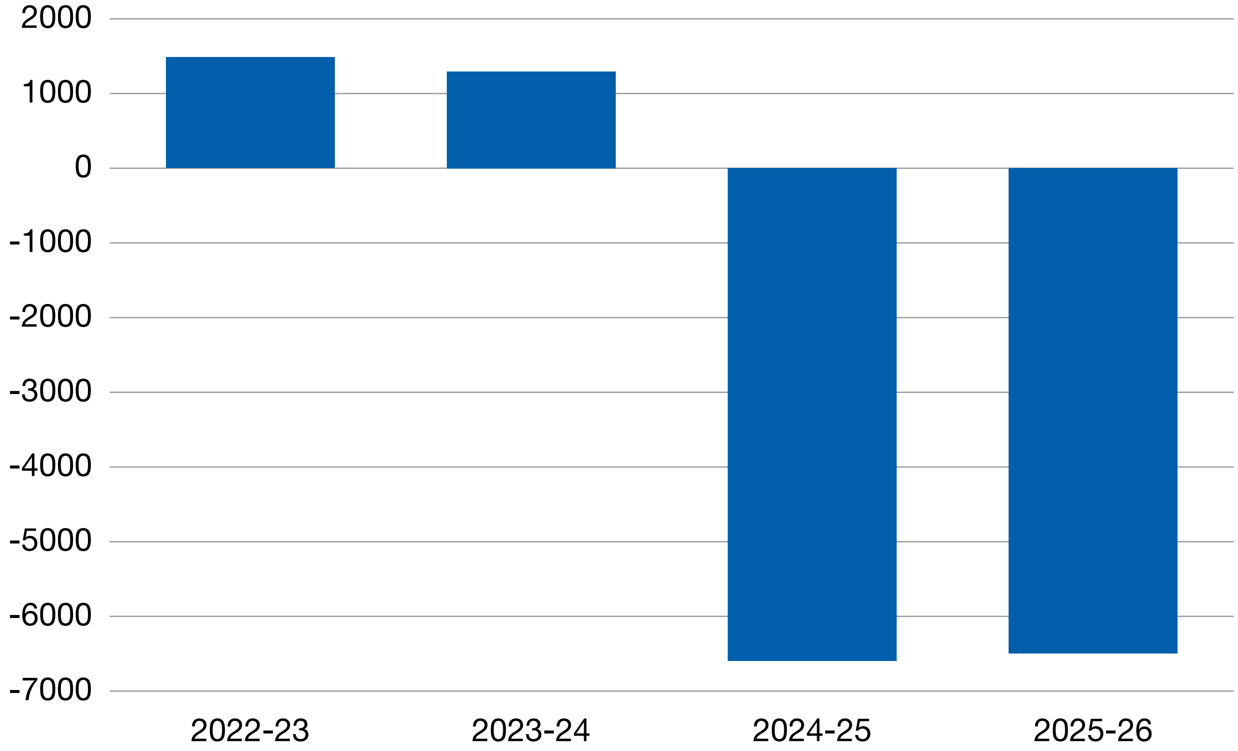


Business unit	2021-22 £million	2022-23 £million	2023-24 £million	2024-25 £million	2025-26 £million
Government Property Agency	391	411	525	598	670
Government People Group	179	188	196	214	240
Government Commercial and Grants Function	156	153	169	187	203
Government Security Group	100	87	124	120	113
Central Finance (Dividends etc)	63	38	51	92	58
CO Digital	10	3	13	35	70
Government Communications	17	16	15	13	12
Government in Parliament	9	9	9	10	11
CO Commercial	2	3	4	6	4
Other	11	12	14	16	12
Total income	**938**	**920**	**1,120**	**1,291**	**1,393**

The chart and table above set out the income received by the department as recognised in the statement of outturn against parliamentary supply. The income shown in note 4.2 of the financial statements differs as that table is only showing revenue from contracts with customers, whereas this table shows all income.

Our income has steadily risen since 2021 to 2022. 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.

Group balance sheet trends - Total assets less total liabilities (£million)



Over the past few financial years, the Cabinet Office departmental group balance sheet has had a negative balance sheet. This change is due to the introduction of the Infected Blood Compensation Authority in 2024 to 2025 and the provision that is required in order to estimate the total cost of the scheme.

£million	As at 1 April 2023 £million	As at 1 April 2024 £million	As at 1 April 2025 Restated[14] £million	As at 31 March 2026 £million
Current assets	520	513	780	679
Non-current assets	3,062	3,237	3,116	3,167
Total assets	**3,582**	**3,750**	**3,896**	**3,846**
Current liabilities	(623)	(674)	(2,486)	(3,262)
Non-current liabilities	(1,473)	(1,780)	(8,004)	(7,081)
Total liabilities	**(2,096)**	**(2,454)**	**(10,490)**	**(10,343)**
Total assets less total liabilities	**1,486**	**1,296**	**(6,594)**	**(6,497)**

With over £2.0 billion utilised from the scheme provision in 2025 to 2026, the expectation is that the total liabilities will reduce in future years and the Total assets less liabilities will eventually return to a positive figure. Future payments relating to these liabilities will be funded through Parliamentary Supply, and therefore the current net liability position does not affect the Cabinet Office's status as a going concern.

14 See note 2 in the financial statements

Counter fraud report

The Cabinet Office is committed to protecting public resources and upholding financial integrity by maintaining and continuously improving its counter fraud, bribery and corruption measures.

We recognise that fraud, bribery and corruption pose significant risks to public funds, and the department will always respond when they are found or reported.

The department has committed to rapidly maturing its capability, prioritising enhanced fraud risk management as a means to proactively deter and prevent fraud. Critical enhancements this year have included the delivery of an enterprise fraud risk assessment and a requirement for new spending decisions to complete an initial fraud impact assessment and fraud risk assessments where applicable.

Surrounding this, the department has implemented an interim strategy to the end of 2026 to 2027 that centres on the following three strategic objectives:

- get the basics right – including increasing compliance to functional standards
- increase fraud risk maturity
- strengthen response

The strategic objectives have underlying activities which are set out in the department's action plan. Progress is reported to the Public Sector Fraud Authority (PSFA) quarterly, as well as to the department's Audit and Risk Committee for transparency and accountability.

Steps are taken to prevent and detect fraud across the department through a layered approach covering communication, system controls, separation of duties and assurance checks.

All staff are required to act with honesty and integrity and to safeguard the public resources they are responsible for. The department took part in International Fraud Awareness Week in November 2025, alongside the PSFA. The tailored communications sought to drive awareness of what fraud is, how to spot it and that tackling it is a shared endeavour, particularly noting fraud is a hidden crime.

Enhanced systems controls were implemented in 2025 to 2026, including those covering expenses and travel as well as wider lessons learned following outcomes of cases and allegations.

Fraud risk management is central to the department's counter fraud detection and prevention strategy. The implementation of the departmental enterprise fraud risk assessment, requirements on initial fraud impact assessments and fraud risk assessments, and a developed understanding of fraud actors, drivers and risks have allowed the department to both proactively consider risks upfront and implement treatment plans. The enterprise fraud risk assessment remains a critical product for the department to move from a reactive to proactive counter fraud posture, but it will be an iterative process.

The department has managed an increased number of reported fraud allegations during the financial year, with 65 cases being considered. This is a significant increase on the previous financial year of 36. It is important to note that the number of allegations does not equate to substantiated instances of fraud but does indicate a greater awareness across the department. Where fraud is substantiated, action has been taken by HR to secure dismissals, updates are made to the internal fraud hub and lost funds are pursued.

The department is required to report fraud and error which is detected, prevented and recovered to the PSFA. Error is included in reporting and target setting as Error could potentially include fraud or could be identified in the course of a fraud investigation. During the year, the department detected and prevented £42,900 of fraud which is a decrease from £53,300 in 2024 to 2025. This is due to a decrease in high-value fraud cases and a significant increase in smaller value.

The instances of detected fraud are typically isolated to individuals rather than evidence of systemic fraud and are not financially material for the purposes of the accounts. Fraud is by its nature a hidden crime and it is likely that an element of unknown fraud is taking place. Error has higher total values including £1.78 million detected with £2.88 million recovered in salary overpayments and £4.78 million detected with £40.14 million prevented and recovered in pensions. Other known errors are below £300,000.

The department utilises the expert services of the Government Internal Audit Agency (GIAA) counter fraud and investigations team and the PSFA's Enforcement Unit to bolster capability and capacity. In addition, we utilise the enhanced debt collection service provided by SSCL to pursue recovery of debts.

The department sets a financial target for prevented and recovered fraud and error, which is agreed with the PSFA to ensure it is stretching and proportionate. For 2025 to 2026, the department set a £45.8 million target and achieved £43.99 million.

The largest proportion of the targets relates to prevented fraud and error 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.

Sustainability reporting

Strategic summary

This sustainability report provides a comprehensive overview of the Cabinet Office's environmental performance, governance arrangements and risk management.

Climate change is not currently designated as a principal risk for the department. While the Cabinet Office holds broader strategic responsibilities for cross-government co-ordination, property and procurement policy, climate change is not currently assessed as a material risk to the delivery of these specific functions.

This sustainability report covers the core Cabinet Office department. The wider Cabinet Office Group incorporates the following bodies: the Government Property Agency; the Government Commercial Agency (formerly the Crown Commercial Service); the Equality and Human Rights Commission and the Infected Blood Compensation Authority.

The Cabinet Office Group recognises each body's commitment to strengthen the approach to environmental sustainability, climate resilience and ESG reporting in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and wider public sector expectations.

Climate change is not a designated principal risk for the Cabinet Office or its arm's-length bodies. However, managing climate-related risks and opportunities is a significant matter for the GPA, as a the Cabinet Office arm's-length body, given its role in supporting Net Zero objectives and decarbonising the Government Estate. Readers are referred to the respective annual reports and accounts of the other bodies, while the GPA's disclosures are set out in its environmental report. The Cabinet Office monitors GPA's risks and performance against its objectives via sponsorship arrangements with the Office of Government Property.

The Cabinet Office is currently compliant with HM Treasury's guidance for TCFDs Phase 3 requirements through our disclosures on Governance, Risk Management, and Metrics and Targets. Recognising that our current internal processes are not fully compliant with departmental risk and governance standards, we will review the Cabinet Office group's sustainability governance and risk management structures in 2026 to 2027.

In accordance with our compliance statement above, the core department's approach to climate-related governance, risk management, and metrics is outlined as follows.

- **Governance** – The current governance structure enables central oversight of the Cabinet Office departmental risk. The Chief Operating Officer has been appointed as the department's representative Senior Responsible Officer for sustainability. The People and Operations Committee, a sub-committee of ExCo, provides oversight of the Cabinet Office sustainability issues.

  The dedicated Sustainability Steering Group convenes the functions of Commercial, Digital, Estates, Finance and Human Resources on governance and reporting of departmental sustainability priorities.

People and Operations Committee

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

Key responsibilities

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

Sustainability Steering Group

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

Key responsibilities

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

- **Risk** – Risk management operates through a decentralised process where individual business units and budget holders are responsible for identifying and managing risks, including climate-related risks pertinent to their operations. These risks can then be highlighted for discussion at the relevant leadership forum and, if necessary, can be escalated to ExCo through the standard corporate risk escalation process.
- **Metrics and targets** – Alongside the Task Force on Climate-Related Financial Disclosures' disclosures, the department assesses its climate performance using Greening Government Commitments metrics which include scope 1 and scope 2 greenhouse gas emissions data. The Greening Government Commitments are a framework of actions to improve the environmental impact of the government's estate and operations. The work done to embed sustainability metrics into all aspects of the Cabinet Office's working approach continues to enable the department to effectively address scope 3 emissions, which represent indirect emissions occurring in the value chain, including those associated with business travel and operational supply chains.

The sustainability report is prepared in accordance with the Cabinet Sustainability Strategy, incorporating a delivery framework across business functions.

1. **The government estate: buildings and infrastructure**
2. **Work and travel**
3. **Digital services and IT equipment**
4. **Commercial activity**

1. The government estate: buildings and infrastructure

The Cabinet Office reaffirms its commitment to environmental stewardship and the development of sustainable workplaces.

The department's core estate is managed by the GPA and comprises 3 buildings (70 Whitehall, 10-12 Downing Street and Admiralty House), all of which are Grade I listed in whole or in part. Given the historical nature of these properties, targets will remain challenging and require ongoing financial support. A key focus has been to thoroughly understand the carbon legacy before considering any offsetting measures.

Beyond the core estate, the Cabinet Office uses space in a number of buildings across the UK. These buildings are managed variously by the GPA, other government departments and private sector agencies.

The 2025 to 2026 baseline reporting figure for scope 2 energy indirect emissions has increased significantly on previous reporting years. This is as a result of a change in the scope of the baselining process, which now incorporates both the Cabinet Office core estate and the emissions data from the Cabinet Office staff multi-occupancy hubs across the wider government estate.

During the 2025 to 2026 reporting period, the Environmental Management System covering the core estate has demonstrated notable maturation, with a positive ISO 14001 surveillance audit in February 2026. The system ensures that environmental objectives are consistently aligned with relevant policy and legal frameworks in pursuit of the government commitment to achieve net zero by 2050.

Continual improvement in the organisational approach to sustainability, and refinements in reporting mechanisms, ensure continued progress and accountability in achieving sustainability objectives.

Mitigating climate change through decarbonisation

The Cabinet Office has successfully reduced direct emissions by 75%, surpassing the overall Greening Government Commitments emissions target. Recent improvements in the energy performance of the core estate buildings have been consolidated this reporting year, aided by the ongoing decarbonisation initiatives of the GPA's Net Zero Programme, among other projects. The display energy certificate ratings are D for 70 Whitehall, C for 10-12 Downing Street and B for Admiralty House.

The department's estate continues to benefit from the GPA's Net Zero Programme, which supports decarbonisation interventions in managed properties, and ongoing lifecycle replacement initiatives. Energy use and costs are being brought down with the installation of more efficient kitchen fittings, electrical appliances and LED lighting systems. The solar reflective paint on the roof of the departmental headquarters at 70 Whitehall has been refreshed, reducing reliance on mechanical cooling methods.

The GPA continues lifecycle replacement works across the core estate, which includes Building Management System upgrades (to better understand the energy demand of the estate) and a continued programme of LED lighting, heating, ventilation and air conditioning system replacements.

Climate change adaptation

The priority across the Cabinet Office's 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 department's current strategy for climate adaptation is spearheaded by the GPA, which takes a cohesive and strategic approach to climate resilience. Having completed both the Climate Adaptation Strategy and action plan in 2024, the GPA has taken forward a preliminary climate change adaptation risk assessment, made with reference to the Office for Government Property framework. During 2025 to 2026, the GPA reviewed flood risk assessments and collected further site level data. The GPA will continue to implement the action plan in 2026, as risks are further defined and any actions required are identified.

Minimising waste and reducing water usage

The Cabinet Office and the GPA have continued to pursue initiatives and work with staff on ways to improve performance around waste and water. These include the refurbishment of kitchen areas and refresh of recycling signage across the estate. In 2025, the GPA developed a new sustainability strategy for its workplace services. The strategy focuses on areas such as minimising energy use and waste and reducing water use, with collaborative projects being run across the GPA's portfolio. The visual presentation of waste management streams has been improved – an investment aimed at bringing recycling levels up to optimum levels across the board.

Nature recovery and biodiversity action planning

While the Cabinet Office does not have sufficient landholdings to participate in full-scale nature recovery and biodiversity planning, the department encourages staff participation in green volunteering projects, promoting community engagement and environmental stewardship. The department also actively pursues opportunities to enhance biodiversity across the estate, even in the context of challenges such as the management of heritage property. For example, the GPA has supported the requirement to clear ivy from historic buildings bordering Horse Guards Parade in Westminster, by landscaping and replanting the surrounding area to introduce beds of pollinator-friendly plants.

2. Work and travel

Domestic and international business travel (air and rail)

Travel data reflects all air and rail travel booked through the Cabinet Office central travel contract, for which Corporate Travel Management (CTM) is the appointed provider. They provide emissions and calculations data, utilising the standard UK government (the Department for Environment, Food and Rural Affairs) greenhouse gas conversion factors. This methodology aligns directly with UK public sector reporting standards, capturing all relevant greenhouse gases under the unified CO_2 metric.

The Cabinet Office staff are actively encouraged to prioritise domestic rail travel, with Corporate Travel Management providing transparent CO_2 emissions data at the point of booking to enable conscious, sustainable choices. The CTM booking portal actively guides users toward lower-carbon options by allowing search results to be sorted by lowest emissions, displaying direct rail-versus-air carbon comparisons for domestic UK routes.

Additionally, the department has invested in technologies to facilitate hybrid working, fostering collaboration across multiple locations.

Rail CO_2 emissions data has been included for the first time this 2025 to 2026 reporting year in order to provide full visibility of the Cabinet Office official business travel impact and the department's environmental footprint.

Emissions from domestic flights in 2025 to 2026 decreased to 239 tonnes of carbon dioxide equivalent (tCO_2e). The department continues to work to reduce emissions in line with the 30% reduction target from its baseline reporting year.

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.

Emissions from international flights in 2025 to 2026 was 1,357 tCO_2e. The increase in this year's reported emissions reflects a broader reporting scope, which records the distance travelled across all international flight segments globally, rather than just a subset of journeys. Despite this enhanced data capture, the total still represents a net reduction against the 2017 to 2018 reporting baseline.

All Ministerial non-scheduled travel via the dedicated G-GBNI aircraft, which represents the total CO_2 footprint, is offset. To achieve this, we have selected compliant offset projects which are UN CDM or Gold Standard-certified CERs and are geographically distributed across developing regions. These offset projects offer a mix of greenhouse gas avoidance and removal types and demonstrate clear SDG co-benefits. In 2024 to 2025, a total of 4,582 tCO_2e was offset at a cost of £47,149 In 2025-2026, this figure reduced to a total of 2,582 tCO_2e offset, at a cost of £38,075.

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 building on the achievements against the Greening Government Commitments. 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.

Travel car fleet

Responsibility for the Government Car Service transferred to the Cabinet Office in 2025 as part of a machinery of government move from the Department for Transport. The service provides official transport to ministers and senior officials across government. The Cabinet Office is responsible for a fleet of approximately 120 vehicles and currently manages 13 ministerial and senior official vehicle allocations.

This reporting period represents the first full year in which the Cabinet Office has held responsibility for the service. Work is underway to integrate fleet operations and associated data into the department's sustainability reporting framework.

The department is developing improved mechanisms to capture operational data, including fuel consumption and vehicle mileage, which will enable accurate monitoring and reporting of fleet-related greenhouse gas emissions in future reporting periods.

The fleet comprises a high proportion of low-emission vehicles, with approximately 53% hybrid, 42% fully electric and 5% petrol. Over the next financial year, plans are in place to fully phase out petrol vehicles and transition towards a balanced mix of hybrid and electric vehicles.

This approach reflects a managed transition, ensuring operational resilience while supporting continued progress towards full electrification as charging infrastructure and supporting systems mature.

3. Digital services and IT equipment

Reducing environmental impacts from ICT and digital

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.

The department has put in place takeback agreements with suppliers for us to return all obsolete ICT hardware to be directly reused or recycled by them. This should result in zero to landfill, which is in line with the Department for Environment, Food and Rural Affairs' ICT and Digital Services Strategy 2020 to 2025.

4. Commercial activity

Procuring sustainable products, services, works and grants

The Cabinet Office continues to work with all suppliers in accordance with the Government Buying Standards and in alignment with the Greening Government Commitments. 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 (in awarding all above threshold commercial contracts the Cabinet Office explicitly evaluates social value, applying a mandatory minimum weighting of 10%) 06/21 and 01/24 (Carbon Reduction plans are taken into account for major contracts). The Environmental Management System complaint register also recognises the Procurement Act 2023.

Whilst the total number of reams of A4 (6,756) and A3 (468 equivalent) paper bought from Banner in 2025 to 2026 was 7,224 (2024 to 2025: 6,331), over 50% of this paper was recycled (A4 paper, 3,581 and A3 paper 86 equivalent).

Environmental reporting metrics

The Greenhouse Gas Protocol introduces three scopes, as follows:

- **Scope 1: Direct emissions** – from sources owned or controlled by the organisation
- **Scope 2: Energy indirect emissions** – as a result of electricity consumed which is supplied by another party
- **Scope 3: Other indirect emissions** – all other emissions which occur as a consequence of activity in an organisation's value chain, but which are not owned or controlled by the accounting entity

The environmental reporting metrics incorporate the Greening Government Commitments which are structured around three outcomes:

- Working towards net zero and adapting to climate change in committing to: reducing our direct, overall and ICT emissions, decarbonising our car and van fleet, travelling more sustainably, and managing climate risks through risk assessments and adaptation plans
- Restoring and enhancing nature, contributing to the government's priority to ensure nature's recovery
- Improving use of resources and services to move towards a more circular economy: increase the sustainability of government procurement, reduce our waste, increase our recycling, limit the amount of waste we send to landfill, and reduce our water consumption

Metric	Measures	2025-26 revised baseline	2024-25	2023-24	2022-23	2021-22	2017-18 baseline	%
Mitigating climate change: working towards net zero by 2050								
Tonnes of carbon dioxid equivalent (CO_2e)	Scope 1 (direct) emissions	112	181	134	128	148	456	-75%
	Scope 2 (energy indirect) emissions	2,065	1,487	2,068	1,684	3,274	4,025	–49%
	Scope 3 (transmission and distribution) emissions	188	–	–	–	–	–	N/A
	Scope 3 (official business travel: domestic rail) emissions	740						N/A
	Scope 3 (official business travel: domestic air) emissions	239	270	402	363	434	1,276	TBC
	Scope 3 (official business travel: international rail) emissions	1						N/A
	Scope 3 (official business travel: international air) emissions	1,357	599	657	2,001	2,586	1,533	-11%
	Total greenhouse gas emissions	**4,702**	**2,537**	**3,261**	**4,176**	**6,442**	**7,290**	**-68%**

Metric	Measures	2025-26 revised baseline	2024-25	2023-24	2022-23	2021-22	2017-18 baseline	%
Kilowatt hours (kWh)	Energy electricity green tariff (scope 2 and 3)	8,464,971	5,273,573	4,247,428	4,826,356	4,300,447	–	N/A
	Mains standard grid electricity consumption (scope 2 and 3)	6,392	–	–	–	–	8,578,983	-100%
	Natural gas	612,961	843,360	732,615	700,300	871,153	2,360,194	-74%
	District heating systems	3,224,597	1,487,245	1,315,640	591,100	1,563,200	880,464	+266%
	Heat from other sources	–	–	–	–	–	–	N/A
	Total related energy use	**12,308,921**	**7,604,178**	**6,295,683**	**6,117,756**	**6,734,800**	**11,819,641**	**+4%**
£000	Expenditure on energy – GPA[15]	28,391	31,704	22,385	20,946	16,467	–	N/A
	Of which: Expenditure on energy – CO[16]	3,265	–	–	–	–	–	N/A
	Expenditure on official business travel	32,520	23,792	19,610	11,990	10,895	10,759	+202%
	Total related expenditure	**60,911**	**55,496**	**41,995**	**32,936**	**27,362**	**10,759**	**+382%**

15 Includes the entire GPA estate, including properties that Cabinet Office and GPA do not occupy.

16 New baseline for 2025 to 2026 being Cabinet Office occupancy only.

Metric	Measures	2025-26 revised baseline	2024-25	2023-24	2022-23	2021-22	2017-18 baseline	%
Waste minimisation and management								
Tonnes	Total waste reused or recycled externally (excluding ICT waste)	101	63	64	46	31	937	-89%
	Total ICT waste: recycled (externally)	2	4	–	–	1	–	N/A
	Total ICT waste: reused (externally)	6	4	–	–	1	–	N/A
	Total waste composted or sent to anaerobic digestion	22	16	4	7	2	–	N/A
	Total waste recycled	**131**	**79**	**68**	**53**	**35**	**937**	**-86%**
	Total waste incinerated with energy recovery	98	53	65	79	84	289	-66%
	Total waste incinerated without energy recovery	–	–	–	–	–	–	N/A
	Total waste to landfill	–	–	–	–	–	–	N/A
	Total waste	**229**	**132**	**133**	**132**	**119**	**1,226**	**-81%**
£000	Total waste disposal cost	56	11	3	16	149	N/A	N/A

Metric	Measures	2025-26 revised baseline	2024-25	2023-24	2022-23	2021-22	2017-18 baseline	%
Finite resource consumption								
Metres cubed (m^3)	Water consumption	17,368	13,884	9,593	11,981	16,623	31,156	-44%
(£000)	**Total water cost – GPA[17]**	**1,113**	**689**	**543**	**456**	**16**	**N/A**	**N/A**
	Of which: Total water cost – CO[18]	75.2	–	–	–	–	–	N/A
Paper usage								
Reams	Paper procured (A4 equivalent)	7,224	6,331	7,176	7,759	3,004	15,800	-54%

17 Includes the entire GPA estate, including properties that Cabinet Office and GPA do not occupy.

18 New baseline for 2025 to 2026 being Cabinet Office occupancy only.

The UK government's framework to create UK Sustainability Reporting Standards

The development of UK Sustainability Reporting Standards is part of a wider programme of work that the UK government is currently undertaking, alongside the Financial Conduct Authority, to develop a sustainability disclosure requirements regime within the UK.

The creation of the International Sustainability Standards Board was announced at the COP26 United Nations Climate Change Conference in Glasgow, with the role of creating a global baseline for sustainability reporting.

In October 2023, the Task Force on Climate-Related Financial Disclosures was disbanded and its responsibilities transferred to the International Sustainability Standards Board, integrating the task force's recommendations into the new International Financial Reporting Standards' Climate-Related Disclosures Standard. This merger aimed to streamline sustainability reporting by providing a comprehensive, mandatory global baseline for climate-related disclosures.

The UK government strongly supports the development of international standards for disclosure of sustainability-related information, and sees the work of the International Sustainability Standards Board as consistent with the UK government's aim to make the UK a global centre for sustainable finance.

Following a recent consultation, the UK government has now published the UK Sustainability Reporting Standards which aim to create a consistent, mandatory and internationally aligned framework for sustainability-related financial disclosures. The standards are available for voluntary use by any entity that chooses to do so. The Cabinet Office continues to monitor these developments whilst following current public sector sustainability reporting guidance.

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 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 Sustainable Development Goals.

The examples below illustrate the depth and breadth of the Cabinet Office's contribution. They are set out in line with our commitments for 2025 to 2026 but are not exhaustive.

United Nations SDGs	Cabinet Office contribution
1 No poverty 2. Zero hunger	We led the publication of the Child Poverty Strategy which sets out a 10-year strategy to reduce child poverty by increasing family income and reducing the costs of the essentials. This strategy also includes provisions to ensure families can put food on their tables, and expands free school meals in England and food for the poorest children over the holiday period.
3. Good health and wellbeing	We are supporting the Department of Health and Social Care with work resulting from their Pandemic Preparedness Strategy. We are working closely with the Department for Work and Pensions to ensure that disabled people are better supported to enter and remain in work. This includes work around reasonable adjustments, which directly supports wellbeing in work. We have also engaged on various issues, establishing a cross-government working group to reduce the gap in healthy life expectancy, ensuring data reflects protected characteristics and socio-economic disadvantage.
5. Gender equality 8 Decent work and economic growth 10. Reduced inequalities	We worked to pass the Employment Rights Act 2025 which ensures jobs provide a baseline of security for workers and promotes family-friendly employment policies. We led work on a violence against women and girls attitudinal and behavioural change programme. This work programme is to understand and address the underlying and societal attitudes towards women and girls, including misogyny and gender inequality, to change behaviours and prevent violence against women from occurring in the first place. It will allow us to draw on experience and knowledge of intersectional disparities and enable us to ensure other government departments are considering these disparities across their own policy areas. We developed the Equality Bill to protect ethnic minority and disabled workers while supporting a growing economy. This includes work on pay gap action plans relating to gender, menopause, ethnicity and disability. We are also undertaking work to consider issues relating to reasonable adjustments in an employment context.

United Nations SDGs	Cabinet Office contribution
	The Employment Rights Act 2025 works to improve gender equality by requiring large employers to produce action plans setting out how they are addressing the gender pay gap and supporting employees through menopause. The Race Equality Engagement Group was established to strengthen the government's links with ethnic minority communities, enabling an effective, two-way dialogue on the government's work to tackle race inequalities. It ensures the lived experiences and views of those most affected by race inequalities are represented in government decision making. We provided contracts and funds the Equality Advisory and Support Service, which provides free, bespoke advice and support to individuals in England, Scotland and Wales facing discrimination issues. The Access to Elected Office Fund seeks specifically to address equality of opportunity issues in the process of contesting elected office. The aim is to support greater representation by increasing the number of disabled people contesting seats. The Places for Growth programme brings high quality Civil Service careers to locations across the country and is independently evaluated as on track to deliver £1.9bn in staff and estate savings and local economic benefits by 2030.

United Nations SDGs	Cabinet Office contribution
16. Peace, justice and strong institutions	The government published its National Security Strategy in June 2025. It outlines how the government will improve security and resilience at home and project strength abroad, including working to strengthen European security ties and promote peace abroad. The Cabinet Office also launched the Ethics and Integrity Commission which promotes high standards in public life. New rules around ministerial severance pay have been introduced when ministers have been in post for less than six months or have left following a serious breach of the Ministerial Code. The Cabinet Office works with civil society to co-ordinate the UK National Action Plan for Open Government (NAP), which develops and implements commitments to improve transparency, accountability and participation in government. The sixth NAP delivered commitments on open contracting, aid transparency and anti-corruption up to the end of 2025. A call for evidence to inform the seventh NAP was launched in March 2026. During 2025, the Cabinet Office has supported the Foreign, Commonwealth and Development Office in the UK's successful bid to co-chair the international Open Government Partnership. The UK aims to use this opportunity from September 2026 to October 2027 to strengthen domestic and international partnerships, and is currently developing its detailed co-chair agenda.

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

10 September 2026

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.

This report describes arrangements and activities for the 2025 to 2026 financial year. Recent Machinery-of-Government changes, including the creation of a new central department and separate executive agency, and the impact of these changes on corporate governance structures, will be reflected in the next report for financial year 2026 to 2027.

Directors' report

Cabinet Office Lead Non-Executive's overview of the year 2025 to 2026

The 2025 to 2026 financial year has been a period of profound transition and bold ambition for the Cabinet Office as we reshape the department to become smaller, more specialist, and strategic. Following the September 2025 reshuffle and the arrival of our refreshed leadership, and the new Cabinet Secretary, Dame Antonia Romeo, we have aligned our structures directly behind the Prime Minister's delivery agenda.

As Lead Non-Executive, alongside our newly completed team of non-executives, my focus remains on supporting the Cabinet Office to orchestrate the successful digital transformation of the state. This represents a monumental opportunity for transformational growth and enhanced productivity, unlocking the efficiency and potential that is held back by layers of process and outdated systems. Designing and delivering a modern, productive and agile state puts the Cabinet Office central to maximising value for the British people.

To overcome institutional inertia, the Cabinet Office is embedding rigorous, common reform principles across government, ensuring end-to-end digital services are redesigned rather than simply digitising outdated, existing processes. The risk landscape of the department is naturally evolving as it drives this concurrent volume of organisational change. By translating the "productive and agile state" into an exciting story of transformation and growth, and building a resilient culture of experimentation, the Cabinet Office will continue into the next year as the important strategic centre enabling the delivery of the exceptional public services for UK citizens.

John Fallon
Cabinet Office Lead Non-Executive

Cabinet Office ministers

Cabinet Office ministers at 9 September 2026

The Rt Hon.
Andy Burnham MP

Prime Minister, First Lord of the Treasury, Minister for the Union and Minister for the Civil Service (paid by HM Treasury) (from 20 July 2026)

The Rt Hon.
Louise Haigh MP

First Secretary of State, Chancellor of the Duchy of Lancaster and Minister for The Cabinet Office (from 20 July 2026)

Mark Ferguson MP

Parliamentary Secretary

(From 22 July 2026)

The Rt Hon. Hamish Falconer MP

Minister of State – Minister for Intergovernmental Relations and European Relations (paid by the Foreign, Commonwealth and Development Office) (from 20 July 2026)

The Rt Hon Kanishka Narayan MP

Minister of State – Minister for Artificial Intelligence (paid by the Department for Business, Innovation, Science and Trade) (from 20 July 2026)

Major The Rt Hon Dan Jarvis MBE MP

Minister of State for Security (paid by the Home Office) (from 6 September 2025 until 11 June 2026 and from 21 July 2026)

Cabinet Office ministers

Cabinet Office ministers at 9 September 2026

Sally Jameson MP

Parliamentary Secretary

(from 22 July 2026)

Dan Tomlinson MP

Parliamentary Secretary

(paid by HM Treasury)
(from 22 July 2026)

Baroness Twycross

Parliamentary Secretary

(paid by the Department for Digital, Culture, Media and Sport)
(from 22 July 2026)

The Rt Hon. Sir Alan Campbell MP

Lord President of the Council and Leader of the House of Commons (from 5 September 2025) Parliamentary Secretary to the Treasury and Chief Whip (paid by HM Treasury) (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)

Cabinet Office ministers

Cabinet Office ministers at 9 September 2026

The Rt Hon. Anneliese Midgley MP

Parliamentary Secretary to the Treasury and Chief Whip (paid by HM Treasury) (from 20 July 2026)

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)

Baroness Anderson of Stoke-on-Trent

Captain of the King's Bodyguard of the Yeomen of the Guard (Lords Deputy Chief Whip) and Parliamentary Under-Secretary of State for the Northern Ireland Office (paid by HM Treasury) (from 22 July 2026)

Cabinet Office ministers in post at 31 March 2026 (unless stated) who have subsequently left the department:

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) (from 5 July 2024 until 20 July 2026)

The Rt Hon. Darren Jones MP

Chief Secretary to the Prime Minister (from 1 September 2025), Chancellor of the Duchy of Lancaster (from 5 September 2025 until 20 July 2026) and Minister for Intergovernmental Relations (from 6 September 2025 until 20 July 2026)

The Rt Hon. Nick Thomas-Symonds MP

Paymaster General and Minister for the Cabinet Office (from 8 July 2024 until 20 July 2026)

The Rt Hon. Anna Turley MP

Minister without Portfolio and Chair of the Labour Party (unpaid) (from 6 September 2025 until 21 July 2026)

Dame Angela Eagle DBE MP

Minister of State for Security and Minister of State for the Cabinet Office (from 12 June 2026 until 20 July 2026) (paid by the Home Office)

Satvir Kaur MP

Parliamentary Secretary for the Cabinet Office (from 7 September 2025 until 22 July 2026)

Cabinet Office ministers in post at 31 March 2026 (unless stated) who have subsequently left the department:

James Frith MP

Parliamentary Secretary for the Cabinet Office (unpaid) (from 3 March 2026 until 22 July 2026)

Chris Ward MP

Parliamentary Secretary for the Cabinet Office (from 6 September 2025 until 22 July 2026)

The Rt Hon. Jonathan Reynolds MP

Parliamentary Secretary to the Treasury and Chief Whip (paid by HM Treasury) (from 5 September 2025 until 20 July 2026)

The following ministers left the Cabinet Office during 2025 to 2026:

- **The Rt Hon. Pat McFadden MP**
  Chancellor of the Duchy of Lancaster (until 5 September 2025)
- **The Rt Hon. Ellie Reeves KC MP**
  Minister without Portfolio and Chair of the Labour Party (unpaid) (until 6 September 2025)
- **The Rt Hon. Douglas Alexander MP**
  Minister of State for the Cabinet Office (paid by the Department for Business and Trade) (until 5 September 2025)
- **Georgia Gould OBE MP**
  Parliamentary Secretary for the Cabinet Office (until 6 September 2025)
- **Abena Oppong-Asare MP**
  Parliamentary Secretary for the Cabinet Office (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)
- **Josh Simons MP**
  Parliamentary Secretary for the Cabinet Office (from 7 September 2025 to 28 February 2026)

Official board members

Official board members at 31 March 2026 (unless stated)

Catherine Little CB

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

Caroline Patterson Chief Finance Officer,

Interim Chief Operating Officer (from 14 November 2025) and Acting Chief Financial Officer of IBCA (from 1 July 2025 to 31 December 2025)[19]

Juliet Chua CB

Director General, Economic and Domestic Secretariat (from 28 January 2026)

Harriet Aldridge

Chief Operating Officer (from 1 May 2026)

Additional officials with significant influence:

Dame Antonia Romeo DCB

Cabinet Secretary and Head of the Civil Service (from 19 February 2026)[20] (does not attend Cabinet Office Board meetings)

19 Caroline Patterson left the department on 13 May 2026.

20 Between 12 and 19 February 2026, the Cabinet Secretary role was shared by Catherine Little, Dame Antonia Romeo and James Bowler on an interim basis.

