

# THE GPC FILES, VOLUME 1

FEBRUARY 2023



# GOVERNMENT PROCUREMENT CARDS

## 1. BACKGROUND

US-style **Government Procurement Cards** (GPCs) were introduced in Whitehall in 1997 to increase the efficiency and convenience of procurement for relatively low-value goods or services, especially where such purchases needed to be made at speed, in bulk, or by staff out on the road. They are also commonly referred to across government as **Electronic Purchasing Cards** or **Departmental Debit Cards**.

In 2011, following publicity around reported misuse of GPCs, the Cabinet Office introduced a number of reforms, including requiring departments to publish a list of all transactions with a value above £500, and announcing the creation of a GPC Steering Group, charged with establishing a central GPC policy for how cards should be used across Whitehall, and sharing best practice between departments.

In March 2012, the National Audit Office (NAO) produced an investigation<sup>1</sup> into the use of GPCs across central government, which prompted hearings the same month by the House of Commons Public Accounts Committee (PAC), and a set of conclusions and recommendations from the cross-party group in May 2012 about how use of the cards should be controlled and improved in future.<sup>2</sup>

## 2. THE 2012 NAO AND PAC REPORTS

More than a decade on from the NAO and PAC investigations, we can use the key facts and findings set out in their reports as a baseline for analysing the use of GPCs today, and assess whether the concerns raised back in 2012 have been taken on board by the government since then in any sustained way.

### Key facts in the 2012 NAO and PAC reports:

- In financial terms, use of GPCs was on a clear downward path after the negative publicity and increased scrutiny of the previous two years, and the new controls imposed as a result.
- In 2010-11, £322m was spent by central government using GPCs, down from £359m in 2009-10. That trend had continued in the first six months of 2011-12, with GPC spending down to £149m.
- 73.6% of GPC spending in 2010-11 was by the Ministry of Defence (£237.1m), with the Ministry of Justice spending £36.9m (11.5%). No other department had spending of more than £10m.
- 23,998 cards were in use across central government as at 31 October 2011, 53.9% of them at the MOD and 14.9% at the MOJ; seven departments had more than 500 card-holders.
- 1.75 million transactions were made in 2010-11, two-thirds of them by the MOD, and the average value of a transaction across all departments was £184.
- Excluding the MOD, whose transactions could not be grouped by the NAO according to value, 94% of transactions in 2010-11 were under £500, and just 43 in total were for £10,000 or more.
- In the three years prior to the reports, 99 cases of inappropriate card use had been identified across central government by the Cabinet Office, based on a one-off data collection exercise.
- In the four years to May 2012, there were seven criminal prosecutions for misuse of GPCs (5 MOD, 1 MOJ, 1 DWP), with the DfT also having one case under investigation at the time of the report.

The overarching criticism in both the NAO and PAC reports concerned the lack of central control over how GPCs **were** being used; the lack of clear, central policies over how they **should** be used; and the lack of consistent, accurate management information to assess what problems were occurring as a result.

In addition, the PAC raised numerous specific concerns about potentially inappropriate use of the cards, ranging from expenditure on **alcohol, restaurants and five-star hotels** to the **clear spikes in spending towards the end of each financial year**. Below are a selection of quotes from the two bodies:

- NAO Report: *"**The Card comes with a degree of reputational risk** which is heightened by a lack of clear central guidance on when it is the most appropriate procurement route. This has contributed to inconsistent controls across government, and considerable variation in how departments use it."*
- NAO Report: *"Historically, there has been **a lack of central oversight and control of the Card**, which has increased risks to value for money. Central data is incomplete and inconsistent, and does not provide an accurate picture of GPC spending across government. The Cabinet Office oversees the Card centrally but it **does not have an accurate picture of activity to support this.**"*
- NAO Report: *"Some departments have **inadequate management information** and cannot monitor card use effectively. Without accurate data, departments cannot monitor adherence to policies, assess exposure to risk, or review whether controls meet business need."*
- PAC Hearings: *"Every cardholder has a personal responsibility to buy the most cost-effectively. **Every pound of public money saved is a pound that can be spent on something more important.** What personal accountability is there for being efficient...where they have to use the card for small but cumulatively large transactions?" (Meg Hillier, Labour MP for Hackney South and Shoreditch).*
- PAC Hearings: *"I was gripped by the pattern of when people used their cards. They do it in March. That makes me think that **this is a quick way of gobbling through the end of your budget.** Therefore it is not a necessary set of transactions." (Fiona Mactaggart, Labour MP for Slough).*
- PAC Report: *"There **are different patterns of usage across departments**, in terms of overall spending, but also concerning what the cards are used for, the types of card used, and the processes in place to manage their use. Although departments will have needs specific to the nature of their business, the current inconsistency of use of the cards suggests that this cannot be optimal."*
- PAC Report: *"There is currently no central list of categories which should be banned, [with] decisions delegated to departments. The Cabinet Office agreed that **alcohol should not be purchased...using taxpayer's money, except in a limited number of stated exceptions, [that] there should be less use of 5-star hotels, and second class travel and appropriately priced hotels would be good enough.**"*

The reports acknowledged that recent changes put in place by the Cabinet Office had pre-empted many of their criticisms, including the new monthly reporting requirement for GPC spending above £500, but the NAO and PAC nevertheless made a series of further recommendations of ways to tighten control over the use of GPCs, and prevent inappropriate spending, including the following:

- The NAO recommended that the Cabinet Office *"work with...departments to develop a **consistent way to gather data, and report on spending**", and consider "the case for more stringent deterrents [against misuse], such as **publishing all transactions**", not just those above £500.*
- Having criticised the *"**considerable inconsistency in controls**",* the NAO said that *"departments should review how [their] controls operate,...address the weaknesses identified [and] make sure that they have adequate management information to monitor compliance with policies."*
- The PAC echoed those recommendations, saying that – at the very least – all departments should be required to enforce *"**a set of minimum standards**"* across Whitehall based on centrally-set policies, with controls improved where necessary *"to reduce the risks of inappropriate use"*, and with implementation of those controls *"monitored by appropriate management information"*.
- But the PAC also said there were *"areas where the minimum standards could be strengthened"*, and that there was a responsibility on departments to improve upon them. They noted that: *"The Cabinet*

Office **welcomed the idea of a league table**, and said that it would consider whether transparent publication of this would create more pressure” to improve standards.

- The PAC also urged the Cabinet office to review the rules on eligibility for card-holders, and to tighten controls and monitoring relating to the risks of fraud and inappropriate use.
- While the NAO did not set out to review the overall purpose of using GPCs, or the value for money that is achieved from doing so, both they and the PAC came away from their investigations calling for the government to conduct a **comprehensive reassessment of the business case** and cost-benefit analysis for using GPCs compared with other available procurement methods.

### 3. CURRENT POLICY ON GPC USE

In December 2017<sup>3</sup>, the Crown Commercial Service (CCS) published a four-page **“pan-government policy”** – via the Cabinet Office website – to guide the use of payment cards by central government departments and their arms-length bodies, issued by the CCS as part of its responsibility for administering the official “ePurchasing Card Solution framework” for central government.<sup>4</sup>

The 2017 CCS note described payment cards as “the recommended method of purchasing and paying for goods or services under £10,000.00”, and said there were “many benefits to using payment cards, such as reducing procurement process times, operational efficiencies and supporting the Government’s prompt payment initiative for Small and Medium Enterprises.”

The note reinforced the transparency requirements in place since 2011: that all transactions of £500 and over should be published on a monthly basis, including the date, reference, amount spent and merchant name. It said that “publishing such data will bring visibility to the use of payment cards and is a proactive step to evidence control and compliance within a payment card programme.”

In keeping with the Cabinet Office’s standpoint in 2012, the CCS note stressed the responsibility of **individual departments to set their own policies** regarding the use and control of payment cards, but also set down a list of **“minimum requirements”** to ensure “appropriate governance and assurance”, including processes to identify and rectify anomalies, monitor non-compliance with policy, and allow the “independent regular review of a sample of cardholder transactions.”

In addition, the CCS note set out a number of conditions of **“acceptable usage”**, but within parameters to be set by each department. This included a requirement to institute a **“single transaction limit”** – the maximum value for any single purchase, and a **“monthly spending limit”** – the maximum value of spend on a single card during each monthly reporting cycle.

