



HM Treasury

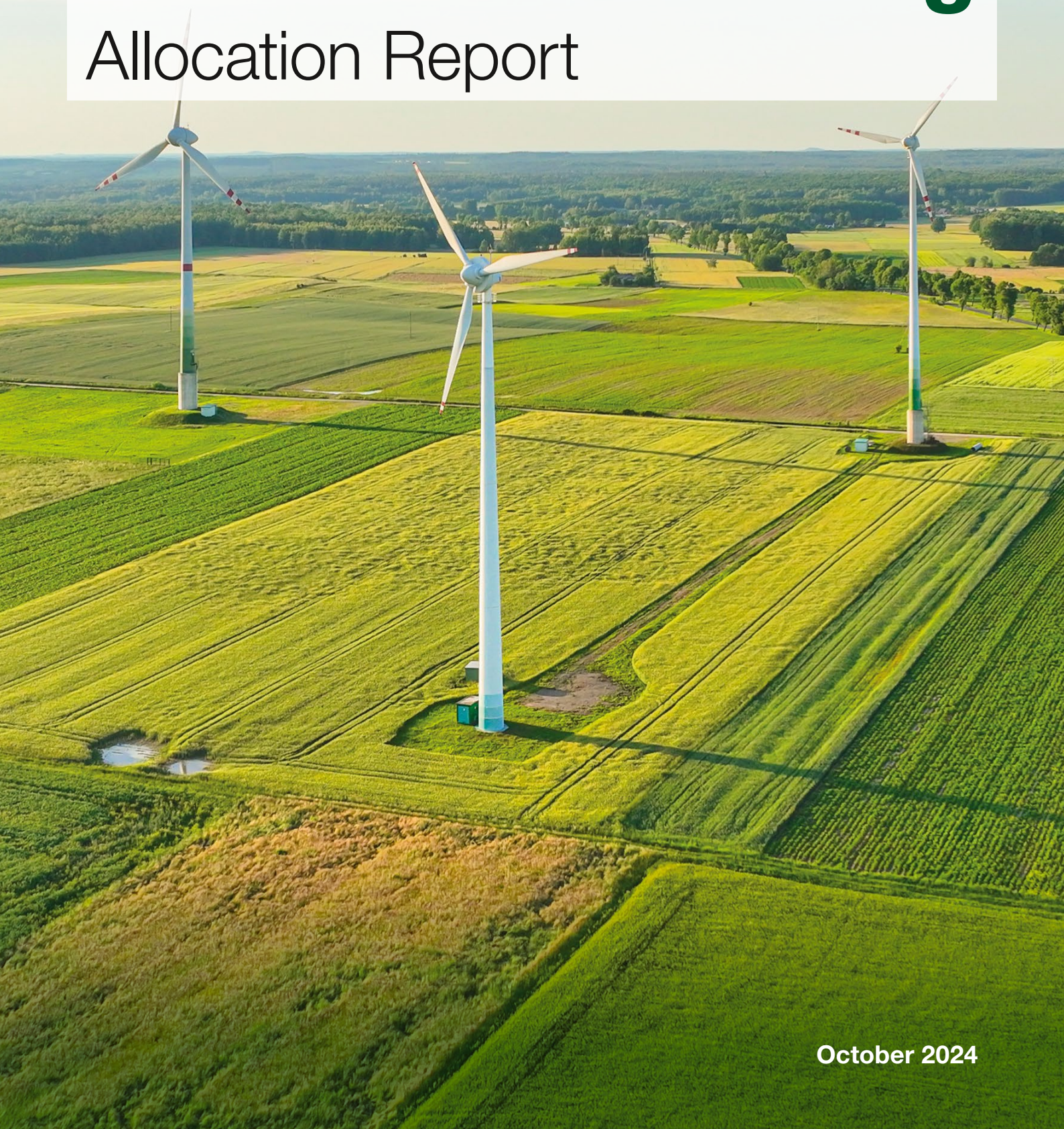
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United Kingdom  
Debt Management  
Office

# UK Green Financing

## Allocation Report



October 2024

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# Executive summary

# Executive summary

The UK's Green Financing Programme (the "Programme") raises financing from investors to fund green expenditures that tackle climate change, biodiversity loss and other environmental challenges. Financing is raised through the issuance of sovereign green bonds (green gilts) via the UK Debt Management Office (DMO) and the sale of National Savings and Investments' (NS&I) retail Green Savings Bonds. Financial year 2023-24 marked the third year of the Programme.