The following official board members and officials with significant influence left the Cabinet Office during 2025 to 2026:

- **Sarah Harrison CB MBE**[21]
  Chief Operating Officer
  (departed on 14 November 2025)

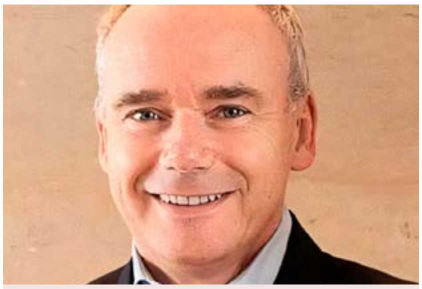
- **Emma Churchill**
  Director General, Economic and Domestic Secretariat (from 15 September 2025 to 28 November 2025)

- **Janet Hughes**
  Director General, Civil Service Reform and Efficiency (from 9 June 2025 to 31 March 2026)

- **Sir Chris Wormald KCB**
  Cabinet Secretary and Head of the Civil Service (departed on 13 February 2026) (the Cabinet Secretary does not attend Cabinet Office Board meetings)

21 Following the departure of Sarah Harrison on 14 November 2025, the Chief Operating Officer role was shared on an interim basis by Caroline Patterson, Chief Financial Officer, and Christina Duncan, Chief People Officer. Christina Duncan was not a member of Cabinet Office board and therefore does not appear in the remuneration report.

Non-executive board members at 31 March 2026 (unless stated)



John Fallon

Cabinet Office Lead Non-Executive Board Member (from 21 April 2025)

Maura Sullivan

Non-Executive Board Member and Chair of the Audit and Risk Committee

Lisa Tremble

Non-Executive Board Member (from 21 April 2025)[22]

Greg Jackson CBE

Non-Executive Board Member (from 21 July 2025)

The following individuals have non-executive roles in the Cabinet Office but are not non-executive board members and do not attend the Cabinet Office Board:

- **The Baroness Casey of Blackstock DBE CB**
  Government Lead Non-Executive
- **Tracy Cherrington**
  Independent Member of the Cabinet Office Audit and Risk Committee (from 4 November 2025)
- **Mark Whitehouse**
  Independent Member of the Cabinet Office Audit and Risk Committee (from 4 November 2025)

22 Lisa Tremble stood down from her Cabinet Office Non-Executive Board Member role on 31 March 2026.

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 public bodies and other ALBs, as designated under the Government Resource and Accounts Act 2000 by Statutory Instrument 2025 no. 268. Together with the department, these are known as the 'departmental group', as listed at note 20 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 public bodies 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 are fair, balanced and understandable and take personal responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced and understandable

HM Treasury has appointed 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 A: Mark Bourgeois, Chief Executive of the GPA, an executive agency
- estimate section B: Claire Bassett, Registrar of Consultant Lobbyists, a corporation sole
- estimate section B: Kate Owen, Chief Executive of the Civil Service Commission, a non-departmental public body
- estimate section B: John Kirkpatrick, Chief Executive of the EHRC, a non-departmental public body
- estimate section B: David Foley, Chief Executive of 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 are set out in Managing Public Money published by HM Treasury. These include responsibility for:

- the propriety and regularity of the public finances for which the accounting officer is answerable
- keeping proper records
- safeguarding the assets of the department or non-departmental public bodies or other ALBs for which the accounting officer is responsible

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.

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

Governance statement

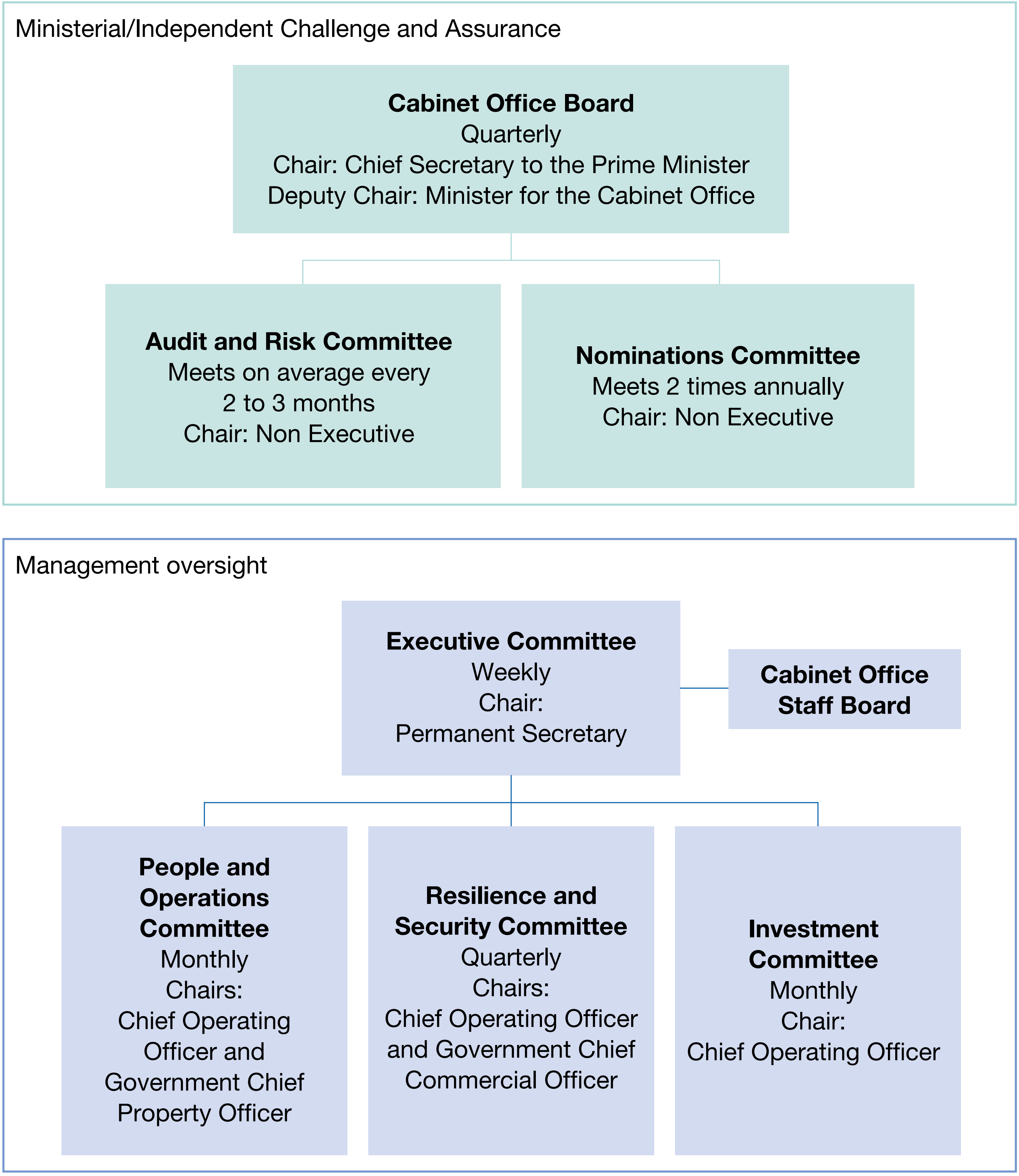
As Principal Accounting Officer, the governance statement represents my assurance to Parliament that I am satisfied that the department's system of internal control is effective and supports good decision making and risk management.

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

Cabinet Office Board and Executive Committee Structure

All Cabinet Office boards and committees aim to follow the principles of the Corporate Governance Code for Central Government.



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 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. 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. During this period, the operational and strategic leadership of the department was provided by ExCo. The Cabinet Office Audit and Risk Committee continued to operate, seeking assurances on behalf of the Accounting Officer and providing non-executive oversight of the departmental programmes and risk in absence of the Board.

The board was paused at the point of the September 2025 reshuffle and a refreshed board was established on 27 October 2025. The board met three times, in total, during 2025 to 2026.

Board attendance to 31 March 2026

Board member	Date of in-year appointment / departure	Meetings attended
Ministers		
The Rt Hon. Darren Jones MP, Chief Secretary to the Prime Minister, Chancellor of the Duchy of Lancaster and Minister for Intergovernmental Relations	From 5 September 2025	2 out of 2
The Rt Hon. Nick Thomas-Symonds MP, Paymaster General and Minister for the Cabinet Office (Minister for the Constitution and European Union Relations)		3 out of 3
The Rt Hon. Anna Turley MP, Minister without Portfolio and Chair of the Labour Party	From 6 September 2025	1 out of 2
Chris Ward MP, Parliamentary Secretary for the Cabinet Office	From 6 September 2025	2 out of 2
Satvir Kaur MP, Parliamentary Secretary for the Cabinet Office	From 7 September 2025 Returned from maternity leave 23 February 2026	1 out of 1
Major The Rt Hon. Dan Jarvis MBE MP, Minister of State for Security (Home office) and Minister of State (Cabinet Office)	From 6 September 2025 Departed 11 June 2026	0 out of 2
The Rt Hon. Pat McFadden MP, Chancellor of the Duchy of Lancaster	Departed 5 September 2025	1 out of 1

Board member	Date of in-year appointment / departure	Meetings attended
The Rt Hon. Ellie Reeves KC MP, Minister without Portfolio and Chair of the Labour Party	Departed 6 September 2025	1 out of 1
The Rt Hon. Douglas Alexander MP, Minister of State for the Cabinet Office (paid by the Department for Business and Trade)	Departed 5 September 2025	1 out of 1
Georgia Gould OBE MP, Parliamentary Secretary for the Cabinet Office	Departed 6 September 2025	0 out of 1
Abena Oppong-Asare MP, Parliamentary Secretary for the Cabinet Office	Departed 6 September 2025	1 out of 1
Josh Simons, Parliamentary Secretary for the Cabinet Office	From 6 September 2025 Departed 28 February 2026	2 out of 2
James Frith MP, Parliamentary Secretary for the Cabinet Office From 3 March 2026	From 3 March 2026	0 out of 0
Non-executives		
John Fallon, Cabinet Office Lead Non-Executive Board Member	From 21 April 2025	3 out of 3
Maura Sullivan, Non-Executive Board Member and Chair of the Audit and Risk Committee		3 out of 3
Lisa Tremble, Non-Executive Board Member and Chair of the Nominations Committee	From 21 April 2025 Departed 31 March 2026	2 out of 3
Greg Jackson CBE, Non-Executive Board Member	From 21 July 2025	2 out of 2
Catherine Little CB, Chief Operating Officer for the Civil Service and Permanent Secretary and Principal Accounting Officer		3 out of 3
Emma Churchill, Director General, Economic and Domestic Secretariat	From 15 September 2025 Departed 28 November 2025	0 out of 1
Sarah Harrison CB MBE, Chief Operating Officer[23]	Departed 14 November 2025	2 out of 2
Janet Hughes, Director General, Civil Service Reform and Efficiency	From 9 June 2025 Departed 31 March 2026	3 out of 3
Caroline Patterson, Chief Finance Officer	Departed 13 May 2026	3 out of 3
Juliet Chua CB, Director General, Economic and Domestic Secretariat	From 28 January 2026	0 out of 0

23 Harriet Aldridge was appointed as the Cabinet Office Chief Operating Officer on 1 May 2026.

Quality of data used by the board

All three Cabinet Office Board meetings received reports on the Cabinet Office's financial performance and position, workforce data and performance data for each quarter.

The Cabinet Office has a corporate performance reporting team to ensure that all data is consistent and accurate. The board considers this information to be fit for purpose. In 2025 to 2026 the Board discussed a range of topics including digital transformation, strategic risk, and Civil Service reform. Standing agenda items included updates from the Chair, the Permanent Secretary, the Lead Non-Executive Board Member and the Chair of the Audit and Risk Committee.

Board effectiveness

A 2025 to 2026 board effectiveness evaluation did not take place given the length of time the board had been in place in its current form. An evaluation will be carried out in 2026 to 2027 to assess the operation, information and effectiveness of the board and its sub-committees.

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.[24]

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 relating to 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 2025 to 2026 there were four personal data breaches reported to the Information Commissioner's Office. All of these were low volume breaches, and they resulted in no enforcement action.

24 GOV.UK, 'Register of Cabinet Office Board Member's Interests 2025-26', available at https://www.gov.uk/government/publications/register-of-cabinet-office-board-members-interests-2025-26/register-of-cabinet-office-board-members-interests-2025-26

Overview of the committees and boards

Cabinet Office Audit and Risk Committee

The Cabinet Office Audit and Risk Committee is a non-executive sub-committee of the board. It is chaired by Maura Sullivan, Non-Executive Board Member. Tracy Cherrington and Mark Whitehouse are independent members. Until 31 March 2026 Lisa Tremble was also a Non-Executive Board Member.

Throughout 2025 to 2026, Sean Pearce from the Department for Work and Pensions, and Joan Lewis from the Ministry of Justice, served as independent members of the Audit and Risk Committee on an interim basis. Their terms ended on 31 March 2026. Tracy Cherrington and Mark Whitehouse were appointed as independent members on 4 November 2025. Lisa Tremble was also appointed to the committee as an incumbent Cabinet Office Non-Executive Board Member in November 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. The Audit and Risk Committee also works closely with the National Audit Office and the 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 National Audit Office and GIAA attend the committee.

The committee completed scrutiny of the Cabinet Office's annual report and accounts for 2024 to 2025 in September 2025, 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.

Cabinet Office Audit and Risk Committee attendance to 31 March 2026

Audit and Risk Committee member	Date of in-year appointment / departure	Attendance
Maura Sullivan		7 out of 7
Lisa Tremble	From 4 November 2025 Departed 31 March 2026	1 out of 1
Mark Whitehouse	From 4 November 2025	1 out of 1
Tracy Cherrington	From 4 November 2025	1 out of 1
Joan Lewis	Departed 31 March 2026	7 out of 7
Sean Pearce	Departed 31 March 2026	7 out of 7

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.

Non-Executive Board Members Lisa Tremble and John Fallon were appointed as Chair and Member respectively during 2025 to 2026 and the committee met in March 2026.

Executive governance

Executive Committee

ExCo meets weekly and comprises senior leaders of the department. It is chaired by Catherine Little, Permanent Secretary and Accounting Officer, and is composed of 11 other members. ExCo provides strategic and operational leadership to the Cabinet Office.

Over 2025 to 2026, ExCo played a leading role in implementing the department's strategic priorities. A large part of its work throughout the year was on departmental transformation to support the Prime Minister's delivery agenda.

Between July 2024 and the establishment of the new board in June 2025, ExCo 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.

ExCo is supported by three subcommittees.

Resilience and Security Committee

The Resilience and Security Committee meets quarterly. It is chaired by Andrew Forzani, Government Chief Commercial Officer. Before her departure in November 2025, the committee was co-chaired with Sarah Harrison, Chief Operating Officer. The committee's role is to drive a stronger organisational resilience and security culture across the whole of the Cabinet Office, and to set clear priorities for local action. The committee oversees strategic information, physical, personnel and cyber security across the department.

People and Operations Committee

The People and Operations Committee is chaired by Mark Chivers, Government Chief Property Officer. Before her departure in November 2025, the committee was co-chaired with Sarah Harrison, Chief Operating Officer. The committee meets monthly, with the exception of August and December. Representatives from staff diversity networks are invited to attend committee meetings on a sixmonthly 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 reviews and approves Cabinet Office investment proposals if the whole-life value exceeds £5 million or the proposal is novel or contentious.[25] Where the whole-life spend exceeds £25 million within the current Spending Review period or exceeds £15 million for spending commitments beyond the current Spending Review period, further approval is required from Cabinet Office ministers and HM Treasury.[26, 27] The committee meets monthly. In the 2026 to 2027 financial period, these limits will change following an internal review of controls.

Delegations

Authority is substantially delegated to pillar leads and budget holders unless there are cross-cutting implications requiring board or committee approval. Each year, the Accounting Officer delegates budgets, agreed through business planning, to individual budget holders to manage delivery. These delegations are supported by a set of Business Rules, specifying internal controls that must be followed, and reporting requirements. Delegations are also issued to any additional accounting officers (see the statement of Accounting Officer's responsibilities).

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 2025 to 2026, the Cabinet Office Board met three times, rather than four as recommended in the Code. The board was established on 16 June 2025 following the 2024 general election and was subsequently paused then refreshed following the 2025 reshuffle, changing the frequency of meetings for the year. A 2025 to 2026 board effectiveness evaluation did not take place given the length of time the board had been in place in its current form. An evaluation will be carried out in 2026 to 2027 to assess the board's operation, information and effectiveness.

The Audit and Risk Committee was inquorate throughout a portion of 2025 to 2026, operating with the Chair and two interim independent members. The Corporate Governance Code states that membership should include "at least one other non-executive board member" in addition to the Chair. This configuration of the committee originated in the previous year following the departure of the previous non-executive board members. The interim independent members provided continuity as a new Cabinet Office Audit and Risk Committee Chair and other non-executive board members were appointed in 2025. They remained on the committee until 31 March 2026, and were replaced by the current independent members.

The department completed the recruitment of its full non-executive board member team on 21 July 2025 with one appointed to the committee. To bring additional, specialist skills to the committee, two new independent members were appointed on 4 November 2025 to replace the incumbent interim independent members. The interim independent members remained on the committee until the end of their terms, on 31 March 2026, to allow for a handover period. As of 4 November 2025, the committee was compliant with the code.

25 In the 2026 to 2027 financial period, this will raise to £10 million.

26 In the 2026 to 2027 financial period, this will raise to £100 million.

27 In the 2026 to 2027 financial period, this will raise to £50 million.

Baroness Casey DBE CB, who was appointed as Government Lead Non-Executive on 3 January 2025, does 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

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 2025 to 2026 financial year that are considered to be relevant to the work of the Cabinet Office are published in a register on GOV.UK.[28]

Risk management

Risk management within the Cabinet Office is a decentralised, collective responsibility, with individual business units holding the primary responsibility for managing their risks. Each member of staff acts as the first line of defence and is expected to actively participate in risk management, identifying and escalating potential risks through the appropriate channels. While each budget holder and leadership team is accountable for risk in their respective area, the central risk team co-ordinates departmental-wide reporting and offers dedicated support and guidance to business units.

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.

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 Cabinet Office Audit and Risk Committee and ExCo regularly evaluate the overall effectiveness of risk management, providing strategic guidance and oversight. Pillar leads support ExCo and the business units by overseeing the top-tier risks in their group and providing advice on emerging risks, issues and treatments within their area.

During 2025 to 2026, ExCo conducted targeted deep dives into various risk areas, alongside a comprehensive review of all strategic risks and their corresponding risk appetites. Furthermore, a strategic refresh of the department's people risk landscape led to the identification of distinct people-related risks. A detailed analysis of the principal risks actively managed by the department this year, including how they have affected the delivery of outcomes, how they have changed and their mitigating actions, is provided in the performance report.

28 GOV.UK, 'Register of Cabinet Office Board Member's Interests 2025-26', available at https://www.gov.uk/government/publications/register-of-cabinet-office-board-members-interests-2025-26/register-of-cabinet-office-board-members-interests-2025-26

The assurance and central risk teams act as the second line of defence, conducting quarterly reviews across business units to ensure compliance with organisational standards and assess risk management effectiveness. Over the past year, the central risk team drove continuous improvement by updating the risk policy and framework, standardising compliance reporting, launching quarterly capability workshops, and collaborating with HM Treasury's Risk Centre of Excellence to establish a specific improvement plan. The department's framework complies with the Orange Book's five principles. However, overall risk maturity is continually assessed and activities to strengthen the risk management approach have been taken during the year. The central risk team has delivered training to enhance departmental capability and started to introduce a regular business unit quality assurance schedule outside the quarterly commissioning cycle.

The team also plans to conduct a risk maturity assessment to benchmark current levels and identify targeted areas for improvement.

Ministerial direction

On 16 February 2026 a ministerial direction was sought from the Prime Minister on propriety and value for money grounds regarding the special severance package for the former Cabinet Secretary Sir Chris Wormald. The Prime Minister responded on the same day (16 February), satisfied that the request met the public interest, directing the Cabinet Office to proceed with the special severance package. See 1.19 of the Remuneration and Staff report.

Group risk arrangements

The Cabinet Office sponsors a number of ALBs, which are set out in the performance report and in note 20 to the accounts.

The larger executive organisations, including the Crown Commercial Service, the Civil Service Commission, EHRC, GPA, IBCA and the UK Statistics Authority, produce accounts and are responsible for maintaining effective controls and risk management.[29] These organisations have discrete governance structures which seek assurance on the effectiveness of internal controls and risk management. The Cabinet Office Audit and Risk Committee frequently engages with these organisations, typically via the Accounting Officer, Audit and Risk Chair, and senior sponsor, seeking assurances on behalf of the Principal Accounting Officer and the Cabinet Office Board.

In March 2026, 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. Factors such as the ALB review and the establishment of new ALBs saw maturity and internal change emerge as a common risk. Sponsorship was another common risk. To address this, a centrally managed programme of work has started to strengthen the capability of sponsorship in the department. This includes working with sponsor teams to update framework agreements, ensure that each ALB receives a Chair's letter with actionable objectives and key performance indicators aligned closely with the department's strategic aims, and provide continual support and advice on best practice.

29 The Crown Commercial Service was replaced by the Government Commercial Agency on 1 April 2026.

IBCA

In 2024 to 2025, the NAO issued IBCA a qualified opinion with a limitation of scope in respect of the provision valuation relating to three of the four groups. IBCA have taken significant steps to improve assumptions relating to all groups and elected to adjust the opening balances relating to the three groups. This action has allowed the NAO to gain sufficient assurance over the balances reported and lift the qualification on the accounts.

Civil Service pensions

Administration of the Civil Service pension arrangements passed to Capita in December 2025. The Cabinet Office is responsible for the contractual arrangements with Capita and administration costs flow through the Cabinet Office accounts. Capita have experienced several issues delivering services, so the Cabinet Office set up a programme of works which are detailed in the Performance Report. Governance for the programme is in place, including regular reporting to the Cabinet Office Audit and Risk Committee and consistent review and disclosure of risks.

Assurance and control environment

The department operates a 'three lines of defence' approach for assurance that enhances organisational control by defining roles and responsibilities. This layered methodology is intended to reduce risk by clear accountability, enhance risk management, improve assurance and support continuous improvement.

The first line of defence is represented by the individual business units, which are responsible for ensuring that corporate controls are in place and effective. The business units identify, assess and manage risks within their area, while adhering to established departmental policies and procedures.

The second line of defence comprises corporate control themes, which provide oversight through cross-cutting functions like HR, finance, and digital. 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 audits provided by the GIAA. It delivers independent assurance, evaluating the adequacy and effectiveness of controls while offering insights for improvement. Other external assurance providers are used for specific areas of the department when required.

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 supports robust risk management and governance across the department.

Our ALBs maintain independent control and assurance frameworks, which includes receiving independent assurance from the GIAA or other sources when deemed appropriate. The ALBs with their own accounting officers that produce separate accounts (Crown Commercial Service, GPA, Civil Service Commission, EHRC and IBCA) detail their assurance activities in their respective corporate governance reports.

Cabinet Office sponsorship teams oversee these ALBs, escalating any significant group-level risks to ExCo or the Audit and Risk Committee. Recognising that central oversight requires strengthening, the department is actively addressing recommendations from a recent 'Moderate/Limited' GIAA audit opinion on ALB Sponsorship to improve our group assurance gathering.

The three lines of defence approach 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 include the following products.

- **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. The Business Rules and delegation letters set the baseline for subsequent assurance activity.
- **Compliance dashboards:** budget holders receive a report at quarter two and quarter four 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:** 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 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, in addition to its annual financial audit, also conducts value for money audits.

The department recognises that more work is required to strengthen the three lines, with a particular focus on the second line of defence. It is recognised that the systems underpinning corporate data have limitations and the complex structure of the department can make assurance challenging. A programme of work is planned for 2026 to 2027, with the support of the GIAA, to consider how this can be strengthened. In the medium term, the department is moving to a new enterprise reporting platform which will provide improved data for assurance purposes.

Compliance dashboards

In 2025 to 2026, the dashboards were provided to budget holders to measure compliance to corporate controls at quarter two and quarter four. Support was given to help units understand and meet compliance requirements. The reports were used to track progress, monitor trends and identify weaknesses, informing improvement actions at both central and budget holder levels.

The compliance and assurance team, along with other areas of corporate services, are continuing to support units to understand the control requirements and how to meet the department's minimum standards. The dashboards are also used to support performance conversations of budget holders and their senior leadership teams.

Corporate management statement

The compliance dashboards are complemented by an annual process called the corporate management statement, where each budget holder must complete a self-assessment by March 2026 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 corporate management statement is analysed alongside the compliance dashboards, offering a more complete assurance overview. This data is submitted to the Chief Operating Officer and their leadership team for review, which 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 support routes.

Internal audit

The GIAA provides assurance on departmental controls by carrying out both risk-based and cyclical audits of the critical controls. 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).

- Arm's Length Body (ALB) sponsorship focussing on Executive Agencies
- Machinery of Government changes – risk transfer arrangements
- Business Planning
- Cyber security and Operational Resilience
- Insider Risk Management
- Health and Safety

The department closed 73 recommendations in the financial year with timely closure rate of 70%. This means two thirds of the closed recommendations were completed either early or on time. The timely closure statistics have increased from last year (62%) as well as a significant reduction in the length of the delays to an average of one month, down from three in the previous year.

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 2025 to 2026 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, discussions with management and reports produced by other assurance providers.

The GIAA completed fewer advisory reports and more assurance work within the year which provided a more robust base to form an opinion. Within 2025 to 2026, the GIAA issued more limited opinions, in part reflecting the change the department has experienced including in key senior roles and supporting structures.

The annual opinion takes into account the challenging and fast-moving environment the department continues to operate within, including delivering its strategic transformation into a more strategic, specialist and smaller department. The department has responded to ministerial changes and structure, including revised arrangements for No.10, and management of 'humble address'. It has responded to the management of the transition of the civil service pension scheme and scrutiny from Parliamentary Committees.

The opinion remains consistent with previous years as 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.

External audit

The department welcomes and values the National Audit Office's objective and independent scrutiny of its operations. It is committed to addressing the recommendations that arise from Public Accounts Committee hearings following report publication.

The department is committed to the National Audit Office's biannual, public-facing recommendation tracker, which seeks to increase transparency and drive progress on all reports. Additionally, the department is working closely with the National Audit Office to review recommendations from aged reports to ensure they are either progressed or closed if the operating environment has changed.

Throughout the year, the National Audit Office published the following reports that directly relate to the work of the Cabinet Office. Wider reports also make reference to the department in light of its central role in government.

- **Investigation into the administration of the Civil Service Pension Scheme (Value for money June 2025)**

  The report into the Civil Service Pension Scheme identifies areas for improvement in how the Cabinet Office oversees the contracts. While service levels have faced challenges, evidenced by increased complaints and longer wait times, the report suggests that the Cabinet Office's oversight framework may have limited its ability to address these issues effectively.

- **Using data analytics to tackle fraud and error (Value for money July 2025)**

  This report highlights that while data analytics could potentially save the UK government up to £6 billion annually, current efforts are fragmented and savings remain modest compared to the £55 billion to £81 billion estimate of loss to fraud and error. Although departments like the Department for Work and Pensions and HM Revenue and Customs (HMRC) have long-standing programmes, most government initiatives are 'detective' (finding losses after they occur) rather than 'preventative' (stopping incorrect payments before they happen). The report concludes that there is a mismatch between the scale of the problem and the lack of cross-government plans to implement advanced analytics, such as AI, to bridge the gap.

- **Government's use of external consultants (Lessons learned November 2025)**

  The report highlights that while external consultants provide specialist expertise for government projects, their use must be more managed to ensure value for money. The Cabinet Office is responsible for setting policy and guidance but must rely on individual departments to implement their own internal controls, leading to risks of inconsistent scrutiny across government. To address these challenges and meet the Chancellor's goal of halving consultancy spend by 2025 to 2026, the report emphasises that the Cabinet Office and other departments must improve data collection, strengthen workforce planning to prioritise internal staff, and ensure robust knowledge transfer from consultants to civil servants.

- **Using consultants in government (Good practice guide November 2025)**

  The guide provides a framework for government organisations to maximise value and efficiency when using external consultants. It outlines a cyclical process spanning 10 steps across four key stages: planning, procuring, working with consultants and assessing. The guide highlights that while consultants offer vital specialised expertise for technical or digital transformations, their success depends on the government acting as an 'intelligent client' that clearly defines outcomes, manages contracts proactively, and prioritises the long-term upskilling of the Civil Service.

- **Government exits and redundancies (Good practice guide September 2025)**

  The guide provides good practice for government departments on managing employee exits and redundancies to ensure value for money and the protection of organisational capability. The guidance responds to the 2025 Spending Review, which mandates significant real-term reductions in departmental administration budgets by 2029 to 2030. The report highlights the need for strategic workforce planning to avoid loss of high performers and critical skills while also introducing 'mutually agreed exit' processes to address substandard performance.

- **Update on government shared services (Value for money March 2026)**

  The report provides an update on the government's 2021 Shared Services Strategy, which aims to standardise back-office functions like HR and finance across five departmental clusters to improve efficiency and data consistency. The report warns that issues such as the lack of a single central owner with a clear mandate, inconsistent data standards across functions, and inadequate management of 25 competing digital change programmes could impact the delivery of the intended benefits. The report recommends that the Cabinet Office clarifies leadership responsibilities, ensures department and ALB commitment, and establishes stronger technical oversight.

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 remuneration 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.

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[30] the detail of any remuneration outside employment held by a senior civil servant that has been agreed through the process for the declaration and management of outside interests.[31]

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 or 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 on 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 routinely published on GOV.UK.[32]

Whistleblowing

Ensuring the highest standards of conduct in all we do is crucial. The Raising a Concern Policy and guidance supports people who wish to raise a concern. The department's staff survey results in 2025 show that 73% of staff are aware of how to raise a concern under the Civil Service Code (up five percentage points from last year) and 72% were confident that if a concern was raised it would be investigated properly (up two percentage points from last year).

Speak Up Week is run biannually and the number of nominated officers within the department has increased to 10. The nominated officer role provides independence from the HR team and immediate management chains, and ensures that the department is held to account for following policy and procedure in this space.

30 Cabinet Office (2024), 'Declaration and management of outside interests in the Civil Service', available at https://www.gov.uk/government/publications/declaration-and-management-of-outside-interests-in-the-civil-service/declaration-and-management-of-outside-interests-in-the-civil-service

31 Cabinet Office (2025): 'SCS declaration of paid outside employment', updated in July 2025. Available at www.gov.uk/government/publications/scs-declaration-of-paid-outside-employment

32 Cabinet Office (2026): 'Cabinet Office publication of special adviser interests 2025 to 2026'. Available at https://www.gov.uk/government/publications/cabinet-office-publication-of-special-adviser-interests-2025-2026/cabinet-office-publication-of-special-adviser-interests-2025-2026-html

Cabinet Office continues to be involved in a Government People Group-led working group which has resulted in the implementation of the recommendations set out by the National Audit Office report and the Public Accounts Committee, at a departmental level, including the introduction of a 'whistleblower's experience survey' from April 2025.

A total of seven whistleblowing concerns have been raised during the year 2025 to 2026. Of the seven cases, three remain ongoing, two resulted in recommendations and two were not upheld. In all cases, preliminary enquiries and/or a full investigation has been 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 have all resulted in full investigations, particularly where preliminary enquiries have concluded that no further action is required.

Business Appointments 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 reasonable suspicion that:

- an appointment might be a reward for past favours
- an employer might gain an improper advantage by appointing a former official
- a former official might improperly exploit privileged access to contacts in government

Our processes

The Cabinet Office is responsible for the Business Appointment Rules policy and for processing applications within the department (civil servants and special advisers from the Cabinet Office and 10 Downing Street). Decisions on applications are provided by the Cabinet Office directly to those at SCS 2 and below. Those decisions (and any conditions or mitigations) are shared with line managers and applicants by the relevant HR team.

In compliance with the rules, the department is transparent in the advice given to individual applications from senior staff, including special advisers. In particular, the advice given to senior civil servants at SCS 1 and SCS 2 grades is published in the department's quarterly transparency returns on GOV.UK.[33]

A total of 15 senior civil servants resigned from the department and thereby the Civil Service during the 2025 to 2026 financial year.

33 GOV.UK, 'Cabinet Office: ministers' transparency publications', available at https://www.gov.uk/government/collections/ministers-transparency-publications

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

Grade	Number of applications under the rules	Number of applications with set conditions	Breaches of the rules
Executive Officer	–	–	–
Higher / Senior Executive Officer	4	3	–
Grade 7	7	5	–
Grade 6	7	7	–
SCS 1	10	9	–
SCS 2	7	7	–
Special Adviser	22 (+ 2 withdrawn before advice finalised)	22	1 (Advice provided retrospectively)
Total[34]	**57**	**31**	**1**

As part of this, the Audit and Risk Committee seeks assurance and provides scrutiny of the Cabinet Office Business Rules (the controls framework within which all staff across the department are expected to operate), which includes adherence to the Business Appointment Rules.

For the more senior grades, the department provides assessments of the applications to the Civil Service Commission to inform their advice on how to mitigate any risks related to the proposed roles.[35] The department also provides assessments on applications received from former permanent secretaries, and their equivalents from across government.

The Civil Service Commission considers applications from:

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

The Independent Adviser on Ministerial Standards considers applications from former ministers.

Advice given by the Civil Service Commission regarding specific business appointments is published online, and statistics on the number of applications it has considered will be published in its annual report.[36]

34 This may differ from transparency publications on GOV.UK as not all applicants that are assessed and receive conditions then take up the role. Information is only made public once the applicant has announced or taken up their role.

35 The Civil Service Commission assumed these responsibilities from 13 October 2025. Before this, advice was considered by the Advisory Committee on Business Appointments. Advice provided by the Advisory Committee on Business Appointments prior to its closure is available at: https://www.gov.uk/government/news/closure-of-the-independent-advisory-committee-on-business-appointments-acoba

36 Civil Service Commission: Business Appointment Rules. Available at: https://civilservicecommission.independent.gov.uk/business-appointment-rules

Increasing awareness of the rules

The people and places team continues to take the government's Business Appointment Rules very seriously and works to raise awareness of the rules, 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 they have received final advice confirming the conditions that apply and by which they must abide, and that those 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 Business Appointment Rules and that colleagues are aware of their obligations in this space from the outset
- ensure that colleagues' obligations in respect of the Business Appointment Rules are clearly set out in the Business Rules (the controls framework that all staff across the department are expected to operate within)
- ensure that relevant Cabinet Office colleagues attend any relevant training, such as that run by the propriety and ethics team, to continue to improve staff understanding and awareness of the Business Appointment Rules
- work with HR business partners to ensure that colleagues across the business are regularly reminded that they are subject to the Business Appointment Rules and have obligations in this space
- publish reminders of the Business Appointment Rules via communications to key stakeholders, including HR business partners
- ensure that the Business Appointment Rules form part of the leavers' process – a process which is designed to be followed and applied by both individuals and line managers

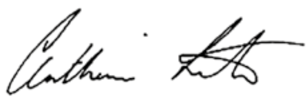
Business Appointment Rules training continues to be available from the propriety and ethics team for all relevant colleagues across departments, to improve awareness, consistency and adherence to the Business Appointment Rules, and to maintain this progress.

Conclusion

2025 to 2026 has been an ambitious year for the Cabinet Office in its work to deliver the Prime Minister's priorities. The department underwent a high degree of change throughout the year. Structurally, the Cabinet Office began implementing its plans to become smaller, more specialist and strategic. Changes to the senior leadership also occurred including the arrival of the Chief Secretary to the Prime Minister and other ministers in September 2025, as well as the arrival of Antonia Romeo as the new Cabinet Secretary in February 2026. 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 financial reporting. I am also pleased to have received the GIAA's annual opinion of 'moderate'.

While each year brings about new challenges, 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

10 September 2026

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 Senior Salaries Review Body. 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 Senior Salaries Review Body 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 to exercise their different responsibilities
- regional/local variations in labour markets and their effects on the recruitment and retention of staff
- government policies for improving public services, including the requirement on departments to meet the output targets for the delivery of departmental services
- the funds available to departments as set out in the government's DEL
- the government's inflation target
- the evidence it receives about wider economic considerations and the affordability of its recommendations

The Senior Salaries Review Body's 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

Non-consolidated payments are paid in arrears, so payments to Cabinet Office staff in 2025 to 2026 relate to their performance during 2024 to 2025.

The annual report on special advisers includes employment terms and pay policy, and is available on GOV.UK.[37]

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. Further information about the work of the Civil Service Commission can be found on its website.[38]

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.

1.3. Remuneration, including salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the ministers and most senior management (board members) of the department.
Full ministerial job titles, including details of Cabinet Office ministers who were paid by other departments or unpaid, can be found in the directors' report.

37 Cabinet Office (2026): Special adviser data releases: numbers and costs, July 2026. Available at: https://www.gov.uk/government/publications/special-adviser-data-releases-numbers-and-costs-july-2026

38 Civil Service Commission: 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[39] (to nearest £1,000)		Total (to nearest £1,000)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Chief Secretary to the Prime Minister, Chancellor of the Duchy of Lancaster and Minister for Intergovernmental Relations								
The Rt Hon. Darren Jones MP (from 1 September 2025)	38,980 (FYE £67,505)[40]	–	–	–	5,000	–	44,000	–
Chancellor of the Duchy of Lancaster								
The Rt Hon. Pat McFadden MP (from 5 July 2024 until 5 September 2025)	33,753 (FYE £67,505)	49,903 (FYE £67,505)	–	–	7,000	13,000	41,000	63,000
Minister for the Cabinet Office and Paymaster General								
The Rt Hon. Nick Thomas Symonds MP (from 8 July 2024)	31,680 (FYE £31,680)	23,164 (FYE £31,680)	–	–	8,000	6,000	40,000	29,000
Leader of the House of Commons and Lord President of the Council								
The Rt Hon. Sir Alan Campbell MP (from 5 September 2025)	15,840 (FYE £31,680)	–	–	–	22,000	–	38,000	–

39 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.