Finally, the CCS note contained a section on **“Prohibited Purchases & Restrictions”**, which again left decisions largely in the hands of departments to decide which purchases were contrary to their policies and apply blocks as necessary within the ‘merchant category’ codes used to identify different types of spending. This section also set out some circumstances in which cards should not be used, including to obtain cash, pay direct debits, or purchase capital equipment.

This December 2017 policy has only been updated once subsequently, **in April 2020<sup>5</sup>, as an early response to the Covid-19 pandemic**, with three major changes of substance:

- As one of the new ‘minimum requirements’, departments were told to identify “key users” of the card, and give them a **single transaction limit of £20,000**, an overall **monthly spending limit of £100,000**, and a monthly spend of over £100,000 if necessary to meet business needs:
- As another of those new ‘minimum requirements’, departments were also told to **“ensure an appropriate number of staff have the authority to use these cards”**, which – in the context of these changes – meant increasing the number of card-holders within departments; and

- As an amendment to the 'prohibited purchases' section, departments were **"encouraged to increase the use of Procurement Cards...to accelerate payment to businesses, and open all relevant categories of spend to enable these cards to be used more widely."**

It is important to note that these new guidelines – issued in **emergency circumstances** in the very early stages of the pandemic – have **not been revised**, and are still in place on the Cabinet Office website in the section setting out the 'pan-government policy' on the use of payment cards.<sup>6</sup>

An **April 2020 memo from the Cabinet Office**<sup>7</sup> sent out alongside the new policy made clear the policy intentions behind the announced changes, and instructed departments to engage urgently with their card providers to **bring them into force by the end of the month**. This note is quoted at length below, given its significance for the overall approach of government to the future use of the cards:

*"The COVID-19 outbreak has placed increased pressure on commercial and finance teams and increased importance on maintaining cashflow to suppliers.*

*"Increasing use of procurement cards can improve organisations' efficiency and accelerate payment to their suppliers while still ensuring robust controls.*

*"Action is required to ensure procurement cards are used to best effect to speed up payment and ensure the right people in the public sector are able to access the goods and services they need quickly.*

*"Procurement Cards should be the preferred method for purchasing all goods and services, up to the card limit, unless existing departmental systems are faster.*

*"This does not alleviate Accounting Officers of their usual duties to ensure that spending delivers value for money and proportionate controls to payments are undertaken as necessary for continuity of supply of critical services.*

*"Accounting Officers and Finance Directors within in scope organisations have the authority and flexibility to increase their organisation's transaction and monthly limits in line with this Procurement Policy Note.*

*"In scope organisations should also take steps to ensure procurement cards are used more widely. This means ensuring more staff have access to using them and more categories of purchases on the cards are opened up to a greater range of goods and services.*

*"With significant levels of staff absence possible due to COVID-19, it is important to do this now to alleviate the pressures on processing invoices in the traditional way.*

In a Q&A section attached to their note, the Cabinet Office clarified that: **"departments should aim to open up as many categories of suppliers and merchants as possible"**, and that while "the procurement policy note is primarily aimed at card holders in the UK,...who the key card holders are is down to the organisation to determine", **including individuals based overseas**.

The Cabinet Office also provided as an example the changes that had already been implemented by the Ministry of Justice, whom they said had **raised the limits on all cards**, opened up the permitted merchant category groups **across all cards**, and arranged for a small number of cards to be held by a central team to enable teams to use them for purchases where no local cardholders were available.

While considerable thought and urgency was clearly applied by the Cabinet Office to adapting the policy on use of GPCs for the demands of the pandemic, it is notable that – by comparison – several of the most significant recommendations from the NAO and the PAC in 2012 for improving Whitehall's controls and transparency over GPC use have still never been adopted by the government.

## 4. GPC SPENDING TODAY: KEY FACTS

A decade on from the NAO and PAC reports, we have analysed the published GPC spending data from 2021 onwards for all major Whitehall departments, and responses to Parliamentary Questions (PQs) about their spending, to form a picture of whether things have changed, and – where possible – make comparisons between relevant data. However, three important caveats must be noted at the outset:

- i. It has not been possible to obtain sufficiently comprehensive or reliable data to include the **Ministry of Defence (MOD)** in our analysis of GPC spending in 2021, or in our comparisons with the data published in 2012. As explained in detail in **Annex B**, the published data from the MOD is **riddled with anomalies**, which follow-up PQs have not – at the time of publication – succeeded in resolving;
- ii. The published GPC data for the last two years will reflect the money actually spent on transactions, which may or may not include VAT depending on the goods and services purchased, whereas in 2012, the NAO asked departments to exclude VAT from all data submitted to conduct their analysis. That should be borne in mind when comparing figures between the two periods; and
- iii. While the NAO and PAC reports were keen to gauge whether use of GPCs was rising or falling over the period 2010-12, we have generally avoided such assertions in relation to the corresponding period ten years later, due to the distorting impact of the Covid pandemic on figures from March 2020 onwards, and the more recent impact of high inflation on some purchase prices.

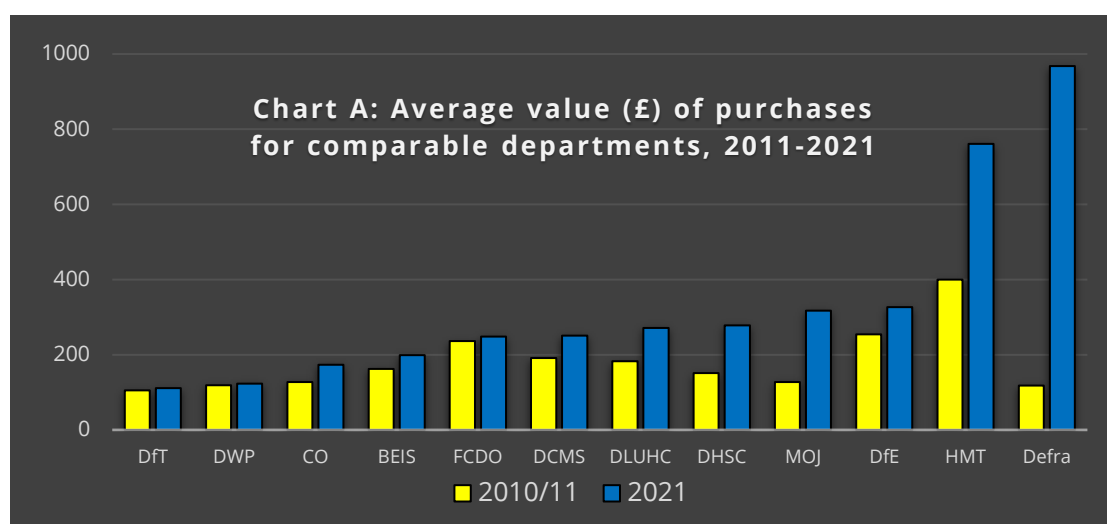
### A. SPENDING ON GPCs

Below are the key facts emerging from analysis of the 2021 GPC data, where relevant presented alongside the comparable figures from the NAO report in 2020-11, or more recent figures from the available GPC data for 2022, where a trend in spending is apparent:

- **In Calendar Year 2021, the 14 main Whitehall departments – minus the MOD – spent a net total of at least £145.5 million using GPCs.** That compares to a total of £84.9 million spent by the equivalent departments in 2010/11, an increase of £60.6 million, or **71.38%**, in ten years.
- The total above comprises **£101.97 million of net spending on purchases above £500**, which was calculated from the publicly-available data issued by every department, and **£43.53 million of spending below £500**, figures which are not published in any transparency data – bar the DLUHC's – and had to be obtained instead through PQs to each individual department.
- The total also includes almost £800,000 spent by the Home Office using Travel & Expenses cards<sup>8</sup>, but not the unknown amount spent by the same department on purchases below £500. **The Home Office was the only department** that was unable to provide data in the latter category.<sup>9</sup>
- **Charts B and C** below provide the split of total GPC spending between the 14 departments in 2021 compared to 2010-11. As the charts show, spending in most departments has seen a modest decline, but that has been more than offset by large increases in two main areas.
- **MOJ spending** has risen from **£36.9m to £84.9m** and now accounts for **almost 58% of the total** spent by the 14 departments (up from 44% in 2010-11); while **FCDO spending is 3.7 times higher** than the previous combined total of the Foreign Office and DfID (**£34.4m versus £9.3m**), and now makes up **24% of the total** (up from 11% for the previous two departments combined).
- **The DWP also spent more than double its 2010-11 level in 2021, rising from £3.65m to £8.6m**, and going up from seventh to fourth among all departments. The DWP was the only department whose total spending above £500 was lower than its spending below, and to a remarkable extent as well, with the £87,724 spent above £500 almost 100 times smaller than the £8.5m spent below.
- Comparing the **overall number of transactions in 2021** with the numbers in 2010-11 is impossible due to the lack of Home Office data on spending under £500; and the general inadequacy of the