The principles of the Programme are set out in the Green Financing Framework (the "Framework"), published in June 2021.<sup>1</sup> The Framework includes guidelines on green expenditures that are eligible to be financed under the Programme. The Framework also commits the government to annual reporting on the allocation of green expenditures and biennial reporting on their environmental impacts and social co-benefits, to ensure transparency.

In line with the Framework's reporting commitments, HM Treasury is publishing in this document the third allocation report for the Programme. The report details the financing raised in financial year 2023-24, and the green expenditures which have received funds.

In 2023-24, £10.9 billion was raised via green gilts and retail Green Savings Bonds. An additional £1.9 billion of green financing was raised but not allocated in 2022-23. This gives a total of £12.8 billion to be allocated to green expenditures in the 2023-24 allocation and reported upon in this document.

Of the £12.8 billion, a net £11.9 billion has been allocated to eligible green expenditures this year, including £10.8 billion allocated to green expenditures in 2023-24 and £1.0 billion of additional allocation to expenditures in 2022-23<sup>2</sup>. This leaves £0.9 billion to allocate to eligible green expenditures in the 2024-25 Programme allocation, in addition to the green financing raised in 2024-25.

The report presents allocation data from 39 expenditures that received financing under the Programme in financial year 2023-24.<sup>3</sup> These expenditures cover all six categories for eligible green expenditure identified in the Framework: clean transportation; renewable energy; energy efficiency; pollution prevention and control; living and natural resources; and climate change adaptation.

As of 1 October 2024, the Green Financing Programme has raised a total of £43.4 billion since September 2021, of which £41.6 billion has been raised via green gilt issuance and £1.8 billion has been raised via the sale of Green Savings Bonds.

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1 [Green Financing Framework](#), HM Treasury, June 2021

2 Figures may not sum due to rounding.

3 A further 13 expenditures that received financing in earlier years are also presented.

The next impact report for the Programme is scheduled to be published in autumn 2025. It will cover the impacts for expenditures financed by the £10.5 billion and £10.9 billion of green financing raised in financial years 2022-23 and 2023-24, respectively.

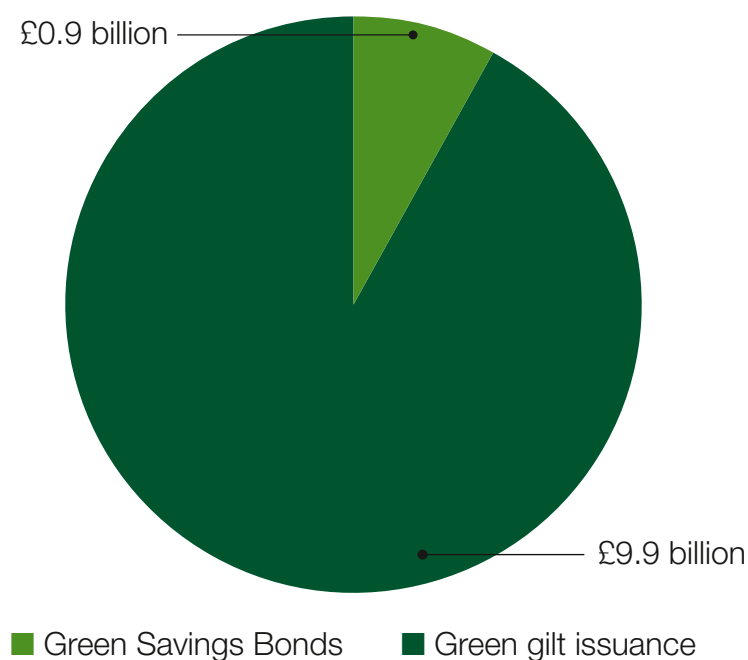
A photograph of an attic space showing extensive spray foam insulation. The foam is applied to the sloped ceiling and the walls, filling the gaps between wooden joists and rafters. A central window is visible, and the floor is a smooth, grey concrete. A wooden post supports the ceiling structure. A green semi-transparent box is overlaid on the top left, containing white text.