40 FYE: full-year equivalent.

Ministers	Salary (to nearest £)		Benefits in kind (to nearest £100)		Pension benefits[39] (to nearest £1,000)		Total (to nearest £1,000)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
The Rt Hon. Lucy Powell MP (from 5 July 2024 until 5 September 2025)	45,941[41] (FYE £67,505)	49,903 (FYE £67,505)	–	–	7,000	13,000	53,000	63,000
Parliamentary Secretary								
Satvir Kaur MP (7 September 2025)	2,198 (FYE £22,375)	–	–	–	–	–	2,000	–
Chris Ward MP (from 6 September 2025)	12,741 (FYE £22,375)	–	–	–	3,000	–	16,000	–
Abena Oppong-Asare MP (from 9 July 2024 until 6 September 2025)	15,289[42] (FYE £22,375)	16,300 (FYE £22,375)	–	–	2,000	4,000	18,000	21,000
Josh Simons MP (from 7 September 2025 until 28 February 2026)	10,482 (FYE £22,375)	–	–	–	3,000	–	13,000	–
Georgia Gould OBE MP (from 9 July 2024 until 6 September 2025)	11,187 (FYE £22,375)	16,300 (FYE £22,375)	–	–	2,000	4,000	13,000	21,000
Leader of the House of Lords and Lord Privy Seal								
The Rt Hon. The Baroness Smith of Basildon (from 5 July 2024)	140,726[43] (FYE £104,360)	104,031 (FYE £104,360)	–	–	52,000	20,000	192,000	124,000

41 The combined figure includes salary of £29,065 and a severance payment of £16,876.

42 The combined figure includes a salary of £9,696 and a severance payment of £5,593.

43 The figure quoted includes Lords office holders' allowance of £36,366, which is the reduced rate for Lords ministers whose main home is outside of Greater London.

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

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

Board members	Salary		Non-consolidated payments		Benefits in kind[44]		Pension benefits[45]		Total	
	(to nearest £000)		(to nearest £000)		(to nearest £100)		(to nearest £000)		(to nearest £000)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Head of the Civil Service and Cabinet Secretary										
Dame Antonia Romeo DCB (from 19 February 2026)	25-30 (FYE 235-240)	–	–	–	11,500	–	8,000	–	45-50	–
Sir Chris Wormald KCB[46] (from 16 December 2024 until 13 February 2026)	1,070-1,075 (FYE 225-230)[47]	60-65 (FYE 215-220)	–	–	27,400	18,700	99,000	150,000	1,195-1,200	230-235
Chief Operating Officer for the Civil Service, Permanent Secretary and Principal Accounting Officer										
Catherine Little CB	190-195 (FYE 190-195)	185-190 (FYE 185-190)	–	–	–	–	73,000	71,000[48]	260-265	255-260
Chief Operating Officer										
Sarah Harrison CB MBE (until 14 November 2025)	105-110 (FYE 165-170)	160-165 (FYE 160-165)	5-10	0-5	–	–	16,000	24,000	130-135	190-195

44 See section 1.7 on benefits in kind below.

45 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.

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

47 The figure quoted is for the period 1 April 2025 to 13 February 2026. The combined figure includes salary of £210,000-£215,000, and a severance payment made up of contractual compensation of £332,897 and additional severance of £526,598. The majority of the severance payment was used for additional pension contributions. The full year salary equivalent is £225,000-£230,000.

48 Restated due to incorrect opening balance on prior year figures.

Board members	Salary (to nearest £000)		Non-consolidated payments (to nearest £000)		Benefits in kind[44] (to nearest £100)		Pension benefits[45] (to nearest £000)		Total (to nearest £000)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Chief Financial Officer, Director of Assurance, Finance and Control, and Interim Chief Operating Officer										
Caroline Patterson (from 10 March 2025, Interim Chief Operating Officer from 17 November 2025)	135-140[49] (FYE 130-135)	5-10 (FYE 120-125)	–	–	–	–	162,000	4,000[50]	300-305	10-15
Director General, Civil Service Reform and Efficiency										
Janet Hughes (from 9 June 2025 until 31 March 2026)	80-85 (FYE 150-155)	–	–	–	–	–	32,000	–	110-115	–
Director General, Economic and Domestic Secretariat										
Emma Churchill (from 15 September 2025 until 28 November 2025)	30-35 (FYE 150-155)	–	5-10	–	–	–	11,000	–	50-55	–
Juliet Chua CB (from 28 January 2026)	25-30 (FYE 160-165)	–	–	–	–	–	11,000	–	35-40	–

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

49 The combined figure includes a salary of £130,000 to £135,000 and an allowance of £0 to £5,000 for the interim role of Chief Operating Officer.

50 Restated PCSPS benefits not included on last year's results and Alpha Pension was understated.

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 (£93,904 from 1 April 2025) 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 HMRC 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. They 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 HMRC and HM Treasury.

1.8. Non-consolidated payments

Non-consolidated payments for board members 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 awards are approved.

As a result, the payments reported in 2025 to 2026 relate to performance in 2024 to 2025, and the comparative payments reported for 2024 to 2025 relate to performance in 2023 to 2024. 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 the core department and agency, with ALBs excluded.

	2025-26	2024-25
Band of highest-paid board member's total remuneration (£000)	250-255	235-240
Of which: salary component (£)	235-240	215-220
Median remuneration (£)	47,883	47,226
Of which: salary component (£)	47,670	46,725
Ratio	5.3	5.0
25th percentile pay	38,352	36,728
Of which: salary component (£)	37,922	36,677
Ratio	6.6	6.5
75th percentile pay	71,008	68,747
Of which: salary component (£)	69,663	67,935
Ratio	3.6	3.5

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

The banded remuneration of the highest-paid board member in the Cabinet Office in the financial year 2025 to 2026 was £250,000 to £255,000 (2024 to 2025: £235,000 to £240,000).

This was 5.3 times (2024 to 2025: 5.0 times) the median remuneration of the workforce, which was £47,883 (2024 to 2025: £47,226), 6.6 times (2024 to 2025: 6.5 times) the 25th percentile remuneration of the workforce, which was £38,352 (2024 to 2025: £36,728), and 3.6 times (2024 to 2025: 3.5 times) the 75th percentile remuneration of the workforce, which was £71,008 (2024 to 2025: £68,747).

For the highest-paid board member, the overall median pay ratio has increased from 2024-25 to 2025-26 due to the new Cabinet Secretary salary being higher than the outgoing one.

In 2025 to 2026, four (2024 to 2025: three) employees received remuneration in excess of the highest-paid board member. The remuneration of Cabinet Office employees ranged from £27,405 to £314,959 (2024 to 2025: £22,360 to £370,270).

Total remuneration as at 31 March 2026 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. These figures are based on a full-time equivalent basis.

Change in total remuneration

	2025-26 Salary and allowances	2024-25 Salary and allowances	2025-26 Performance pay	2024-25 Performance pay	2025-26 Overall	2024-25 Overall
Highest-paid board member (%)	7.9	2.2	–	–	6.3	(4.0)
Average of all Cabinet Office employees (%)	2.1	6.0	17.1	6.0	2.4	6.0

For the highest-paid board member, the overall total has increased from 2024 to 2025 due to the new Cabinet Secretary salary being higher than the ougoing.

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 2025-26	Fees paid 2024-25
John Fallon Cabinet Office Lead Non-Executive Board Member (from 21 April 2025)	20,000	18,889	–
Maura Sullivan[51] Non-Executive Board Member	15,000	15,000	–
Chair of the Audit and Risk Committee (from 31 March 2025)	5,000	5,000	–
Lisa Tremble Non-Executive Board Member (from 21 April 2025)	15,000	14,167	–
Greg Jackson[52] Non-Executive Board Member (from 21 July 2025)	15,000	–	–

51 Claimed expenses of £1,257.92 in 2025 to 2026, which are not included in the figures.

52 Greg Jackson has agreed to waive his fees for 2025 to 2026.

1.11. Pension benefits of ministers (audited)

Ministers	Accrued pension at age 65 as at 31 March 2026	Real increase in pension at age 65	CETV at 31 March 2026[53]	CETV at 31 March 2025	Real increase in CETV
	£000	£000	£000	£000	£000
The Rt Hon. Darren Jones MP	0-5	0-2.5	13	8	2
The Rt Hon. Pat McFadden MP	5-10	0-2.5	139	128	6
The Rt Hon. Nick Thomas-Symonds MP	0-5	0-2.5	14	6	4
The Rt Hon. Sir Alan Campbell MP – Leader of the House of Commons and Lord President of the Council	5-10	0-2.5	187	161	20
The Rt Hon. Lucy Powell MP	0-5	0-2.5	22	14	4
Satvir Kaur MP	0-5	0-2.5	–	–	–
Chris Ward MP	0-5	0-2.5	3	–	2
Abena Oppong-Asare MP	0-5	0-2.5	6	4	1
Josh Simons MP	0-5	0-2.5	2	–	1
Georgia Gould OBE MP	0-5	0-2.5	6	4	1
The Rt Hon. Baroness Smith of Basildon – Leader of the House of Lords and Lord Privy Seal	25-30	2.5-5	529	465	49

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

53 CETV: 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.[54]

Those ministers who are members of Parliament may also accrue an MPs' pension under the Parliamentary Contributory Pension Fund (details of which are not included in this report). A new MPs' pension scheme was introduced from May 2015, although members who were MPs and aged 55 or older on 1 April 2013 have transitional protection to remain in the previous MPs' final salary pension scheme. Benefits for ministers are payable from state pension age under the 2015 scheme. Pensions are revalued annually in line with pensions increase legislation, both before and after retirement. The contribution rate from May 2015 is 11.1% and the accrual rate is 1.775% of pensionable earnings.

The figure shown for pension value includes the total pension payable to the member under both the pre- and post-2015 ministerial pension schemes.

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 2026.

1.14. Real increase in the value of ministers' CETV

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

54 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 2026 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31 March 2026 £000	CETV at 31 March 2025[55] £000	Real increase in CETV £000	Employer contribution to partnership pension account Nearest £100
Dame Antonia Romeo DCB	70-75 (plus a lump sum of 150-155)	0-2.5	1,439	1,427	5	–
Sir Chris Wormald KCB	130-135	5-7.5	2,718	2,499	81	–
Catherine Little CB	45-50	2.5-5	633	559	40	–
Sarah Harrison CB MBE[56]	–	–	–	–	–	15,600
Caroline Patterson	35-40 (plus a lump sum of 70-75)	7.5-10 (plus a lump sum of 12.5-15)	637	479	125	–
Janet Hughes	25-30	0-2.5	365	338	21	–
Emma Churchill	55-60 (plus a lump sum of 135-140)	0-2.5	1,208	1,191	7	–
Juliet Chua CB	0-5	0-2.5	9	–	7	–

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

55 Opening balances for pension disclosures for some members are not consistent with the closing balances reported in the prior year. This is due to the availability in 2025-26 of more up to date data relevant to the calculation of the prior year benefits.

56 Sarah Harrison CB MBE is not a member of PCSPS and has a partnership pension account.

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 switched to alpha sometime between 1 June 2015 and 1 February 2022. 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).

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 one-eightieth 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 one-sixtieth 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

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.

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 2025 to 31 March 2026. Further details about compensation for loss of office payments can be found at www.legislation.gov.uk. The figures displayed are a net total, following any amounts repaid.

	Severance payment (to nearest £)
Ministers	
Abena Oppong-Asare MP	5,593
The Rt Hon. Lucy Powell MP	16,876
Officials	
Sir Chris Wormald KCB	859,496[57]

For the financial year 2024 to 2025, the following severance payments were made:

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

57 The total is made up of contractual compensation of £332,897 and additional severance of £526,598. The former Cabinet Secretary elected to take early payment of his pension. The majority of the total severance payment was used to ensure he could access the full value of his pension that would have been due at normal retirement age, rather than it being reduced for early payment. Rules governing such arrangements are set out in https://www.civilservicepensionscheme.org.uk/employerhub/employer-pension-guide/section-6-your-responsibilities-when-staff-leave-before-pension-age/annexes. This payment was subject to a ministerial direction which can be seen at https://www.gov.uk/government/publications/cabinet-secretary-ministerial-direction.

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	2025-26	2024-25 restated[58]
Wages, salaries and fees	583.0	–	12.7	0.4	596.1	541.1
Social security costs	79.5	0.1	1.9	–	81.5	63.5
Apprenticeship levy	3.0	–	–	–	3.0	3.2
Other pension costs	135.2	(0.4)	3.4	–	138.2	126.9
Untaken annual leave	(1.3)	–	–	–	(1.3)	(2.1)
Agency/temporary	–	47.3	–	–	47.3	51.5
Chairs' and commissioners' emoluments	0.4	–	–	–	0.4	0.4
Termination benefits	2.0	–	0.3	–	3.2	4.2
Sub total	**802.7**	**47.0**	**18.3**	**0.4**	**868.4**	**788.7**
Inward secondments	–	5.7	–	–	5.7	6.6
Total	**802.7**	**52.7**	**18.3**	**0.4**	**874.1**	**795.3**
Less: recoveries in respect of outward secondments	–	(2.5)	–	–	(2.5)	(3.9)
Total staff costs	**802.7**	**50.2**	**18.3**	**0.4**	**871.6**	**791.4**
Staff engaged on capital projects	(12.0)	(1.5)	–	–	(13.5)	(15.9)
Total net staff costs	**790.7**	**48.7**	**18.3**	**0.4**	**858.1**	**775.5**

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 2025 to 2026 financial year. Special advisers remain employed by the respective departments of their appointing minister.

During the year, costs of £138,959,092 were incurred in respect of pensions (2024 to 2025 restated: £126,875,189). Of this amount:

- £122,940,525 (2024 to 2025 restated: £116,620,600) was borne by the core department
- £7,016,599 (2024 to 2025: £6,038,236) was borne by the GPA
- £2,722,093 (2024 to 2025: £2,695,620) was borne by the EHRC
- £5,849,286 (2024 to 2025: £1,128,171) was borne by IBCA
- £388,947 (2024 to 2025: £348,775) was borne by the Civil Service Commission
- £41,641 (2024 to 2025: £37,036) was borne by the Registrar of Consultant Lobbyists

58 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.

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 2024. 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.[59]

For the period 1 April 2025 to 31 March 2026, employers' contributions of £125,664,598 were payable to the PCSPS (2024 to 2025 restated: £119,078,893) 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 2025 to 2026 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 2025 to 31 March 2026, employers' contributions of £950,730 (2024 to 2025: £1,037,385) 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 £33,697 (2024 to 2025: £36,429) – 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 2026 were £76,505 (31 March 2025: £90,069). Contributions prepaid as at the same date were £nil (31 March 2025: £nil). Special advisers' pension costs incurred during the period 1 April 2025 to 31 March 2026 were £3,308,099 (2024 to 2025: £2,506,128).

In 2025 to 2026, two individuals (2024 to 25: two individuals) retired early on ill-health grounds during the period 1 April 2025 to 31 March 2026. The resulting additional accrued pension liabilities amounted to £nil (2024 to 2025: £nil).

59 GOV.UK, '2024 Valuation – Civil Service Pension Scheme', available at https://www.gov.uk/government/publications/2024-valuation-civil-service-pension-scheme

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 2025-26			Departmental group 2024-25		
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	Total number of exit packages by cost band
Less than £10,000	–	17	17	–	11	11
£10,000 to £25,000	–	89	89	–	90	90
£25,001 to £50,000	–	111	111	–	38	38
£50,001 to £100,000	–	244	244	–	12	12
£100,001 to £150,000	–	2	2	–	1	1
£150,001 to £200,000	–	–	–	–	1	1
£200,001 to £250,000	–	–	–	–	1	1
£250,001 to £300,000	–	–	–	–	–	–
£300,001 to £350,000	–	1	1	–	–	–
£850,001 to £900,000	–	1	1	–	–	–
Total number of exit packages	**–**	**465**	**465**	**–**	**154**	**154**
Total cost (£)	**–**	**26,827,473**	**26,827,473**	**–**	**4,182,966**	**4,182,966**

Figures in the table relate to the whole departmental group. All individuals paid relate to the core department, agency and arm's length bodies. The figures reported in this table are for staff that have left within the relevant financial year. This includes exits under the voluntary exit scheme announced in 2024 to 2025, although these departures were scheduled for 2025 to 2026 and are reported within these annual report and accounts.

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 2025 to 2026 (2024 to 2025 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.

Pay in lieu of notice and unpaid leave is included in the exit package values. Five exit package costs relate to individuals working within IBCA while on loan from the Cabinet Office. As the employer, the Cabinet Office directly met all associated exit costs and accounts for them within its own financial statements.

During 2025 to 2026 two members 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 their return.

These figures show the cost of the termination benefits paid, less the amount that has been repaid to government in instances where special advisers have been reappointed. The figure in table 2.2 represents 14 separate termination benefits to special advisers (less any repayment), totalling £0.25 million.

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	Total permanently employed staff	Commissioners	Others[60]	2025-26 Total	2024-25 Total (restated)[61]
Core department	5,050	3,528	8,578	–	197	8,775	9,147
GPA	282	–	282	–	50	332	301
ALBs[62]	687	–	687	12	75	774	328
Staff engaged on capital projects	176	–	176	–	30	206	210
Total	**6,195**	**3,528**	**9,723**	**12**	**352**	**10,087**	**9,986**
Of which:							
Core department executive agency	5,508	3,528	9,036	–	277	9,313	9,658
Other designated bodies[63]	687	–	687	12	75	774	328
Total	**6,195**	**3,528**	**9,723**	**12**	**352**	**10,087**	**9,986**

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 2025 to 2026 was 24% (2024 to 2025: 12.4%) (unaudited).

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

61 The prior year comparator figures below have been restated due to machinery of government changes affecting the department during this financial year.

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

63 The costs of the Civil Service Commission, the EHRC and the Registrar of Consultant Lobbyists are reported in this line.

2.3.1 Restated full-time equivalent employees

Departmental core and agency for the year ended 31 March 2025

Restated full-time equivalent employees	2024-25	CYBER MOG out	IPA MOG out	Reclassification	2024-25 restated accounts
Permanently employed staff	9,252	(51)	(179)	–	9,022
Commissioners	–	–	–	–	–
Others	736	(3)	(97)	–	636
Total	9,988	(54)	(276)	–	9,658

Departmental group for the year ended 31 March 2025

Restated full-time equivalent employees	2024-25 published accounts	CYBER MOG out	IPA MOG out	Reclassification	2024-25 restated accounts
Permanently employed staff	9,537	(51)	(179)	–	9,307
Commissioners	22	–	–	–	22
Others	757	(3)	(97)	–	657
Total	10,316	(54)	(276)	–	9,818

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 2026.

Grade	2025-26	2024-25
Ministers[64]	13	11
Special advisers[65]	70	57

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

65 This figure includes special advisers who work within the Cabinet Office departmental boundary (special advisers appointed to the Prime Minister, the Chancellor of the Duchy of Lancaster, Chief Secretary to the Prime Minister and Minister for Intergovernmental Relations, 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.

2.5. Senior civil servants

The table below shows the number of SCS staff employed by the Cabinet Office as at 31 March 2026. The total includes 36 staff (2024 to 2025: 50) 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	2025-26	2024-25
Permanent Secretary	7	7
SCS 3	19	16
SCS 2	100	88
SCS 1	276	291
Total	**402**	**402**

SCS numbers are 4.2% (2024 to 2025: 4.2%) of the total workforce.

2.6. Staff composition

The tables below provide a breakdown, by gender, of all employed staff who have worked for the Cabinet Office during the period 1 April 2025 to 31 March 2026 (excluding agency staff, interim managers, specialist contractors and consultants).

	Men		Women		Total	
Number	2025-26	2024-25 (restated)[66]	2025-26	2024-25 (restated)[63]	2025-26	2024-25 (restated)[63]
Management officials	1	3	7	3	8	6
Senior civil servants	210	216	204	178	414	394
All staff	**4,798**	**4,619**	**5,192**	**5,121**	**9,990**	**9,740**

	Men		Women	
Percentage	2025-26	2024-25 (restated)[63]	2025-26	2024-25 (restated)[63]
Management officials	12.5	50.0	87.5	50.0
Senior civil servants	50.7	54.8	49.3	45.2
All staff	**48.0**	**47.4**	**52.0**	**52.6**

66 The prior year comparator figures below have been restated due to machinery of government changes affecting the department during this financial year.

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

2.7.1

The table below shows temporary off-payroll appointments as at 31 March 2026, earning at least £245 per day.

2025-26 number	Core department	Executive agency	ALBs	Departmental group
Existing off-payroll engagements as at 31 March 2026	256	49	51	356
Of which, engagements that have existed at time of reporting for:				
Less than one year	65	24	36	125
Between one and two years	40	15	15	70
Between two and three years	43	5	–	48
Between three and four years	29	2	–	31
Four or more years	79	3	–	82

2.7.2

The table below shows temporary off-payroll appointments engaged at any point during the year ended 31 March 2026 and earning at least £245 per day.

2025-26 number	Core department	Executive agency	ALBs	Departmental group
Temporary off-payroll workers engaged during the year ended 31 March 2026	**65**	**43**	**86**	**194**
Of which:				
Not subject to off-payroll legislation	–	–	–	–
Subject to off-payroll legislation and determined as in-scope of IR35[67]	63	43	86	192
Subject to off-payroll legislation and determined as out-of-scope of IR35	2	–	–	2
Engagements reassessed for compliance or assurance purposes during the year	–	**16**	–	**16**

67 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.

2025-26 number	Core department	Executive agency	ALBs	Departmental group
Of which: number of 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	–	–	–	–

2.7.3

The table below shows off-payroll engagements of board members or senior officials with significant financial responsibility between 1 April 2025 and 31 March 2026.

2025-26 number	Core department	Executive agency	ALBs	Departmental group
Off-payroll engagements of board members or senior officials with significant financial responsibility during the financial year	–	–	–	–
Total individuals on payroll and off payroll who have been deemed 'board members or senior officials with significant financial responsibility' during the financial year	29	9	12	50

2.8. Staff loans

The table below shows the number of staff loans at 31 March 2026.

Staff loaned in by grade	Headcount	Staff loaned out by grade	Headcount
Permanent Secretary	–	Permanent Secretary	–
Special adviser	–	Special adviser	–
Commercial specialist	–	Commercial specialist	–
SCS 3	–	SCS 3	–
SCS 2	2	SCS 2	–
SCS 1	12	SCS 1	3
Band 6	24	Band 6	3
Band 7	56	Band 7	14
Band SEO	30	Band SEO	6
Band HEO	17	Band HEO	8
Band EO	3	Band EO	1
Band AO	–	Band AO	1
Total staff loaned in by grade	**144**	**Total staff loaned out by grade**	**36**

2.9. Sickness and absence

The sickness absence figure for 2025 to 2026 stands at 4.19 average working days lost per member of staff.

2.10. Monitoring and controlling spending on consultancy and temporary staff

Professional services external resources can generally be split into two categories:

- temporary staff includes temporary workers, interim managers and specialist contractors who are used to cover business-as-usual or service delivery activities within an organisation
- consultancy includes staff who provide objective advice relating to strategy, structure, management or operations of an organisation, and may include the identification of options with recommendations

Consultancy services and temporary staff are procured as required, and costs can therefore fluctuate depending on the needs of the department.

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

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

Expenditure on consultancy, for the core department and agency reduced from £7.9 million in 2024 to 2025 to £4.8 million in 2025 to 2026. This is mostly attributable to discontinuing consultancy advice in areas that were no longer required, and government policy and restrictions on the use of consultancy advisers. For the departmental group there was an overall increase from £9.800 million (restated) in 2024 to 2025 to £11.543 million in 2025 to 2026. Of the total, £0.602 million related to the GPA (2024 to 2025: £0.518 million) and £6.662 million to ALBs (2024 to 2025: £1.884 million). The increase in ALB expenditure was due to the management of the compensation scheme in IBCA.

Expenditure on temporary staff reduced from £51.494 million (restated) in 2024 to 2025 to £47.254 million in 2025 to 2026 due to budget constraints, filling permanent vacancies with civil servants and restricting the use of temporary staff hire. Of the total, £6.955 million related to the GPA (2024 to 2025: £10.319 million) and £8.342 million to ALBs (2024 to 2025: £2.274 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	2025-26	2024-25
People engagement score	61%	60%
My work	81%	76%
Objectives and purpose	73%	68%
My manager	77%	76%
My team	84%	84%
Learning and development	53%	52%
Inclusion and fair treatment	79%	77%
Resources and workload	75%	74%
Pay and benefits	48%	34%
Leadership, management and change	51%	47%

The percentages show the proportion of respondents selecting a positive response to the questions. The overall engagement score is up one percentage point to 61%. Other results show improvements across most areas. There were also significant improvements in the following areas.

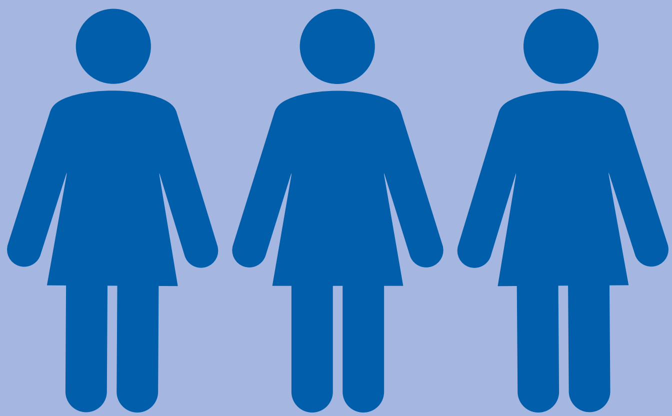
- The pay and benefits theme saw the biggest increase this year, with a 14 percentage point increase to 48% in those satisfied with the total benefits package.
- The question set for this year's survey focused more on staff awareness and views on the total benefits package available (rather than solely on pay) which was viewed more positively this year.
- The objectives and purpose theme had the second highest increase this year, with a higher percentage of staff clearly understanding the Cabinet Office's objectives and how their work contributes to them. Significant activity was delivered, as part of the department's Cabinet Office Futures programme, to provide clarity on the role Cabinet Office plays, our priorities and our mission.

2.12. Diversity and inclusion

In terms of diversity and inclusion, representation rates at SCS levels highlight that the Cabinet Office has 14.9% of staff with disabilities and 10.5% of staff identifying as ethnic minorities.

Women make up 47.0% of the SCS. The Cabinet Office overall has a mean gender pay gap of 11.6%. Women now make up 54.9% of all staff, which is an increase of 1.9 percentage points from 53.0% last year.

SCS female representation rate



This year **47.0%**

Last year **45.8%**

Across all grades, disabled staff make up 18.5% of the Cabinet Office workforce, an increase of 1.6 percentage points from 16.9% last year.

Disability representation rate

This year **18.5%**

Last year **16.9%**

Ethnic minority staff make up 18.5% of the total workforce, which is an increase of 1.3 percentage points from 19.8% last year.

Ethnic minority representation rate

This year **18.5%**

Last year **19.8%**

All Cabinet Office data as at 31 March 2026 excludes Government Commercial Organisation and Fast Stream staff who do not work in the Cabinet Office but are on Cabinet Office payroll.

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 has developed 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, focusing 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 learners to develop an awareness of disability, get to know the models of disability and their impacts on employees, and understand the organisation's legal requirements to support disabled employees. Learners 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 supports colleagues with non-visible disabilities through the Hidden Disabilities Sunflower Scheme. Some disabilities do not have physical signs or are not immediately obvious, including mental health issues, fibromyalgia, chronic pain, bowel disease, arthritis, visual or hearing impairments, neurodiversity, and many others.

Colleagues can show support by wearing a lanyard, adding a digital signature block to emails, or identifying as someone living with a non-visible disability. Digital signature blocks are available to download and can help raise awareness.

The Cabinet Office has an active Neurodiversity Network sharing experiences and resources about neurodiversity for everyone. The network learns from unique experiences and contributes to discussions on how colleagues can flourish in the workplace.

The Cabinet Office is a member of the Business Disability Forum, which is a notforprofit organisation that makes it easier and more rewarding to 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.

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 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. 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 strengthen leadership across government.

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 or activities. 21 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. 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 have a positive impact in their local community. Staff are permitted to take up to five days of special paid leave per performance year for volunteering activity as part of their personal development plan.

Examples of appropriate volunteering opportunities 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. The volunteering policy 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. These 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[68], 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:

- 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)

68 GOV.UK, 'Main Supply Estimates 2025 to 2026', available at https://www.gov.uk/government/publications/main-supply-estimates-2025-to-2026

The SOPS and estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided in the financial review section of the performance report. 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.[69]

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

Redistribution of prior year estimate lines

In order to provide a sensible prior year comparative, the prior year balances in the SOPS notes have been redistributed to align with the new estimate lines. The table below shows where the department's business units were captured in the 2024 to 2025 estimates and where they are in the 2025 to 2026 estimate lines.

Business unit	2024-25 Estimates	2025-26 Estimates
GPA	Estimate line F	Estimate line A
ALBs	Estimate line G	Estimate line B
Borders Group	Estimate line A	Estimate line C
EU Relations Secretariat	Estimate line A	Estimate line C
Intelligence and Security Committee of Parliament	Estimate line B	Estimate line D
Propriety and Constitution Group	Estimate line E	Estimate line D
Government in Parliament	Estimate line E	Estimate line D
COVID-19 Inquiry	Estimate line E	Estimate line D
Joint Intelligence Organisation	Estimate line B	Estimate line E
National Security Secretariat	Estimate line E	Estimate line E
Government Security Group	Estimate line B	Estimate line F
Office for Equality and Opportunity	Estimate line C	Estimate line F
Government Commercial and Grants Function	Estimate line D	Estimate line F

69 GOV.UK, 'Consolidated budgeting guidance 2025 to 2026', available at https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2025-to-2026

Government Communication Service	Estimate line D	Estimate line F
Government People Group	Estimate line D	Estimate line F
Public Sector Reform Unit and Efficiency	Estimate line D	Estimate line F
Office of Government Property	Estimate line D	Estimate line F
Public Inquiry Response Unit	Estimate line D	Estimate line F
Public Sector Fraud Authority	Estimate line D	Estimate line F
Public Sector Reform	Estimate line D	Estimate line F
Central corporate services	Estimate line D	Estimate line F
Economic and Domestic Secretariat	Estimate line E	Estimate line G
Prime Minister's Office	Estimate line E	Estimate line G
Grenfell Tower Inquiry	Estimate line E	N/A completed in 2024-25

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 financial 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 or decrease in the net assets of the associates is then recognised as finance income on the face of the CSoCNE. However, in the SOPS, dividends are treated as income and increase or 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 SOPS but continue to be recognised as loan repayments in the financial accounts.

UK members of the European Parliament pensions

Pension expenditure for former UK members of the European Parliament is recognised in the SOPS as non-voted 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 2025 to 2026

£000											2025-26	2024-25
				Outturn			**Estimate**				**Outturn vs estimate: saving / (excess)**	**Outturn restated[70]**
	SOPS note	**Voted**	**Non-voted**	**Total**	**Voted**	**Non-voted**	**Total**	**Voted**	**Non-voted**		**Total**	**Total**
Departmental expenditure limit (DEL)												
Resource	1.1	880,416	(253)	880,163	1,103,156	–	1,103,156	222,740	253		222,993	762,888
Capital	1.2	417,062	–	417,062	521,014	–	521,014	103,952	–		103,952	275,540
Total DEL		**1,297,478**	**(253)**	**1,297,225**	**1,624,170**	**–**	**1,624,170**	**326,692**	**253**		**326,945**	**1,038,428**
Annually managed expenditure (AME)												
Resource	1.1	(30,365)	1,869	(28,496)	182,334	4,000	186,334	212,699	2,131		214,830	9,692,464
Capital	1.2	1,980,065	–	1,980,065	2,730,000	–	2,730,000	749,935	–		749,935	59,851
Total AME		**1,949,700**	**1,869**	**1,951,569**	**2,912,334**	**4,000**	**2,916,334**	**962,634**	**2,131**		**964,765**	**9,752,315**
Total budget												
Total resource		850,051	1,616	851,667	1,285,490	4,000	1,289,490	435,439	2,384		437,639	10,455,353
Total capital		2,397,127	–	2,397,127	3,251,014	–	3,251,014	853,887	–		853,887	335,391
Total budget expenditure		**3,247,178**	**1,616**	**3,248,794**	**4,536,504**	**4,000**	**4,540,504**	**1,289,326**	**2,384**		**1,291,710**	**10,790,743**
Non-budget expenditure												
Prior period adjustment resource	1.1	(1,532,029)	–	(1,532,029)	–	–	–	1,532,029	–		1,532,029	–
Total non-budget expenditure		(1,532,029)	–	(1,532,029)	–	–	–	1,532,029	–		1,532,029	–
Total departmental expenditure		**1,715,149**	**1,616**	**1,716,765**	**4,536,504**	**4,000**	**4,540,504**	**2,821,355**	**2,384**		**2,823,739**	**10,790,743**

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.[71]

70 See Note 2 to the financial statements

71 GOV.UK, 'Consolidated budgeting guidance 2025 to 2026', available at https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2025-to-2026

Net cash requirement 2025 to 2026

£000				2025-26	2024-25
	SOPS note	Outturn	Estimate	Outturn compared with estimate: saving / (excess)	Outturn restated[72]
Net cash requirement	3	2,976,702	4,461,261	1,496,559	1,271,533

Administration costs 2025 to 2026

£000				2025-26	2024-25
	SOPS note	Outturn	Estimate	Outturn compared with estimate: saving / (excess)	Outturn restated[73]
Administration costs	1.1	597,080	780,522	183,258	502,265

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.

The prior year figures within the Statement of Outturn against Parliamentary Supply and the financial statements have been restated due to three Machinery of Government changes. Note 2 to the financial statements provides further details.

The Departmental Group has an additional prior period adjustment arising from the consolidation of IBCA. IBCA has restated its 2024 to 2025 balances in respect of the compensation provision to individuals affected by the infected blood scandal. IBCA has incorporated additional information within its provision calculation and has determined that this information was available at the prior period reporting date, resulting in an accounting error. In accordance with IAS 8, this error has been corrected retrospectively within the Group financial statements. It is proper for the department to seek parliamentary authority for the provision that should have been sought previously. In accordance with the Consolidated Budgeting Guidance, this prior period adjustment has therefore been included within voted Supply in the 2025 to 2026 Estimate.

Although the IBCA adjustment is non-budget in the 2025 to 2026 Estimate, the relevant budget impact had this adjustment been included in the 2024 to 2025 financial statements and Statement of Outturn against Parliamentary Supply is shown below:

Prior period adjustment description	Resource/Capital	DEL/AME	Amount (£000)
IBCA compensation scheme provision adjustment	Resource	AME	(1,532,029)

The prior period adjustment has been reflected in the department's non-budget expenditure in 2025 to 2026.