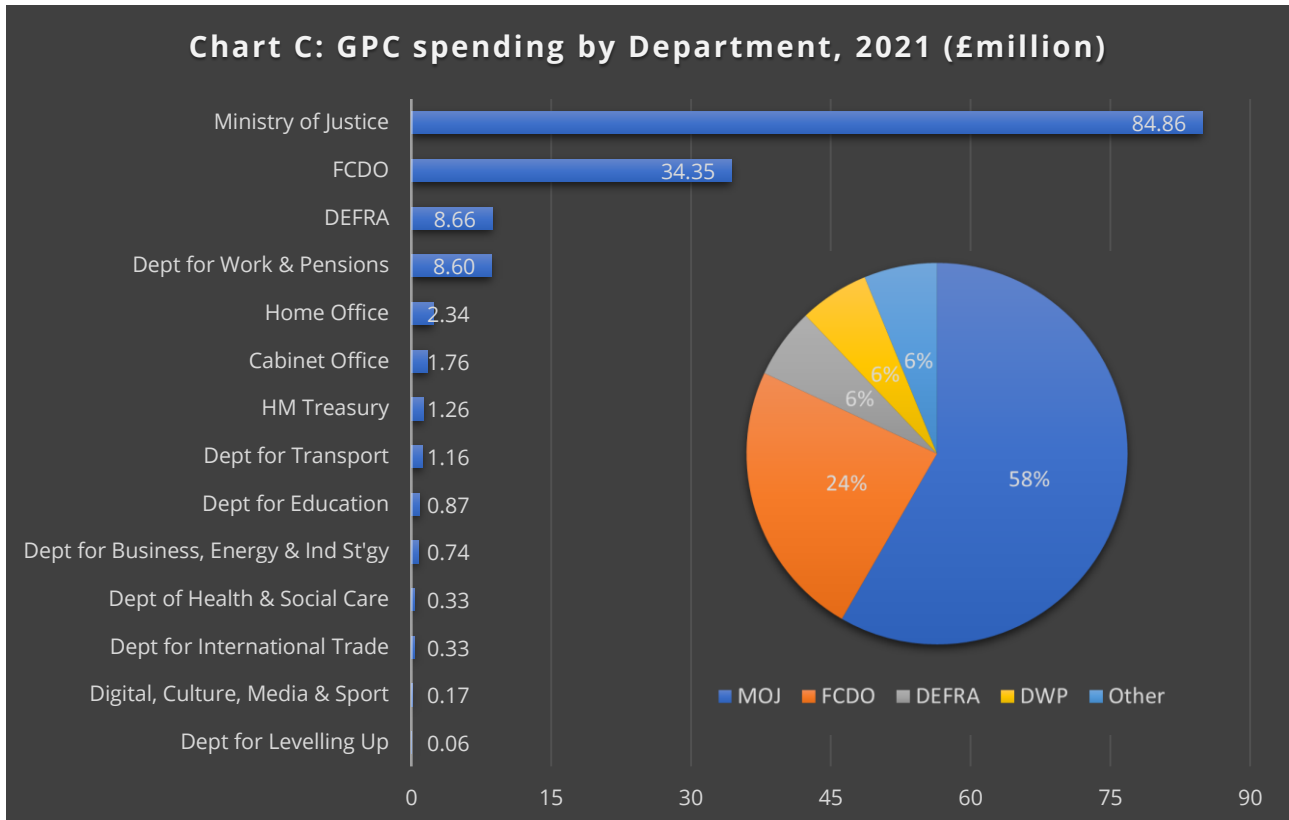
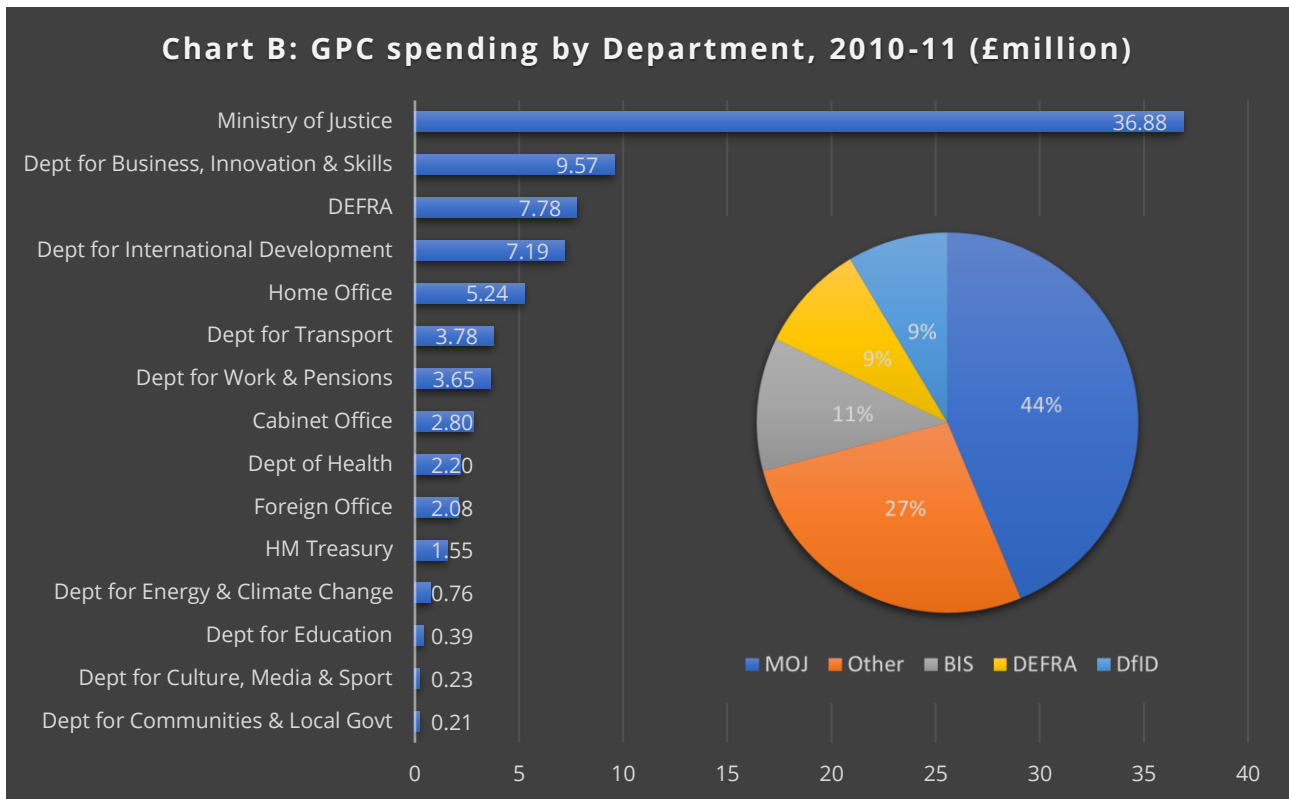
MOD's data. However, excluding those two departments and looking only at the 13 where we have definitive totals for all purchases above and below £500, we can make the following calculations:

- The **overall number of GPC purchases from the 13 departments in 2021 was 519,152**. That compares to 568,759 in 2010/11, also excluding the MOD and Home Office;
- The split in the departments' **number of purchases was 12.5% above £500 and 87.5% below** in 2021, compared to 5.8% above and 94.2% below for the same departments in 2010/11;
- The split in the **value of purchases for the 13 departments in 2021 (£143.15m) was 69.6 per cent above £500 and 30.4 per cent below** (no comparison with 2010/11 available);
- The **average value of purchases** by the departments in 2021 was **£275.74, almost double the average value of £138.87** across the equivalent departments in 2010/11; and
- The range of average purchases across departments in 2021 ran from £111 (Transport) and £114 (Trade) at the bottom end to £761 (Treasury) and £968 (Defra) some distance clear at the top. In 2010/11, average purchases ranged from £98 (Defra) to £400 (Treasury). As seen below, that means **Defra has gone from bottom to top of the average value chart in 10 years**.