# Green financing raised in 2023–24

# Green financing raised in 2023–24

Total proceeds of £10.9 billion were raised through the Green Financing Programme in 2023–24. £9.9 billion was raised through six green gilt transactions undertaken by the DMO. The remaining £0.9 billion was raised through the sale of retail Green Savings Bonds by NS&I. This report accounts for proceeds raised through both instruments in 2023–24.

**Chart 1: Funding raised by instrument type in 2023–24**



## Green Savings Bonds in 2023–24

In 2023–24 NS&I continued its green investment retail offer, selling three new issues of Green Savings Bonds. In August 2023, NS&I put issue five on sale at a fixed rate of 5.70% per annum over a three-year term. This was followed by issue six in November 2023, at a fixed rate of 3.95% per annum over a three-year term. Issue seven – currently the latest issue – was released in January 2024, offering a fixed rate of 2.95% per annum over a three-year term.

£912 million was raised via retail Green Savings Bonds in 2023–24. By investing in retail Green Savings Bonds, UK savers have had the unique opportunity to help fund green projects across the UK whilst knowing that 100% of their savings are guaranteed by HM Treasury. Customers can purchase bonds ranging in value from £100 to a maximum of £100,000 per person per issue.

## Green gilt issuance in 2023–24

In 2023–24, the DMO held six green gilt auctions (Table 1). Together, these transactions raised £9.9 billion in cash proceeds. The priority for green gilt issuance in the third financial year of the Programme was to build up the size of the two existing green gilts to increase liquidity in the 10 and 30-year green gilt maturities. The 10-year and 30-year green gilts were launched in September 2021 (0 $\frac{7}{8}$ % Green Gilt 2033; ISIN code GB00BM8Z2S21) and October 2021 (1 $\frac{1}{2}$ % Green Gilt 2053; ISIN code GB00BM8Z2V59), respectively.

**Table 1: Green gilt transactions in 2023–24**

Date of transaction	Gilt name	Operation type	Cash proceeds (£ billion)	Cover ratio (x)
24 May 2023	0 $\frac{7}{8}$ % Green Gilt 2033	Auction	2.2	3.02
4 July 2023	1 $\frac{1}{2}$ % Green Gilt 2053	Auction	1.0	2.64
26 September 2023	0 $\frac{7}{8}$ % Green Gilt 2033	Auction	2.2	2.56
3 October 2023	1 $\frac{1}{2}$ % Green Gilt 2053	Auction	1.0	2.83
6 December 2023	0 $\frac{7}{8}$ % Green Gilt 2033	Auction	2.2	2.66
6 February 2024	1 $\frac{1}{2}$ % Green Gilt 2053	Auction	1.3	3.05
<b>TOTAL</b>			<b>9.9</b>	<b>–</b>

Green gilt sales in 2023–24 continued to attract interest from gilt investors who are integrating environmental, social and governance (ESG) factors into their investment decisions, as well as from dedicated ESG investors, some of whom are relatively new to participating in the gilt market.





# Expenditure selection process for allocation

# Expenditure selection process for allocation

HM Treasury has allocated the proceeds raised from the green gilts and retail Green Savings Bonds in 2023–24 to eligible green expenditures only. As detailed in the Framework, eligible green expenditures fall within one or more of the six categories: Clean Transportation, Energy Efficiency, Renewable Energy, Pollution Prevention & Control, Living & Natural Resources and Climate Change Adaptation. They can include government expenditures in the form of direct or indirect investment expenditures, subsidies, tax foregone and associated operational expenditures.

Eligible expenditures are limited to government expenditures that occurred no earlier than 12 months prior to issuance, the financial year of issuance, and the two financial years following issuance. HM Treasury allocates at least 50% of net proceeds to current and future expenditures. This means that a single expenditure year can be eligible for inclusion in multiple reporting years. However, the government does not allocate the same spend twice and only adjusted spend on a policy is reflected in the allocation in any subsequent year.

The Framework also lists excluded expenditures, including nuclear energy and fossil fuel exploitation and exploration. Expenditures such as carbon capture technology and hydrogen are eligible as these technologies will be important in achieving the UK's net zero targets in hard-to-abate sectors. However, these together make up less than 1% of the total allocation in 2023–24.