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

72 See note 2 to the financial statements.

73 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											2025-26	2024-25
	Outturn							Estimate				Outturn restated[74]
	Administration			Programme								
Spending in departmental expenditure limit (DEL)	Gross	Income	Net	Gross	Income	Net	Net total	Total estimate	Virements	Total estimate including virements	Outturn vs estimate: saving / (excess)	Net total
Voted DEL												
A: Executive agency – Government Property Agency	788,485	(669,454)	119,031	–	–	–	119,031	253,233	(9,142)	244,091	125.,060	158,996
B: Arm's Length Bodies (net)	109,476	–	109,476	5,632	–	5,632	115,108	143,588	313	143,901	28,793	42,228
C: Strengthen international partnerships to support growth	3,416	–	3,416	11,057	(122)	10,935	14,351	14,436	2,462	16,898	2,547	13,130

74 See note 2 in the financial statements.

£000											2025-26	2024-25
	Outturn							Estimate				Outturn restated[74]
	Administration			Programme								
Spending in departmental expenditure limit (DEL)	Gross	Income	Net	Gross	Income	Net	Net total	Total estimate	Virements	Total estimate including virements	Outturn vs estimate: saving / (excess)	Net total
D: Strengthen the foundations of good government	46,731	(11,632)	35,099	60,681	(139)	60,542	95,641	97,323	2,460	99,783	4,142	109,864
E: Make the country safer, more secure and increasingly resilient	41,324	(1,404)	39,920	27,551	(150)	27,401	67,321	72,267	5,138	77,405	10,084	79,093
F: Run a high-quality Civil Service	780,008	(561,816)	218,192	313,736	(144,105)	169,631	387,823	466,358	(26,421)	439,937	52,114	281,117
G: Drive delivery of the Government's missions and foundation	76,292	(4,346)	71,946	9,195	–	9,195	81,141	55,951	25,190	81,141	–	78,460
Total voted DEL	**1,845,732**	**(1,248,652)**	**597,080**	**427,852**	**(144,516)**	**283,336**	**880,416**	**1,103,156**	**–**	**1,103,156**	**222,740**	**762,888**

£000											2025-26	2024-25
							Outturn			Estimate		Outturn restated[74]
	Administration			Programme								
Spending in departmental expenditure limit (DEL)	Gross	Income	Net	Gross	Income	Net	Net total	Total estimate	Virements	Total estimate including virements	Outturn vs estimate: saving / (excess)	Net total
Non voted DEL												
CFER	–	–	–	–	(253)	(253)	(253)	–	–	–	253	–
Total non voted DEL	**–**	**–**	**–**	**–**	**(253)**	**(253)**	**(253)**	**–**	**–**	**–**	**253**	**–**
Voted annually managed expenditure (AME)												
H: Cabinet Office AME	–	–	–	(117,694)	–	(117,694)	(117,694)	(77,666)	–	(77,666)	40,028	9,613,662
I: Government Property Agency AME	–	–	–	87,329	–	87,329	87,329	260,000	–	260,000	172,671	76,796
Total voted AME	**–**	**–**	**–**	**(30,365)**	**–**	**(30,365)**	**(30,365)**	**182,334**	**–**	**182,334**	**212,699**	**9,690,458**
Non-voted annually managed expenditure (AME)												
J: MEPs pensions	–	–	–	1,869	–	1,889	1,889	4,000	–	4,000	2,131	2,006
Total non-voted AME	**–**	**–**	**–**	**1,869**	**–**	**1,889**	**1,889**	**4,000**	**–**	**4,000**	**2,131**	**2,006**
Total AME	**–**	**–**	**–**	**(28,496)**	**–**	**(28,496)**	**(28,496)**	**186,334**	**–**	**186,334**	**214,830**	**9,692,464**

£000											2025-26	2024-25
	Outturn							Estimate				Outturn restated[74]
	Administration			Programme								
Spending in departmental expenditure limit (DEL)	Gross	Income	Net	Gross	Income	Net	Net total	Total estimate	Virements	Total estimate including virements	Outturn vs estimate: saving / (excess)	Net total
Non-budget expenditure												
Prior period adjustment[75]	–	–	–	(1,532,029)	–	(1,532,029)	(1,532,029)	–	–	–	1,532,029	–
Total non-budget expenditure	–	–	–	(1,532,029)	–	(1,532,029)	(1,532,029)	–	–	–	1,532,029	–
Total resource	**1,845,732**	**(1,248,652)**	**597,080**	**(1,132,673)**	**(144,769)**	**(1,277,442)**	**(680,362)**	**1,289,490**	**–**	**1,289,490**	**1,969,852**	**10,455,352**

In order to provide a sensible prior year comparative, the prior year balances in the SOPS notes have been redistributed to align with the new estimate lines. The table in section 3 above shows where the department's business units were captured in the 2024 to 2025 estimates and where they are in the 2025 to 2026 estimate lines.

The 2024 to 2025 outturn has also been restated due to Machinery of Government transfers (See Note 2 to the financial statements).

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.[76]

75 This prior period adjustment relates to the restatement of the IBCA compensation provision. While corrected retrospectively in the financial statements, it is scored against the current year's estimate in the SOPS.

76 HM Treasury, 'Supply Estimates: a guidance manual 2026', available at https://www.gov.uk/government/publications/supply-estimates-guidance-manual/supply-estimates-a-guidance-manual-2026

Explanations of variances between estimate and 2025 to 2026 resource outturn before adjustment for virements

Estimate sub-heading	2025-26 outturn (£000)	2025-26 estimate (£000)	Variance (£000)	Explanation
A: Executive agency – Government Property Agency	119,031	253,233	134,202	This saving is due to lower than anticpated depreciation and amortisation charges, unused contingency and lower operating costs.
B: Arm's Length Bodies (net)	115,108	143,588	28,480	This saving largely reflects reallocated spend in Infected Blood Compensation Authority from resource to capital outturn and due to legal and financial support costs for claimants being lower than expected.
C: Strengthen international partnerships to support growth	14,351	14,436	85	Immaterial
D: Strengthen the foundations of good government	95,641	97,323	1,682	Immaterial
E: Make the country safer, more secure and increasingly resilient	67,321	72,267	4,946	This underspend largely reflects lower than expected spend on national security programmes.
F: Run a high-quality Civil Service	387,823	466,358	78,535	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, which came in lower than estimated and unused contingency..
G: Drive delivery of the Government's missions and foundation	81,141	55,951	(25,190)	This overspend is due to additional spending on government's mission and foundation spend, and spend on depreciation which is budgeted in estimate line F.

Estimate sub-heading	2025-26 outturn (£000)	2025-26 estimate (£000)	Variance (£000)	Explanation
H: Cabinet Office AME	(117,694)	(77,666)	40,028	Decrease reflects changes in the provision for Infected Blood Compensation Authority future compensation payments.
I: Government Property Agency AME	87,329	260,000	172,671	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.
J: MEPs pensions	1,869	4,000	2,131	Immaterial
Non voted: CFER	(253)	–	253	Immaterial
Prior period adjustment	(1,532,029)	–	1,532,029	Infected Blood Compensation Authority provision reclassified and restated from 2024 to 2025.
Total	**(680,362)**	**1,289,490**	**1,969,852**	

Explanations of variances between 2025 to 2026 and 2024 to 2025 resource outturn

Estimate sub-heading	2025-26 outturn (£000)	2024-25 outturn restated[77] (£000)	Variance (£000)	Explanation
A: Executive agency – Government Property Agency	119,031	158,996	39,965	This saving is due to lower than anticpated depreciation and amortisation charges, unused contingency and lower operating costs.
B: Arm's Length Bodies (net)	115,108	42,228	(72,880)	Increase is related to the acceleration of Infected Blood Compensation Authority work.
C: Strengthen international partnerships to support growth	14,351	13,130	(1,221)	Immaterial
D: Strengthen the foundations of good government	95,641	109,864	14,223	Decrease is due to lower spend in the Covid-19 Inquiry.
E: Make the country safer, more secure and increasingly resilient	67,321	79,093	11,772	Decrease is largely due to lower national security programme spend.
F: Run a high-quality Civil Service	387,823	281,117	(106,706)	Increase is due to lower dividends received, and higher estate costs.
G: Drive delivery of the Government's missions and foundation	81,141	78,460	(2,681)	Increase is due to higher costs to support the Prime Ministers Office.
H: Cabinet Office AME	(117,694)	9,613,662	9,731,356	Decrease reflects changes in the provision for Infected Blood Compensation Authority future compensation payments.
I: Government Property Agency AME	87,329	76,796	(10,533)	Increase is due to a higher dipalidation and property impairment charge compared to the prior year.
J: MEPs pensions	1,869	2,006	137	Immaterial
Non voted: CFER	(253)	–	253	Immaterial
Prior period adjustment	(1,532,029)	–	1,532,029	Infected Blood Compensation Authority provision reclassified and restated from 2024 to 2025.
Total	**(680,362)**	**10,455,353**	**11,135,714**	

77 See note 2 in the financial statements.

SOPS 1.2. Analysis of net capital outturn by estimate line

£000							2025-26	2024-25
	Outturn							Outturn restated[78]
Spending in departmental expenditure limit (DEL)	Gross	Income	Net total	Total estimate	Virements	Total estimate including virements	Outturn vs estimate: saving / (excess)	Net total
Voted DEL								
A: Executive agency – Government Property Agency	359,749	(74,673)	285,076	337,442	–	337,442	52,366	196,544
B: Arm's Length Bodies (net)	38,846	–	38,846	27,752	11,333	39,085	239	18,558
C: Strengthen international partnerships to support growth	–	–	–	–	–	–	–	35
D: Strengthen the foundations of good government	45,250	–	45,250	4,200	41,050	45,250	–	512
E: Make the country safer, more secure and increasingly resilient	7,154	–	7,154	10,004	–	10,004	2,850	4,583
F: Run a high-quality Civil Service	39,205	(403)	38,802	140,266	(52,967)	87,299	48,497	52,559
G: Drive delivery of the Government's missions and foundation	1,958	(24)	1,934	1,350	584	1,934	–	2,749
Total voted DEL	**492,162**	**(75,100)**	**417,062**	**521,014**	**–**	**521,014**	**103,952**	**275,540**
Voted annually managed expenditure (AME)								
H: Cabinet Office AME	1,980,065	–	1,980,065	2,700,000	–	2,700,000	719,935	59,851
I: Government Property Agency AME	–	–	–	30,000	–	30,000	30,000	–
J: MEPs pensions	–	–	–	–	–	–	–	–
Total voted AME	**1,980,065**	**–**	**1,980,065**	**2,730,000**	**–**	**2,730,000**	**749,935**	**59,851**
Total capital	**2,472,227**	**(75,100)**	**2,397,127**	**3,251,014**	**–**	**3,251,014**	**853,887**	**335,391**

78 See note 2 to the financial statements.

In order to provide a sensible prior year comparative, the prior year balances in the SOPS notes have been redistributed to align with the new estimate lines. The table in section 3 above shows where the department's business units were captured in the 2024 to 2025 estimates and where they are in the 2025 to 2026 estimate lines.

The total estimate columns include virements. Virements are the reallocation of provision in the estimates that do not require parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements is provided in the Supply Estimates Manual, available on GOV.UK.

The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can tie the estimate back to the estimates laid before Parliament.

Explanations of variances between estimate and 2025 to 2026 capital outturn before adjustment for virements

Estimate sub-heading	2025-26 outturn (£000)	2025-26 estimate (£000)	Variance (£000)	Explanation
A: Executive agency - Government Property Agency	285,076	337,442	52,366	This underspend is due to lower than expected right of use asset charges.
B: Arm's Length Bodies (net)	38,846	27,752	(11,094)	The increase in spend largely reflects reallocated spend in the Infected Blood Compensation Authority from resource to capital outturn.
C: Strengthen international partnerships to support growth	–	–	–	
D: Strengthen the foundations of good government	45,250	4,200	(41,050)	Capital expenditure primarily relates to the QEII Memorial.
E: Make the country safer, more secure and increasingly resilient	7,154	10,004	2,850	Decrease due to lower than expected capital expenditure in national security projects.
F: Run a high-quality Civil Service	38,802	140,266	101,464	Decrease due to unused Civil Service pension scheme hardship support not spent.
G: Drive delivery of the Government's missions and foundation	1,934	1,350	(584)	Immaterial
H: Cabinet Office AME	1,980,065	2,700,000	719,935	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.
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.
J: MEPs pensions	–	–	–	
Total	**2,397,127**	**3,251,014**	**853,887**	

Explanations of variances between 2025 to 2026 and 2024 to 2025 capital outturn

Estimate sub-heading	2025-26 outturn (£000)	2024-25 outturn restated[79] (£000)	Variance (£000)	Explanation
A: Executive agency – Government Property Agency	285,076	196,544	(88,532)	Increase due to the on-boarding of property leases.
B: Arm's Length Bodies (net)	39,085	18,558	(20,288)	This increase is due to capital expenditure in the Infected Blood Compensation Authority as the operation grows.
C: Strengthen international partnerships to support growth	–	35	35	Immaterial
D: Strengthen the foundations of good government	45,250	512	(44,738)	Capital expenditure primarily relates to the Queen Elizabeth II Memorial.
E: Make the country safer, more secure and increasingly resilient	7,154	4,583	(2,571)	Increase in capitalised national security programme spend.
F: Run a high-quality Civil Service	38,802	52,559	13,757	Decrease is due to lower capitalised national security programme spend, partially offset with increase in capitalised estate costs.
G: Drive delivery of the Government's missions and foundation	1,934	2,749	815	Decrease in expenditure on IT security equipmen
H: Cabinet Office AME	1,980,065	59,851	(1,920,214)	AME expenditure has increased due to compensation payments made by the Infected Blood Compensation Authority
I: Government Property Agency AME	–	–	–	
J: MEPs pensions	–	–	–	
Total	**2,397,127**	**335,391**	**(2,061,736)**	

79 See note 2 to the financial statements.

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		2025-26	2024-25
	Note	Outturn	Outturn restated[80]
Budget voted		850,051	10,453,346
Budget non voted		1,616	2,006
Non budget		(1,532,029)	–
Total resource outturn in the SOPS	**SOPS 1.1**	**(680,362)**	**10,455,352**
Add items in CSoCNE and not in SOPS:			
Capital grants	3.1	43,616	150,279
Capital grant income	4.1	(765)	(4,917)
Crown Commercial Service dividend income	4.3, SOPS 4	–	(71,000)
Official Receiver working capital received	4.1, SOPS 4	–	(3,000)
Income from minor disposals – payable to the Consolidated Fund	4.1, SOPS 4	(28)	–
Share of associates' profit	9	(515)	(587)
Fair value (gain) / loss on financial assets – associate put options (non-cash)	9	966	1,090
Elimination adjustment		(2,255)	797
IBCA prior period adjustment		–	(1,532,029)
Less items in SOPS and not in CSoCNE:			
UK members of the European Parliament salaries and pension	SOPS 1.1	(1,869)	(2,006)
Dividends received from associates	9	377	753
Local government loan repayments	9	536	1,132
Utilisation of IBCA provision		1,980,065	59,851
IBCA prior period adjustment		1,532,029	–
Net expenditure in the CSoCNE	**CSoCNE**	**2,871,795**	**9,055,715**

80 See note 2 in the financial statements.

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 DEL but accounted for as expenditure and income in the CSoCNE. Capital grant transactions generally relate to property assets transfer to and from the GPA. In 2025 to 2026, property with a value of £nil was transferred. 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 were offset by capital grant-in-kind expenditure/income in the CSoCNE.
- Payments in respect of IBCA compensation score to capital AME whereas the utilisation of the provision scores to resource AME.
- 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 £nil (2024 to 2025: £71.0 million) and the Official Receiver working capital received £nil (2024 to 2025: £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 CSoFP. The increase or 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 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's salaries and pension are budgeted for as 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.
- Prior period adjustments are restated retrospectively in the financial statements, but parliamentary budgeting rules require them to be scored against the current year's budget. SOPS 2 reconciles this timing difference.

SOPS 3. Reconciliation of net resource outturn to net cash requirement

As noted in the introduction to the SOPS, 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				2025-26
	Note	Outturn	Estimate	Outturn vs estimate saving / (excess)
Total resource outturn	**SOPS 1.1**	**(680,362)**	**1,289,490**	**1,969,852**
Less non-budget	SOPS 1.1	1,532,029	–	(1,532,029)
Total capital outturn	**SOPS 1.2**	**2,397,127**	**3,251,014**	**853,887**
Adjustments for arm's length bodies:				
Add cash grant-in-aid		2,173,800	2,871,341	697,541
Remove voted resource and capital	SOPS 1.1	(2,017,587)	(2,793,674)	(775,087)
ALB non-cash adjustment		1,882,733	–	(1,882,733)
Adjustments to remove non-cash items:				
Depreciation, Amortisation, impairment and property gains	3.1	(250,773)	(512,910)	(262,137)
Provisions and other non-cash costs	3.1	(1,936,740)	(40,000)	1,896,740
Non-cash income	4.1	–	–	–
Salary and pension costs of the UK members of European Parliament ('Consolidated Fund Standing Services' in the estimate)	SOPS 2	(1,869)	(4,000)	(2,131)
Adjustment to reflect movements in working balances:				
Increase / (decrease) in inventories		(98)	–	98
Increase / (decrease) in trade receivables		(230,660)	130,000	360,660
(Increase) / decrease in trade payables		46,882	270,000	223,118
Remove voted resource and capital		(1,981,341)	–	(2,037,815)
Elimination adjustment		(2,255)	–	2,255
Use of provisions	13	2,037,815	–	1,981,341
Net total		**2,967,701**	**4,461,261**	**1,493,560**
Removal of amounts due to the consolidated fund:				
Cash surrendered to the Consolidated Fund from disposals		(3,000)	–	3,000

£000				2025-26
	Note	Outturn	Estimate	Outturn vs estimate saving / (excess)
Registrar of Consultant Lobbyists				
- Cash surrendered to the Consolidated Fund	13, SOPS 4	(251)	–	251
- Cash surrenderable to the Consolidated Fund – registration fees	13, SOPS 4	251	–	(251)
- Cash surrenderable to the Consolidated Fund – civil penalties	13, SOPS 4	1	–	(1)
Net cash requirement		**2,964,702**	**4,461,261**	**1,496,559**

The net cash requirement is under budget by £1,496.5 million due to underspends on voted capital of £853.8 million and voted resource of £115.3 million, offset by a movement in working capital of £527.4 million. See SOPS 1.1 and SOPS 1.2 for explanations for the main variances against the estimate provided, which has affected the net cash requirement for the year.

SOPS 4. Amounts of income to the Consolidated Fund

In addition to income retained by the Cabinet Office, the following income is payable to the Consolidated Fund.

£000		2025-26	2025-26	2024-25	2024-25
	Note	Accruals	Cash basis	Accruals	Cash basis
Crown Commercial Service					
Recoveries from Crown Commercial Service	9.3	–	–	71,000	71,000
Disposal of financial assets					
Disposal of UK Cloud assets	11	–	–	3,000	3,000
Government Property Agency					
Miscellaneous income returned to HM Treasury		28	28	–	–
Registrar of Consultant Lobbyists					
Registration fees from consultant lobbyists	4.1, 12	251	251	240	240
Registration fees from consultant lobbyists – receivable		1	–	–	–
Registrar of Consultant Lobbyists – revenue collected on behalf of the Consolidated Fund					
Civil penalties applied to consultant lobbyists – collected on behalf of Consolidated Fund	4.1, 12	1	1	11	11
Total amount payable to the Consolidated Fund		**281**	**280**	**74,251**	**74,251**

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, £71 million was returned to HM Treasury and was not classified as income in the SOPS. In 2025 to 2026, Cabinet Office retained £56 million, which is recognised as income in both the financial statements and the statement of parliamentary supply.

Recoveries from the Official Receiver

In 2025 to 2026, Cabinet Office received £nil (2024 to 2025: £3 million) relating to UK Cloud Ltd which is surrenderable to the Consolidated Fund.

Miscellaneous income

In 2025 to 2026 £27,710 of unapplied receipts were received from GPA and remain payable to the Consolidated Fund at the reporting date.

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 2025 to 2026 amounted to £250,997 (2024 to 2025: £240,430) which remain payable to the Consolidated Fund at the reporting date. The prior period cash receipts have been paid to the Consolidated Fund in year.

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 2025 to 2026 was £745 (2024 to 2025: £10,731), which remains payable to the Consolidated Fund at the reporting date. The prior period civil penalties have been paid to the Consolidated Fund in year.

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.

	2025-26	2025-26	2024-25	2024-25
	Core department and agency	Departmental group	Core department and agency	Departmental group
Total value of losses (£000)	**9,531**	**9,531**	**1,181**	**1,181**
Total number of losses	**432**	**432**	**437**	**437**
Cash losses				
Value (£000)	1,039	1,039	616	616
Number of cases	383	383	392	392
Claims abandoned				
Value (£000)	–	–	–	–
Number of cases	–	–	–	–
Administrative write-offs				
Value (£000)	–	–	12	12
Number of cases	–	–	4	4
Constructive losses				
Value (£000)	7,767	7,767	–	–
Number of cases	1	1	–	–
Fruitless payments				
Value (£000)	9	9	26	26
Number of cases	23	23	26	26
Special payments				
Value (£000)	716	716	527	527
Number of cases	25	25	15	15

The table above includes one special severance payment, see details below.

Details of cases over £300,000

There was one special payment over £300,000. This was a special severance payment of £526,598 that formed the non-contractual part of the former Cabinet Secretary's severance payment. See 1.19 Compensation for Loss of Office for further information.

There was one constructive loss over £300,000 made in 2025 to 2026 of £7,767,249 relating to the core department. This resulted from a strategic decision to end work on a centralised applicant tracking system.

4.2. Fees and charges (audited)

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

4.3. Remote contingent liabilities (audited)

In addition to contingent liabilities reported within the meaning of International Accounting Standard (IAS) 37, the department also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability.

Quantifiable

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 on 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 is remote. Using floor areas of the lease agreements and industry standard rates, the GPA has reliably estimated this remote contingent liability to be £10.3 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.

IR35 penalties

The department has identified a remote contingent liability regarding potential financial penalties from HMRC relating to historic off-payroll working (IR35) compliance. In October 2025, HMRC concluded that the department's historic processes were inadequate and reasonable care was not taken, which can attract a penalty of 15% to 30% against the net tax liability before interest. This could result in a penalty of up to £8.9 million.

HMRC guidance states that penalties are not automatically applied and can be suspended if the department complies with specific SMART (specific, measurable, achievable, realistic and time-bound) conditions. The department has communicated its recent compliance improvements to HMRC and is fully prepared to comply with any suspension conditions issued.

Given the department's willingness to meet these conditions, alongside central government precedent where similar IR35 penalties for carelessness were suspended and never materialised, the department considers the likelihood of an actual economic outflow for these penalties to be remote. Consequently, no provision for penalties has been included in the financial statements, but the matter is disclosed here for parliamentary transparency. Whereas a provision has been recognised for unpaid tax and national insurance contributions (see note 13).

Unquatifiable

The Cabinet Office has the following liabilities, which are contingent and 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.[81]

Any liability arising under this indemnity is strictly time-limited and is expected to be fully extinguished ten years after the initial launch date of the ventilators in financial year 2030 to 2031.

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, 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.[82] The department's financial obligations under this indemnity are expected to expire in financial year 2027 to 2028.

Indemnities for the Official Receiver

Carillion plc – The government has indemnified the Official Receiver, appointed as liquidator of Carillion plc and certain other companies in its group, for actions they undertake as Receiver in respect of any claims and proceedings that are made against them 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.[83] The department's financial obligations under this indemnity are expected to expire six years after the discharge of the Official Receiver from their office. The liquidation is expected to conclude within one and five years.

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 they undertake as Receiver in respect of any claims and proceedings that are made against them personally.

81 Cabinet Office, 'Departmental minute: Indemnities granted to designers and manufacturers in the rapidly manufactured ventilator system project', available at https://www.gov.uk/government/publications/notification-of-contingent-liability-rapidly-manufactured-ventilator-system-project

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

83 UK Parliament, 'Notification of Contingent Liabilities: Liquidation of Carillion plc: Notification to Parliament', available at https://hansard.parliament.uk/Commons/2018-01-23/debates/18012328000007/Carillion

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.[84] The department's financial obligations under this indemnity are expected to expire six years after the discharge of the Official Receiver from their office. The liquidation is expected to conclude in financial year 2026 to 2027.

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.[85] The indemnity is expected to endure at a minimum in parallel with the trustees' private insurance, which runs until March 2038, after which point the department's financial liability is expected to be materially extinguished, although claims could still be brought after this date.

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.

Legally privileged

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

Legally privileged – GPA

The GPA has contingent liabilities entered into in the ordinary course of business, which includes with external landlords and third parties under construction contracts. These 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.

84 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/%20NotificationOfContingentLiabilitiesLiquidationOfUkcloudLtdAndVirtualInfrastructureGroup

85 GOV.UK, 'Commission for Racial Equality Pension and Life Assurance Scheme (CREPLAS) wind-up: departmental minute', available at https://www.gov.uk/government/publications/closure-of-the-commission-for-racial-equality-pension-and-life-assurance-scheme-creplas/commission-for-racial-equality-pension-and-life-assurance-scheme-creplas-wind-up-departmental-minute

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

Quantifiable contingent liabilities

Description	Disclosed in supply estimate	Amount disclosed in annual report and accounts (£000)	Explanation of difference
Appeals against intepretation of legislation – IBCA	No	2,000,000	This contingent liability was omitted from the supplementary estimate.

Quantifiable remote contingent liabilities

Description	Supply estimate	Amount disclosed in annual report and accounts (£000)	Variance
Dilapidations – GPA	Yes – 7	10,300	The quantification of the contingent liability was omitted from the supplementary estimate.
IR35 penalties	No	8,900	This contingent liability was omitted from the supplementary estimate.

Unquantifiable non-remote contingent liabilities

Description	Disclosed in supply estimate	Disclosed in the annual report and accounts	Explanation of difference
Legally privileged	Yes – 6	Yes	One row included in the supply estimate which covered both remote and non-remote legally privileged contingent liabilities.
Legally privileged – IBCA	No	Yes	This contingent liability was omitted from the supplementary estimate.
IR35 tax and NI	Yes – 9	No	A provision has been made for this previously reported contingent liability (see note 13).
Employment tribunal	No	Yes	This contingent liability was omitted from the supplementary estimate.

Unquantifiable remote contingent liabilities

Description	Disclosed in supply estimate	Disclosed in the annual report and accounts	Explanation of difference
Commercial sensitivity – GPA	Yes – 7 and 8	Yes	–
Legally privileged	Yes – 6	Yes	One row included in the supply estimate which covered both remote and non-remote legally privileged contingent liabilities.
Legally privileged – GPA	Yes – 7 and 8	Yes	–
Indemnity for ventilator provider, 2020	Yes – 1	Yes	–
Indemnity for United Nations Framework Convention on Climate Change	Yes – 2	Yes	–
Indemnities for the Official Receiver – Carillion Ltd	Yes – 4	Yes	–
Indemnities for the Official Receiver – Virtual Infrastructure Group Ltd and UK Cloud Ltd	Yes – 3	Yes	–
Indemnity for trustees of CREPLAS	No	Yes	This indemnity was omitted from the supplementary estimate.
Commercial sensitivity	Yes – 5	Yes	–

The contingent liabilities can be found in note 15 to the financial statements and remote contingent liabilities in the Parliamentary Accountability section above.

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 9 to the accounts and on the Crown Commercial Service page on GOV.UK.[86] On 1 April 2026, the Crown Commercial Service became the Government Commercial Agency. Please see note 21 in the financial statements.

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.[87]

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.[88]

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).[89]

5.4. Complaints to the Parliamentary and Health Service Ombudsman

In 2025 to 2026, the Parliamentary and Health Service Ombudsman closed 21 complaints about the Cabinet Office. 19 were closed following initial checks and two 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 2025 to 2026.

The Cabinet Office takes all complaints seriously, and each one is thoroughly investigated by a trained, appropriately-authorised official. However, the low volume of complaints received did not allow the department to identify any systemic issues or draw any conclusions. The department remains committed to providing a quality service and is reviewing its processes for handling all incoming correspondence, including complaints.

86 GOV.UK, 'Crown Commercial Service', available at https://www.gov.uk/government/organisations/crown-commercial-service

87 https://uksa.statisticsauthority.gov.uk/national-statistician/types-of-official-statistics

88 GOV.UK, 'Public bodies', available at https://www.gov.uk/guidance/public-bodies-reform

89 GOV.UK, 'Functional Standards', available at https://www.gov.uk/government/collections/functional-standards

To ensure public transparency, the department has published its complaint handling procedure on GOV.UK.[90]

5.5. Performance in responding to correspondence from the public

During the 2025 to 2026 reporting year, the Cabinet Office responded to 3,474 correspondence enquiries from members of the public ('treat official' correspondence). 76% of these responses were sent within 20 working days (the cross-government target is 80%). The primary reason for falling short of the 80% target was due to a significant increase in volumes of public correspondence received. These enquiries covered policies across Cabinet Office and Office for Equality and Opportunity responsibilities, with a particular interest in Civil Service pensions, digital ID and LGBT.

5.6. Expenditure on official residences

The Downing Street estate is a working building, as well as containing two ministerial residences. In consultation with Historic England, the government is legally required to 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 2025 to 2026, the Cabinet Office spent £8,546 on refurbishment.

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

As the home of the Cabinet Office's communications function, the Government Communication Service spent around £21.3 million during the 2025 to 2026 (2024 to 2025: £10.4 million) on publicity and advertising.

Expenditure on publicity and advertising by the Government Communication Service was primarily funded by the newly established missions communications budget and was predominantly incurred by the New Media Unit and the GREAT Britain and Northern Ireland (GREAT) campaign. The missions communications budget is a fundamental change in the way government communication campaigns are prioritised and funded, allowing greater impact at lower cost via a joined-up, cross-government approach focused on the government's most important priorities.

The New Media Unit is modernising the government's digital communications and aims to reach, connect and rebuild trust with domestic audiences. It delivers digital communications that build awareness, understanding, engagement and action against the government's five missions, driving long-term outcomes more effectively and efficiently than existing communication models. It focuses on creating engaging content for priority government missions, delivering it directly to the public on popular platforms in order to align more closely with how the public now consumes information online. The New Media Unit is delivering five programmes on the Prime Minister's priorities, with the highest levels of investment in cost of living, NHS and defence campaigns, and smaller campaigns on pride in place and digital ID.

90 GOV.UK, 'Complaints procedure', available at https://www.gov.uk/government/organisations/cabinet-office/about/complaints-procedure

The GREAT campaign is the UK's flagship international communications programme. It promotes the UK globally, enhances the UK's global reputation and drives economic growth by encouraging international audiences to visit, study, trade and invest in the UK.

5.8. Cabinet away days

The Cabinet Office is also responsible for the facilitation and delivery of Cabinet away days that incur costs such as audiovisual equipment and catering. During 2025 to 2026, the cost to the Cabinet Office for Cabinet away days totalled £3,037.

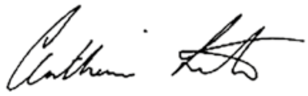
5.9. Details of sponsorship agreements over £5,000

The Cabinet Office did not have any sponsorship expenditure in 2025 to 2026 (2024 to 2025: £nil).

In 2025 to 2026, the Cabinet Office did not receive sponsorship income. In 2024 to 2025, the Cabinet Office received sponsorship income for two events hosted by the GREAT campaign for £610,000.

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 the UK government and GREAT to get them involved in future long-term activities.



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

10 September 2026

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

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 2026 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 2025. The financial statements comprise: the Department's and the Departmental Group's:

- Consolidated Statement of Financial Position as at 31 March 2026;
- 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, 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 2026 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 2026 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 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 (Revised 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; assets under construction held by the Government Property Agency; and valuation of dilapidation provisions.

The key audit matters were discussed with the Audit and Risk Committee; matters that they considered to be significant to the financial statements are included within the risks reported in the governance statement on pages 90 to 92.

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

- the significant risk on assets under construction held by the Government Property Agency does not represent a key audit matter for 2025-26; and
- risks in the prior year related to management of non-current assets held by the core department, identification of the accounting boundary, and recognition and measurement of the IBCA support services contingent liability are not considered significant risks for 2025-26.

Recognition and Measurement of the Infected Blood Compensation Scheme provision

Description of risk

The Departmental Group includes the Infected Blood Compensation Authority (IBCA) who recognise Infected Blood Compensation Scheme provision, which comprises compensation and support costs due to individuals who have suffered as a result of infected blood and infected blood products. In its Consolidated Statement of Financial Position, the Department recognised an Infected Blood Compensation Scheme provision totalling £7,933 million as at 31 March 2026 (31 March 2025 restated: £8,050 million) representing discounted expected cashflows. Notes 1.31, 1.32 and 13.2 to the financial statements disclose further information on the Infected Blood Compensation Scheme.

The valuation of the Infected Blood Compensation Scheme provision is highly material to the Departmental Group financial statements.

I treat this as a significant matter for the audit because of the high degree of estimation and uncertainty inherent in the valuation of the provision, and the level of public interest in the compensation payments paid each year (provision utilisation). I qualified my opinion on the Departmental Group's 2024-25 financial statements as the Departmental Group, through IBCA, were unable to provide sufficient evidence to support its key assumptions on the expected volume of claimants for three of the four claimant groups within the Infected Blood Compensation Scheme, amounting to £6,987 million of the provision as at 31 March 2025.

During 2025-26, IBCA has established more robust governance processes to determine and challenge the valuation of the Infected Blood Compensation Scheme provision. The review undertaken identified that more reliable evidence to estimate the volume of claimants could reasonably have been available at the point the Group financial statements for the year ended 31 March 2025 were authorised for issue. The Department has assessed that the impact of using this evidence was material for each of the individual provisions for the living infected never compensated, deceased infected and affected groups and has restated the Group comparative position for the year ended 31 March 2025 within these financial statements. The total Infected Blood Compensation Scheme provision of £9,582 million at 31 March 2025 has been restated to £8,050 million.

The changes made to the provision estimates do not have any impact on any amounts which individual claimants will receive, or the claimant eligibility for the Infected Blood Compensation Scheme, which remains as set out in the Victims and Prisoners Act 2024 and the applicable Scheme Regulations.

How the scope of my audit responded to the risk

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;
- reviewing the methods used to estimate the provision to obtain assurance that these are appropriate and reasonable in the context of the financial reporting framework;

- assessing the completeness of the provision 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 IBCA in relation to the number of expected claimants for each group as at 31 March 2026 and the restated position as at 31 March 2025;
- 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 as at 31 March 2026 and the restated position as at 31 March 2025;
- sample testing compensation payments made during the year, in addition to assessing the completeness and cut-off of payments;
- auditing the restatement of the provision within the 2024-25 comparatives; and
- evaluating management's related disclosures, including disclosures of estimation uncertainty.

Key observations

I did not identify material misstatements as a result of the work I have performed on the Infected Blood Compensation Scheme Provision reported as at 31 March 2026 and the restated position as at 31 March 2025.

I draw attention to the disclosures included within notes 1.32, 13.2.4 and 13.2.5 to the financial statements concerning estimation uncertainty inherent within the Compensation scheme provision. As set out in these notes, there is significant uncertainty related to the valuation of these provisions, in particular in respect of the projected number of claimants in each group. Significant changes to the liabilities could occur as a result of subsequent information on key assumptions, including the volume of claimants and the severity of the impact on individuals making a claim, that are different from the current assumptions adopted by IBCA.

My opinion is not modified in respect of this matter.

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 2026, the Departmental Group held £1,160 million of lease liabilities (Note 6.3), £275 million of right of use assets (Note 6.1) and £842 million of finance lease receivables (Note 6.2) (2025: £1,195 million of lease liabilities, £295 million of right of use assets and £840 million of finance lease receivables).

I treat this as a significant matter as there are judgments and assumptions involved in both the recognition and classification of the leases and the calculation of the associated assets and liabilities. 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 classification, recognition and measurement of lease related transactions and balances;
- reviewing key accounting judgements against the requirements of the financial reporting framework;
- 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, including checking the accuracy of the method applied and data inputs used, and reviewing the appropriateness of key assumptions and management judgements;
- testing a sample of leases to confirm whether all related assets and liabilities had been identified;
- testing samples of income and expenditure transactions related to operating leases; and
- reviewing lease related disclosures

Key observations

I did not identify significant misstatements in the classification, recognition and measurement of lease arrangements and related transactions and balances as a result of the work I have performed.

Valuation of freehold land and buildings

Description of risk

The Departmental Group recognises £1,311 million of land and buildings assets on its consolidated statement of financial position as at 31 March 2026 (£1,335 million as at 31 March 2025). £1,227 million (Note 5) of these assets (£1,250 million as at 31 March 2025) is held within the Government Property Agency (GPA).

The adaptation to IAS 16 within the Government Financial Reporting Manual (FReM) requiring revaluation of property, plant and equipment where its fair value materially differs from its carrying value has been withdrawn in 2025-26. The FReM now requires property assets to be valued using a five-yearly revaluation supplemented by annual indexation, or via a rolling programme of valuations over a five year cycle, with annual indexation applied to assets during the four intervening years. As described in Notes 1.18 and 1.32 to the financial statements, the GPA is however continuing to undertake desktop inspections rather than applying indexation in intervening years between five-yearly physical inspections and the Departmental Group has determined that the difference in policy is not material. External property valuation specialists are engaged to estimate the fair value of its properties.

The valuation of property is a significant estimate in the financial statements and a key source of estimation uncertainty. I treat this as a significant matter for the audit as a reasonable change in the underlying data inputs, assumptions used and valuation methodologies and models applied can have a significant impact on the valuation. Key assumptions and data inputs 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 in-year reclassification and year-end valuations of properties;
- assessing the skills, experience and qualifications of the third-party valuers engaged by the GPA (as management's experts);
- assessing the valuation approach and methodology, drawing in part on the work of a RICS-qualified valuation expert (appointed as auditor's expert);
- testing floor area measurements for a sample of properties;
- using the work of the auditor's valuation expert to test models, key assumptions and other data inputs for a sample of properties;
- assessing the reasonableness of management's impairment review as well as its impact on the valuation of properties; and
- reviewing property related disclosures against the requirements of the financial reporting framework.

Key observations

I did not identify significant misstatements in the valuation of freehold land and buildings as a result of the audit work I have performed.

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	**£161 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 an additional level of materiality has been applied	This materiality has been used to assess the measurement of the Infected Blood Compensation Scheme provision (excluding provisions utilisation) and the related expenditure.
Materiality for Infected Blood Compensation Scheme payments	**£9.9 million**
Basis for determining materiality	0.5% of Infected Blood Compensation Scheme provision 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 an additional level of materiality has been applied	Applicable to compensation payments made for the infected blood compensation scheme.

Departmental group

Additional materiality for transactions, balances and disclosures unrelated to the Infected Blood Compensation Scheme	**£38.9 million**
Basis for determining residual account 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 to users 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.