- **Spending above £500:** While the requirement to publish details of GPC spending above £500 from 2011 onwards had been expected to drive a reduction in transactions of that size, that has emphatically not been the case, with the departments examined recording **65,824 transactions above £500 in 2021**, compared to 35,335 in 2010-11. Even more remarkably, those departments recorded **34,661 transactions over £1,000 in 2021, around three times as many as in 2010/11**.
- **Spending above £10,000:** Excluding the MOD, the NAO reported just 43 purchases over £10,000 in 2010-11, and the number of transactions above that level stayed similarly low in 2021, at just 39, all but three of them attributable to the MOJ (21) and FCDO (15). However, the FCDO has by itself driven a recent and dramatic shift in that picture, recording **78 transactions over £10,000 in just the first ten months of 2022**, more than five times their number for 2021.
- **Major suppliers:** The largest GPC payments to one company in 2021 were made to the **BFS Group**, provider of food supplies to the Prison Service, with **28,530 transactions over £500 worth a total of £54.9 million** (an average of just over £1,924 per transaction). Other companies with extensive sales over £500 via GPC included stationery suppliers **Banner** (£3.3 million), and – as discussed at more length in **Section 5(J)** – **Amazon** (£1.51 million).
- **Household names:** Other well-known companies making six-figure sales to Whitehall departments in 2021 through GPCs included: **Enterprise-Rent-a-Car** (£414,785); **IKEA** (£237,683); **Posturite Chairs** (£131,652); **John Lewis** (£105,832); **KPMG Consultants** (£105,014), and **Apple** (£101,467).

In **Charts B** and **C** below, we can see the change in the amount of spending from 2010-11 to 2021 among the departments examined, excluding the MOD, who would otherwise be well ahead in both tables. Detailed month-by-month breakdowns of each department's GPC expenditure above £500 in 2021 can be found at **Annex A**, along with calculations of the average value of all their purchases.

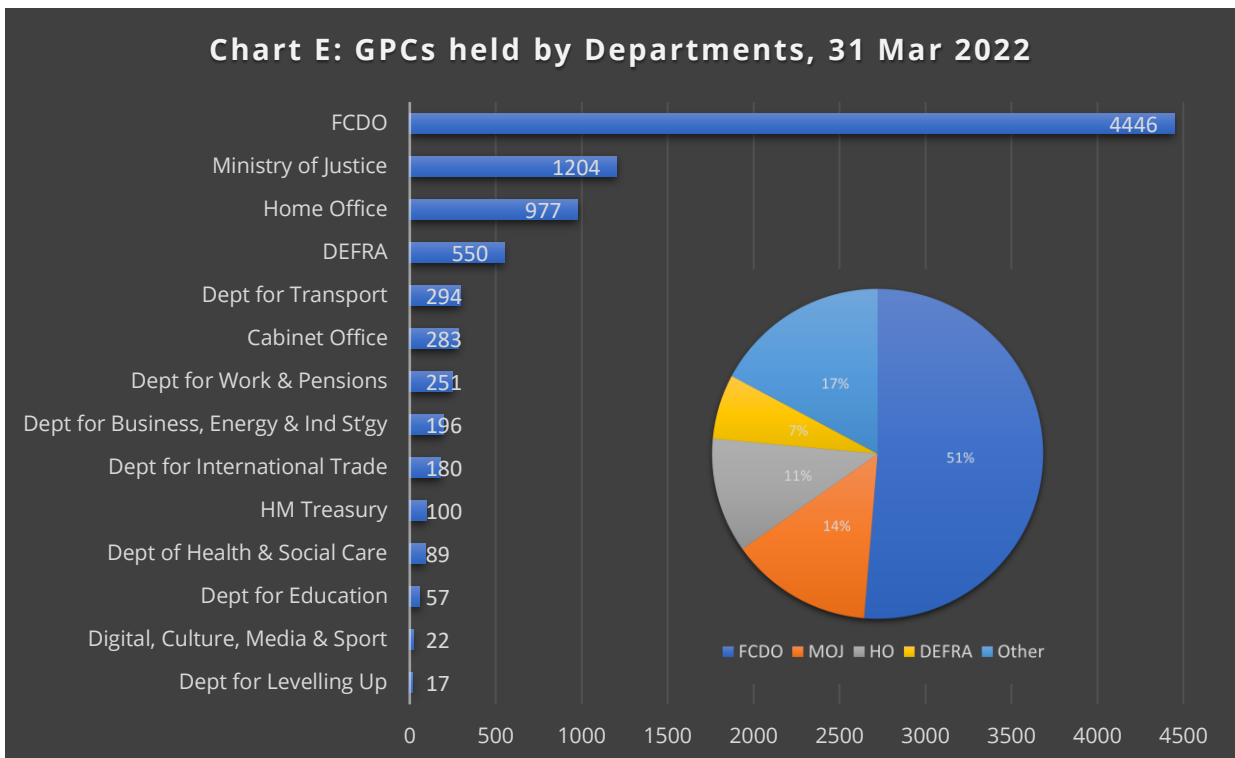
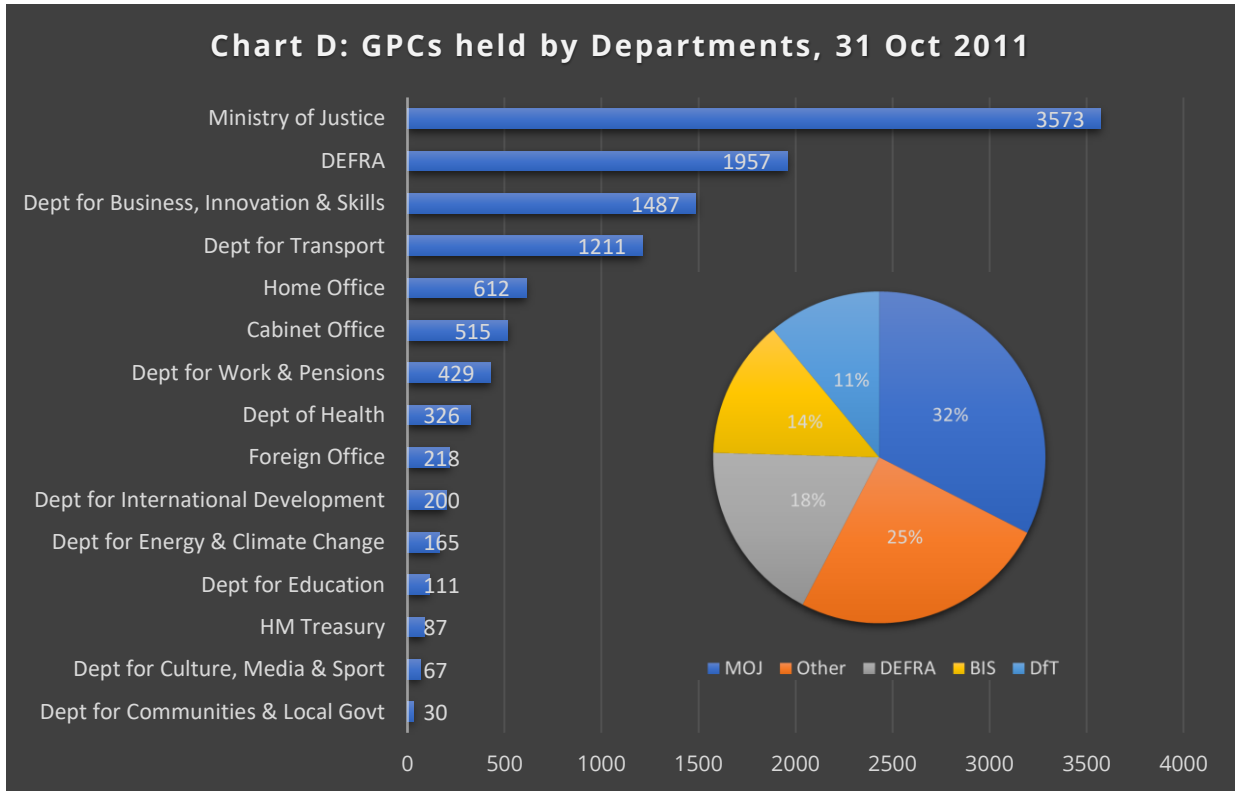




## B. NUMBER OF GPCs IN USE

As of 31 March 2022, there were **8,666 GPCs in circulation across the 14 departments examined<sup>10</sup>**, and – where relevant – their executive agencies, compared to the almost 11,000 recorded by the NAO for those departments in October 2011. That means the **average annual spend per card** for those departments has more than doubled **from £7,727 in 2010/11 to £16,790 in 2021**.