HM Treasury leads the evaluation and selection of eligible green expenditures, in consultation with the relevant government departments: the Department for Energy Security and Net Zero (DESNZ); the Department for Environment, Food & Rural Affairs (DEFRA); the Department for Transport (DfT); and the Foreign, Commonwealth & Development Office (FCDO).

In order to determine the allocation, HM Treasury commissioned relevant government departments for eligible green expenditure figures and estimates. Those were compiled and compared to the portfolio of expenditures reviewed by V.E (now Moody's) as part of their Second Party Opinion in 2021. HM Treasury drew up a proposed allocation and, following the confirmation of final expenditure figures ('outturn data') for the preceding financial year, departments then provided approval of the final allocation.

HM Treasury appointed Grant Thornton UK LLP to provide independent limited assurance of the allocation figures for financial year 2023–24 using the assurance standard ISAE 3000 (Revised). Grant Thornton has issued an unqualified opinion over the allocation figures, which is provided in the section "Limited assurance".

## Spending in Scotland, Wales and Northern Ireland

UK government expenditure across the UK – in England, Northern Ireland, Scotland and Wales – is eligible for financing as part of the Programme. In this report, UK government expenditures that span all the UK's constituent nations are included.

Authority over some climate and environmental policy areas, including most transport and agriculture, is devolved. Decisions on which projects and initiatives to pursue in these areas are generally, therefore, for the devolved administrations (DAs) in Northern Ireland, Scotland and Wales. While the UK government supports such expenditures indirectly, through providing block grant funding to the DAs, the expenditures and projects are not directly overseen by the UK government and as such are out of scope of the Programme.

Consequently, this allocation has a disproportionate geographic weighting to expenditure in England; this is a reflection of the devolved nature of much climate and environmental policy.

## Official Development Assistance (ODA)

UK government expenditures with relevant climate and environmental objectives in ODA-eligible countries, for example programmes funded via International Climate Finance (ICF), are also eligible for financing as part of the Programme.

ICF is a portfolio of individual programmes contributing to the UK's commitment to support developing countries to respond to the challenges and opportunities of climate change. International Climate Finance is presented as a single expenditure in this year's Allocation Report, on the recommendation of the relevant spending departments (FCDO, DESNZ and DEFRA).

The following named ICF programmes were listed individually in the 2023 Allocation Report but have been replaced by the single ICF expenditure figure in this year's report:

- Investments in Forests and Sustainable Land Use
- Global Environment Facility 7th replenishment
- Green Climate Fund first replenishment
- International Climate Finance – DESNZ
- ARCAN – Africa Regional Climate and Nature Programme
- DEFRA ODA expenditures
- TEA – Transforming Energy Access

This is not a complete list of ICF policies financed by the Programme in this year's allocation. Information on additional ICF programmes that will have been financed in 2022–23 and 2023–24 can be found from the relevant spending departments.<sup>4</sup>

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4 [International Climate Finance](#), HMG, August 2023

## The Spending Review process

The Spending Review (SR) is the main process for decision making about government spending. Insofar as it sets the broad parameters for green expenditure over a given period, it is a key determinant of the quantity of 'use of proceeds' green financing.

SRs set resource and capital budgets for all UK central government departments and the DAs' block grants. SRs involve discussions between spending departments and HM Treasury, with final decisions taken by ministers. They can provide single-year or multi-year settlements. At the SR in autumn 2021, departments agreed three-year settlements with HM Treasury covering the period 2022–23 to 2024–25. The 2021 SR thus covers the allocations in this report, which are in the years 2022–23 and 2023–24.

SR settlements set out planned expenditure over the period they cover. These plans may be adjusted in practice within that period, subject to agreement by HM Treasury. The government may thus adapt spending plans during an SR period in response to new priorities and events.

The Chancellor of the Exchequer, Rachel Reeves, announced the next Spending Review in her statement of 29 July 2024, with final departmental budgets for 2024–25 and budgets for 2025–26 to be set alongside the Budget on 30 October 2024.

# Summary of 2023-24 allocation



# Summary of 2023-24 allocation

This table shows the 2023-24 allocation from the Programme to eligible green expenditures. Expenditures from previous years' allocations are also presented.

More detail is available in the accompanying Excel file, including the total allocation so far to each eligible expenditure and each Framework category since the launch of the Programme.