Department

Materiality for the parent financial statements as a whole	**£38.7 million**
Basis for determining materiality	1% of the value of gross assets
Rationale for the benchmark applied	The Cabinet Office oversees the strategic management of the government estate. Assets are the largest item in the Department's statement of financial position and are considered to be a key focus of users of the account.
Particular classes of transactions, account balances and disclosures where an additional 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	**£15,600**
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% (2024-25: 65%) of the Group materiality for the Infected Blood Compensation Scheme provision related transactions and balances and 75% (2024-25: 75%) of the applicable reduced materiality levels for all other transactions and balances for the 2025-26 audit. The performance materiality of 65% has been set for 2025-26 to recognise the uncertainty associated with the provision for compensation for infected blood and the issues that resulted in my qualified opinion last year. 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

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 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 £71.7m, decreased net liabilities by £54.7m and decreased reserves by £17m.

Audit scope

The scope of my Group audit was determined by obtaining an understanding of the Department and its Group and its 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 £10.3 billion of gross liabilities, £3.9 billion of gross assets and £4.1 billion of gross expenditure.

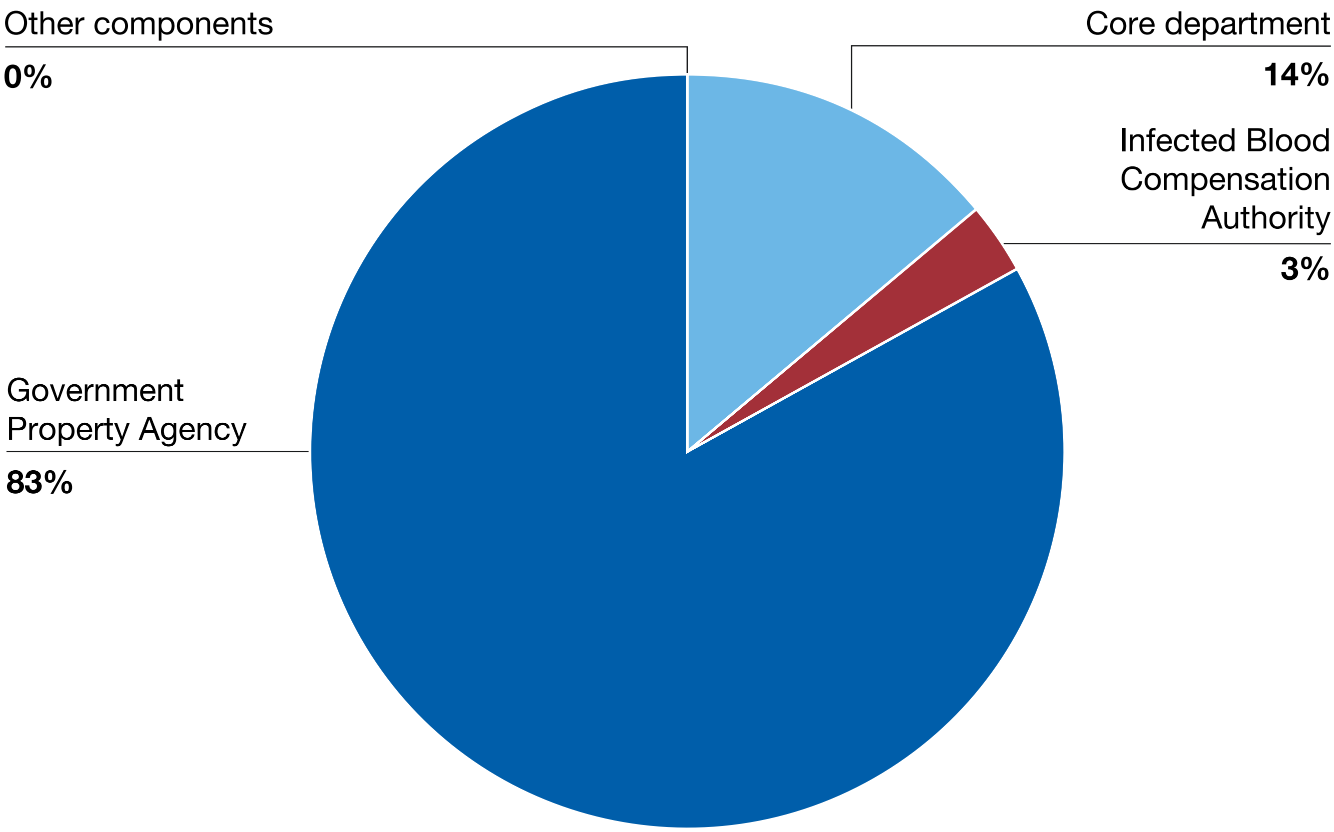
The group's largest transactions and balances include £7.9 billion of liabilities and £1.9 billion gross expenditure for the Infected Blood Compensation provision. Components within the group that have significant transactions and balances are the IBCA, the GPA and the Core department. Other components 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 GPA, and the IBCA. Through these component audits and my audit of the group consolidation, I have obtained assurance over the relevant key audit matters, risks and account areas scoped into the group audit per my risk assessment.

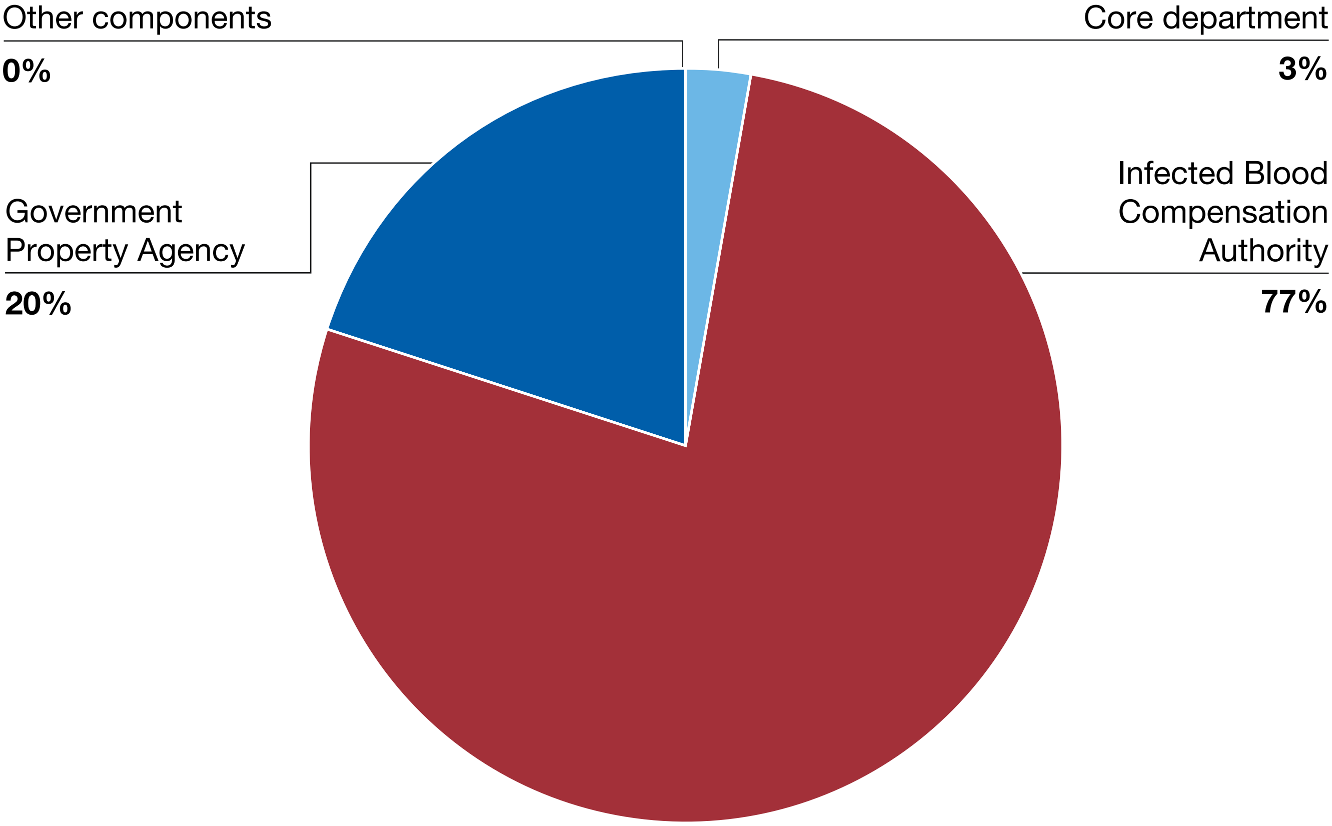
The Statement of Outturn against Parliamentary Supply was audited through reconciliation of all disclosures back to underlying records that were audited. I also assessed the likelihood of management override through procedures seeking to identify any amendments which would avoid a breach of parliamentary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

The audit work performed covered substantially all of the group's assets, liabilities 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.

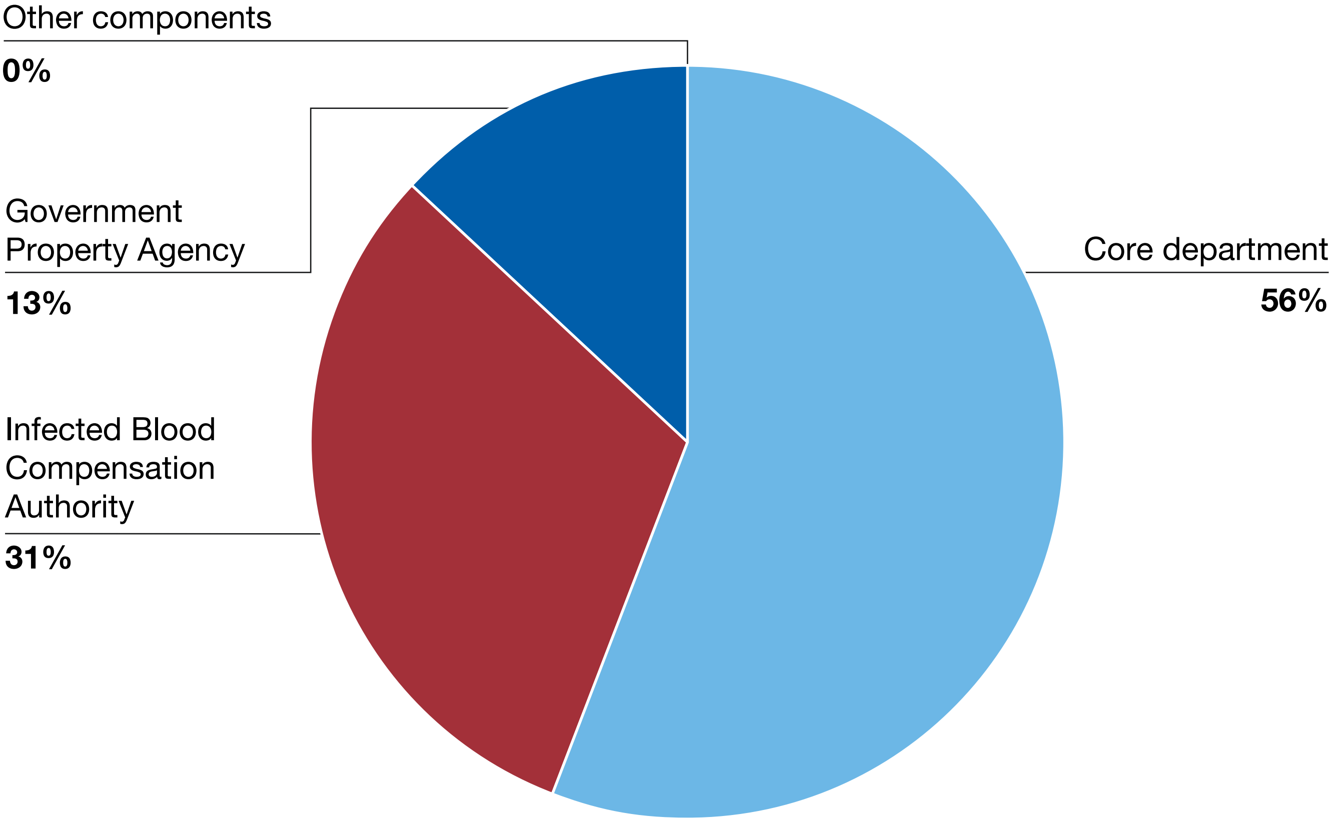
Gross Assets of Individual Components of the Cabinet Office group at 31 March 2026



Gross Liabilities of Individual Components of the Cabinet Office group at 31 March 2026



Gross Expenditure of Individual Components of the Cabinet Office group for the year to 31 March 2026



Other Information

The other information comprises the information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the 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, 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

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.

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

- Adequate accounting records have not been kept by the Department and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- 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 regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

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

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

- considered the nature of the sector, control environment and operational performance including the design of the Department and its Group's accounting policies, key performance indicators and performance incentives.
- 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 and the relevant medical experts, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I obtained an understanding of the Department and Group's framework of authority and other legal and regulatory frameworks in which the Department and Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Department and its Group. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, the Victims and Prisoners Act 2024, The Infected Blood Compensation Scheme Regulations 2025, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2025, employment law and tax legislation.

I considered the risks relating to fraud, non-compliance with laws and regulations and regularity in respect of the Infected Blood Compensation Scheme.

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 operating income transactions to assess the appropriateness of the recognition of income and accuracy of calculations. I also reviewed a sample of accrued income to assess the reasonableness of management's estimates; and
- I tested a sample of transactions from the utilisation of the Infected Blood Compensation Scheme provision to ensure compensation paid during the financial year had been calculated in accordance with the Victims and Prisoners Act 2024 and the applicable Scheme Regulations.

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
11 September 2026

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 Cabinet Office also sets the direction for the whole of the civil service, including on pay and pensions, working closely with the Cabinet Secretary.

I have prepared this report on the 2025-26 annual report and accounts of the Cabinet Office to highlight a matter in respect of the employment contracts and exit payments to Permanent and Cabinet Secretaries across the Civil Service.

Exit payments to Permanent and Cabinet Secretaries

Each government department is led by a Permanent Secretary formally appointed by the Prime Minister. The appointments are managed by the Civil Service Commission, which oversees all civil service recruitment.

The Cabinet Secretary as head of the civil service, provides line management, performance oversight and coordination of Permanent Secretaries across the civil service. The Cabinet Secretary is directly accountable to the Prime Minister.

On 13 February 2026, the former Cabinet Secretary (Sir Chris Wormald) agreed with the former Prime Minister (Sir Keir Starmer) that he would leave his role as Cabinet Secretary. As reported on page 117 of the Cabinet Office's annual report and accounts, the former Cabinet Secretary received an exit package comprising both contractual compensation and discretionary elements negotiated on departure. The Permanent Secretary of the Cabinet Office sought a Ministerial Direction from the Prime Minister in respect of both propriety (given the Cabinet Secretary's role in line management of Permanent Secretaries) and whether the proposed exit package represented value for money. I have reviewed both the evidence to support the exit package and the request for and receipt of a Ministerial Direction. The appropriate approvals have been obtained to ensure the expenditure incurred is regular, and appropriate disclosures are included within these annual report and accounts.

I have, however, observed considerable variation in the size and nature of exit payments made on the departure of Permanent and Cabinet Secretaries. I consider this is an area requiring further review by the Cabinet Office.

Recommendation

I recommend that the Cabinet Office leads a review of both the employment terms and conditions and performance management arrangements of Permanent and Cabinet Secretaries, to reduce the incidence of discretionary extra-contractual elements of payments on departure from these roles. I further recommend that the outcome of this review is shared with HM Treasury and the Chair of the Public Accounts Committee.

Financial statements

Consolidated statement of comprehensive net expenditure

For the year ended 31 March 2026

The CSoCNE summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, including changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

£million		2025-26		2024-25 restated[91]	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Revenue from contracts with customers	4.1	(1,209.6)	(1,171.1)	(1,093.4)	(1,090.2)
Other income	4.1	(0.8)	(1.1)	(5.1)	(5.3)
Non-cash income	4.1	(1.0)	(1.0)	(3.8)	(3.8)
Total operating income		**(1,211.4)**	**(1,173.2)**	**(1,102.3)**	**(1,099.3)**
Staff costs	3.1	802.2	858.1	750.4	775.5
Purchase of goods and services	3.1	957.6	959.0	913.8	925.6
Grant expenditure	3.1	2,222.8	49.0	112.6	7.9
Depreciation, impairment and property gains	3.1	250.5	256.3	240.2	242.6
Provisions and other non-cash costs	3.1	60.5	1,937.3	44.5	8,154.5
Capital grant-in-kind transfers of assets to other government departments	3.1	–	–	144.3	144.3
Total operating expenditure		**4,293.6**	**4,059.7**	**2,205.8**	**10,250.4**
Net operating expenditure		**3,082.2**	**2,886.5**	**1,103.5**	**9,151.1**
Finance income	4.3	(108.7)	(108.7)	(194.2)	(194.2)
Finance expenditure	3.2	93.3	93.5	98.3	98.3
Net finance (income) / expenditure		**(15.4)**	**(15.2)**	**(95.9)**	**(95.9)**
Share of associates' results	9	(0.5)	(0.5)	(0.6)	(0.6)
Fair value (gain) / loss on financial assets – associate put options	9	1.0	1.0	1.1	1.1
Net associates (non-cash)		**0.5**	**0.5**	**0.5**	**0.5**
Net expenditure for the year		**3,067.3**	**2,871.8**	**1,008.1**	**9,055.7**
Other comprehensive income					
Items that will not be reclassified to net operating expenditure:					
Net (gain) / loss on revaluation of:					
– property, plant and equipment	3.1,5	(1.8)	(1.9)	2.3	2.3
– intangible assets	7	(0.5)	(0.5)	(1.7)	(1.7)
– right of use assets	6	(1.1)	(1.1)	0.7	0.7
Actuarial (gain) / loss on pension scheme liabilities	13	–	–	–	(0.1)
Total other comprehensive (income) / expenditure		**(3.4)**	**(3.5)**	**1.3**	**1.2**
Comprehensive net expenditure for the year		**3,063.9**	**2,868.3**	**1,009.4**	**9,056.9**

Notes 1 to 21 form part of these accounts.

91 The prior year comparator figures have been restated due to machinery of government changes and the IBCA prior period adjustment 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 2026

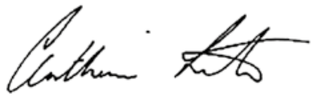
This statement presents the financial position of the department. It comprises three main components: assets owned or controlled, liabilities owed to other bodies, and equity, the remaining value of the entity.

£million		As at 31 March 2026		As at 31 March 2025 restated[92]	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Non-current assets					
Property, plant and equipment	5	1,932.2	1,936.0	1,823.7	1,827.6
Right-of-use assets	6.1	271.9	274.6	290.0	294.8
Investment in sublease and unguaranteed residual value	6.2	691.7	691.7	733.7	733.7
Intangible assets	7	109.6	154.2	106.7	116.0
Other financial assets	9	1.1	1.1	5.2	5.2
Trade and other receivables	11	109.3	109.3	137.2	138.1
Total non-current assets		**3,115.8**	**3,166.9**	**3,096.5**	**3,115.4**
Current assets					
Investment in sublease and unguaranteed residual value	6.2	150.7	150.7	105.8	105.8
Other financial assets	9	1.9	1.9	1.0	1.0
Cash and cash equivalents	10	60.7	117.6	37.0	37.2
Trade and other receivables	11	413.0	406.7	632.1	632.6
Assets classified as held for sale		1.9	1.9	2.9	2.9
Inventories		0.4	0.4	0.5	0.5
Total current assets		**628.6**	**679.2**	**779.3**	**780.0**
Total assets		**3,744.4**	**3,846.1**	**3,875.8**	**3,895.4**
Current liabilities					
Lease liabilities	6.3	(145.4)	(148.9)	(184.7)	(185.0)
Trade and other payables	12	(473.7)	(490.1)	(438.6)	(451.1)
Provisions	13	(52.6)	(2,622.5)	(69.8)	(1,849.7)
Total current liabilities		**(671.7)**	**(3,261.5)**	**(693.1)**	**(2,485.8)**
Total assets less current liabilities		**3,072.7**	**584.6**	**3,182.7**	**1,409.6**

92 The prior year comparator figures have been restated due to machinery of government changes and the IBCA prior period adjustment affecting the department during this financial year. Further details are provided in note 2 to the financial statements.

£million		As at 31 March 2026		As at 31 March 2025 restated[92]	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Non-current liabilities					
Lease liabilities	6.3	(1,012.0)	(1,012.3)	(1,004.7)	(1,010.3)
Trade and other payables	12	(584.1)	(584.1)	(608.8)	(608.8)
Provisions	13	(118.8)	(5,485.1)	(113.4)	(6,384.7)
Total non-current liabilities		**(1,714.9)**	**(7,081.5)**	**(1,726.9)**	**(8,003.8)**
Total assets less total liabilities		**1,357.8**	**(6,496.9)**	**1,455.8**	**(6,594.2)**
Taxpayers' equity and other reserves					
General fund		719.1	(7,135.7)	804.5	(7,245.5)
Revaluation reserve		638.7	638.8	651.3	651.3
Total equity		**1,357.8**	**(6,496.9)**	**1,455.8**	**(6,594.2)**

Notes 1 to 21 form part of these accounts.



Catherine Little CB
Chief Operating Officer for the Civil Service,
Permanent Secretary and Principal Accounting Officer
10 September 2026

Consolidated statement of cash flows

For the year ended 31 March 2026

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.

£million		2025-26		2024-25 restated[93]	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Cash flows from operating activities					
Net operating expenditure	CSoCNE	(3,082.2)	(2,886.5)	(1,103.5)	(9,151.1)
Adjustments for non-cash transactions	3.1, 4.1	310.0	2,192.6	425.2	8,537.6
(Increase) / decrease in trade and other receivables	11	243.7	251.9	(261.8)	(262.6)
Less movements in receivables relating to items not passing through the CSoCNE or related to non-cash costs	3.1, 6.2, 11	(18.0)	(18.0)	6.4	6.3
Capital element of receipts in respect of finance leases		85.6	85.6	96.9	96.9
Increase / (decrease) in trade and other payables	12	(21.4)	(20.0)	(58.7)	(44.0)
Less movements in payables relating to items not passing through the CSoCNE	6.3, 12	32.4	34.5	46.1	40.9
(Increase) / decrease in inventories	SoFP	0.1	0.1	(0.1)	(0.1)
Use of provisions	13	(45.8)	(2,037.7)	(1.3)	(61.3)

93 The prior year comparator figures have been restated due to machinery of government changes and the IBCA prior period adjustment affecting the department during this financial year. Further details are provided in note 2 to the financial statements.

£million		2025-26		2024-25 restated[93]	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Net cash inflow / (outflow) from operating activities		**(2,495.6)**	**(2,397.5)**	**(850.8)**	**(837.4)**
Cash flows from investing activities					
Purchase of non-financial assets – property, plant and equipment and intangible assets	5, 7	(321.7)	(360.2)	(272.2)	(285.4)
Proceeds from disposal of non-financial assets	5	0.9	0.9	–	–
Proceeds from financial assets – dividends received from associates	9	0.4	0.4	0.8	0.8
Proceeds from financial assets – repayment received on loans to public bodies and individuals	9	0.4	0.4	1.1	1.1
Movement in capital accruals		2.3	2.2	(17.5)	(17.3)
Net cash inflow / (outflow) from investing activities		**(317.7)**	**(356.3)**	**(287.8)**	**(300.8)**
Cash flows from financing activities					
From the Consolidated Fund (supply) – current year	CSoCTE	2,991.4	2,991.4	1,267.5	1,267.5
From the Consolidated Fund (supply) – in respect of machinery of government transfer of function	2	–	–	(34.6)	(34.6)
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	(144.2)	(146.6)	(110.8)	(111.0)
Capital element of payments in respect of PFI contracts	CSoCNE	(38.9)	(38.9)	(34.5)	(34.5)
Interest income	4.3	52.6	52.6	33.2	33.2

£million		2025-26		2024-25 restated[93]	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Dividend received from Crown Commercial Service	4.3	56.0	56.0	161.0	161.0
Interest expense	3.2	(76.9)	(77.0)	(75.6)	(75.7)
Net financing		**2,840.0**	**2,837.5**	**1,206.2**	**1,205.9**
Net increase / (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		**26.7**	**83.7**	**67.6**	**67.7**
Payment of amounts due to the Consolidated Fund – consultant lobbyists' registration fees	SOPS 4	–	(0.3)	–	(0.2)
Payments of amounts due to the Consolidated Fund	SOPS 4	(3.0)	(3.0)	(71.0)	(71.0)
Net increase / (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		**23.7**	**80.4**	**(3.4)**	**(3.5)**
Cash and cash equivalents at the beginning of the period	10	**37.0**	**37.2**	**40.4**	**40.7**
Cash and cash equivalents at the end of the period	10	**60.7**	**117.6**	**37.0**	**37.2**

Notes 1 to 21 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' (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 2026

£million		General fund	Revaluation reserve	Taxpayers' equity
	Note	Core department and agency	Core department and agency	Core department and agency
Balance at 31 March 2024		**631.8**	**667.2**	**1,299.0**
Amounts relating to machinery of government transfer of function		(0.7)	–	(0.7)
Restated balance at 1 April 2024		**631.1**	**667.2**	**1,298.3**
Net parliamentary funding – drawn down		1,267.5	–	1,267.5
Net parliamentary funding – deemed		40.2		40.2
Supply payable adjustment	12	(33.8)		(33.8)
Amounts relating to machinery of government transfer of function (adjustment to supply drawn down)	2	(34.6)	–	(34.6)
Restated net expenditure for the year	CSoCNE	(1,008.1)	–	(1,008.1)
Cash surrendered to the Consolidated Fund	4.1, SOPS 4	(74.0)	–	(74.0)
Non-cash charges – auditors' remuneration	3.1	1.3		1.3
Other reserves movements including transfers		14.9	(15.9)	(1.0)
Restated balance at 31 March 2025		**804.5**	**651.3**	**1,455.8**
Restated balance at 1 April 2025		**804.5**	**651.3**	**1,455.8**
Net parliamentary funding – drawn down		2,991.4	–	2,991.4
Net parliamentary funding – deemed		33.8		33.8
Supply payable adjustment	12	(60.5)		(60.5)
Net expenditure for the year	CSoCNE	(3,067.3)	–	(3,067.3)
Cash surrendered to the Consolidated Fund	4.1, SOPS 4	–	–	–
Non-cash charges – auditors' remuneration	3.1	1.4	–	1.4
Other reserves movements including transfers		15.8	(12.6)	3.2
Balance at 31 March 2026		**719.1**	**638.7**	**1,357.8**

Notes 1 to 21 form part of these accounts.

Departmental group for the year ended 31 March 2026

£million	Note	General fund Departmental group	Revaluation reserve Departmental group	Taxpayers' equity Departmental group
Balance at 31 March 2024		**629.6**	**667.2**	**1,296.8**
Amounts relating to machinery of government transfer of function		(0.7)	–	(0.7)
Restated balance at 1 April 2024		**628.9**	**667.2**	**1,296.1**
Net parliamentary funding – drawn down		1,267.5	–	1,267.5
Net parliamentary funding – deemed		40.2		40.2
Supply payable adjustment	12	(33.8)		(33.8)
Amounts relating to machinery of government transfer of function (adjustment to supply drawn down)	2	(34.6)	–	(34.6)
Restated net expenditure for the year	CSoCNE	(9,055.7)	–	(9,055.7)
Cash surrendered to the Consolidated Fund	4.1, SOPS 4	(74.2)	–	(74.2)
Non-cash charges – auditors' remuneration	3.1	1.3	–	1.3
Other reserves movements including transfers		14.9	(15.9)	(1.0)
Restated Balance at 31 March 2025		**(7,245.5)**	**651.3**	**(6,594.2)**
Restated Balance at 1 April 2025		**(7,245.5)**	**651.3**	**(6,594.2)**
Net parliamentary funding – drawn down		2,991.4	–	2,991.4
Net parliamentary funding – deemed		33.8	–	33.8
Supply payable adjustment	12	(60.5)	–	(60.5)
Net expenditure for the year	CSoCNE	(2,871.8)	–	(2,871.8)
Cash surrendered to the Consolidated Fund	4.1, SOPS 4	(0.3)	–	(0.3)
Non-cash charges – auditors' remuneration	3.1	1.4	–	1.4
Other reserves movements including transfers		15.8	(12.5)	3.3
Balance at 31 March 2026		**(7,135.7)**	**638.8**	**(6,496.9)**

Notes 1 to 21 form part of these accounts.

Notes to the consolidated financial statements

1. Accounting policies, key accounting estimates and judgements

1.1. Statement of accounting policies

In accordance with the direction received from HM Treasury under the Government Resources and Accounts Act 2000, these financial statements have been prepared in accordance with the Government Financial Reporting Manual 2025 to 2026 (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply IFRS as adapted or interpreted for the public sector context, taking account of the designation of those entities to be included within the consolidated departmental group as determined by statutory instrument 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 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 2025 to 2026 issued by HM Treasury. A list of all those entities within the departmental boundary is given at note 20.

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.

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 2026 to 2027 in the central government main supply estimates 2026 to 2027 (HC 1855).

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

The GPA is ‘supply-financed’ by the Cabinet Office and invoices property costs to the tenant occupiers.

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 transfers of function. There were three changes in 2025 to 2026. See note 2 for further details.

Machinery of government changes, which involve the transfer of functions or responsibilities between two or more government departments, are accounted for as a business combination using merger accounting principles in accordance with the FReM.

Accordingly, the results, balances and cash flows relating to 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. Changes in accounting policy and disclosures

‘IFRS 17: Insurance Contracts’

‘IFRS 17: Insurance Contracts’ replaces ‘IFRS 4: Insurance Contracts’ and has been included in the FReM for mandatory implementation from 1 April 2025. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this standard.

At 31 March 2025, the department accounted for three historic indemnities as insurance contracts under IFRS 4. As the likelihood of a material outflow of economic resources regarding these indemnities was assessed as remote or unquantifiable, they were held on the CSoFP with a carrying liability of £0.

Following the mandatory adoption of IFRS 17, management has reassessed the contractual terms and economic substance of these three indemnities against the standard’s scoping criteria. Management has concluded that these arrangements are not in scope of IFRS 17. Given that the insurance liability previously recognised under IFRS 4 was £nil, the financial impact of the adoption of IFRS 17 for the department is £nil.

Non-investment asset valuations

The following changes to the valuation and accounting of non-investment assets is included in the 2025 to 2026 FReM for mandatory implementation.

References to assets being held for their ‘service potential’ and the terms ‘specialised’ assets and ‘non-specialised’ assets have been 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 at the existing use value.

An adaption to IAS 16 has been 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 five-yearly revaluation supplemented by annual indexation
- a rolling programme of valuations over a five-year cycle, with annual indexation applied to assets during the four intervening years
- for non-property assets only, appropriate indices
- in rare circumstances where an index is not available, a five-yearly revaluation supplemented by a desktop revaluation in year three

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.

Accounting policies for expenditure

1.7. Employee benefits

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.

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 cash payments are made to the Civil Service Commission and the Office of the Registrar of Consultant Lobbyists. 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.

During the reporting period, IBCA opened a bank account with the Government Banking Service and held cash for the first time. For 2025 to 2026, IBCA's grant-in-aid comprises both cash and notional grant-in-aid

The Queen Elizabeth II endowment grant provided £40 million from the Cabinet Office to the Queen Elizabeth Trust to fund the Queen Elizabeth II legacy programme. The grant is to be used for the administration and award of capital grants for community projects. The Queen Elizabeth Trust operates as an independent charity with investment discretion, subject to oversight and clawback by the Cabinet Office's propriety and ethics division.

1.10. Operating leases

The Cabinet Office accounts for leases in accordance with IFRS 16. Further details can be found in note 1.24 and note 6. 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 'International Financial Reporting Interpretations Committee (IFRIC) 12: Service Concession Arrangements' and the applicable contractual terms.

Accounting policies for income

1.12. Revenue from contracts with customers

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 sub-leases	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

The department generally measures revenue by reference to resources consumed in satisfying a performance obligation and operates various cost recovery models. Most of the department's performance obligations relate to services satisfied over time – see note 4.

Rental and non-rental income from operating leases

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

The GPA typically satisfies performance obligations as services are rendered.

Income from rent, rates and additional property services from lease arrangements with clients which provide for the recovery of the operating expenses incurred by the department as well as management fees based on the GPA charging policy. 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.

Additional property and 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.

Gainshare income is recognised where the department achieves savings on behalf of clients through commercial advisory work such as service charge challenges. Income is recognised when the amount can be reliably measured and it is probable that future economic benefits will flow to the department.

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 representing excess funds from liquidations managed on behalf of the department. As all recoveries must be returned to the Consolidated Fund, income due is recognised as a financial asset (receivable) measured at Fair Value Through Profit or Loss (FVTPL). To eliminate an accounting mismatch, the corresponding liability due to the Consolidated Fund is also designated and measured at FVTPL at an identical value to mirror the performance of the underlying asset.

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 relating to public dividend capital 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. Further details can be found in note 4.3.

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 are valued in line with their existing use value 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.

Under the FReM update, described in note 1.6, the Cabinet Office is permitted to continue with its current revaluation cycle, applying indexation in the intervening years. The GPA will continue to apply desktop valuations in the intervening years rather than indexation. The department has determined that the impact of this difference in accounting policies across the group is not material.

Specialised assets – The FReM update described in note 1.6 removes the distinction between specialised and non-specialised assets.

At the last property valuations, some specialised assets were identified due to the FReM update, these separate assets will remain on the books until the next valuation when they will be subsumed into the overall valuation of the property.

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. The last valuation was performed by Townley Valuations Limited in March 2023.

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

1.19. Donated assets

Donated properties

Donated properties 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 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 valued at the lower of depreciated replacement cost and value in use.

The FReM update, described in note 1.6, has clarified the revaluation process for intangible assets. The option to apply the revaluation model under IAS 38 has been withdrawn. The revalued cost at 1 April 2025 is the deemed historic cost and no further indexation or other revaluation methodologies are applied to intangible assets from this date. However, a revaluation of £0.5m has been recognised in 2025 to 2026 due to the correction of an immaterial error in 2024 to 2025 when this revaluation should have been recognised.

The department has determined that all intangible reserve balances will remain as such until the date that those underlying assets are retired, at which point those revaluation reserves will be transferred to the general fund.

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 initially within the following ranges:

Freehold buildings, including residential dwellings and incorporating security adaptations	10 to 50 years
Leasehold building improvements	10 to 25 years or remaining lease term if shorter
Information technology – hardware	3 to 7 years
Plant, machinery and vehicles	3 to 20 years
Furniture and fittings	3 to 10 years
IT software	3 to 5 years
Website	3 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 annually or 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 majority of the departmental group, is £5,000.

The EHRC has a capitalisation threshold for expenditure on property, plant and equipment of £3,000. These differences in recognition criteria have been assessed to have an immaterial impact on the net book value of property, plant and equipment reported by the departmental group.

Where an item costs less than the capitalisation threshold but forms part of an asset whose total value is greater than the capitalisation threshold, the item is grouped and treated as a capital asset.

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.

Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises the present value of unavoidable future lease payments, adjusted for any initial direct costs, prepayments or incentives and an estimate of any repair or restoration costs. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Depreciation expenditure is recorded in the CSoCNE.

Right-of-use assets are subsequently measured at fair value, with depreciated cost being used as a proxy for fair value in the vast majority of cases.

For a small portion of property leases, amortised cost is assessed to not be an appropriate proxy for fair value, for example in the case of long leases with peppercorn rents. These leases are subject to professional valuation in accordance with current RICS valuation standards.

Right-of-use assets are tested for impairment in accordance with 'IAS 36: Impairment of Assets'.

Lease liabilities

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

The measurement of lease payments excludes any VAT payable, and irrecoverable VAT is expensed at the point it falls due in line with 'IFRIC 21: Levies'.

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.

The lease term comprises the non-cancellable period specified in the lease agreement. However, if the Cabinet Office is reasonably certain to exercise a break clause, the lease term shall be adjusted to reflect the period from the commencement date to the effective break date.

For leases involving commercial third-party landlords, the Cabinet Office recognises the commencement date as the date of formal lease execution or signature, as commercial practice typically prohibits possession or control of a property until an agreement is finalised.

For occupations involving other government departments or Crown bodies, which are generally governed by a Memorandum of Terms of Occupation, the Cabinet Office recognises the right-of-use asset from the commencement date which is the date of physical occupation.

A holding over lease is defined as a lease which has reached expiry, but the Cabinet Office is still in occupation. If a decision has been made to extend, the Cabinet Office applies the anticipated new head lease term, ensuring that the lease remains in scope of IFRS 16.

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) is 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.

Where the Cabinet Office enters into a sub-lease, the commencement date of the lease is the date on which the Cabinet Office makes an underlying asset available for use by the lessee.

GPA 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. Full details can be found in the GPA annual report and accounts.

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

Financial assets are recognised when the department becomes a party to the contractual provisions of the instrument.

At initial recognition, financial assets are measured at fair value, with the exception of trade receivables that do not contain a significant financing component, which are recognised at their transaction price. Following initial recognition, the department determines the classification of its financial assets based on the business model for managing the assets and their contractual cash flow characteristics.

Financial assets are classified at amortised cost if they are held within a business model to collect contractual cash flows, and those cash flows are solely payments of principal and interest. All other financial assets are measured at fair value through profit or loss.

Reclassification of financial assets occurs when, and only when, the business model for managing those assets changes. 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 2025 audited financial statements were used and adjustments were made for the effects of transactions between 1 July 2025 and 31 March 2026.

The value of the Cabinet Office's investment in the associate is not material and is presented in note 9 along with other financial assets recognised in accordance with IFRS 9.