Comparisons between the GPCs held across Whitehall can be seen below, showing a decline for most departments, with the notable exceptions of the **FCDO**, where the number of cardholders has risen **more than tenfold** compared to the old FCO and DfID combined, and the **Home Office**, up **almost 60%**.



## 5. GPC SPENDING TODAY: KEY CONCERNS

**“The concerns that people have about it being used properly are as true today as they were two years ago.”** (Then Chair of the Public Accounts Committee, Dame Margaret Hodge MP, **26 March 2012**)

In the sections below, we look at thirteen key areas of concern that arise when examining GPC spending by major departments over the past two years, starting with three systemic problems regarding how that spending is reported on and controlled by departments, all of which are familiar from the NAO and PAC reports, and then looking at ten specific categories of expenditure which raise further questions.

### A. LACK OF TRANSPARENCY

The NAO's top recommendation in its 2012 report related to the “lack of comprehensive management information” on the use of GPCs, with the Cabinet Office urged to work with departments **“to develop a consistent way to gather data, and report on spending.”** This “improved management information”, the NAO argued, “would help central government and departments to understand how the Card is used and the risks involved, and to design appropriate controls with clear objectives.”

Ten years on, there is still no consistency in the way that Whitehall departments report GPC spending in their monthly transparency publications, and as such, there is huge variation in the public's ability to subject that spending to effective scrutiny. **Of the 15 main Whitehall departments, nine currently provide no specific description of what was purchased in each transaction, or for what reason.**

From the outset, **Defra** has taken the opposite approach, publishing the date and cost of each transaction, the supplier's name, and a detailed explanation of the purpose for the spending, provided verbatim by the unit responsible. If anyone wants to question them for spending £779 on cakes from Sainsbury's to welcome staff back to their office in Workington on 13 July 2022, they are able to do so.

Since May 2021, the **Home Office** has adopted the same approach as Defra, with full explanations for each transaction provided verbatim from the team responsible. The **Departments for Education** (DfE), **Transport** (DfT) and **Levelling Up** (DLUHC) offer less detailed but still specific descriptions of each purchase, and as of October 2022, the **DCMS** has started to do the same.

By comparison, **the Foreign Office (FCDO), Cabinet Office and Treasury** publish only the date, cost and name of supplier at present, together with broad, vague and often misleading descriptions of either the category of business in which the supplier is engaged (e.g. electronic sales, grocery stores), or the category of spending in which the transaction falls (e.g. media services, office supplies).

Less transparent still, the **Ministry of Justice (MOJ), BEIS, the DIT, DHSC and DWP** publish only the date and cost of each transaction, plus the name of the supplier, and – least transparent of all – the **Ministry of Defence** publishes the dates, costs and general categories of spending for each transaction, but aside from its expenditure on stationery and more recently on travel, no supplier names are published.

On 8 August 2022, the Attorney General's Office uploaded several months of GPC data, which not only described each transaction in detail, but also published the names of the card-holders responsible. The Shadow AG's office alerted their counterparts to this apparent error, and the data was rapidly revised. In the process, it was notable that previously detailed explanations of spending were replaced with generic descriptions, at the expense of proper transparency. For example, **£909 of spending at The Cinnamon Club** on 'The Attorney General's lunch with the Prosecutor General of Ukraine' (26 May) became simply 'Meeting Refreshments' in the revised data, while **£1,120 paid to The Crafty Hen Ltd. for an 'Away Day, Team-Building, Ceramic Painting for 35'** (1 March) became simply 'Training'.

In addition, it should be remembered that – aside from DLUHC, which publishes all GPC transactions no matter the value, in line with the rules for local government<sup>11</sup> – **there is currently no routine transparency regarding the tens of millions being spent by departments on purchases below £500.**

## **B. ACCOUNTING FAILURES**

In addition to their recommendations on the consistency of GPC spending data, the NAO were also clear in their 2012 report about the need for **“timely and accurate management information”**, without which they said departments could not maintain effective controls on GPC use. Despite those concerns, exactly the same serious problems over the timeliness and accuracy of reporting persist today.

At the time of writing, two departments – the **Ministry of Justice** and, incredibly, the **Treasury** – have **yet to publish a single month of GPC data for Calendar Year 2022**, and both the MOJ and DCMS had to be repeatedly harried through Labour’s PQs into publishing their full data for 2021.

As noted in **Section 4** and examined in detail in **Annex B**, the glaring, multi-million pound failures in the **GPC reporting** by the **Ministry of Defence** have made that department’s inclusion in this analysis impossible. In addition, a number of other departments have had to be prompted by Labour’s PQs to correct **major errors or omissions in their GPC data**, which had otherwise gone unnoticed.<sup>12</sup>

Of equally great concern are the number of occasions when departments have published items of GPC spending under **categories that bear no relation to the goods or services purchased**, undermining both the transparency of those publications and the chances of effective external scrutiny.

Below are examples of such errors drawn just from the FCDO’s spending data that only came to light after Labour queried individual transactions, but see also **Section D** for a number of other examples – also taken from the FCDO data – relating to the **mis-description of alcohol purchases**:

- On 13 July 2021, two payments totalling **£4,967 made by the FCDO to the Churchill War Rooms** (one of the facilities run by the Imperial War Museum) were described in the department’s GPC data as expenditure on **‘Fast Food Restaurants’** under the category ‘Restaurants and Bars’.
- Between October 2021 and May 2022, **the FCDO spent £21,552 on five new ministerial red boxes and 13 ministerial red folders** from specialist supplier, Barrow Hepburn & Gale. In the FCDO’s GPC data, these transactions were described only as purchases from **‘Computer Software Stores’**.<sup>13</sup>
- On 5 October 2021, the **FCDO paid £2,000 to DMA Invest Ltd.**, a consultancy specialising in trade with developing economies, to support an event promoting UK expertise in renewable energy to Nepal, categorised in the FCDO data under **‘Bands, Orchestras & Miscellaneous Entertainers’**.<sup>14</sup>
- Also on 5 October 2021, the FCDO spent **£1,372 on airplane tickets in the Maldives**, from a local firm named Manta Air, for the UK “to deliver underwater counter-terrorism training at the Maldives Police Academy”. This was described in the GPC data as **‘Computer Equipment and Services’**.<sup>15</sup>
- Also described as ‘Computer Equipment and Services’, and also in the Maldives, was spending of **£1,190 at The Marina Crossroads leisure complex** on 12 December 2021, which the FCDO has since explained was “a UK-hosted diplomatic event with key Maldivian government contacts”.<sup>16</sup>
- On 1 and 3 November 2021, the FCDO spent **£3,158 on catering from the five-star Gulf Hotel in Bahrain** for the Remembrance Day lunch held that month at the Ambassador’s residence. This was described in the GPC data as the supply of **‘Accounting, Auditing and Bookkeeping Services’**.<sup>17</sup>

- On 15 November 2021 and 22 March 2022, the FCDO recorded payments totalling **£4,333** by UK card-holders to a company named Finishing Touches, under the category '**Barber and Beauty Shops**'. Ministers later clarified that this in fact related to **building work** carried out in **Gibraltar**.
- On 25 January 2022, two days after then Foreign Secretary Liz Truss's visit to Australia, the FCDO paid **£1,351 to the Infrastructure Association Queensland**, a sale logged in the GPC data under the category '**Women's Ready to Wear Stores**'. In response to Labour questions, FCDO ministers said the payment in fact related to 'event costs [and] business hospitality'.
- On 23 March 2022, the FCDO spent **£3,266 at Marc Wood Studio**, designer of 'statement lighting collections using traditional craftsmanship', and specialist in pendant lamps and contemporary chandeliers, all again described in the GPC data as purchases from '**Computer Software Stores**'.