**Table 2: Summary of 2023-24 allocation to eligible expenditures**

Name	Green expenditure category	Expenditure description	Department	2024 allocation (£ million)		
				2022-23	2023-24	Total
Cycling & walking fund	Clean Transportation	A collection of funds promoting cycling and walking including: Local Authority (LA) Infrastructure, LA Capacity Building Fund, National Cycle Network, Bikeability, National Cycling & Walking, E-Bike Support	DfT	-£0.80	£145.66	<b>£144.86</b>
Electric Vehicle Homecharge Scheme	Clean Transportation	Grant contributing to the cost of one chargepoint and its installation	DfT	–	£6.19	<b>£6.19</b>
Low Carbon VIP R&D – Innovate UK	Clean Transportation	Funding for industry projects in low emission vehicle and charging infrastructure technologies	DfT	–	£1.92	<b>£1.92</b>
On-Street Residential Chargepoint Scheme	Clean Transportation	Grant funding for local authorities to part-fund the procurement and installation of on-street EV chargepoint infrastructure for residential need	DfT	–	£12.28	<b>£12.28</b>
Plug in Car Grant	Clean Transportation	Grant that provides discounts on eligible zero emission cars.	DfT	–	-£14.85	<b>-£14.85</b>
Plug in Van Grant	Clean Transportation	Grant providing discounts on eligible zero emission vans.	DfT	–	£58.15	<b>£58.15</b>
Rail enhancement schemes	Clean Transportation	Funding for various rail electrifications and expansions. Electrified rail only and does not include HS2 spend.	DfT	-£2.52	£869.50	<b>£866.98</b>
Track maintenance	Clean Transportation	Funding to maintain existing rail. Electric rail only and does not include HS2 spend.	DfT	£0.00	£774.51	<b>£774.51</b>
Track renewal	Clean Transportation	Funding to renew railway tracks. Electric rail only and does not include HS2 spend.	DfT	£0.00	£1,721.59	<b>£1,721.59</b>

Summary of 2023-24 allocation

Name	Green expenditure category	Expenditure description	Department	2024 allocation (£ million)		
				2022-23	2023-24	Total
Zero emission buses	Clean Transportation	Funding to support the purchase of zero emissions buses	DfT	–	£92.03	<b>£92.03</b>
Flood & Coastal Erosion Risk Management	Climate Change Adaptation	Investment into flood and coastal erosion risk management programmes	DEFRA	£91.69	£1,302.00	<b>£1,393.69</b>
Green Homes Grant voucher scheme	Energy Efficiency	Provides vouchers to homeowners to improve the energy efficiency of housing stock	DESNZ	–	–	–
Home Upgrade Grant	Energy Efficiency	Funding for property owners and private renters to improve their home's energy efficiency	DESNZ	–	-£15.45	<b>-£15.45</b>
Local Authority Delivery	Energy Efficiency	Subsidies for local authorities to improve the energy efficiency of housing stock	DESNZ	–	-£30.67	<b>-£30.67</b>
Public Sector Decarbonisation Scheme	Energy Efficiency	Grants for public sector bodies to fund heat decarbonisation and energy efficiency measures	DESNZ	–	£395.48	<b>£395.48</b>
Social Housing Decarbonisation Fund	Energy Efficiency	Fund supporting the installation of energy performance measures in social homes in England	DESNZ	–	£231.01	<b>£231.01</b>
Agri-environment schemes	Living & Natural Resources	A collection of agricultural environmental and forestry schemes including: Countryside Stewardship Offer, Future Plant Health, and Environmental Land Management	DEFRA	–	£764.80	<b>£764.80</b>
Green Recovery Challenge Fund	Living & Natural Resources	Funding to establish nature recovery against England	DEFRA	–	–	–
Nature for Climate Fund	Living & Natural Resources	Fund supporting tree-planting and peat-restoration schemes in England	DEFRA	–	£220.15	<b>£220.15</b>
CCUS infrastructure (formerly CCS infrastructure)	Pollution Prevention & Control	Fund to support capital expenditure on transport and storage networks and industrial carbon capture projects	DESNZ	£7.19	£32.40	<b>£39.59</b>
Heat Networks Transformation Programme	Renewable Energy	Capital grants for the development of new and existing low and zero-carbon heat networks	DESNZ	–	–	–