Put option arrangements

The department holds a put option over the equity of its investment in its associate, which allows the department to put its shareholdings to the other shareholder at their fair value over a specified period.

The amount that may become receivable under the option on exercise is initially recognised at fair value through profit or loss, and is subject to remeasurement to fair value at the end of each reporting period.

The value of the Cabinet Office's investment in the associate is not material and is presented in note 9 along with other financial assets recognised in accordance with IFRS 9.

Investments in public bodies

Public dividend capital is shown at historical cost, less any impairment in accordance with the FReM IFRS 9 interpretations. 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 finance income.

Loans to public bodies and individuals

The department has entered into below market rate of interest loan arrangements with local authorities in relation to the one public estate programme and individuals impacted by delays to pension payments. These loans have been classified as financial assets measured at amortised cost in accordance with IFRS 9. See note 9.

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 FReM, the Cabinet Office applies the simplified approach to measure lifetime expected credit losses for trade and other receivables.

To estimate these expected credit losses, the department utilises a provision matrix that groups receivables by sector (such as private and wider public sector bodies). The matrix calculates expected losses by factoring in the age of the debt and historical write-off experience, which is then adjusted to reflect current conditions and forward-looking macroeconomic factors.

Impairments of trade and other receivables are shown in note 8.

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 HMRC in respect of VAT is included within receivables and payables in the CSoFP, respectively.

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

1.30. 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 13.

Infected blood compensation provision

A provision is made to recognise a liability for compensation payable to people infected and affected by HIV, hepatitis B and hepatitis 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. See note 1.32 and note 13 for more information about the judgements made in arriving at the provision.

Compensation payment errors

In the event that an error relating to payments of compensation is identified, it is recognised as an increase or reduction of the utilisation of provision and a payable or receivable in the CSoFP. Any amounts deemed to be irrecoverable are disclosed and reported in line with Managing Public Money and the FReM guidance on losses and special payments. Amounts are initially measured at cost, which is deemed to be materially equivalent to fair value, and subsequently measured at amortised cost. Where relevant, recoverable amounts are valued under the expected credit loss model set out in IFRS 9.

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 on 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.

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.

Transfer of assets between other government departments

The transfer of assets and programmes to the department are assessed for recognition and application in accordance with the FReM and other frameworks covering all such transfers.

Where it can be demonstrated that a 'transfer of function' has taken place within a departmental group, the transfer has been applied as transfer by absorption, with net assets being brought onto the accounts at carrying value from the date of transfer and recognition of a non-operating gain (or loss) on transfer.

Where individual assets, such as freehold property, 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 recognised in the SoCNE. This treatment aligns with that applied in 'IAS 20: Accounting for Government Grants and Disclosure of Government Assistance' to assets funded by way of grant, where assets are transferred for nil consideration and considered to be donated assets in kind.

Freehold property 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 FReM.

Property valuations

Freehold properties held by the core department and the GPA are shown at fair value, as calculated by independent qualified valuation experts every five years. Each property is revalued on a rotational basis on a five-year cycle, commencing at the point of acquisition or onboarding into the GPA.

Valuations are based on a number of key assumptions, including an estimate of future rental income, anticipated future costs and a discount rate. The valuers also compare their valuations to market data for other similar assets in accordance with relevant RICS guidance.

In the intervening years, if material, changes in fair value are determined by reference to desktop valuation exercises undertaken by independent qualified valuation experts without re-inspection, or by reference to published indices reflecting current prices on an active market for similar property.

Properties are valued primarily using the existing use value approach and estimated using the investment method. Key inputs and assumptions are the floor areas, estimated market rent and yield.

Specialised properties are carried at depreciated replacement cost to a modern equivalent basis in accordance with the Red Book, adjusted for functional obsolescence. A property is considered specialised if it is rarely, if ever, sold in the market due to the uniqueness arising from its specialised nature and design, its configuration, size, location or otherwise.

Valuations are prepared based on level 2 inputs – inputs that can be corroborated by observable market data – as per the 'IFRS 13: Fair Value Measurement' hierarchy of inputs. In preparing these valuations, consideration is given also to some level 3 unobservable inputs, rent-free periods and other inducements, and interpretation of observable rents and yields which can be applied to the subject property.

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 £128 million.

The GPA's net valuation losses for 2025 to 2026 totalled £71.2 million (6 per cent of net book value). Approximately 9 per cent of the loss (£6.5 million) has been absorbed by the Revaluation Reserve, it being offset against revaluation gains recorded in previous financial years. The remaining 91 per cent (£64.7 million) has been expensed.

£19.4 million of the total revaluation losses have arisen due to functional obsolescence being considered in Depreciated Replacement Cost valuations. Voids within these buildings have resulted in smaller modern equivalent assets and hence lower replacement costs.

£23.3 million of the total revaluation losses have stemmed from the first valuation of a Whitehall building following major refurbishment. It is common for not all of the cost of capital works to improve building condition and extend economic life adding value to the asset.

The two main drivers for valuation losses across the estate are the uncertainty of the impact of wars in the Middle East and Ukraine, and the still relatively high 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.

The Cabinet Office cannot ordinarily determine the implicit rate of interest inherent within its leases and uses the government incremental borrowing rate set by HM Treasury. For leases that commenced or are remeasured on or after 1 January 2026, the HM Treasury discount rate is 5.32%. For leases that commenced or are remeasured during the period 1 January 2025 to 31 December 2025, the HM Treasury discount rate is 4.81%.

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

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

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

Where a lease is assessed as a finance lease, the GPA values its associated lease receivable asset using the interest rate implicit in the lease.

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

Leasehold improvements

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

If the majority of the improved property is occupied by a sole tenant and the occupant's tenancy is for the life of the head lease, then the tenant is deemed to be in receipt of economic benefit. Therefore, the asset continues to be recognised by the tenant rather than the GPA.

Where the improvements are deemed to be for the benefit of all tenants, the life of those improvements extends past individual tenancies, and the cost is collected via increased rent payments, the GPA recognises the leasehold improvements within property, plant and equipment.

Provisions for dilapidations

Dilapidation provisions reflect the best estimate of the costs to settle property reinstatement obligations. A significant uncertainty is the landlord's future intentions. However, the department assumes a dilapidation claim will be made for every relevant building and makes no reduction for potential non-claims. Where space is sublet, a corresponding receivable is recognised. Any variance when the liability crystallises is taken to the CSoCNE for finance sub-leases, or capitalised in the right-of-use asset for operating sub-leases.

Valuations follow a strict cycle to ensure accuracy over time. Each individual property dilapidation provision is subject to a desktop valuation every five years. In the intervening years, these valuations are updated using the RICS Building Cost Information Service Tender Price Index to maintain current prices, and a physical valuation is ultimately obtained within two years of a planned building exit. At 31 March 2026, 97% (£137.2 million) of the total provision was based on desktop valuations. These typically apply an average rate of £323 per square metre, which comprehensively covers full internal reinstatement, professional fees and a contingency element. The GPA utilises expert property advice to adjust this standard rate for specific properties based on factors such as building complexity, age, location, historic listings, or specific fit-out requirements like Category B installations.

A £10 increase or decrease to the standard £323 per square metre rate used in the desktop valuations would result in a corresponding change to the total provision of approximately £13.5 million.

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 organised into groups. These groups are:

- living infected people registered with an existing Infected Blood Support Scheme (IBSS)
- living infected people not yet compensated (those 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 population characteristics and 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. 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 13 of these accounts, together with a sensitivity analysis outlining the impact of a change in those assumptions.

Infected Blood Support Scheme

The Infected Blood Compensation Scheme Regulations 2025, which came into force on 31 March 2025, make provisions for the transfer to IBCA of support schemes currently administered by the Department of Health and Social Care in England and the devolved governments in the other nations of the UK. The dates on which each of the devolved nations' schemes will transfer to IBCA are as follows:

- England Infected Blood Support Scheme: 23 March 2027
- Wales Infected Blood Support Scheme: 15 January 2027
- Scottish Infected Blood Support Scheme: 1 February 2027
- Infected Blood Payment Scheme Northern Ireland: 1 February 2027

IBCA recognises the projected cost of making ongoing support payments beyond the date of transfer, with the Department of Health and Social Care recognising a constructive obligation on 31 March 2026 to make support payments until the date of legal transfer. After this date, IBCA will continue payments. Those eligible to receive support payments and subsequent compensation have an option to continue to receive support payments or to receive a lump sum.

1.33. Impending application of newly issued accounting standards not yet effective

'IFRS 18: Presentation and Disclosure in Financial Statements'

IFRS 18 will replace 'IAS 1: Presentation of Financial Statements' and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 18 on the public sector is still being assessed, and a decision has not yet been taken on an implementation date.

Impact
The Cabinet Office awaits further instruction from HM Treasury on how government will implement this new standard.

'IFRS 19: Subsidiaries Without Public Accountability: Disclosures'

IFRS 19 allows eligible subsidiaries to apply IFRS accounting standards with reduced disclosure requirements, and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 19 on the public sector is still being assessed, and a decision has not yet been taken on an implementation date.

Impact
There will be no impact on the Cabinet Office group.

2. Restatement of prior year comparatives

Machinery of government changes

In 2025 to 2026, the Cabinet Office was affected by the following three machinery of government changes:

Entity	Exporting department	Importing department
Infrastructure and Projects Authority	Cabinet Office	HM Treasury
Cyber security	Cabinet Office	Department for Science, Innovation and Technology
Digital ID	Department for Science, Innovation and Technology	Cabinet Office

Infrastructure and Projects Authority

In a Prime Ministerial statement on 17 January 2025, it was announced that responsibility for all Infrastructure and Projects Authority functions and related project delivery expertise, including assurance of the government's major projects portfolio, would be transferred from the Cabinet Office to HM Treasury from 1 April 2025.

Cyber security

The cyber security machinery of government transfer was announced in a Prime Ministerial statement on 3 June 2025, taking effect immediately. Responsibility for government and public sector cyber security moved from the Cabinet Office to the Department for Science, Innovation and Technology. This change allows the strengthening of technology resilience and policymaking across the public sector, by better integrating cyber security responsibilities and expertise into the Government Digital Service.

Digital ID

On 23 October 2025, the government announced a machinery of government change, transferring overall responsibility of the new digital identity scheme to the Cabinet Office from the Department for Science, Innovation and Technology. This includes policy development, legislation and strategic oversight.

The Cabinet Office will work alongside the Department for Science, Innovation and Technology, who will be responsible for the technical design, build and delivery. This was effective immediately.

As this was a new stream of work, no prior year balances were required to be restated.

Reclassifications

Balances that were previously classified as internal sales and internal expenditure have been reclassified as income and external expenditure. This is due to the machinery of government transfers mentioned above.

Reclassifications also include the separate presentation of the capital element of receipts in respect of finance leases within cash flows from operating activities due to this being a material balance. A reclassification has also occurred from interest expense to the capital element of payments in respect of PFI contracts within cash flows from financing activities in accordance with the true nature of the cash flow.

A reclassification has also been made to remove the prior year deemed supply from financing activities, with a corresponding movement in payables relating to items not passing through the CSoCNE within operating activities. This adjustment ensures the statement accurately reflects in-year cash movements, recognising that the associated funds were already held at the start of the financial year and do not constitute a new cash flow.

IBCA prior period adjustments

For 2025 to 2026, IBCA has restated its prior period accounting in respect of the compensation provision to individuals affected by the infected blood scandal. IBCA has incorporated additional information within its provision calculation and has determined that this information was available at the date the prior year accounts were authorised for issue, resulting in an accounting error. In accordance with IAS 8, this error has been corrected retrospectively.

Since the restatement does not affect the opening balance of the preceding period, balances at 1 April 2024 are not presented in the financial statements.

2.1. Restated consolidated statement of comprehensive net expenditure

Departmental core and agency for the year ended 31 March 2025

£million	2024-25 published accounts	CYBER MOG out[94]	IPA MOG out[95]	Reclassification	2024-25 restated accounts
Revenue from contracts with customers	(1,094.7)	–	2.6	(1.3)	(1,093.4)
Other income	(5.1)	–	–	–	(5.1)
Non-cash income	(3.8)	–	–	–	(3.8)
Total operating income	**(1,103.6)**	**–**	**2.6**	**(1.3)**	**(1,102.3)**
Staff costs	779.8	(5.0)	(24.4)	–	750.4
Purchase of goods and services	922.0	(5.0)	(4.5)	1.3	913.8
Grant expenditure	112.6	–	–	–	112.6
Depreciation, impairment and property gains	240.2	–	–	–	240.2
Provisions and other non-cash costs	44.5	–	–	–	44.5
Capital grant-in-kind transfers of assets to other government departments	144.3	–	–	–	144.3
Total operating expenditure	**2,243.4**	**(10.0)**	**(28.9)**	**1.3**	**2,205.8**
Net operating expenditure	**1,139.8**	**(10.0)**	**(26.3)**	**–**	**1,103.5**
Finance income	(194.2)	–	–	–	(194.2)
Finance expenditure	98.3	–	–	–	98.3
Net finance (income) / expenditure	**(95.9)**	**–**	**–**	**–**	**(95.9)**
Share of associates' results	(0.6)	–	–	–	(0.6)
Fair value (gain) / loss on financial assets – associate put options	1.1	–	–	–	1.1
Net associates (non-cash)	**0.5**	**–**	**–**	**–**	**0.5**
Net expenditure for the year	**1,044.4**	**(10.0)**	**(26.3)**	**–**	**1,008.1**
Other comprehensive income					
Items that will not be reclassified to net operating expenditure:					
Net (gain) / loss on revaluation of:					
– property, plant and equipment	2.3	–	–	–	2.3
– intangible assets	(1.7)	–	–	–	(1.7)
– Right of Use assets	0.7	–	–	–	0.7
Actuarial (gain) / loss on pension scheme liabilities	-	–	–	–	–
Total other comprehensive (income) / expenditure	**1.3**	**–**	**–**	**–**	**1.3**
Comprehensive net expenditure for the year	**1,045.7**	**(10.0)**	**(26.3)**	**–**	**1,009.4**

94 MOG: machinery of government.

95 IPA: Infrastructure and Projects Authority.

Departmental group for the year ended 31 March 2025

£million	2024-25 published accounts	CYBER MOG out	IPA MOG out	Reclassification	IBCA prior period adjustment	2024-25 restated accounts
Revenue from contracts with customers	(1,091.5)	–	2.6	(1.3)	–	(1,090.2)
Other income	(5.3)	–	–	–	–	(5.3)
Non-cash income	(3.8)	–	–	–	–	(3.8)
Total operating income	**(1,100.6)**	**–**	**2.6**	**(1.3)**	**–**	**(1,099.3)**
Staff costs	804.9	(5.0)	(24.4)	–	–	775.5
Purchase of goods and services	933.8	(5.0)	(4.5)	1.3	–	925.6
Grant expenditure	7.9	–	–	–	–	7.9
Depreciation, impairment and property gains	242.6	–	–	–	–	242.6
Provisions and other non-cash costs	9,686.5	–	–	–	(1,532.0)	8,154.5
Capital grant-in-kind transfers of assets to other government departments	144.3	–	–	–	–	144.3
Total operating expenditure	**11,820.0**	**(10.0)**	**(28.9)**	**1.3**	**(1,532.0)**	**10,250.4**
Net operating expenditure	**10,719.4**	**(10.0)**	**(26.3)**	**–**	**(1,532.0)**	**9,151.1**
Finance income	(194.2)	–	–	–	–	(194.2)
Finance expenditure	98.3	–	–	–	–	98.3
Net finance (income) / expenditure	**(95.9)**	**–**	**–**	**–**	**–**	**(95.9)**
Share of associates' results	(0.6)	–	–	–	–	(0.6)
Fair value (gain) / loss on financial assets – associate put options	1.1	–	–	–	–	1.1
Net associates (non-cash)	**0.5**	**–**	**–**	**–**	**–**	**0.5**
Net expenditure for the year	**10,624.0**	**(10.0)**	**(26.3)**	**–**	**(1,532.0)**	**9,055.7**

£million	2024-25 published accounts	CYBER MOG out	IPA MOG out	Reclassification	IBCA prior period adjustment	2024-25 restated accounts
Other comprehensive income						
Items that will not be reclassified to net operating expenditure:						
Net (gain) / loss on revaluation of:						
– property, plant and equipment	2.3	–	–	–	–	2.3
– intangible assets	(1.7)	–	–	–	–	(1.7)
– right of use assets	0.7	–	–	–	–	0.7
Actuarial (gain) / loss on pension scheme liabilities	(0.1)	–	–	–	–	(0.1)
Total other comprehensive (income) / expenditure	**1.2**	**–**	**–**	**–**	**–**	**1.2**
Comprehensive net expenditure for the year	**10,625.2**	**(10.0)**	**(26.3)**	**–**	**(1,532.0)**	**9,056.9**

2.2. Restated consolidated statement of financial position

Departmental core and agency as at 31 March 2025

£million	2024-25 published accounts	CYBER MOG out	IPA MOG out	Reclassification	2024-25 restated accounts
Non-current assets					
Property, plant and equipment	1,823.7	–	–	–	1,823.7
Right-of-use assets	290.0	–	–	–	290.0
Investment in sublease and unguaranteed residual value	733.7	–	–	–	733.7
Intangible assets	107.4	–	(0.7)	–	106.7
Other financial assets	5.2	–	–	–	5.2
Trade and other receivables	137.2	–	–	–	137.2
Total non-current assets	**3,097.2**	**–**	**(0.7)**	**–**	**3,096.5**
Current assets					
Investment in sublease and unguaranteed residual value	105.8	–	–	–	105.8
Other financial assets	1.0	–	–	–	1.0
Cash and cash equivalents	37.0	–	–	–	37.0
Trade and other receivables	631.0	(0.1)	1.2	–	632.1
Assets classified as held for sale	2.9	–	–	–	2.9

£million	2024-25 published accounts	CYBER MOG out	IPA MOG out	Reclassification	2024-25 restated accounts
Inventories	0.5	–	–	–	0.5
Total current assets	**778.2**	**(0.1)**	**1.2**	**–**	**779.3**
Total assets	**3,875.4**	**(0.1)**	**0.5**	**–**	**3,875.8**
Current liabilities					
Lease liabilities	(184.7)	–	–	–	(184.7)
Trade and other payables	(439.3)	0.7	–	–	(438.6)
Provisions	(69.8)	–	–	–	(69.8)
Total current liabilities	**(693.8)**	**0.7**	**–**	**–**	**(693.1)**
Total assets less current liabilities	**3,181.6**	**0.6**	**0.5**	**–**	**3,182.7**
Non-current liabilities					
Lease liabilities	(1,004.7)	–	–	–	(1,004.7)
Trade and other payables	(608.8)	–	–	–	(608.8)
Provisions	(113.4)	–	–	–	(113.4)
Total non-current liabilities	**(1,726.9)**	**–**	**–**	**–**	**(1,726.9)**
Total assets less total liabilities	**1,454.7**	**0.6**	**0.5**	**–**	**1,455.8**
Taxpayers' equity and other reserves					
General fund	803.4	0.6	0.5	–	804.5
Revaluation reserve	651.3	–	–	–	651.3
Total equity	**1,454.7**	**0.6**	**0.5**	**–**	**1,455.8**

Departmental group as at 31 March 2025

£million	2024-25 published accounts	CYBER MOG out	IPA MOG out	Reclassification	IBCA Prior Period Adjustment	2024-25 restated accounts
Non-current assets						
Property, plant and equipment	1,827.6	–	–	–	–	1,827.6
Right-of-use assets	294.8	–	–	–	–	294.8
Investment in sublease and unguaranteed residual value	733.7	–	–	–	–	733.7
Intangible assets	116.7	–	(0.7)	–	–	116.0
Other financial assets	5.2	–	–	–	–	5.2
Trade and other receivables	138.1	–	–	–	–	138.1
Total non-current assets	**3,116.1**	**–**	**(0.7)**	**–**	**–**	**3,115.4**

£million	2024-25 published accounts	CYBER MOG out	IPA MOG out	Reclassification	IBCA Prior Period Adjustment	2024-25 restated accounts
Current assets						
Investment in sublease and unguaranteed residual value	105.8	–	–	–	–	105.8
Other financial assets	1.0	–	–	–	–	1.0
Cash and cash equivalents	37.2	–	–	–	–	37.2
Trade and other receivables	631.5	(0.1)	1.2	–	–	632.6
Assets classified as held for sale	2.9	–	–	–	–	2.9
Inventories	0.5	–	–	–	–	0.5
Total current assets	**778.9**	**(0.1)**	**1.2**	**–**	**–**	**780.0**
Total assets	**3,895.0**	**(0.1)**	**0.5**	**–**	**–**	**3,895.4**
Current liabilities						
Lease liabilities	(185.0)	–	–	–	–	(185.0)
Trade and other payables	(451.8)	0.7	–	–	–	(451.1)
Provisions	(1,929.0)	–	–	–	79.3	(1,849.7)
Total current liabilities	**(2,565.8)**	**0.7**	**–**	**–**	**79.3**	**(2,485.8)**
Total assets less current liabilities	**1,329.2**	**0.6**	**0.5**	**–**	**79.3**	**1,409.6**
Non-current liabilities						
Lease liabilities	(1,010.3)	–	–	–	–	(1,010.3)
Trade and other payables	(608.8)	–	–	–	–	(608.8)
Provisions	(7,837.4)	–	–	–	1,452.7	(6,384.7)
Total non-current liabilities	**(9,456.5)**	**–**	**–**	**–**	**1,452.7**	**(8,003.8)**
Total assets less total liabilities	**(8,127.3)**	**0.6**	**0.5**	**–**	**1,532.0**	**(6,594.2)**
Taxpayers' equity and other reserves						
General fund	(8,778.6)	0.6	0.5	–	1,532.0	(7,245.5)
Revaluation reserve	651.3					651.3
Total equity	**(8,127.3)**	**0.6**	**0.5**	**–**	**1,532.0**	**(6,594.2)**

2.3. Restated consolidated statement of cash flows

Departmental core and agency for the year ended 31 March 2025

£million	2024-25 published accounts	CYBER MOG out	IPA MOG out	Reclassification	2024-25 restated accounts
Cash flows from operating activities					
Net operating expenditure	(1,139.8)	10.0	26.3	–	(1,103.5)
Adjustments for non-cash transactions	425.2	–	–	–	425.2
Increase/(decrease) in trade and other receivables	(260.7)	0.1	(1.2)	–	(261.8)
Less movements in receivables relating to items not passing through the CSoCNE or related to non-cash costs	6.4	–	–	–	6.4
Capital element of receipts in respect of finance leases	–	–	–	96.9	96.9
Increase / (decrease) in trade and other payables and lease liabilities	(58.1)	(0.6)	–	–	(58.7)
Less movements in payables relating to items not passing through the CSoCNE	102.8	–	–	(56.7)	46.1
Increase / (decrease) in inventories	(0.1)	–	–	–	(0.1)
Use of provisions	(1.3)	–	–	–	(1.3)
Net cash inflow / (outflow) from operating activities	**(925.6)**	**9.5**	**25.1**	**40.2**	**(850.8)**
Cash flows from investing activities					
Purchase of non-financial assets – property, plant and equipment and intangible assets	(272.2)	–	–	–	(272.2)
Proceeds from disposal of non-financial assets – assets held for sale	–	–	–	–	–
Proceeds from financial assets – dividends received from associates	0.8	–	–	–	0.8
Proceeds from financial assets – sale of shareholding in Shared Services Connected Limited	–	–	–	–	–
Proceeds from financial assets – repayment received on loans to local government	1.1	–	–	–	1.1
Movement in capital accruals	(17.5)	–	–	–	(17.5)
Net cash inflow / (outflow) from investing activities	**(287.8)**	**–**	**–**	**–**	**(287.8)**

£million	2024-25 published accounts	CYBER MOG out	IPA MOG out	Reclassification	2024-25 restated accounts
Cash flows from financing activities					
From the Consolidated Fund (supply) – current year	1,267.5	–	–	–	1,267.5
From the Consolidated Fund (supply) – prior year	40.2	–	–	(40.2)	–
From the Consolidated Fund (supply) – in respect of machinery of government transfer of function	–	(9.5)	(25.1)	–	(34.6)
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	(110.8)	–	–	–	(110.8)
Capital element of payments in respect of PFI contracts	(11.9)	–	–	(22.6)	(34.5)
Interest income	33.2	–	–	–	33.2
Dividend received from Crown Commercial Service	161.0	–	–	–	161.0
Interest expense	(98.2)	–	–	22.6	(75.6)
Net financing	**1,281.0**	**(9.5)**	**(25.1)**	**(40.2)**	**1,206.2**
Net increase / (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund	**67.6**	**–**	**–**	**–**	**67.6**
Payment of amounts due to the Consolidated Fund – consultant lobbyists' registration fees	–	–	–	–	–
Payments of amounts due to the Consolidated Fund	(71.0)	–	–	–	(71.0)
Net increase / (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund	**(3.4)**	**–**	**–**	**–**	**(3.4)**
Cash and cash equivalents at the beginning of the period	**40.4**	**–**	**–**	**–**	**40.4**
Cash and cash equivalents at the end of the period	**37.0**	**–**	**–**	**–**	**37.0**

Departmental group for the year ended 31 March 2025

£million	2024-25 published accounts	CYBER MOG out	IPA MOG out	Reclassification	IBCA Prior Period Adjustment	2024-25 restated accounts
Cash flows from operating activities						
Net operating expenditure	(10,719.4)	10.0	26.3	–	1,532.0	(9,151.1)
Adjustments for non-cash transactions	10,069.6	–	–	–	(1,532.0)	8,537.6
Increase / (decrease) in trade and other receivables	(261.6)	0.2	(1.2)	–	–	(262.6)
Less movements in receivables relating to items not passing through the CSoCNE or related to non-cash costs	6.3	–	–	–	–	6.3
Capital element of receipts in respect of finance leases	–	–	–	96.9	–	96.9
Increase / (decrease) in trade and other payables and lease liabilities	(43.3)	(0.7)	–	–	–	(44.0)
Less movements in payables relating to items not passing through the CSoCNE	97.6	–	–	(56.7)	–	40.9
Increase / (decrease) in inventories	(0.1)	–	–	–	–	(0.1)
Use of provisions	(61.3)	–	–	–	–	(61.3)
Net cash inflow / (outflow) from operating activities	**(912.2)**	**9.5**	**25.1**	**40.2**	**–**	**(837.4)**
Cash flows from investing activities						
Purchase of non-financial assets – property, plant and equipment and intangible assets	(285.4)	–	–	–	–	(285.4)
Proceeds from disposal of non-financial assets – assets held for sale	–	–	–	–	–	–
Proceeds from financial assets – dividends received from associates	0.8	–	–	–	–	0.8

£million	2024-25 published accounts	CYBER MOG out	IPA MOG out	Reclassification	IBCA Prior Period Adjustment	2024-25 restated accounts
Proceeds from financial assets – sale of shareholding in Shared Services Connected Limited	–	–	–	–	–	–
Proceeds from financial assets – repayment received on loans to local government	1.1	–	–	–	–	1.1
Movement in capital accruals	(17.3)	–	–	–	–	(17.3)
Net cash inflow / (outflow) from investing activities	**(300.8)**	**–**	**–**	**–**	**–**	**(300.8)**
Cash flows from financing activities						
From the Consolidated Fund (supply) – current year	1,267.5	–	–	–	–	1,267.5
From the Consolidated Fund (supply) – prior year	40.2	–	–	(40.2)	–	–
From the Consolidated Fund (supply) – in respect of machinery of government transfer of function	–	(9.5)	(25.1)	–	–	(34.6)
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	(111.0)	–	–	–	–	(111.0)

£million	2024-25 published accounts	CYBER MOG out	IPA MOG out	Reclassification	IBCA Prior Period Adjustment	2024-25 restated accounts
Capital element of payments in respect of PFI contracts	(11.9)	–	–	(22.6)	–	(34.5)
Interest income	33.2	–	–	–	–	33.2
Dividend received from Crown Commercial Service	161.0	–	–	–	–	161.0
Interest expense	(98.3)	–	–	22.6	–	(75.7)
Net financing	**1,280.7**	**(9.5)**	**(25.1)**	**(40.2)**	**–**	**1,205.9**
Net increase / (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund	**67.7**	**–**	**–**	**–**	**–**	**67.7**
Payment of amounts due to the Consolidated Fund – consultant lobbyists' registration fees	(0.2)	–	–	–	–	(0.2)
Payments of amounts due to the Consolidated Fund	(71.0)	–	–	–	–	(71.0)
Net increase / (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund	**(3.5)**	**–**	**–**	**–**	**–**	**(3.5)**
Cash and cash equivalents at the beginning of the period	**40.7**	**–**	**–**	**–**	**–**	**40.7**
Cash and cash equivalents at the end of the period	**37.2**	**–**	**–**	**–**	**–**	**37.2**

3. Expenditure

3.1. Operating expenditure

£million		2025-26		2024-25 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Staff costs					
Wages and salaries		563.5	596.1	524.8	541.1
Social security costs		77.0	81.5	61.8	63.5
Other pension Costs		129.2	138.2	122.7	126.9
Other staff costs		32.5	42.3	41.1	44.0
Total staff costs[96]		**802.2**	**858.1**	**750.4**	**775.5**
Goods and services					
Rentals under operating leases		36.2	36.1	55.9	55.9
Accommodation and utilities		191.7	193.7	239.5	238.5
Business rates		115.7	115.8	113.2	113.3
PFI service charges		72.9	72.9	76.5	76.5
Professional services and other supplies		426.8	416.8	306.9	315.3
Consultancy		4.8	11.5	7.9	9.8
Travel, subsistence and hospitality		28.3	29.0	30.8	31.1
Other staff-related costs		24.2	25.6	25.6	27.2
Central management of Civil Service pension arrangements		56.2	56.2	56.7	56.7
Public Duty Cost Allowance	3.3	0.8	0.8	0.8	0.8
Auditors’ remuneration and expenses – arm’s length bodies[97]		–	0.6	–	0.5
Total goods and services		**957.6**	**959.0**	**913.8**	**925.6**

96 Further analysis is located in note 2 of the remuneration and staff report.

97 During the year, the group’s ALBs have not purchased any non-audit services from their auditor, the National Audit Office (2024 to 2025: £nil). The total fee for ALBs comprises: EHRC £0.088 million (2024 to 2025: £0.087 million), the Civil Service Commission £0.032 million (2024 to 2025: £0.025 million), the Registrar of Consultant Lobbyists £0.025 million (2024 to 2025: £0.019 million), and IBCA £0.430 million (2024 to 2025: £0.335 million).

£million		2025-26		2024-25 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Grants					
Resource grants		3.0	3.0	0.4	0.4
Capital grants		3.6	3.6	6.0	6.0
Grant-in-aid to arm's length bodies[98]		2,173.8	–	104.7	–
Grant-in-aid to the Chequers Trust under the Chequers Estate Act 1958		1.3	1.3	1.3	1.3
Grant-in-aid to Civil Service welfare bodies		1.1	1.1	0.2	0.2
Endowment to the Queen Elizabeth Trust		40.0	40.0	–	–
Total grants[99]		**2,222.8**	**49.0**	**112.6**	**7.9**
Depreciation, impairment and property gains					
Depreciation	5	108.0	110.2	95.3	96.2
Depreciation of right-of-use asset	6.1	33.6	36.0	41.1	42.4
Amortisation	7	30.3	31.5	23.7	23.7
Impairment	8	(1.1)	(1.1)	9.3	9.5
Revaluation	8	74.1	74.1	68.0	68.0
Amounts written off		0.5	0.5	0.5	0.5
(Gain) / loss on disposal	5, 6.1	8.3	8.3	27.7	27.7
(Gain) / loss on remeasurement of right of use assets	6.1	(3.2)	(3.2)	(25.4)	(25.4)
Total depreciation, impairment and property gains		**250.5**	**256.3**	**240.2**	**242.6**

98 Grant-in-aid to ALBs has been eliminated on consolidation: Registrar of Consultant Lobbyists £0.311 million (2024 to 2025: £0.329 million), Civil Service Commission £3.416 million (2024 to 2025: £2.952 million), EHRC £18.474 million (2024 to 2025: £17.546 million), and IBCA £2.152 billion (2024 to 2025: £83.890 million).

99 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.

£million		2025-26		2024-25 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Provisions and other non-cash costs					
Provisions provided for in year and written back	13	56.7	1,609.1	42.2	8,152.2
Borrowing costs	13	–	324.4	–	–
Expected loss allowance	9	1.4	1.4	–	–
Auditors' remuneration and expenses[100]		1.4	1.4	1.3	1.3
Notional digital apprenticeship service grant	4.1	1.0	1.0	1.0	1.0
Capital grant in kind – property, plant and equipment		–	–	144.3	144.3
Total provisions and other non-cash costs		**60.5**	**1,937.3**	**188.8**	**8,298.8**
Total operating expenditure		**4,293.6**	**4,059.7**	**2,205.8**	**10,250.4**

3.2. Finance expenditure

£million		2025-26		2024-25	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Effective interest expense					
– Finance cost element of PFI unitary payment	17	53.9	53.9	55.6	55.6
– Remeasurement element of PFI liability	17	16.4	16.4	22.6	22.6
– Right-of-use asset lease liabilities	6.4	23.0	23.1	20.1	20.1
Non-cash interest cost on pension scheme liabilities		–	0.1	–	–
Total finance expenditure		**93.3**	**93.5**	**98.3**	**98.3**

100 During the year, the GPA purchased non-audit services that relate to landlord services. The GPA rents accommodation from the National Audit Office on behalf of a client. The total group audit fee comprises: Cabinet Office £0.567 million (2024 to 2025: £0.510 million), the GPA £0.565 million (2024 to 2025: £0.505 million), Civil Service Pension Scheme £0.187 million (2024 to 2025: £0.182 million) and Royal Mail Pension Scheme £0.066 million (2024 to 2025: £0.063 million).

3.3. 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.

£	2025-26	2024-25
The Rt Hon. Sir John Major KG CH	115,000	115,000
The Rt Hon. Sir Tony Blair KG	115,000	115,000
The Rt Hon. Gordon Brown CH	114,647	114,644
The Rt Hon. The Lord Cameron of Chipping Norton PC	107,295	85,054
The Rt Hon. The Baroness May of Maidenhead PC	114,303	114,319
The Rt Hon. Liz Truss	98,131	97,152
The Rt Hon. Boris Johnson	115,000	115,000
Staff pension costs	25,370	26,618
Total[101]	**804,746**	**782,787**

101 The Rt Hon. Rishi Sunak MP has confirmed to the Cabinet Office that he does not intend to claim the Public Duty Cost Allowance.

4. Income

4.1. Operating income

£million		2025-26		2024-25 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Revenue from contracts with customers					
Recharges to other government departments	4.2	596.0	558.5	532.0	532.0
Non-rental income from properties		419.1	418.1	357.5	354.4
Rental income from operating subleases	6.4	134.7	134.7	147.9	147.8
Central management of Civil Service pension arrangements		59.8	59.8	56.0	56.0
Total revenue from contracts with customers		**1,209.6**	**1,171.1**	**1,093.4**	**1,090.2**
Other income					
Income from grants		0.8	0.8	2.1	2.1
Official Receiver – non-budget	SOPS 4	–	–	3.0	3.0
Other income from disposals – non-budget	SOPS 4	–	0.3	–	0.2
Total other income		**0.8**	**1.1**	**5.1**	**5.3**
Non-cash income					
Capital grant in kind – transfer of assets in from other government departments		–	–	2.8	2.8
Notional digital apprenticeship service grant	3	1.0	1.0	1.0	1.0
Total non-cash income		**1.0**	**1.0**	**3.8**	**3.8**
Total operating income		**1,211.4**	**1,173.2**	**1,102.3**	**1,099.3**

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 Civil Service Pension arrangements and receives and received income to cover the administration cost.

Other operating income

Income from grants

The GPA received contributions through capital grants from other government departments for the fit-out of GPA-held properties that 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 2025 to 2026, the Cabinet Office received £nil (2024 to 2025: £3.0 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 this liquidation (see note 11).

4.2. 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. This is broken down by business area as follows:

£million	2025-26		2024-25 restated	
	Core department and agency	Departmental group	Core department and agency	Departmental group
Government Commercial and Grants Function	200.5	200.5	183.8	183.8
Government People Group	180.4	180.0	164.1	164.1
Government Security Group	113.3	113.3	120.0	120.0
Cabinet Office Digital	64.7	29.5	22.2	22.2
Government Communication Service	11.8	11.8	13.2	13.2
Office of Parliamentary Counsel	10.8	10.8	9.8	9.8
VIP transport aircraft service	2.4	2.4	5.4	5.4
National Fraud Initiative	2.0	2.0	1.9	1.9
Cabinet Office and HM Treasury Commercial	1.2	1.1	1.0	1.0
People Survey	1.0	1.0	0.9	0.9
Other cost recoveries	7.9	6.1	9.7	9.7
Total	**596.0**	**558.5**	**532.0**	**532.0**

4.3. Finance income

£million		2025-26		2024-25
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Dividend received from Crown Commercial Service – non-CFER		56.0	56.0	90.0	90.0
Dividend received from Crown Commercial Service – CFER		–	–	71.0	71.0
Effective interest income	6.4	52.6	52.6	33.1	33.1
Interest receivable from loans to local authorities		0.1	0.1	0.1	0.1
Total finance income		**108.7**	**108.7**	**194.2**	**194.2**

Dividends

The dividend which the Cabinet Office receives from the Crown Commercial Service is treated as income in the financial statements. In 2025 to 2026, Cabinet Office received dividends of £56.0 million (2024 to 2025: £161.0 million), in 2024 to 2025 £nil (2024 to 2025: £71.0 million) was returned to HM Treasury. This is not classified as income in the SOPS.