Compared to 2012, when the government said 99 cases of **GPCs being inappropriately used** had been identified across central government in the previous 3 years, Cabinet Office ministers offered **no answer to the equivalent question for the period 2019-22**, saying only that "each department's finance team is responsible for the monitoring and oversight of cards issued by their department."<sup>18</sup>

In response to other Parliamentary Questions, **seven departments said not a single payment had been fraudulently charged to their GPCs over the period 2019-20 to 2021-22**. Of the rest, the Home Office reported 6 such incidents, the Cabinet Office 5, DCMS and Defra 4, the MOD 3, and the Department of Trade just 1. In all cases, they said they were recompensed for the losses in full. **The FCDO and MOJ provided no responses, saying they could only do so at disproportionate cost.**<sup>19</sup>

Number of payments and amounts fraudulently charged to GPCs across Whitehall, 2019-22					
2019-20		2020-21		2021-22	
Payments	Amounts	Payments	Amounts	Payments	Amounts
11	£5,993.09	7	£4,295.80	5	£4,599.34

### C. END OF YEAR SPENDING SPREES

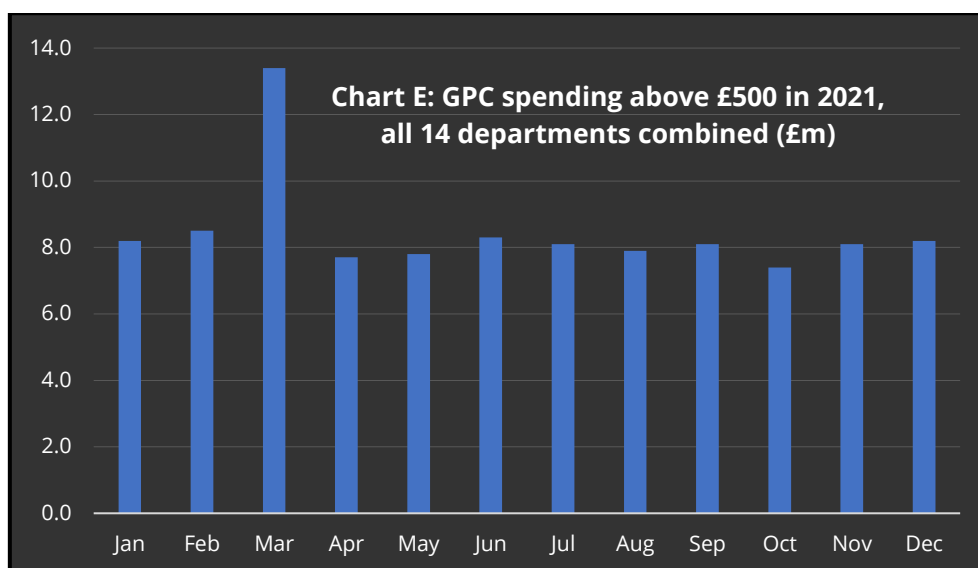
In 2012, several members of the Public Accounts Committee raised concerns about the pattern of GPC spending across Whitehall departments, with regular spikes in expenditure towards the end of financial years 2009/10, 2010/11 and 2011/12. As Fiona Mactaggart MP said: "That makes me think that **this is a quick way of gobbling through the end of your budget**. It is not a necessary set of transactions."

Yet, ten years on, that pattern is even more pronounced. 9 of the 14 departments analysed spent more in March 2021 than any other month of the year – including all the top 8 spenders – and overall, **spending using GPCs was more than two-thirds higher (67.74%) in March 2021 than the monthly average for the rest of the year (£13.39 million compared to £7.98 million)**.

An even more stark pattern is emerging in the figures published to date for Calendar Year 2022. For the top four spending departments who have released data for the first nine months of the year – the FCDO, Defra, Home Office and Cabinet Office – their collective **spending in March 2022 (£6.83 million) was more than double their monthly average for the other eight months (£3.22 million)**.

While many outstanding invoices are obviously settled at the end of the financial year, many departments are also clearly using their GPCs in March to make **bulk purchases of office kit and supplies**, raising the question of whether that spending is strictly necessary, or just a good way for them to use up their budget allocations, while upgrading equipment or replenishing stocks in the process. For example:

- The **Ministry of Justice** spent **£7.08m in March 2021**, compared to a monthly average of £5.1m the rest of the year, with that hike reflected both in major purchases (£229,511 spent on **IT products** from XMA Ltd, more than six times the monthly average of £36,712 for the rest of 2021) and smaller ones (£10,727 spent on **Scanning Pens**, compared to £2,000 in the whole of the rest of the year).
- The **Foreign Office** (FCDO) spent **£3.92m in March 2021**, well over double the monthly average of £1.77m for the rest of the year. By way of illustration, more than a third of the **£29,873 spent by the FCDO on Posturite chairs** for its UK offices in 2021 was done in the month of March (£10,692).
- Rishi Sunak's **Treasury** group spent more than twice as much on 'IT/Office Equipment' in March 2021 (£25,347) as any other month of the year, including **£10,984 on video and photo equipment**, and **£5,040 on a top-of-the-range, heavy-duty paper shredder** to replace their existing one.<sup>20</sup>
- From 22 February to 2 April 2021 (40 days in total), the DHSC spent **£59,155** on items of **stationery from Banner**, compared to just £1,470 in every other month of the year combined.
- In a different type of bulk buying, the **Cabinet Office** and **Treasury** spent a combined total of **£167,131** in the month of March 2021 on **training course fees**, 178 per cent more than the average of £60,120 they spent on training in the other eleven months of the year.
- In March 2022, the core **Defra** department spent almost three times as much on GPCs as the monthly average for the rest of the financial year, including **£7,877 on new camera equipment**.
- Finally, eleven purchases of **dog enrichment items** were made by different **Border Force** units in March 2022, worth a total of **£7,657**, worthwhile spending without question, but still the only time in the 19 months from April 2021 to October 2022 that any such purchases were made via GPC.



## D. ALCOHOLIC BEVERAGES

In 2012, the PAC heavily scrutinised the use of GPCs to purchase alcohol, criticised the lack of a central policy on the issue, and included in their recommendations a proposal that alcohol purchases be banned. Conservative MP Richard Bacon summed up the views of the committee when he said: "I am very curious about this, because **our constituents pay the taxes that are purchasing this alcohol.**"

In response, the Cabinet Office said that individual departments were free to set their own policies, and ten years on from the PAC report, there are still a variety of different rules in place, ranging from blanket bans at the **Departments of Transport**<sup>21</sup> and **Education**<sup>22</sup> to the relatively permissive policy in place at the **FCDO**<sup>23</sup>, where the provision of alcohol is an accepted part of diplomatic engagement.

The **Cabinet Office**'s stance remains that each department should apply rules that are in line with their own wider policies and guidance on alcohol consumption, and many departments echoed that approach in response to Parliamentary Questions from Labour about their current rules.<sup>24</sup>

The **Home Office**<sup>25</sup> says its guidance is that the purchase of alcohol is "inappropriate", the **Treasury**<sup>26</sup> says it must only support hospitality related to official business, **Defra**<sup>27</sup> say there must be exceptional circumstances and approval from senior officials, the **MOD**<sup>28</sup> says there are "strict limits", and the **Ministry of Justice**<sup>29</sup> says provision of alcohol from departmental funds for MoJ staff is prohibited, but "when providing hospitality to external parties, discretion can be exercised with Director-level approval".

The common theme from those departments that allow the purchase of alcohol on GPCs is that doing so is only acceptable when the primary recipients are external guests to whom the provision of alcohol as hospitality is necessary and appropriate, whether over meals, at receptions, or in the form of gifts.