Summary of 2023-24 allocation

Name	Green expenditure category	Expenditure description	Department	2024 allocation (£ million)		
				2022-23	2023-24	Total
Net Zero Innovation Portfolio R&D	Renewable Energy	Funding for low-carbon technologies research	DESNZ	–	£223.66	<b>£223.66</b>
Renewable Heat Incentive	Renewable Energy	Funding to help businesses, homes and other organisations meet the cost of installing renewable heat technologies	DESNZ	–	£1,301.01	<b>£1,301.01</b>
Advanced Propulsion Centre	Clean Transportation	Funding for body that provides grants to support the automotive industry in decarbonisation	DBT	–	–	–
Air quality transportation projects	Clean Transportation	Consists of Joint Air Quality Unit, Air Quality Worst Cities Fund and Joint Air Quality NO2 Plan. These programmes work with local authorities to help them reach their national air pollution targets.	DfT	£9.68	£1.42	<b>£11.10</b>
Automotive Transformation Fund	Clean Transportation	Funding through the Advanced Propulsion Centre to fund the manufacturing of zero emission vehicles	DfT	–	–	–
City Region Sustainable Transport Settlements	Clean Transportation	Transport infrastructure funding for cities. Only green projects included in allocation.	DfT	–	£104.38	<b>£104.38</b>
Energy Savings Trust	Clean Transportation	Transport related funding for the Energy Savings Trust	DfT	–	–	–
Hydrogen for Transport Programme	Clean Transportation	Programme funding new and upgraded publicly accessible hydrogen refuelling stations, upgrading existing stations and increasing the uptake of fuel cell electric vehicles.	DfT	–	–	–
Local EV Infrastructure Fund	Clean Transportation	Funding for local governments to build charge point infrastructure	DfT	–	£170.85	<b>£170.85</b>
Low Carbon Vehicle Zemo Partnership	Clean Transportation	Body that encourages collaboration between government and industry to promote cutting emissions in transport	DfT	–	–	–
Low Emission Taxi Scheme	Clean Transportation	Plug in grants to subsidise the purchase of electric taxis	DfT	–	–	–
Nexus Metro fleet	Clean Transportation	Funding to replace the rolling stock for the Tyne and Wear light rail system	DfT	–	£85.02	<b>£85.02</b>
Office for Zero Emission Vehicles funding	Clean Transportation	Admin spend for the OZEV, a body that funds zero emission vehicle technology, with most funding going towards electronic charge points.	DfT	£0.00	£3.06	<b>£3.06</b>



Summary of 2023-24 allocation

Name	Green expenditure category	Expenditure description	Department	2024 allocation (£ million)		
				2022-23	2023-24	Total
OLEV grant system	Clean Transportation	Administration for grants through the Office for Low Emission Vehicles (now Zero Emission Vehicles).	DfT	£1.21	£1.53	<b>£2.74</b>
Plug in 2 Wheeler Grant	Clean Transportation	Grants for that contribute to the cost of electric 2 wheel vehicles	DfT	–	–	–
Transforming Cities Fund (Nexus Metro Flow)	Clean Transportation	The electrification of a freight rail line in South Tyneside to allow it to run metro trains	DfT	–	–	–
Transport decarbonisation R&D	Clean Transportation	Funding for industry projects in low emission vehicle and charging infrastructure technologies that support the decarbonisation of UK transport.	DfT	£0.39	£62.54	<b>£62.93</b>
Workplace Chargepoint Scheme	Clean Transportation	Voucher system to provide funding for electric vehicle charge points at workplaces	DfT	–	£1.73	<b>£1.73</b>
Zero Emission Road Freight Trials	Clean Transportation	A competition providing funding for research into ways to decarbonise HGV transport	DfT	-£1.05	£2.10	<b>£1.05</b>
Industrial Energy Transformation Fund	Energy Efficiency	Funds energy efficiency and low carbon measures at businesses	DESNZ	-£9.87	£59.53	<b>£49.66</b>
DEFRA green finance	Living & Natural Resources	DEFRA scheme to promote private finance investing into biodiversity and environmental measures	DEFRA	–	£7.87	<b>£7.87</b>
Emissions Trading Scheme	Pollution Prevention & Control	Funding to support the UK's emission trading scheme to promote the broad reduction of carbon emissions by businesses	DESNZ	–	£8.24	<b>£8.24</b>
Boiler Upgrade Scheme	Renewable Energy	Funding to replace fossil fuel boilers with biomass and heat pumps	DESNZ	–	£99.65	<b>£99.65</b>
Net Zero Hydrogen Fund	Renewable Energy	Funding to promote the production of low carbon hydrogen	DESNZ	–	£3.40	<b>£3.40</b>
Offshore Wind Manufacturing Investment Fund	Renewable Energy	Funding to support manufacturing in offshore wind supply chains	DESNZ	–	–	–
Strategic Priorities Fund	Multiple	The environmental portion of the Strategic Priorities research fund	DSIT	–	–	–