Interest

Interest income relates to the interest charged on finance sub-lease receivables and loans issued to local authorities measured at amortised cost using the effective interest method.

5. Property, plant and equipment

Consolidated 2025 to 2026

Departmental group £million	Land	Buildings and dwellings	Leasehold improvements	Information technology	Plant, machinery and vehicles	Furniture and fittings	Heritage assets	Payments on account and assets under construction[102]	2025-26 total
Cost or valuation									
At 1 April 2025	**551.0**	**829.7**	**359.8**	**198.8**	**13.9**	**41.7**	**9.4**	**166.4**	**2,170.7**
Additions	22.7	–	1.2	6.4	0.6	1.6	–	238.3	270.8
Disposals[103]	–	(13.6)	(16.3)	(97.8)	(0.7)	(1.2)	–	–	(129.6)
Impairments[104]	(2.4)	(62.3)	(33.2)	(0.4)	(0.2)	(0.7)	–	0.4	(98.8)
Revaluations[104]	7.7	(43.3)	9.5	2.7	0.1	1.1	–	–	(22.2)
Reclassifications[105]	–	56.3	29.2	30.5	0.5	1.1	–	(97.9)	19.7
Reclassifications to assets held for sale	–	–	–	–	–	–	–	–	–
Asset transfers	–	–	–	–	–	–	–	–	–
At 31 March 2026	**579.0**	**766.8**	**350.2**	**140.2**	**14.2**	**43.6**	**9.4**	**307.2**	**2,210.6**
Depreciation									
At 1 April 2025	**–**	**45.8**	**127.8**	**145.3**	**6.8**	**17.4**	**–**	**–**	**343.1**

102 The majority of the department’s property, plant and equipment assets under construction relate to building improvement works on both freehold and leasehold buildings.

103 Disposals include retired assets. Their values are fully written down and they are no longer in use.

104 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. Positive impairments are due to credit balances which were capitalised in 2024-25 being removed from the assets under construction balance in 2025-26

105 Property, plant and equipment reclassifications net nil with intangibles reclassifications and right-of-use assets. See note 6 and note 7.

Departmental group £million	Land	Buildings and dwellings	Leasehold improvements	Information technology	Plant, machinery and vehicles	Furniture and fittings	Heritage assets	Payments on account and assets under construction[102]	2025-26 total
Charged in year	–	31.6	40.6	30.8	1.0	6.2	–	–	110.2
Disposals[103]	–	(13.6)	(16.3)	(97.8)	(0.7)	(1.2)	–	–	(129.6)
Impairments[104]	–	(0.1)	(23.4)	(0.4)	(0.2)	(0.2)	–	–	(24.3)
Reclassifications[105]	–	(0.1)	–	–	(0.3)	–	–	–	(0.4)
Revaluations[104]	–	(29.2)	3.2	1.2	–	0.4	–	–	(24.4)
Asset transfers	–	–	–	–	–	–	–	–	–
At 31 March 2026	**–**	**34.4**	**131.9**	**79.1**	**6.6**	**22.6**	**–**	**–**	**274.6**
Carrying amount at 31 March 2026	**579.0**	**732.4**	**218.3**	**61.1**	**7.6**	**21.0**	**9.4**	**307.2**	**1,936.0**
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**
Asset financing:									
Owned	579.0	500.8	218.3	61.1	7.6	21.0	9.4	307.2	1,704.4
PFI and other service concession arrangements	–	231.6	–	–	–	–	–	–	231.6
Carrying amount at 31 March 2026	**579.0**	**732.4**	**218.3**	**61.1**	**7.6**	**21.0**	**9.4**	**307.2**	**1,936.0**
Of the total:									
Department	25.2	59.1	0.6	40.8	2.1	8.2	9.3	10.4	155.7
Executive agency	553.8	673.3	215.8	18.8	5.5	12.6	0.1	296.8	1,776.7
Other designated bodies	–	–	1.9	1.5	–	0.2	–	–	3.6
Carrying amount at 31 March 2026	**579.0**	**732.4**	**218.3**	**61.1**	**7.6**	**21.0**	**9.4**	**307.2**	**1,936.0**

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

Consolidated 2024 to 2025

Departmental group £million	Land	Buildings and dwellings	Leasehold improvements	Information technology	Plant, machinery and vehicles	Furniture and fittings	Heritage assets	Payments on account and assets under construction[106]	2024-25 total
Cost or valuation									
At 1 April 2024	**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[107]	–	–	(0.4)	(0.1)	–	–	–	–	(0.5)
Impairments[108]	(5.0)	(47.4)	(6.5)	(2.0)	–	–	–	(12.5)	(73.4)
Revaluations[108]	(52.8)	17.4	6.0	2.0	–	(0.1)	–	–	(27.5)
Reclassifications[109]	(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[110]	–	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	**–**	**42.9**	**101.1**	**120.0**	**7.1**	**11.6**	**–**	**–**	**282.7**
Charged in year	–	28.7	33.3	25.6	2.2	6.4	–	–	96.2
Disposals[107]	–	–	(0.4)	(0.1)	–	–	–	–	(0.5)

106 The majority of the department's property, plant and equipment assets under construction relate to building improvement works on both freehold and leasehold buildings.

107 Disposals include retired assets. Their values are fully written down and they are no longer in use.

108 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.

109 Property, plant and equipment reclassifications net nil with intangibles and right-of-use reclassifications. See note 6 and note 7.

110 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.

Departmental group £million	Land	Buildings and dwellings	Leasehold improvements	Information technology	Plant, machinery and vehicles	Furniture and fittings	Heritage assets	Payments on account and assets under construction[106]	2024-25 total
Impairments[108]	–	–	(5.1)	(1.7)	–	–	–	–	(6.8)
Reclassifications[109]	–	2.5	–	–	(2.5)	–	–	–	–
Revaluations[108]	–	(28.3)	1.6	1.5	–	–	–	–	(25.2)
Asset transfers[110]	–	–	(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 1 April 2024	**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.

5.1. Asset Valuations

Land and buildings

Land and buildings, including dwellings, are restated to fair value every five years using professional valuations prepared in accordance with the RICS Valuation – Global Standards (effective 31 January 2025) and the UK National Supplement (reissued January 2025). Each property is revalued on a rotational basis on a five-year cycle commencing at the point of acquisition or onboarding into the department.

In the intervening years, land and buildings are expressed at their fair value determined by reference to desktop valuation exercises undertaken by independent, qualified valuation experts without re-inspection. These are applied as advised by the department's professional property advisers, Jones Lang LaSalle Ltd, in accordance with the 2025 to 2026 FReM.

In accordance with RICS standards, where land and buildings are valued on an existing use value basis, the valuation ignores any element of 'hope value' for alternative use or value attributable to goodwill. The historical, geophysical, and artistic 'goodwill' qualities of the Downing Street and Whitehall properties remain unquantifiable and are excluded from the financial valuation.

Assets held for operational capacity

In accordance with the 2025 to 2026 FReM, the department no longer distinguishes between specialised and non-specialised assets, classifying them instead by their operational capacity.

- Operational assets: Assets held for their operational capacity where market-based evidence of fair value is not available (formerly referred to as specialised) are carried at depreciated replacement cost on a modern equivalent asset basis. This is adjusted for functional obsolescence in line with the RICS Professional Standard (July 2024).
- Non-operational or surplus assets: Assets that are not held for their operational capacity and do not meet the criteria for 'IFRS 5: Held for Sale' or 'IAS 40: Investment Property' are valued at fair value applying IFRS 13.

Properties on Downing Street were formally valued in March 2023 by Jones Lang LaSalle Ltd, with values updated to reflect market conditions as of 31 March 2026.

Art and antiques

Townley Valuation Services Limited value art and antiques situated within the Whitehall estate on the basis of insurance value, representing the likely cost of replacement.

Gifts to past and present Prime Ministers are held as of 31 March 2026 based on the best estimate of the price at auction. These items are subject to professional valuation on a regular basis to ensure the carrying amount remains current.

All other tangible non-heritage assets

All other tangible non-heritage, non-current assets are revalued annually using indices published by the Office for National Statistics or the RICS Building Cost Information Service. This ensures the carrying amount does not differ materially from fair value at the end of the reporting period.

6. Leases

6.1. Right-of-use assets

Right-of-use assets 2025 to 2026

Departmental group £million	Buildings	Transport	Total
Cost or valuation			
Balance at 1 April 2025	**372.2**	**48.1**	**420.3**
Additions	85.0	–	85.0
Disposals	(76.0)	–	(76.0)
Impairments	(0.6)	–	(0.6)
Revaluations	(0.3)	–	(0.3)
Reclassifications[111]	0.8	–	0.8
Remeasurements	5.3	(0.1)	5.2
Balance at 31 March 2026	**386.4**	**48.0**	**434.4**
Depreciation			
Balance at 1 April 2025	**96.6**	**28.9**	**125.5**
Charged in year	26.5	9.6	36.1
Disposals	(2.7)	–	(2.7)
Remeasurements	1.9	(0.1)	1.8
Revaluations	(1.3)	–	(1.3)
Reclassifications[111]	0.4	–	0.4
Balance at 31 March 2026	**121.4**	**38.4**	**159.8**
Carrying amount at 31 March 2026	**265.0**	**9.6**	**274.6**
Carrying amount at 31 March 2025	**275.6**	**19.2**	**294.8**
Of the total:			
Department	24.1	9.6	33.7
Executive agency	238.2	–	238.2
Other designated bodies	2.7	–	2.7
Carrying amount at 31 March 2026	**265.0**	**9.6**	**274.6**

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

111 Right-of-use assets reclassifications net nil with intangibles and property, plant and equipment. See note 5 and note 7.

Right-of-use assets 2024 to 2025

Departmental group £million	Buildings	Transport	Total
Cost or valuation			
Balance 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
Balance at 31 March 2025	**372.2**	**48.1**	**420.3**
Depreciation			
Balance at 1 April 2024	**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)
Balance 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	**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.

6.2. Investment in sub-lease and unguaranteed residual value

£million	2025-26		2024-25	
	Core department and agency	Departmental group	Core department and agency	Departmental group
Current – amounts falling due within one year	150.7	150.7	105.8	105.8
Non-current – amounts falling due after more than one year	691.7	691.7	733.7	733.7
Total	**842.4**	**842.4**	**839.5**	**839.5**
Less than one year	150.7	150.7	105.8	105.8
One to two years	144.3	144.3	128.3	128.3
Two to three years	131.1	131.1	125.1	125.1
Three to four years	105.6	105.6	112.3	112.3
Four to five years	98.1	98.1	91.9	91.9
More than five years	749.8	749.8	767.4	767.4
Discount	(537.2)	(537.2)	(491.3)	(491.3)
Total	**842.4**	**842.4**	**839.5**	**839.5**

6.3. Lease liabilities

£million	2025-26		2024-25	
	Core department and agency	Departmental group	Core department and agency	Departmental group
Current – amounts falling due within one year	145.4	148.9	184.7	185.0
Non-current – amounts falling due after more than one year	1,012.0	1,012.3	1,004.7	1,010.3
Total	**1,157.4**	**1,161.2**	**1,189.4**	**1,195.3**
Less than one year	145.4	148.9	184.7	185.0
One to two years	8.3	8.5	72.5	74.3
Two to three years	40.0	40.0	5.2	5.2
Three to four years	38.0	38.0	60.2	60.2
Four to five years	13.6	13.6	38.2	38.2
More than five years	997.2	997.2	883.5	883.5
Discount	(85.1)	(85.0)	(54.9)	(51.1)
Total	**1,157.4**	**1,161.2**	**1,189.4**	**1,195.3**

The majority of the group's lease liabilities are for buildings held by the GPA. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the CSoFP as a right-of-use asset and a lease liability. Where a sublease is entered into that transfers substantially all the risks and rewards associated with the right-of-use asset to the tenant, the right-of-use asset is derecognised and replaced with a sublease receivable.

The department had 186 finance head leases as at 31 March 2026 (31 March 2025: 182). The end dates for these head leases range between April 2026 and March 2074. The average remaining head lease term is 6.5 years.

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 that create 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.

6.4. Amounts recognised in the CSoCNE

£million			2025-26		2024-25
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Lease expenditure					
Depreciation of right-of-use asset	3.1	33.6	36.0	41.1	42.4
Effective interest expense – right of use asset lease liabilities	3.2	23.0	23.1	20.1	20.1
Impairment – right-of-use asset	3.1	0.6	0.6	4.1	4.3
Gain/loss on disposal of right-of-use assets	3.1	8.2	8.2	27.7	27.7
Gain/loss on remeasurement of right-of-use assets	3.1	(3.2)	(3.2)	(25.4)	(25.4)
Total lease expenditure		**62.2**	**64.7**	**67.6**	**69.1**
Lease income					
Operating sublease income	4.1	(134.7)	(134.7)	(147.9)	(147.8)
Effective interest income – right-of-use asset investment in sublease	4.3	(52.6)	(52.6)	(33.1)	(33.1)
Total lease income		**(187.3)**	**(187.3)**	**(181.0)**	**(180.9)**
Net lease expenditure/ (income)		**(125.1)**	**(122.6)**	**(113.4)**	**(111.8)**

The quantitative lease disclosures presented in respect of the CSoCNE reflect only those costs and income derived directly from the application of IFRS 16. Related outgoings that do not form part of the lease liability or lease receivable calculation under the standard, such as irrecoverable VAT and separate non-lease service components, are excluded from this note and are otherwise recognised within operating expenditure.

6.5. Amounts recognised in the consolidated statement of cash flows

£million	2025-26		2024-25	
	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	23.0	23.1	20.1	20.2
Repayment of principal	144.2	146.6	110.8	111.0
Cash flows as lessor				
Effective interest income – right-of-use asset investment in sublease	(52.6)	(52.6)	(33.1)	(33.1)
Receipt of principal	(85.6)	(85.6)	(96.9)	(96.9)

6.6. Consolidated operating leases with clients

The group balance is fully from the GPA. During 2025 to 2026, the GPA received £128.8 million (2024 to 2025 restated: £137.8 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.

£million	2025-26	2024-25
Less than one year	120.0	118.2
One to two years	114.5	114.2
Two to three years	110.0	111.3
Three to four years	108.9	106.8
Four to five years	108.2	105.4
More than five years	831.6	912.6
Total	**1,393.2**	**1,468.5**

The core and agency figures are not shown separately as the difference is immaterial.

The GPA had 574 sub-leases with clients as at 31 March 2026 (31 March 2025: 689 sub-leases). The end dates for remaining sub-leases range between April 2026 and June 2265. The average remaining sub-lease term is 6.8 years.

7. Intangible assets

Consolidated 2025 to 2026

Departmental group £million	IT software	Website	Payments on account and assets under construction[112]	Total
Cost or valuation				
Restated at 1 April 2025	**150.3**	**1.1**	**23.4**	**174.8**
Additions	6.7	1.5	81.2	89.4
Disposals	(39.5)	–	–	(39.5)
Reclassifications[113]	32.6	(0.2)	(52.9)	(20.5)
Revaluations[114, 115]	0.5	–	–	0.5
Impairments[116]	(0.1)	–	0.4	0.3
At 31 March 2026	150.5	2.4	52.1	205.0
Amortisation				
At 1 April 2025	58.6	0.2	–	58.8
Charged in year	31.0	0.5	–	31.5
Disposals	(39.5)	–	–	(39.5)
Impairments[116]	–	–	–	–
At 31 March 2026	**50.1**	**0.7**	**–**	**50.8**
Carrying amount at 31 March 2026	**100.4**	**1.7**	**52.1**	**154.2**
Restated carrying amount at 31 March 2025	**91.7**	**0.9**	**23.4**	**116.0**
Asset financing:				
Owned	100.4	1.7	52.1	154.2
Carrying amount at 31 March 2026	**100.4**	**1.7**	**52.1**	**154.2**

112 Assets under construction relate to work on increasing functionality of secure IT assets.

113 Intangible reclassifications net nil with property, plant and equipment and right-of-use reclassifications. See note 5 and note 6.1.

114 Revaluations arise as a result of published indices and annual impairment reviews, which ensure the asset base is correctly valued.

115 Revaluations due to 2024-25 assets being added to the asset register in 2025 to 2026 and attracting indexation adjustments as at 1 April 2025.

116 Positive impairments are due to credit balances which were capitalised in 2024 to 2025 being removed from the assets under construction balance in 2025 to 2026.

Departmental group £million	IT software	Website	Payments on account and assets under construction[112]	Total
Of the total:				
Department	39.8	1.2	10.3	51.3
Executive agency	47.5	–	10.6	58.1
Other designated bodies	13.1	0.5	31.2	44.8
Carrying amount at 31 March 2026	**100.4**	**1.7**	**52.1**	**154.2**

The core and agency figures are not shown separately as the difference is immaterial

Consolidated 2024 to 2025

Departmental group £million	IT software	Website	Payments on account and assets under construction[117]	Total
Cost or valuation				
At 1 April 2024 (restated)	**91.5**	**0.7**	**30.1**	**122.3**
Additions	21.0	0.4	33.4	54.8
Reclassifications[118]	35.3	–	(33.4)	1.9
Revaluations[119]	3.6	–	–	3.6
Impairments	(1.1)	–	(6.7)	(7.8)
At 31 March 2025 (restated)	**150.3**	**1.1**	**23.4**	**174.8**
Amortisation				
At 1 April 2024 (restated)	**33.2**	**–**	**–**	**33.2**
Charged in year	23.5	0.2	–	23.7
Revaluations[119]	1.9	–	–	1.9
At 31 March 2025 (restated)	**58.6**	**0.2**	**–**	**58.8**
Carrying amount at 31 March 2025	**91.7**	**0.9**	**23.4**	**116.0**
Carrying amount at 31 March 2024	**58.3**	**0.7**	**30.1**	**89.1**

117 Assets under construction relate to work on increasing functionality of secure IT assets.

118 Intangible reclassifications net nil with property, plant and equipment and right-of-use reclassifications. See note 5 and note 6.1.

119 Revaluations arise as a result of published indices and annual impairment reviews, which ensure the asset base is correctly valued.

Departmental group £million	IT software	Website	Payments on account and assets under construction[117]	Total
Asset financing:				
Owned	91.7	0.9	23.4	116.0
Carrying amount at 31 March 2025	**91.7**	**0.9**	**23.4**	**116.0**
Of the total:				
Department	50.1	0.9	9.7	60.7
Executive agency	41.1	–	4.9	46.0
Other designated bodies	0.5	–	8.8	9.3
Carrying amount at 31 March 2025	**91.7**	**0.9**	**23.4**	**116.0**

The core and agency figures are not shown separately as the difference is immaterial

8. Impairments

£million			2025-26		2024-25
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Charged to CSoCNE					
Impairment of property, plant and equipment	3.1	0.3	0.3	0.1	0.1
Impairment of right-of-use assets	3.1	0.6	0.6	4.1	4.3
Impairment of intangible assets	3.1	(0.3)	(0.3)	6.4	6.4
Impairment of loan	3.1	0.5	0.5	–	–
Impairment of trade receivables	3.1	2.3	2.3	5.7	5.7
Impairment of trade receivables – write back	3.1	(4.5)	(4.5)	(7.0)	(7.0)
Revaluation of property, plant and equipment	3.1	74.1	74.1	66.5	66.5
Revaluation of intangible assets	3.1	–	–	1.5	1.5
Total charged to the CSoCNE		**73.0**	**73.0**	**77.3**	**77.5**

Revaluation

There was a property, plant and equipment devaluation of £74.1 million (2024 to 2025: devaluation £66.5 million) largely driven by revised valuations of properties held by the GPA following their annual revaluation exercise.

9. Financial assets

£million	Investment in associates	Derivatives	Public dividend capital	Loans to public bodies and individuals	Total departmental group
Balance at 1 April 2024	**0.7**	**3.9**	**0.4**	**3.5**	**8.5**
Additions	–	–	–	0.1	0.1
Disposals	–	–	–	–	–
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)
Loan repayments	–	–	–	(1.1)	(1.1)
Impairment	–	–	–	–	–
Expected loss allowance	–	–	–	–	–
Balance at 31 March 2025	**0.5**	**2.8**	**0.4**	**2.5**	**6.2**
Additions	–	–	–	0.1	0.1
Share of results in associate	0.5	–	–	–	0.5
Dividend received	(0.4)	–	–	–	(0.4)
Fair value gain/(loss) on financial assets	–	(1.0)	–	–	(1.0)
Impairment	–	–	–	(0.5)	(0.5)
Loan repayments	–	–	–	(0.5)	(0.5)
Expected loss allowance	–	–	–	(1.4)	(1.4)
Balance at 31 March 2026	**0.6**	**1.8**	**0.4**	**0.2**	**3.0**
Of which:					
Current asset	–	1.8	–	0.1	1.9
Non-current asset	0.6	–	0.4	0.1	1.1
Balance at 31 March 2026	**0.6**	**1.8**	**0.4**	**0.2**	**3.0**
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**

The core and agency figures are not shown separately from the departmental group as the difference is immaterial.

9.1. Investments in associates

The department has a 25.1% shareholding in Crown Hosting Data Centres Limited at a value of £0.6 million (2024 to 2025: 0.5 million). In 2025 to 2026, the department recognised £0.5 million (2024 to 2025 £0.6 million) in relation to share of results and dividends of £0.4 million (2024 to 2025: £0.8 million) were received.

9.2. Derivatives

As at 31 March 2026, a put option was exercisable in relation to the department's investment in Crown Hosting Data Centres Limited valued at £1.8 million (2024 to 2025: £2.8 million). This is all classified as a current asset.

9.3. Public dividend capital

In accordance with the FReM, the Cabinet Office's investment in the Crown Commercial Service is shown at its historical cost (£0.350 million).

The dividend which the Cabinet Office receives from the Crown Commercial Service has been treated as income in the financial statements. In 2025 to 2026, Cabinet Office received dividends of £56.0 million (2024 to 2025: £161.0 million), of which nil (2024 to 2025: £71.0 million) was returned to HM Treasury and is not classified as income in the SOPS.

9.4. Loans to public bodies and individuals

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. 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.

Loans have also been provided to individuals impacted by delays to pension arrangements. These loans are repaid once the individual has received their pension payments. At the reporting date, £0.061 million (2024 to 2025 £nil) of loans had been issued and £0.010 million (2024 to 2025 £nil) had been repaid.

All loans are issued at below market interest rates, and are classified as financial assets measured at amortised cost in accordance with IFRS 9.

10. Cash and cash equivalents

£million		Total
	Core department and agency	Departmental group
Balance at 1 April 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**
Net change in cash and cash equivalent balances	23.7	80.4
Balance at 31 March 2026	**60.7**	**117.6**

All cash is held in the Government Banking Service.

10.1. Reconciliation of liabilities arising from financing activities

			Non-cash changes			
£million	Opening liabilities/ (assets) at 1 April 2025	Cash flows	Interest	Indexation	Other	Closing liabilities/ (assets) at 31 March 2026
Supply	33.8	2,991.4	–	–	(2,964.7)	60.5
Leases	1,195.3	(169.7)	23.1	–	112.5	1,161.2
PFI service charges	687.7	(92.8)	53.9	16.4	–	665.2
Total	**1,916.8**	**2,728.9**	**77.0**	**16.4**	**(2,852.2)**	**1,886.9**

			Non-cash changes			
£million	Opening liabilities/ (assets) at 1 April 2024	Cash flows	Interest	Indexation	Other	Closing liabilities/ (assets) at 31 March 2025
Supply	40.2	1,267.5	–	–	(1,273.9)	33.8
Leases	1,213.8	(131.1)	20.1	–	92.5	1,195.3
PFI service charges	699.6	(90.1)	55.6	22.6	–	687.7
Total	**1,953.6**	**1,046.3**	**75.7**	**22.6**	**(1,181.4)**	**1,916.8**

Other movements against supply represents the discharge of our liability to HM Treasury. Whilst net cash requirements reflects cash paid to suppliers, it settles our financing liability through the authorised use of the department’s delegated budget rather than a cash repayment to HMT.

Other movements against lease liabilities represent movements against corresponding right-of-use assets, sublease receivables or charges to CSoCNE.

11. Trade receivables and other assets

£million		2025-26		2024-25 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Current – amounts falling due within one year					
Amounts due from importing departments in respect of machinery of government transfers		42.1	42.1	265.2	265.2
Contract assets under 'IFRS 15: Revenue from Contracts with Customers' – accrued income		135.2	135.2	119.7	119.7
Trade receivables		71.8	71.8	80.9	80.9
Prepayments		47.6	48.1	52.1	52.6
Contract assets under 'IFRS 15: Revenue from Contracts with Customers' – trade receivables		58.1	58.1	43.7	43.7
Accrued income		30.5	23.6	40.9	40.9
Amounts from other government departments to offset provisions	13	19.7	19.7	14.7	14.7
VAT		1.8	1.8	5.3	5.3
Deposits and advances		3.4	3.5	6.8	6.8
Current lease incentive receivable		–	–	–	–
Official Receiver working capital receivable		2.8	2.8	2.8	2.8
Total current assets		**413.0**	**406.7**	**632.1**	**632.6**
Non-current – amounts falling due after more than one year					
Official Receiver working capital receivable		8.6	8.6	8.2	8.2
Amounts from other government departments to offset provisions	13	91.6	91.6	119.2	119.2
Other receivables		0.1	0.1	2.3	3.2
Non-current lease incentive receivable		9.0	9.0	7.5	7.5
Total non-current assets		**109.3**	**109.3**	**137.2**	**138.1**
Total		**522.3**	**516.0**	**769.3**	**770.7**

11.1. Provision for credit losses

Trade receivables are non-interest bearing and are generally on 30-day terms, and are shown net of a provision for impairment. Movements in the provision for impairment of receivables were as follows.

£million		2025-26		2024-25
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
At 1 April		**7.7**	**7.7**	**9.0**	**9.0**
Provided in the year	3.1, 8	2.3	2.3	5.7	5.7
Provisions written back in the year	3.1, 8	(4.5)	(4.5)	(7.0)	(7.0)
Provisions debts recovered	3.1, 8	–	–	–	–
At 31 March		**5.5**	**5.5**	**7.7**	**7.7**

Analysis 2025 to 2026

Departmental group	Provision (%)			Provision (£000)			2025-26
	Private sector	Public sector	Other government department	Private sector	Public sector	Other government department	Total £000
Trade receivables							
Current to 60 days	2%			30	–	–	30
61 to 90 days	10%			4	–	–	4
91 to 180 days	30%	50%		61	47	–	108
Over 180 days	100%	100%		1,254	8	–	1,262
Over 361 days			100%	–	–	54	54
Total trade receivables				**1,349**	**55**	**54**	**1,458**
Other receivables							
Current to 60 days	2%			23	–	–	23
61 to 150 days	10%			10	–	–	10
151 to 331 days	30%			16	–	–	16
Over 331 days	100%			540	–	–	540
Total other receivables				**589**	**–**	**–**	**589**
GPA trade receivables[120]				353	1,087	2,003	3,443
Grand total				**2,291**	**1,142**	**2,057**	**5,490**

120 The GPA applies a separate risk-based approach to providing for credit losses.

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
61 to 90 days	10%			5	–	–	5
91 to 180 days	30%	50%		39	59	–	98
Over 180 days	100%	100%		1,602	128	–	1,730
Over 361 days			100%	–	–	72	72
Total trade receivables				**1,680**	**187**	**72**	**1,939**
Other receivables							
Current to 60 days	2%			25	–	–	25
61 to 150 days	10%			22	–	–	22
151 to 331 days	30%			76	–	–	76
Over 331 days	100%			1,516	–	–	1,516
Total other receivables				**1,639**	**–**	**–**	**1,639**
GPA trade receivables				971	556	2,620	4,147
Grand total				**4,290**	**743**	**2,692**	**7,725**

12. Trade payables and other liabilities

£million		2025-26		2024-25 restated	
	Note	Core department and agency	Departmental group	Core department and agency	Departmental group
Current – Amounts falling due within one year					
Other taxation and social security		18.5	19.6	19.2	19.4
Trade payables		62.4	64.3	20.7	21.9
Other payables		18.4	19.5	31.5	32.7
Other payables in respect of machinery of government transfers		4.6	4.6	6.8	6.8
Contract liabilities under 'IFRS 15: Revenue from Contracts with Customers' – deferred income		11.8	11.8	25.9	25.9
Accruals		138.2	149.1	154.1	162.9
Accrual for untaken annual leave		11.2	12.2	13.2	13.7
Deferred income		55.6	55.7	40.5	40.8
Imputed finance lease element of PFI contracts	17	89.7	89.7	87.1	87.1
Amounts issued from the Consolidated Fund for supply but not spend at year end		60.5	60.5	33.8	33.8
Amounts payable to the Consolidated Fund					
– received	SOPS4	–	0.3	3.0	3.3
– receivable	SOPS4	2.8	2.8	2.8	2.8
Total current liabilities		**473.7**	**490.1**	**438.6**	**451.1**
Non-current – amounts falling due after more than one year					
Imputed finance lease element of PFI contracts	17	575.5	575.5	600.6	600.6
Amounts payable to the Consolidated Fund – proceeds receivable from disposals	SOPS4	8.6	8.6	8.2	8.2
Total non-current liabilities		**584.1**	**584.1**	**608.8**	**608.8**
Total		**1,057.8**	**1,074.2**	**1,047.4**	**1,059.9**

13. Provisions for liabilities and charges

£million	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
Balance at 1 April 2024	**–**	**–**	**154.0**	**1.1**	**–**	**155.1**
Provided in the year	8,109.9	27.0	19.9	–	4.0	8,160.8
Provisions utilised in the year	(59.9)	–	(1.3)	(0.1)	–	(61.3)
Provisions not required written back	–	–	(20.2)	–	–	(20.2)
Actuarial (gain)/loss	–	–	–	(0.1)	–	(0.1)
Net Interest	–	–	–	0.1	–	0.1
Change in the discount rate	–	–	–	–	–	–
Borrowing costs (unwinding of discounts)	–	–	–	–	–	–
Restated balance at 31 March 2025	**8,050.0**	**27.0**	**152.4**	**1.0**	**4.0**	**8,234.4**
Provided in the year	2,254.0	1.6	7.5	–	45.0	2,308.1
Provisions utilised in the year	(1,991.8)	(24.7)	(2.1)	(0.1)	(19.0)	(2,037.7)
Provisions not required written back	(723.8)	(2.3)	(16.1)	–	–	(742.2)
Actuarial (gain)/loss	–	–	–	–	–	–
Net Interest	–	–	–	0.1	–	0.1
Change in the discount rate	20.5	–	–	–	–	20.5
Borrowing costs (unwinding of discounts)	324.4	–	–	–	–	324.4
Balance at 31 March 2026	**7,933.3**	**1.6**	**141.7**	**1.0**	**30.0**	**8,107.6**
Of which:						
Core department and agency	–	–	141.4	–	30.0	171.4
Arm's length bodies	7,933.3	1.6	0.3	1.0	–	7,936.2
Balance at 31 March 2026	**7,933.3**	**1.6**	**141.7**	**1.0**	**30.0**	**8,107.6**

£million	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
Core department and agency	–	27.0	152.2	–	4.0	183.2
Arm's length bodies	8,050.0	–	0.2	1.0	–	8,051.2
Restated Balance at 31 March 2025	**8,050.0**	**27.0**	**152.4**	**1.0**	**4.0**	**8,234.4**
Core department and agency	–	–	153.8	–	–	153.8
Arm's length bodies	–	–	0.2	1.1	–	1.3
Balance at 1 April 2024	**–**	**–**	**154.0**	**1.1**	**–**	**155.1**
Of which:						
Current liability	2,568.2	1.6	22.6	0.1	30.0	2,622.5
Non-current liability	5,365.1	0.0	119.1	0.9	–	5,485.1
Balance at 31 March 2026	**7,933.3**	**1.6**	**141.7**	**1.0**	**30.0**	**8,107.6**
Current liability	1,779.8	27.0	38.8	0.1	4.0	1,849.7
Non-current liability	6,270.2	–	113.6	0.9	–	6,384.7
Restated balance at 31 March 2025	**8,050.0**	**27.0**	**152.4**	**1.0**	**4.0**	**8,234.4**
Current liability	–	–	38.4	0.1	–	38.5
Non-current liability	–	–	115.6	1.0	–	116.6
Balance at 1 April 2024	**–**	**–**	**154.0**	**1.1**	**–**	**155.1**

13.1. Analysis of expected timing of discounted flows

Analysis of expected timing of discounted flows – 2025 to 2026

£million	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	2,568.2	1.6	22.6	0.1	30.0	2,622.5
Later than one year and not later than five years	3,814.8	–	30.6	0.5	–	3,845.9
Later than five years	1,550.3	–	88.5	0.4	–	1,639.2
Balance at 31 March 2026	**7,933.3**	**1.6**	**141.7**	**1.0**	**30.0**	**8,107.6**

Analysis of expected timing of discounted flows – 2024 to 2025

£million	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	1,779.8	27.0	38.8	0.1	4.0	1,849.7
Later than one year and not later than five years	5,482.8	–	46.9	0.5	–	5,530.2
Later than five years	787.4	–	66.7	0.4	–	854.5
Restated balance at 31 March 2025	**8,050.0**	**27.0**	**152.4**	**1.0**	**4.0**	**8,234.4**

13.2. IBCA Provision

£million	Infected IBSS-registered people	Living infected never compensated people	Deceased infected people	Affected people	Legal and financial support	Total
Balance at 1 April 2024	**–**	**–**	**–**	**–**	**–**	**–**
Provided in the year	2,654.9	2,125.5	1,200.3	2,129.2	–	8,109.9
Provisions utilised in the year	(59.9)	–	–	–	–	(59.9)
Provisions not required written back	–	–	–	–	–	–
Change in discount rate	–	–	–	–	–	–
Borrowing costs (unwinding of discounts)	–	–	–	–	–	–
Restated balance at 31 March 2025	**2,595.0**	**2,125.5**	**1,200.3**	**2,129.2**	**–**	**8,050.0**
Provided in the year	1,722.3	165.2	276.9	–	89.6	2,254.0
Provisions utilised in the year	(1,964.0)	(8.5)	(6.9)	(0.6)	(11.8)	(1,991.8)
Provisions not required written back	–	–	–	(723.8)	–	(723.8)
Change in discount rate	(77.7)	38.1	27.6	32.5	–	20.5
Borrowing costs (unwinding of discounts)	104.5	85.7	48.4	85.8	–	324.4
Balance at 31 March 2026	**2,380.1**	**2,406.0**	**1,546.3**	**1,523.1**	**77.8**	**7,933.3**

Analysis of expected timing of discounted flows – 2025 to 2026

£million	Infected IBSS-registered people	Living infected never compensated people	Deceased infected people	Affected people	Legal and financial support	Total
Not later than one year	334.4	1,701.6	454.6	66.8	10.8	2,568.2
Later than one year and not later than five years	543.0	691.9	1,084.1	1,430.0	65.8	3,814.8
Later than five years	1,502.7	12.5	7.6	26.3	1.2	1,550.3
Balance at 31 March 2026	**2,380.1**	**2,406.0**	**1,546.3**	**1,523.1**	**77.8**	**7,933.3**

Analysis of expected timing of discounted flows – 2024 to 2025

£million	Infected IBSS-registered people	Living infected never compensated people	Deceased infected people	Affected people	Legal and financial support	Total
Not later than one year	1,635.7	69.5	72.9	1.7	–	1,779.8
Later than one year and not later than five years	389.1	2,056.0	1,127.4	1,910.3	–	5,482.8
Later than five years	570.2	–	–	217.2	–	787.4
Balance at 31 March 2025	**2,595.0**	**2,125.5**	**1,200.3**	**2,129.2**	**–**	**8,050.0**

13.2.1 IBCA's valuation model and basis for measurement

Within IBCA's valuation model, eligible claimants are organised into groups that align with the scheme's eligibility criteria. These are:

- Living infected people registered with an existing IBSS (IBSS-registered)
- Living infected never compensated people (infected people not registered with an IBSS)
- Deceased infected people
- Affected people

Each group is described in more detail below, including the basis for the measurement of the provision.

Living infected people registered with an existing IBSS (IBSS-registered)

Under the Infected Blood Compensation Scheme Regulations 2025, qualifying IBSS recipients are automatically eligible for the Scheme. Currently, responsibility for making ongoing support payments under the "adjusted route" remains with the IBSS and is due to transfer to IBCA between January and March 2027. As a result, support payment projections for 2026 to 2027 are excluded from IBCA's provision, acknowledging that DHSC will make the payment and therefore hold the liability.

Basis for measurement: Tariff including assessment of severity of infection and negative impacts suffered by victims, in addition to a supplementary award dependent on circumstances.

Living infected never compensated people (infected people not registered with an IBSS)

This group comprises living infected people who are not registered with an IBSS and have been directly or indirectly infected through NHS blood, blood products or tissue. This includes anyone living who has been infected with HIV, Hepatitis C and chronic Hepatitis B, including those who were indirectly infected through their partners or loved ones.