For that reason, and given the past criticism around this area of expenditure, it would be expected that Whitehall departments would take extra care to be clear when their GPCs have been used to purchase alcohol, and why those purchases were necessary and justified. Instead, we see multiple examples where such spending looks **almost deliberately hidden from scrutiny**:

- On 14 November 2021, UK Government Investments paid **£1,500 to House of Lords Catering** for what Treasury ministers later revealed was a **drinks reception** for alumni working in private sector corporate finance, but which was categorised in their GPC data as '**Advertising/Publicity**'.<sup>30</sup>
- From October 2021 to July 2022, the **FCDO** spent a total of **£20,116** on purchases from **Ridgeview Estate Winery**, a producer of English sparkling wine. This was described in the GPC data as the purchase of 'Nondurable Goods' in the category '**Miscellaneous/Industrial/Commercial Supplies**'.
- On 13 January 2022, the **FCDO** spent **£1,282** on purchases from **Bluebell Vineyard Estate**, another producer of English sparkling wine, this time described in the GPC data as the purchase of 'Computer Equipment & Services' in the merchant category '**Computer Software Stores**'.
- A month later, on 10 February 2022, the **FCDO** spent a total of **£3,680 on purchases from Coates & Seely**, another English sparkling wine producer. This was described in the GPC data as the purchase of 'Professional Services' in the category '**Consulting, Management & Public Relations**'.
- In March 2022, another **FCDO** transaction described as the purchase of 'Computer Equipment & Services' in the category '**Computer Software Stores**' turned out to be expenditure of **£2,564 with Hop Shop Ltd.**, a specialist online supplier of home brewing ingredients and equipment.

Some other FCDO purchases from alcohol producers have been a little more accurately described as '**Catering Supplies**' from '**Misc Food Stores**', such as the **£3,959 paid to Chapel Down Estate** on 11 November and 3 December 2020, the **£1,625 paid to Stopham Vineyard** on 6 October 2021, or the **£4,442 paid to Camel Valley** on 1-2 September 2022. Similarly, when **£829** was spent on 18 November 2021 by a US-based cardholder at **All Nite Liquors**, the purchase was placed in the 'Caterers' category.

More straightforwardly still, **£92,321** of FCDO GPC purchases in 2021 were simply identified as coming from **package stores** in various countries selling **beer, wine and liquor**. It is assumed that – in line with statements from FCDO ministers<sup>31</sup> – the stores in question are considered the best local importers of British-made wines or spirits. For example, the most expensive single transaction in this category was a **£3,370 payment to 'Highball'** on 14 September 2021, which FCDO ministers said was for 'English wine'.<sup>32</sup>

By total sales, the biggest supplier of alcohol to the FCDO via GPC is **International Diplomatic Supplies (IDS)**, a Dubai-headquartered company which specialises in supplying duty-free spirits, wine and beer to

embassies, consulates and other locations around the world covered by diplomatic privilege. In 2021, FCDO GPCs were used to buy **£23,457 of 'duty-free' supplies** from IDS, presumably for the use of UK embassies overseas, but in the first ten months of 2022, that level of spending jumped more than four times higher, to **£95,834**, including **£15,665 in the very last week of financial year 2021-22**.

The questions around the use of GPCs to purchase alcohol remain as contentious and sensitive as they were a decade ago, and departments can have no complaints if they continue to face rigorous scrutiny in this area, given that those which do allow the practice have themselves repeatedly stressed the supposedly exceptional nature of these purchases, and the tight controls to which they are subject.

As discussed above, the UK's diplomats have traditionally – and rightly – been encouraged to build strong social relationships with their overseas counterparts in the name of intelligence-gathering, information-sharing, and the general pursuit of British interests, from security to trade.

To that end, **FCDO card-holders outside the UK spent £344,803 over the course of 2021 in the category 'Restaurants and Bars'**, at an average cost per transaction of £1,206. It is presumed that most of this spending related to diplomatic engagement with local counterparts, but there may be an argument for greater transparency around such expenditure to provide clarity on that point.

For example, in relation to the **£9,959 spent over the course of six visits** (four of them on Fridays) to the **Mr & Mrs G Riverbar** (22 Jan, 9 Feb and 9 Mar) and the **Blackbird Bar & Grill** (26 Nov, 29 Nov and 3 Dec) – both venues close to the UK consulate in Brisbane, Australia – it would be helpful to know how much was spent on refreshments for foreign contacts, and how much on consular staff.

Similarly, it would be useful to clarify whether New York consular staff were involved in diplomatic engagement on the five occasions from 5 October to 4 November 2021 that they visited **Bread & Tulips**, an Italian restaurant, spending **£13,249** in the process, as well as on their visits to **The Horny Ram** and **Pier 66 Maritime** restaurant-bars on 3 July 2021 and 29 November 2021, costing **£3,046**.

## E. GIFTS, HOSPITALITY AND RESTAURANTS

As indicated above, it is an accepted fact of our dealings with other countries that – when their dignitaries visit the UK – they should be afforded a warm welcome and generous hospitality, in the interests of building strong relationships and increasing future cooperation, and in the expectation that such hospitality will be reciprocated when our own officials and ministers travel in the other direction.

But whereas, for example, any gifts from foreign governments worth more than £140 must be declared by the UK recipients, there is no equivalent guarantee of transparency over the gifts and hospitality that the UK government provides to visiting dignitaries. As the examples below show, we may be told via the GPC data where gifts or hospitality were purchased, and how much they cost, but information about what was purchased, to whom it was given, or why, can only be obtained – if at all – through PQs:

- Between January 2021 and June 2022, the FCDO spent **£36,293 on items of fine bone china from Royal Crown Derby** and **£15,943 on items from the Royal Collection online shop**, presumably to give as presents to foreign counterparts. Asked simply to list the most expensive items purchased from each outlet in that period, and the purpose for those purchases, FCDO ministers replied that “this information is not held centrally and could only be obtained at disproportionate cost”.<sup>33</sup>
- In the nine months from January to September 2021, the FCDO spent £1,704 purchasing items from **Fortnum & Mason**, but in the subsequent nine months from October 2021 to June 2022, **purchases from the luxury food retailer leapt sixfold to £10,149**. Ministers have again declined to say to whom the items purchased from Fortnum & Mason in this period were given.

- On 15 and 20 January 2021, the FCDO spent **£2,548** on **ceramic gifts from Emma Bridgewater Ltd.**, given to members of the **UN Security Council** and senior UN officials to mark the UK's February 2021 presidency. It is not known whether all members of the Security Council received such a gift.<sup>34</sup>
- On 1 December 2021, the FCDO paid **£1,736** to the **Travel In Group**, a specialist agency providing **chauffeur and tour services** to London visitors. In response to PQs, ministers revealed this cost was for the transportation of a delegation of Arab-Israeli entrepreneurs to the London Roadshow, an event promoting the UK as a market of choice for Arab-Israeli led tech start-ups.<sup>35</sup>
- From 25-29 July 2022, the FCDO paid **£6,568** for the purchase of **13 rooms at the Hilton Puckrup Hall**, a 4-star hotel set in 140 acres of private grounds near the Cotswolds, with indoor swimming pool, spa and access to the Puckrup Hall golf club, all for the accommodation of visitors from the Latin America and Caribbean taking part in trade promotion activities organised by the DIT.<sup>36</sup>
- On 23 August 2022, UK Borders and Enforcement spent **£721 buying entertainment for visiting officials** from an unnamed country via online ticket trading service, **Stubhub**. Immigration minister Robert Jenrick refused to say what tickets were purchased for those officials, but did confirm that the expenditure was in line with the Home Office's policy on gifts and hospitality.<sup>37</sup>

The VIP suites at Heathrow Airport allow individuals to bypass normal check-in, security and passport procedures, and provide them with Michelin-starred cuisine, the services of a personal shopper, and chauffeured transport to or from their plane. On 23 March 2022, the FCDO paid **£7,200 for the use of VIP suites by four unidentified foreign dignitaries**.<sup>38</sup> This spending took place outside the scope of the £100,000 contract the FCDO had with Heathrow at the time for the purchase of VIP suites, because the recipients were not on State or Guest of Government visits.<sup>39</sup> On 24 March 2022, the FCDO also settled a bill by GPC for the **£3,240 costs of a Heathrow VIP suite used by Liz Truss** on her return from Mexico six months previously, following her first overseas trip as Foreign Secretary.<sup>40</sup>

Another significant category of GPC expenditure related to foreign dignitaries involves the purchase of **expensive lunches and dinners at top restaurants or hotels**, enjoyed both by the visitors from other countries and their UK government hosts. Examples include the following:

- On 18 October 2021, in support of the 24th annual UK-Taiwan trade talks, the Department of International Trade (**DIT**) paid an unnamed hotel **£1,150 to host a lunch for 10 people** (working out at £115 per head), six of them UK representatives (led by Labour peer Lord Faulkner, the Prime Minister's Trade Envoy to Taiwan) and just four of them from the Taiwan Representative Office.<sup>41</sup>
- On 20 October 2021, DIT officials treated their counterparts attending the G7 Trade Working Group meeting to **dinner at One Lombard Street, at a total cost of £1,120 for 17 attendees** (just under £66 per head). DIT ministers have stated that no-one present at the dinner consumed alcohol.<sup>42</sup>
- On 21 March 2022, **£1,800 was paid to the 5-star Corinthia Hotel** on an FCDO GPC to host a lunch for attendees at the inaugural UK-Vietnam Free Trade Committee meeting on 29 March, chaired by then Trade minister Penny Mordaunt. The FCDO declined to say if alcohol was included.<sup>43</sup>
- In March and May 2022, UK Borders and Enforcement officials spent a total of **£4,402 on lunch at The Cinnamon Club, and dinners at Pont de la Tour, and Gibley's, Windsor**, all to treat their visiting counterparts from – respectively – France, Turkey and an unnamed country. Immigration minister Robert Jenrick refused to disclose if alcohol was purchased as part of that expenditure.<sup>44</sup>
- On 26 May 2022, **The Cinnamon Club hosted a £909 lunch** for Attorney General Suella Braverman, her Ukrainian counterpart Iryna Venediktova, and six others (just under £114 a head). Seven weeks later, Ms Venediktova was dismissed after allegations of treason against officials in her department.