## Summary of 2023-24 allocation

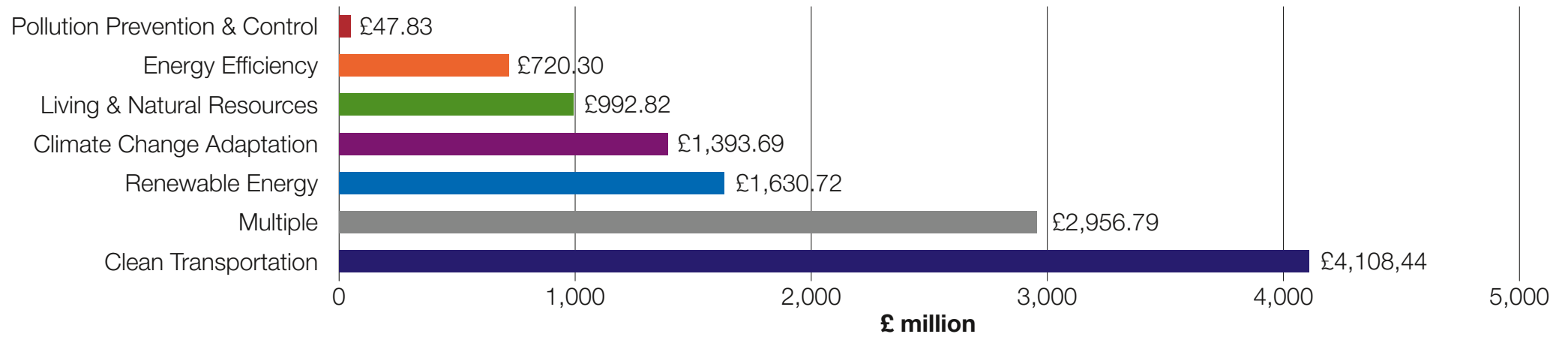
Name	Green expenditure category	Expenditure description	Department	2024 allocation (£ million)		
				2022-23	2023-24	Total
Rapid Charging Fund	Clean Transportation	Funding to support the rollout of EV infrastructure across UK motorway service operators	DfT	–	£1.92	<b>£1.92</b>
Green Heat Network Fund	Energy Efficiency	Capital funding supporting green heat development and networks	DESNZ	–	£70.18	<b>£70.18</b>
Heat Networks Efficiency Scheme	Energy Efficiency	Capital grants for existing district heat networks and communal heating systems to part-fund the installation of performance improvement measures	DESNZ	–	£20.09	<b>£20.09</b>
Industrial Decarbonisation and Hydrogen Revenue Support Scheme	Renewable Energy	Funding to promote the production of low carbon hydrogen	DESNZ	–	£3.00	<b>£3.00</b>
International Climate Finance	Multiple	UK government commitment to support developing countries to respond to the challenges and opportunities of climate change	DEFRA, DESNZ, FCDO, DSIT	£918.20	£2,038.59	<b>£2,956.79</b>
<b>Totals</b>				<b>£1,014.13</b>	<b>£10,836.47</b>	<b>£11,850.60</b>

All negative allocation figures in the 2024 allocation indicate underspend in a given expenditure against the stated 2023 allocation. For simplicity and transparency, these figures are presented as part of the 2024 allocation rather than retrospectively changing the 2023 allocation figures.

Please note that 2023-24 figures may be provisional and may change slightly after the completion of departmental accounting processes. Changes will be reflected in the next allocation report.

Allocation from the Programme may not match a given policy's total spending or budget in each financial year.

**Chart 2: 2024 allocation amount split by category, £ million**



# Limited assurance

# Limited assurance

## Legal Considerations

This Report does not constitute, or form part of, a prospectus or other offering document.