Basis for measurement: Tariff including assessment of severity of the infection and negative impacts suffered by victims, in addition to a supplementary award dependent on circumstances. During the year and after discussion with the department's Infected Blood Compensation Scheme Technical Expert Group, it has been determined that compensation will be in line with the IBSS-registered known group.

Deceased infected people

Where a person who would have been eligible to apply to the scheme as an infected person has passed away, the personal representatives of the deceased infected person's estate may apply for compensation on behalf of the estate. Those who had an acute Hepatitis B infection and died from their infection within 12 months of receiving the infected blood treatment, or of the Hepatitis B infection reactivating, are also eligible under this scheme.

Basis for measurement: Tariff including assessment of severity of infection and negative impacts suffered by victims, in addition to a supplementary award dependent on circumstances.

Affected people

Affected people are those who have suffered the impacts of infected blood through their relationship with an infected person. This includes partners, parents, children, siblings, and other friends and family members who cared for loved ones with an infection without reward or remuneration.

Bereaved partners registered under the IBSS currently receive ongoing support payments. When they receive a compensation offer from IBCA, these individuals can choose to continue receiving these regular support payments.

Where interim compensation has previously been issued to a bereaved partner via the IBSS, this amount will be deducted from the final comprehensive compensation award in line with legislation.

Basis for measurement: Tariff including assessment of severity of the infection and negative impacts suffered by victims, and potentially a supplementary award dependent on circumstances.

Legal and financial support

In line with recommendations made by Sir Robert Francis, and as permitted in legislation, IBCA may provide support to those eligible to make a claim to assist with legal considerations and financial support.

Basis for measurement: IBCA offers fixed fee support with respective legal and financial firms. This applies at varying rates dependent on group and requirements.

13.2.2 Process and methodology for setting the provision in line with accounting standards

In accordance with 'IAS 37: Provisions, Contingent Liabilities and Contingent Assets', IBCA has recognised a provision representing the best estimate of the expenditure required to settle its present obligations at the reporting date. Given the inherent uncertainties of the scheme, this estimate relies on robust statistical modelling. Accordingly, data analysts developed a low, central and high scenario for claims, and the overall cost of the scheme is calculated by multiplying the estimated number of eligible claimants by the projected amount awarded per claim.

Arriving at an estimate and timing of cash flow

Factoring in estimates on volumes, severities and choices, the expected cash outflows are then profiled based on the expected timing of the claim being opened for each group. This is based on projections of the sequence of claims and IBCA's capacity and is highly uncertain.

The estimate is discounted in the financial statements to represent the total cost of compensation at its present value. Discounting is required by accounting standards to factor in the time value of money. The applicable discount rate is prescribed by HM Treasury. For 2025 to 2026, the applicable rate was 3.64% (2024 to 2025: 4.03%).

Independent expert review

The underlying methodology, assumptions, and interpretations were presented to the department's Technical Expert Group. This is a group consisting of an expert actuary and clinicians, whose guidance was incorporated into the revised assumptions.

Provision governance

During the year, IBCA has strengthened its governance over the provision estimation, including internal controls and the implementation of a provision governance board, chaired by the Chief Finance Officer with representation from across IBCA. This board oversees activity related to the provision and ensures that the approach is in line with government standards. This assures assumptions and evidence received have been assured by management.

13.2.3 Advancements for the 2025 to 2026 provision estimate

The estimation of the provision for IBCA is subject to significant uncertainty, primarily due to unpredictability regarding the number of people eligible for compensation.

However, the combination of operational data, more robust parallel modelling, and expert clinical and actuarial advice during the year has substantially narrowed the range of uncertainty compared to the prior financial period and IBCA has made substantial progress.

Progress made for 2025-26 Provision Estimate

Progress made for 2025-26 Provision Estimate	Information availability	Impact
Utilisation of operational data	Payments made to IBSS-registered individuals. During 2025-26 this included over 3,000 claims	Improved estimates around characteristics of living infected
Registration data	In October 2025, IBCA launched a 'Register your intent to claim' service, which enables potential claimants to formally register.	The data captured from these registrations provides an important measure of the number of people potentially eligible for compensation. Bottom-up modelling was developed to extrapolate future volumes from the Register.
Parallel modelling approaches	Cross tested two distinct models	Enabled comparison as sense checking methodology.
Top-down modelling	IBCA utilised the Statistical Expert Group infection estimates and mapped the reported demographics against Office for National Statistics data on mortality and family sizes.	This enabled a projection of potential claims from both infected individuals and affected family members.

13.2.4 Key assumptions and areas of uncertainty

All groups are impacted by the following key assumptions or areas of uncertainty.

- **Discounting and IBCA's rate of scale-up:** The provision is discounted to reflect the time value of money. The applicable discount rate is prescribed by HM Treasury. Compensation payments estimated in the future are discounted back to a present value – the further in the future the payment, the greater the discount.
- **Payment route:** Individuals' choices relating to core or adjusted routes impact the discounted value of the provision. Compensation payments have been modelled based on IBCA's current operational plans.
- **Inflation:** Under the Infected Blood Compensation Scheme Regulations 2025, support payments and periodic payments are increased by the Consumer Price Index each April, by the rate in the preceding September. The rate is determined by the Office for National Statistics and cannot be controlled by IBCA.

These overarching assumptions and areas of uncertainty need to be considered along with other assumptions which are more specific to a particular group and the potential financial sensitivity to change.

Assumption	Estimation approach and data source	Degree of data uncertainty	Explanation and mitigating factors	Financial sensitivity to assumption variation
Discount rates[121]	Prescribed via HM Treasury's Public Expenditure System guidance	Prescribed	External rates set by third parties	Medium
Inflation[122]	Prescribed via regulation and set by Office for National Statistics guidance	Prescribed	External rates set by third parties	High
Living infected never compensated group size	Empirical 'Register your intent to claim' service metrics and 'top-down' demographic modelling	Medium	Registration provides an indicative set of numbers likely to claim, which support assumptions on group size.	Medium
Deceased infected group size	Empirical 'Register your intent to claim' service metrics and 'top-down' demographic modelling	Medium	Most claims for deceased infected people will be those where the infected person survived longer (so were more likely to have symptoms and know they were infected), and/or had more severe symptoms. There will be fewer deceased infected claims overall, but a greater proportion of deceased infected claims at a higher severity level.	High

121 The influence of discount rates on the overall provision is low to medium as only support costs extend beyond six years of completion or payment.

122 The impact which inflation has on the total provision is high, an external impact and a prescribed rate

Assumption	Estimation approach and data source	Degree of data uncertainty	Explanation and mitigating factors	Financial sensitivity to assumption variation
Deceased infected survival scenario	Based on data from the Infected Blood Inquiry's Statistical Expert Group report	Medium	Assumption that for those who were infected by blood transfusion, demographic and survivorship data in the Inquiry's Statistical Expert Group report shows that many, sadly, died relatively soon after receiving a transfusion before symptoms of Hepatitis C were likely to be present.	Medium
Evidence-led route	Broadly based on the demographics of living infected applicants and stress tested at different earnings levels	Low	N/A	Medium

The assumptions with negligible impact on sensitivity when measuring high and low criteria are life expectancy for support payments, Hepatitis C acute group size, carers group size and unethical research.

13.2.5 Sensitivity analysis on discounted provision

The valuation of the Infected Blood Compensation Scheme provision is sensitive to variations in its core underlying assumptions. Because actual outcomes may deviate from the central estimates adopted by management, a sensitivity analysis has been performed to illustrate the potential financial impact of alternative scenarios.

The scenarios evaluated below represent reasonable alternative hypotheses based on emerging operational data, evidence and research, and expert clinical advice. In accordance with standard accounting practice, each sensitivity test isolates the impact of a single variable while holding all other model assumptions constant. The assumptions and uncertainties which IBCA considers to have a material effect on the provision are presented below showing illustrative estimates of potential upper and lower outcomes but the probability associated with those outcomes are not measured.

Assumption and key sensitivities	Lower end of range	Increase/ reduction from Central (Provision Estimate)	Upper end of range	Increase/ reduction from Central (Provision Estimate)
Public Expenditure System rate (prescribed by HMT)	£7,515 million 1 percent increase	£417 million reduction	£8,244 million 1 percent decrease	£311 million Increase
Inflation (Rate prescribed by HMT – 3.80% for 2026-27)	£7,403 million 1 percent decrease	£530 million reduction	£9,314 million 2 percent increase	£1,381 million Increase
Life expectancy scenario (for support payments)	£7,736 million Ogden Tables applied for Male and Female. Low assumes increased mortality by applying an Ogden discount factor (rate of return of 0.5%)	£197 million reduction	Not computed as no rationale for assuming people exceed average life expectancy.	N/A
Living infected never compensated group size	£7,647 million Registration data and demographic modelling adjustments	£285 million reduction	£8,358 million Registration data and demographic modelling adjustments	£425 million increase
Deceased infected group size	£7,574 million Registration data and demographic modelling adjustments	£359 million reduction	£9,068 million Registration data and demographic modelling adjustments	£1,134 million increase
Deceased infected survival scenario	£7,586 million Survival timelines applied	£347 million reduction	£8,187 million Survival timelines applied	£254 million increase
Evidence-led route	£7,855 million Demographics of living affected applicants and stress tested at different earnings levels	£0.078 million reduction	£8,159 million Demographics of living affected applicants and stress tested at different earnings levels	£226 million increase

Full details of IBCA provision and sensitivity analysis can be found in the IBCA annual report and accounts.

13.3. Other provisions

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 11. The GPA considers these recharges to be virtually certain.

The department's provision for dilapidations is mostly based on estimated rates per square metre of floor space. These rates reflect historic settlements of dilapidations on expired occupations of similar properties. Detailed physical inspections are carried out where leases are close to expiry. This method of measurement produces a direct correlation between total floor space and the provision. Hence, assuming all other assumptions remain constant, a 10% increase (or decrease) in floor space will result in approximately a 10% increase (or decrease) in the provision (£13.7 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 11. The movement and reconciliation to the CSoCNE is presented below.

		2025-26		2024-25
£million	Core department and agency	Departmental group	Core department and agency	Departmental group
Balance at 1 April	133.9	133.9	145.4	145.4
Provided in the year	4.4	4.4	12.7	12.7
Provisions not required written back	(24.9)	(24.9)	(22.9)	(22.9)
Received in the year	(2.1)	(2.1)	(1.3)	(1.3)
Balance at 31 March	**111.3**	**111.3**	**133.9**	**133.9**

£million	2025-26 Core department and agency	2025-26 Departmental group	2024-25 Core department and agency	2024-25 Departmental group
Increase / (decrease) in dilapidation provision liability	(10.7)	(10.7)	(1.5)	(1.5)
(Increase) / decrease in dilapidation provision receivable	22.6	22.6	11.5	11.5
Net increase / (decrease) in provisions during the year passing through CSoCNE	**11.9**	**11.9**	**10**	**10**

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 similar to 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 2026.

Voluntary exit scheme

The department is required to reduce its core staff numbers and in 2024 to 2025, 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.

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
- the individual rejects the offer and the provision is written back

Payments totalling £24.7 million have been made in 2025 to 2026 and the provision was utilised to offset these payments.

In 2025 to 2026, a further £1.637 million was provided in year by the Equalities and Human Rights Commission under a similar scheme. The provision is expected to be utilised in 2026 to 2027.

Other provisions

In 2024 to 2025, a provision was made in respect of settlement of claims arising from the 2018 McCloud judgement regarding unlawful age discrimination in public sector pension schemes. Payments totalling £3.959 million were made to the Government Legal Department in 2025 to 2026 in respect of this, with the residual amount written back.

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.

Commercially Sensitive

The Department has recognised a provision relating to an ongoing commercial matter, which is classified as a current liability expected to be settled within the next twelve months. Specific details regarding the nature of this obligation and its financial estimate have been withheld. The Department is currently engaged in active commercial and legal discussions with third parties, and disclosing further details at this stage would seriously prejudice the Department's position in these ongoing matters.

Off-payroll working arrangements (IR35) provision

During 2025 to 2026, the department recognised a provision for unpaid tax and national insurance contributions relating to historic off-payroll working arrangements (IR35) covering the period from April 2017 to March 2026. In previous financial years, this matter was disclosed as a contingent liability because the department had not been issued with formal opinions by HMRC and disputed HMRC's developing views. As such it was assessed that the likelihood of a settlement outflow at less than 50%.

In February 2026, management approved an expedited settlement approach with HMRC to bring this long-standing matter to a pragmatic conclusion. While the department continues to challenge aspects of HMRC's status opinions and methodology as the final settlement value is negotiated, this agreed pathway to resolution established a probable outflow of economic resources.

The total estimated gross liability, inclusive of simple interest payable at published rates, was calculated at £38.467 million. The department made an advance settlement payment of £15 million to HMRC without prejudice in February 2026. As a result, a net provision of £23.467 million remains at the reporting date.

The provision is a reliable estimate based heavily on HMRC's review of four sampled off-payroll cohorts: review team leaders, commercial assessors, content designers, and digital developers. The liability for the remaining, unsampled population of off-payroll expenditure has been estimated by extrapolating a 39% weighted average liability calculated from the sampled cohorts. In calculating the provision, the department assumed that HMRC's potential liabilities are representative of the total estimated £89.189 million off-payroll spend. Furthermore, where underlying worker details have been obtained, the estimate applies a 28% offset (as recommended by HMRC) to reduce the potential tax and national insurance liability by the amount otherwise paid.

14. Contingent assets

The Cabinet Office has no contingent assets.

15. Contingent liabilities

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.

IBCA legally privileged

IBCA has a contingent liability subject to legal privilege, for which details are not given to avoid prejudicing the position of the department. The likelihood of future outflow of economic resources is considered likely and cannot presently be reliably valued.

Appeals Against Interpretation of Legislation

IBCA is currently involved in litigation matters challenging interpretation of the severity levels found in Schedule 1 of the Infected Blood Compensation Scheme Regulations 2025. In the event that IBCA loses the litigation, the financial impact would include both litigation costs and additional compensation. While difficult to fully estimate, IBCA's assessment is that this could total £2 billion, based on differences between entitlement levels and likely claims. This amount is highly uncertain as not all claims would be eligible. The litigation is expected to conclude in 2027.

Employment tribunal

A contingent liability exists regarding one employment tribunal claim. An initial hearing is scheduled for summer 2026. No further information has been disclosed as this could be prejudicial to the outcome of the case. The inclusion of a financial estimate of this liability may be prejudicial to EHRC's interests and has not been disclosed.

16. Financial instruments

As the cash requirements of the department are met through the estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the department's expected purchase and usage requirements and the department is therefore usually exposed to little credit or liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk.

The group's primary exposure to market risk arises within the GPA through specific lease contracts that contain rent review mechanisms linked to inflation indices (such as CPI or RPI), which are classified as other price risk. The GPA mitigates this risk by ensuring that its onward subleases with tenants contain corresponding provisions.

The GPA retains some of the risks for hubs and Whitehall Campus in respect of voids where there is no rent recovery from tenants. The GPA expects to have a small level of vacant space during 2026 to 2027. The expected vacant space mainly relates to properties where there is ongoing major transformation and refurbishment works which will deliver long term savings for the GPA and its clients.

16.1. 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 and are not based on observable market data

				2025-26			2024-25
£million	Note	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets: fair value through profit and loss							
Derivative financial assets	9	–	–	1.8	–	–	2.8
Official Receiver receivables	11	–	–	11.4	–	–	11.0
Financial liabilities: fair value through profit and loss							
Official Receiver payable	12	–	–	(11.4)	–	–	(11.0)

There were nil transfers between the levels in 2025 to 2026.

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 9. 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 11 and 12.

17. Commitments under PFI contracts and other service concession arrangements

PFI contracts and other service concession arrangements held by the GPA

Property	Onboarded date	Original contract start date	Duration (years)	Description
London, 2 Marsham Street	1 August 2021	March 2002	29	PFI contract covering construction and maintenance of 2 Marsham Street. The contract is for 29 years, expiring in 2032. At the end of the concession period (2032), 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.

£million	As at 31 March 2026	As at 31 March 2025
Rentals due not later than one year	93.0	90.3
Rentals due later than one year but not later than five years	374.4	363.3
Rentals due later than five years	484.8	567.7
Sub-total	**952.2**	**1,021.3**
Less interest element	(287.0)	(333.6)
Present value of obligations	**665.2**	**687.7**

The present value of liabilities under PFI service concession arrangements recognised in the CSoFP are as follows.

£million	As at 31 March 2026	As at 31 March 2025
Rentals due not later than one year	89.7	87.1
Rentals due later than one year but not later than five years	297.2	288.4
Rentals due later than five years	278.3	312.2
Present value of obligations	**665.2**	**687.7**

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.

£million	As at 31 March 2026	As at 31 March 2025
Not later than one year	41.2	35.5
Later than one year but not later than five years	165.8	142.6
Later than five years	142.7	146.0
Total service element	**349.7**	**324.1**

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 £143.2 million for the period to 31 March 2026 (2024 to 2025: £154.7 million). Of this total, £72.9 million (2024 to 2025: £76.5 million) has been charged to operating expenditure comprising both the fixed and variable service charge element of £40.3 million (2024 to 2025: £39.2 million) and non-contract specific costs of £32.6 million (2024 to 2025: £37.3 million). Charges to finance expenditure include interest charges of £53.9 million (2024 to 2025: £55.6 million) and finance liability indexation charges of £16.4 million (2024 to 2025: £22.6 million).

18. Capital and other financial commitments

18.1. Capital commitments

Contracted capital commitments at 31 March 2026 for which no provision has been made and not otherwise included in these financial statements are as follows.

	2025-26		2024-25	
£million	Core department and agency	Departmental group	Core department and agency	Departmental group
Property, plant and equipment	71.1	71.1	74.6	74.6
Total	**71.1**	**71.1**	**74.6**	**74.6**

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 2026, the £71.1 million is made up of the following contracts: £61.3 million in relation to government hubs, Whitehall campus programmes, and workplace project design and delivery, and £9.8 million for property technology projects.

Substantially all capital commitments are expected to be incurred within 12 months of the reporting date.

18.2. 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.

	2025-26		2024-25	
£million	Core department and agency	Departmental group	Core department and agency	Departmental group
Not later than one year	221.4	221.4	257.5	257.5
Later than one year and not later than five years	370.0	370.0	352.4	352.4
Later than five years	86.5	86.5	117.7	117.7
Total	**677.9**	**677.9**	**727.6**	**727.6**

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 2026, the £677.9 million includes the following material contracts:

- £203.1 million in relation to the administration of the Civil Service Pension Scheme
- £39.2 million in relation to cross-government learning and development contracts
- £162.3 million in relation to facilities management
- £144.9 million on client-funded construction projects
- £59.0 million with our operational security provider

19. Related party transactions

The department is the parent of its agencies and other designated bodies (see note 20) and sponsor of its associate Crown Hosting Data Centres Limited. These bodies are regarded as related parties with which the department has had a number of transactions during the year.

The GPA and the Crown Commercial Service are executive agencies of the Cabinet Office. The GPA provides accommodation and property services. The Crown Commercial Service 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 EHRC and IBCA), and of the Registrar of Consultant Lobbyists, a corporation sole (see note 20). 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 (see note 9). Crown Hosting Data Centres Limited provides public bodies with a physical space to host their computer servers and systems that are not in the cloud.

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
- Ministry of Defence
- Home Office

The main customers of the Cabinet Office group within government were:

- Ministry of Defence
- Department for Work and Pensions
- Home Office
- Ministry of Justice
- Department for Science, Innovation and Technology
- Department for Energy Security and Net Zero

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.

20. 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:

- Ethics and Integrity Commission
- House of Lords Appointments Commission
- 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 and Security Vetting Appeals Panel.

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.[123]

123 https://civilservicecommission.independent.gov.uk/

Equality and Human Rights Commission

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.[124]

Infected Blood Compensation Authority

IBCA was established in May 2024, so this is the second year that it is consolidated into the Cabinet Office group accounts. IBCA is the independent body set up to pay compensation to people infected and affected by HIV, hepatitis B and hepatitis C through contaminated blood, blood products or tissue, established by the Victims and Prisoners Act 2024.

As an independent, statutory body, IBCA publishes its own annual report. Further information can be found on the IBCA website.[125]

Statutory offices

The Office of the Registrar of Consultant Lobbyists

The Office of the Registrar of Consultant Lobbyists 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 Office of the Registrar of Consultant Lobbyists website.[126]

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.

21. 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.

Ministers

On 20 July 2026, The Rt Hon. Andy Burnham MP became the new Prime Minister of the United Kingdom. Following his appointment, The Rt Hon. Louise Haigh MP was announced as First Secretary of State, Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office.

A new ministerial team followed the following day. Details of these new ministers can be found in the Accountability report.

124 https://www.equalityhumanrights.com/
125 https://ibca.org.uk/
126 https://registrarofconsultantlobbyists.org.uk/

Executive Agencies

Government Commercial Agency

The Government Commercial Agency is an enhanced executive agency that came into operation from 1 April 2026. It brings together commercial expertise from several of Cabinet Office's central commercial teams and the Crown Commercial Service into a single, integrated agency – aimed at achieving better value for taxpayers and supporting the government's objectives. By uniting the strengths of both organisations, the Government Commercial Agency creates a stronger, more joined-up commercial function for government and the public sector.

No adjustments have been made to the financial statements for the year ended 31 March 2026 as it represents a non-adjusting event for 2025 to 2026.

The Office for the Prime Minister and Cabinet and the OneGov Delivery Agency

Following the appointment of the new Prime Minister, on 21 July 2026, it was announced in a Ministerial Statement that the Prime Minister is creating an Office for the Prime Minister and the Cabinet (OPMC), which will house No.10 (including No.10 North) and those teams currently within the Cabinet Office that directly serve the Prime Minister and Cabinet.

The department will additionally oversee a new OneGov Delivery Agency which will manage operational services at arm's length, including the Government Recruitment Service, Pensions, Shared Services strategy, and Security Vetting. The OPMC will be led by the Cabinet Secretary. This would become effective immediately where practically possible.

Machinery of government transfers

Integrated Security Fund

In a Prime Ministerial statement on 14 April 2026, it was announced that the management of the Integrated Security Fund, and its associated funding, will be permanently transferred from the Foreign, Commonwealth and Development Office to the Cabinet Office.

The Integrated Security Fund is the UK's cross-government national security fund, addressing major threats to the UK and its interests. This change consolidates the management of the fund within the Cabinet Office to simplify leadership and delivery structures. The change was effective from 1 April 2026.

Other machinery of government transfers

No.10 North

Following the appointment of the new Prime Minister, on 21 July 2026, it was announced in a Ministerial Statement that the Prime Minister is establishing No.10 North as the engine room of devolution and good growth in every postcode, across government and the wider economy. This will include transfers of the following overarching strategic functions moving directly to the new No.10 North:

- **Local economic growth and devolution strategy** from the Ministry of Housing, Communities and Local Government, and
- **Local economic growth policy** from HM Treasury.

MOGs out of the department

In the same ministerial statement, it was announced that several functions will move out of the Cabinet Office to slim down the centre of government and align them with departments suited to their purpose, this includes:

- the **Office for Equality and Opportunity** will move to the Ministry of Housing, Communities and Local Government;
- the **Office for Impact Economy and responsibility for policy on digital identity** will move to the Department for Digital, Culture, Media and Sport;
- the **Public Sector Fraud Authority** will move to the Department for Work and Pensions with continued central sponsorship from HM Treasury;
- and the **Investment Security Unit** will move to the Department for Business, Innovation, Science and Trade.

Artificial Intelligence

Recognising that the transformative scale of Artificial Intelligence (AI) advances requires a strategic, whole-of-government approach from the centre, the Prime Minister is establishing a new AI Taskforce within the OPMC. To deliver this step change, responsibility for the following will move to the Cabinet Office from the Department for Business, Innovation, Science and Trade.

- **AI strategy**;
- public sector **AI adoption**; and
- the **AI Security Institute**

These changes all would become effective immediately.

Digital ID

In September 2025, the then Prime Minister announced plans for a new digital ID scheme which intended to make it easier for most people to access vital government services. To support this policy we launched a nationwide public consultation, which closed in May 2026, to understand the views of the public. The Digital ID programme has now been closed and Digital ID policy moved to the Department of Culture, Media and Sport in July 2026.

Additional Inquiry report

In April 2026, the government published its response to the Infected Blood Inquiry's Additional Report on Compensation, specifically relating to consultation undertaken in response to proposed amendments to compensation eligibility and awards (referred to as the fourth regulations). The government's response set out proposed changes to legislation and a plan to place these before Parliament later in 2026. IBCA assesses these changes as new obligations which were not in existence at the reporting date, and therefore, in line with IAS 10: Events After the Reporting Period, as a non-adjusting event. As a material non-adjusting event, the required disclosure must include an estimate of its financial effect. Indicative policy work suggests the potential cost for the new compensation eligibility and awards to be approximately £1 billion.

Annexes

Annex A

Regulatory reporting: Core expenditure table

The core tables present expenditure for resource and capital. Departmental Expenditure Limit (DEL) expenditure is set for each year during the Spending Review process. Annually Managed Expenditure (AME) budgets are agreed annually. (The core tables have been amended to incorporate transfers of functions to other government departments as they have arisen.) As with the statement of parliamentary supply (SOPS), the core tables do not report on the same basis as the financial statements. They are based on the department's estimated allocation of activities and budgeting. The core tables are produced automatically from HM Treasury's system, which is used by all central government departments to record their spending and plans. Total departmental spending is the sum of the resource and capital budget, less depreciation. Similarly, total DEL is the sum of the DEL resource and DEL capital budget. Total AME is the sum of the AME resource and AME capital budget, less depreciation in AME.

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 2021 to 2022 to 2028 to 2029

£000	2021-22 Outturn[127]	2022-23 Outturn[127]	2023-24 Outturn[127]	2024-25 Outturn	2025-26 Outturn	2026-27 Plans	2027-28 Plans	2028-29 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 co-ordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	37,617	61,749	62,189	75,912	–	–	–	–

127 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	2021-22 Outturn[127]	2022-23 Outturn[127]	2023-24 Outturn[127]	2024-25 Outturn	2025-26 Outturn	2026-27 Plans	2027-28 Plans	2028-29 Plans
Advance equality of opportunity across the UK	16,703	15,387	16,524	16,035	–	–	–	–
Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	364,544	266,394	292,115	182,459	–	–	–	–
Support the design and implementation of the government's policies and the Prime Minister's priorities	461,296	223,231	243,585	280,988	–	–	–	–
Ensure the effective running of the department and contribute to the government's cross-cutting priorities	124,819	–	–	–	–	–	–	–
Executive agency – GPA	27,992	52,953	209,829	158,996	119,031	44,733	179,161	178,712
ALBs (net)	19,532	21,088	21,068	42,228	115,108	162,627	66,305	66,282
UK Members of the European Parliament	2,161	2,120	–	–	–	–	–	–
Strengthen international partnerships to support growth	–	–	–	–	14,351	51,686	11,590	8,833
Strengthen the foundations of good government	–	–	–	–	95,641	65,066	136,295	102,425
Make the country safer, more secure and increasingly resilient	–	–	–	–	67,321	203,623	558,603	519,753
Run a high-quality Civil Service	–	–	–	–	387,823	540,485	637,035	512,154
Drive delivery of the government's missions and foundations	–	–	–	–	81,141	65,500	15,442	14,821

£000	2021-22 Outturn[127]	2022-23 Outturn[127]	2023-24 Outturn[127]	2024-25 Outturn	2025-26 Outturn	2026-27 Plans	2027-28 Plans	2028-29 Plans
Total resource DEL	**1,110,524**	**666,318**	**862,786**	**762,888**	**880,416**	**1,113,720**	**1,604,431**	**1,402,980**
Of which:								
Staff costs	628,098	627,576	656,505	745,293	818,774	–	–	–
Purchase of goods and services	1,071,796	591,524	804,418	716,984	883,144	–	–	–
Income from sales of goods and services	(322,885)	(325,856)	(370,777)	(388,077)	(467,305)	–	–	–
Current grants to local government (net)	11,948	4	622	(886)	3,084	–	–	–
Current grants to persons and non-profit (net)	2,846	3,284	15,670	1,735	2,334	–	–	–
Current grants abroad (net)	120	–	–	–	–	–	–	–
Rentals	8,368	44,694	(8,531)	(51,185)	44,738	–	–	–
Depreciation	68,526	114,749	137,324	151,543	176,547	146,324	–	–
Other resource	(358,293)	(389,657)	(372,445)	(412,519)	(1,075,157)	(550,677)	1,604,431	1,402,980
Resource AME								
Cabinet Office AME	(3,537)	(1,339)	186	9,615,668	(115,825)	(2,198,468)	(1,769,830)	(1,771,414)
Executive agency – GPA – AME	76,975	55,833	116,894	76,796	87,329	432,000	360,000	370,000
Total resource AME	**73,438**	**54,494**	**117,080**	**9,692,464**	**(28,496)**	**(1,766,468)**	**(1,409,830)**	**(1,401,414)**
Of which:								
Depreciation[128]	93,300	55,588	39,800	–	–	–	–	–
Take-up of provisions	–	–	83,034	–	–	–	–	–
Release of provision	(3,601)	–	(33,598)	–	–	–	–	–
Other resource	(16,261)	(1,094)	27,844	9,692,464	(28,496)	(1,766,468)	(1,409,830)	(1,401,414)
Total resource budget	**1,183,962**	**720,812**	**979,866**	**10,455,352**	**851,920**	**(632,748)**	**194,601**	**1,566**
Of which:								
Depreciation[128]	161,826	170,337	177,124	151,543	176,547	474,532	403,170	411,586

128 Includes impairments

£000	2021-22 Outturn[127]	2022-23 Outturn[127]	2023-24 Outturn[127]	2024-25 Outturn	2025-26 Outturn	2026-27 Plans	2027-28 Plans	2028-29 Plans
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 co-ordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	23,213	26,220	25,713	–	–	–	–	–
Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions	1,140	6,845	19,182	–	–	–	–	–
Support the design and implementation of the government's policies and the Prime Minister's priorities	5,768	3,920	9,049	–	–	–	–	–
Executive agency – GPA	101,757	204,153	357,722	196,544	285,076	305,700	355,715	251,089
ALBs (net)	490	700	244	18,558	38,846	27,500	35,572	25,109
Strengthen international partnerships to support growth	–	–	–	547	45,250	13,250	5,347	3,773
Make the country safer, more secure and increasingly resilient	–	–	–	4,583	7,154	25,100	11,327	7,966
Run a high-quality Civil Service	–	–	–	52,559	38,802	270,180	34,641	23,841
Drive delivery of the government's missions and foundations	–	–	–	2,749	1,934	1,500	1,718	1,212
Total capital DEL	**133,075**	**242,000**	**411,910**	**275,540**	**417,062**	**643,230**	**444,320**	**312,990**

£000	2021-22 Outturn[127]	2022-23 Outturn[127]	2023-24 Outturn[127]	2024-25 Outturn	2025-26 Outturn	2026-27 Plans	2027-28 Plans	2028-29 Plans
Of which:								
Income from sales of assets	870,993	(616,125)	(233,690)	(181,221)	(75,099)	–	–	–
Net lending to the private sector and abroad	–	–	–	–	–	–	–	–
Other capital	(886,321)	51,186	(817)	144,940	132,364	643,230	444,320	312,990
Purchase of assets	148,412	798,742	632,002	309,655	359,797	–	–	–
Purchase of goods and services	–	–	–	–	–	–	–	–
Capital grants to persons and non-profit (net)	(9)	8,197	14,415	–	–	–	–	–
Capital grants to private sector companies (net)	–	–	–	2,166	–	–	–	–
Capital AME								
Cabinet Office AME	–	–	–	59,851	1,980,065	2,139,988	1,858,000	1,858,000
Executive agency – GPA – AME	–	–	–	–	–	–	–	–
Executive agency – Infected Blood Inquiry – AME	–		–	–	–	–	–	–
Total capital AME	**–**	**–**	**–**	**59,851**	**1,980,065**	**2,139,888**	**1,858,000**	**1,858,000**
Of which:								
Purchase of assets	–	–	–	–	–	–	–	–
Capital grants to persons and non-profit (net)	–	–	–	59,851	2,722,954	2,139,988	1,858,000	1,858,000
Total capital budget	**133,075**	**242,000**	**411,910**	**335,390**	**2,397,127**	**2,783,218**	**2,302,320**	**2,171,020**
Total department spending[129]								
Of which:								
Total DEL	**1,243,599**	**908,318**	**1,274,696**	**1,038,427**	**1,297,478**	**1,776,950**	**2,048,751**	**1,716,000**
Total AME	**73,438**	**54,494**	**117,080**	**9,752,315**	**1,951,569**	**373,520**	**448,170**	**456,586**

129 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 2021 to 2022 to 2028 to 2029

£000	2021-22 Outturn[130]	2022-23 Outturn[130]	2023-24 Outturn[130]	2024-25 Outturn[130]	2025-26 Outturn	2026-27 Plans	2027-28 Plans	2028-29 Plans
Resource 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 co-ordinating national security and crisis response, realising strategic advantage through science and technology, and the implementation of the Integrated Review	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	37,236	165,998	251,248	154,155	–	–	–	–
Support the design and implementation of the government's policies and the Prime Minister's priorities	298,461	82,931	112,553	103,469	–	–	–	–
Ensure the effective running of the department and contribute to the government's cross-cutting priorities	122,772	–	–	–	–	–	–	–
Executive agency – GPA	27,992	52,953	209,829	158,996	119,031	510,250	455,000	456,000
ALBs (net)	14,880	14,901	15,436	36,850	109,476	–	–	–
Strengthen international partnerships to support growth	–	–	–	–	3,416	–	–	–

130 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	2021-22 Outturn[130]	2022-23 Outturn[130]	2023-24 Outturn[130]	2024-25 Outturn[130]	2025-26 Outturn	2026-27 Plans	2027-28 Plans	2028-29 Plans
Strengthen the foundations of good government	–	–	–	–	35,099	–	–	–
Make the country safer, more secure and increasingly resilient	–	–	–	–	39,920	–	–	–
Run a high-quality Civil Service	–	–	–	–	218,192	–	–	–
Drive delivery of the government's missions and foundations	–	–	–	–	71,946	–	–	–
Total administration budget	**569,959**	**360,031**	**626,839**	**499,624**	**597,080**	**510,250**	**455,000**	**456,000**
Staff costs[131]	495,660	516,047	543,740	609,277	562,575	–	–	–
Purchase of goods and services	586,173	357,409	528,792	495,417	1,293,125	–	–	–
Income from sales of goods and services	(210,641)	(222,598)	(235,016)	(253,566)	(303,063)	–	–	–
Current grants to local government (net)	–	30	2,065	–	–	–	–	–
Current grants to persons and non-profit bodies (net)	516	125	333	–	–	–	–	–
Rentals	941	45,311	(6,276)	(51,656)	–	–	–	–
Depreciation – Includes impairments	43,641	75,597	95,368	104,355	125,131	–	–	–
Other resource	(346,331)	(411,890)	(302,167)	(404,203)	(1,080,688)	510,250	455,000	456,000

131 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'

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 2025 to 2026, the Cabinet Office has made grants totalling £1.146 million (2024 to 2025: £0.419 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 £1.000 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 £0.131 million was also paid to the Civil Service Sports Council to encourage and co-ordinate the pursuit by all its affiliated organisations of all forms of sport and recreation throughout the Civil Service, in accordance with the rules of the Civil Service Sports Council.

A grant of £0.015 million was paid to the National Registers of Communication Professionals working with Deaf and Deafblind People (NRCPD). The grant aims to address the shortage of Deafblind interpreters nationwide by funding the upskilling and assessment required for established British Sign Language interpreters to become qualified Deafblind interpreters. The key outcome of the training will be an increase in registered Deafblind interpreters in the UK from seven to 67 and the official reopening of the Deafblind interpreter register held by NRCPD. This initiative is also expected to produce savings for government departments.

Annex C

Reporting of information on arm's length bodies

The department is required to report total operating income, total operating expenditure and net expenditure for the year, and staff numbers and costs for each component ALB.

				Permanently employed staff		Other staff	
	Total operating expenditure	Total operating income	Net expenditure for the year	Number of employees	Staff costs	Number of employees	Staff costs
	£million	£million	£million	Number	£million	Number	£million
Core department	3,577.5	(664.3)	2,913.2	8,590	719.5	203	49.3
Executive agency – GPA	868.9	(612.0)	256.9	446	37.4	74	8.8
ALB – IBCA	1,956.1	–	1,956.1	493	30.3	49	9.6
ALB – EHRC	20.0	–	20.0	164	12.8	22	1.0
ALB – Civil Service Commission	3.4	–	3.4	39	2.5	4	0.1
ALB – Registrar of Consultant Lobbyists	0.4	(0.3)	0.1	3	0.2	–	–
Group eliminations	(2,366.6)	103.4	(2,263.2)	–	–	–	–
Total	**4,059.7**	**(1,173.2)**	**2,886.5**	**9,735**	**802.7**	**352**	**68.8**

The core department total operating expenditure has increased in 2025 to 2026 due largely to the grant-in-aid to IBCA for £2,173.8 million.

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