This Report is not, and should not be construed as, an invitation or offer for sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities of HM Treasury in any jurisdiction or an inducement to enter into investment activity.

For further information, please refer to the Framework and, in particular, the section entitled “Green Financing and Legal Considerations” (which should be read as applying to this report in addition to the Framework).

## Independent limited assurance report

Grant Thornton UK LLP (“Grant Thornton” or “we”) were engaged by HM Treasury (“HM Treasury”) to provide limited assurance over the Subject Matter Information described below.

### Limited assurance conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been allocated, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of this report.

### Subject Matter Information

The scope of our work was limited to assurance over selected aspects of HM Treasury’s UK Green Financing Allocation Report (“the Report”) for 2023–24, listed in the “2024 allocation (£ million)” column of the allocation table in section “Summary of 2023-24 allocation to eligible expenditures”, pages 13-17 of the Report (“the Subject Matter Information”).

Our assurance does not extend to any other information that may be included in the Report for the current year or for previous periods unless otherwise indicated.

### Reporting Criteria

The Reporting Criteria used for the measurement or evaluation of the Subject Matter Information and to form our judgements are the UK government Green Financing Framework, published in June 2021 (“the Reporting Criteria” or “Framework”).

## **Inherent limitations**

The absence of a significant body of established practice on which to draw to measure or evaluate the Subject Matter Information allows for different, but acceptable, measurement or evaluation techniques and can affect comparability between entities and over time. In particular we draw attention to the methodological and assumption-based limitations HM Treasury have disclosed in the Reporting Criteria.

We have assessed the accuracy of the proceeds from Green Financing to the Eligible Green Expenditures in accordance with the requirements for allocation reporting set out in the Reporting Criteria, but we have not validated whether the expenditures are Eligible Green Expenditures.

## **HM Treasury's responsibilities**

The management of HM Treasury are responsible for:

- the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or establishing suitable Reporting Criteria;
- measuring or evaluating and presenting the Subject Matter Information in accordance with the Reporting Criteria; and
- the preparation of the Report and the Reporting Criteria and their contents.

## **Our responsibilities**

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information has been allocated in accordance with the Reporting Criteria;
- forming an independent limited assurance conclusion, based on the work we have performed and the evidence we have obtained; and
- reporting our limited assurance conclusion to HM Treasury.

## **Our independence, professional standards and quality control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Management (ISQM) 1, “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” and accordingly we maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Assurance standards and level of assurance**

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements other than Audits and Reviews of Historical Financial Information” (“ISAE 3000 (Revised)”), issued by the International Auditing and Assurance Standards Board (IAASB). This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks which vary in nature from, and are less in extent than for, a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not report a reasonable assurance conclusion.

## **Work performed**

Considering the circumstances of the engagement our work included, but was not restricted to:

- assessing the suitability of the Reporting Criteria as the basis of preparation for the Subject Matter Information;
- assessing the risk of material misstatement of the Subject Matter Information, whether due to fraud or error, and responding to the assessed risk as necessary in the circumstances;
- conducting interviews with relevant HM Treasury management and examining selected documents to obtain an understanding of the processes, systems and controls in use for measuring or evaluating, recording, managing, collating and reporting the Subject Matter Information;
- performing selected limited substantive testing including agreeing a selection of the Subject Matter Information to corresponding supporting information;
- evaluating the overall presentation of the Subject Matter Information; and

- reading the Report and narrative accompanying the Subject Matter Information in the Report with regard to the Reporting Criteria, and for consistency with our findings.

### **Intended use of this report**

This limited assurance report, including our conclusion, is made solely to HM Treasury in accordance with the terms of the agreement between us. Our work has been undertaken so that we might state to HM Treasury those matters we are required to state to them in an independent limited assurance report and for no other purpose. We have not considered the interest of any other party in the Subject Matter Information.

To the fullest extent permitted by law, we do not accept or assume responsibility and deny any liability to any party other than HM Treasury for our work or this report, including our conclusion.

**Grant Thornton UK LLP**

Grant Thornton UK LLP  
Chartered Accountants  
Cambridge

17 October 2024

*The maintenance and integrity of HM Treasury's website is the responsibility of the Management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter Information, the Report or the Reporting Criteria presented on HM Treasury's website since the date of our limited assurance report.*