- On 27 May 2022, three DIT officials and seven counterparts from India enjoyed a **£656 lunch at the Michelin-starred Quilon** (just under £66 per head), one of the restaurants within the 5-star Taj 51 Buckingham Gate Hotel. Again, DIT ministers have said no alcohol was consumed at the lunch.<sup>45</sup>
- On 28 June 2022, participants in the three-day 'UK in Mozambique' trade promotion event were treated to hospitality from the FCDO at **Stanley's courtyard bar and restaurant in Chelsea, at a cost of £2,138**. FCDO ministers would not say whether any alcohol was purchased at the event.<sup>46</sup>
- On 26 July 2022, a Vietnamese delegation visiting the National Crime Agency in Vauxhall were treated to hospitality at the nearby **Waterfront Brasserie, resulting in a bill for £623**, paid for on a Foreign Office GPC. FCDO ministers again declined to say whether alcohol was included in those costs.<sup>47</sup>
- On 20 September 2022, the FCDO hosted a **£1,671 dinner at the Arbikie Distillery** for ten Polish and UK guests after a visit to wind power facilities in Montrose.<sup>48</sup> As one DIT official present wrote on LinkedIn: "It's been an eventful day and what better way to close it than with a spot of whisky?"<sup>49</sup>
- On 16 October 2022, the FCDO spent **£1,680 providing hospitality at Walker's Wine Bar in Whitehall** to technology experts visiting the UK. In response to Parliamentary Questions, FCDO ministers confirmed that this expenditure did include the purchase of alcohol.<sup>50</sup>

In June 2021, **then Trade Secretary Liz Truss** proposed taking her US counterpart for **lunch at Five Hertford St, a private members club owned by Tory donor, Robin Birley**. An email later obtained by *The Sunday Times* showed that officials raised concerns about the "*obviously incredibly expensive*" costs, and only agreed to the choice of venue – with the approval of the DIT permanent secretary – after negotiating a reduced bill with the club, conditional on it being paid immediately after the meal. That resulted in a **GPC charge of £1,308 (just under £131 per head for the 10 people present)**. We know that spirits and wine were purchased as part of that expenditure because *The Sunday Times* obtained the receipt for the lunch, specifically two measures of dry gin; three £51 bottles of Spanish Pazo Barrantes Albariño; and two £65 bottles of French Coudoulet de Beaucastel. There is no suggestion that the US representatives present consumed any of the alcohol purchased at the meal.<sup>51</sup>

While the examples of expensive restaurant expenditure cited above at least have the putative explanation that they were part of what the Foreign Office calls 'building relations and diplomacy', there are at least two examples below where no such justification applies, and the question arises: how many other such occasions have there been that lie hidden elsewhere in the data?

On 21 September 2021, when attending the UN General Assembly in New York, then **Prime Minister Boris Johnson and his 24-strong entourage** had dinner at **Smith & Wollensky's**, running up a bill for **£4,445 – or £177.80 a head** – which was paid with a Foreign Office GPC. According to the restaurant's menu, a meal consisting of the most expensive starter (Maryland Crab Cake - \$28), the most expensive main course (\$78 Bone-in Rib Steak), and the three most expensive sides (\$17 each) would have come to \$157, equivalent to £113.50 per head at September 2021 exchange rates. In response to the PQ that unearthed this expenditure, FCDO ministers said that the former PM's dinner "included alcohol (approximately one drink per person)", but – even allowing for expensive desserts, coffee and a generous tip – the **£177.80 per head bill would suggest that the amount of alcohol consumed may have been substantially greater than one drink per person**.<sup>52</sup>

On Remembrance Day (11 November) 2021, the FCDO spent **£1,443 on lunch and dinner at two of the finest restaurants in Jakarta** (Kaum and Plataran), for then Foreign Secretary Liz Truss, her entourage, the UK Ambassador to Indonesia and other British Embassy officials.<sup>53</sup> FCDO ministers have declined to say if any alcohol was included in that expenditure, but they have confirmed that Ms Truss's busy schedule the same day sadly precluded her from paying her respects to the 947 Commonwealth personnel buried at the Jakarta War Cemetery, including 690 Britons.<sup>54</sup>

## F. CATERING, EVENTS AND ENTERTAINMENT

Many departments quite reasonably use GPCs to buy in catering services when in-house provision is unavailable or unsuitable. For example, BEIS paid Spiers Salads £5,594 for a week of food deliveries for its emergency response team at Christmas 2020 when normal suppliers were closed during lockdown.

However, there is a large slew of other spending on expensive professional catering – mostly from the FCDO – for which all that is usually published is the name of the catering company and the date and cost of their services, but no details as to why those services were required, or for whom, other than those that Labour has subsequently obtained through Parliamentary Questions. For example:

- In the space of fifteen months, from January 2021 to March 2022, the FCDO spent a total of **£35,366 on the services of Mackintosh Catering**, for what FCDO ministers called a “range of events held at 10 Downing Street, 1 Carlton Gardens and Lancaster House, including events hosted by the Prime Minister, Foreign Secretary and Chief of Defence Staff for international delegations”.<sup>55</sup>
- In 2021, the FCDO made payments of **£11,921 to At Home Catering Ltd.**, plus a further **£27,397 in the first ten months of 2022**, on what FCDO ministers described – in a slight variation – as “a range of events held at 10 Downing Street, 1 Carlton Gardens, Lancaster House and Admiralty House, including events hosted by the Prime Minister and Foreign Secretary for international delegations”.<sup>56</sup>
- Over the course of four events from September to December 2021, the FCDO paid **£8,568 to Alison Price & Co. Catering**, a company described on their Instagram page as “the UK’s leading private and corporate event caterer”. That included a £4,165 payment on 23 December 2021 for two unspecified events held earlier that year at Lancaster House.<sup>57</sup>
- On 14 March, 16 March and 24 May 2022, the FCDO paid a combined total of **£7,294 to luxury party specialists Zafferano Catering**, for three events at Lancaster House, all hosted by Lord Ahmed: a lunch for Caribbean High Commissioners; a reception for US representatives; and the Civil Service Operational Delivery Awards (delivered jointly with the Cabinet Office and HMRC).<sup>58</sup>
- Between 10-14 June 2022, the FCDO made payments totalling **£5,401 to Be Seasoned**, a Chelmsford-based luxury event caterer, for what FCDO ministers described as “venue and catering costs for an Indian trade mission to the UK during London Tech Week 2022”.<sup>59</sup>

When we consider whether the costs incurred by ministers and senior civil servants on high-end restaurants and catering are justifiable and proportionate, it is worth bearing in mind how they compare to the occasional provision of food for front-line operational staff, which is often revealed side-by-side in the GPC data along with some of the more excessive spending set out above.

For example, five weeks after Boris Johnson’s £4,445 dinner in New York, **several extra Border Force staff were deployed to Glasgow Airport** to cater for the rush of global delegates arriving for the COP26 summit. Given the length of their shifts and the volume of work to deal with, ‘special provision’ was made for their food, consisting of just **£609-worth of sandwiches from Pret à Manger**.

Similarly, two days after the FCDO settled the above mentioned £4,165 catering bill with Alison Price & Co., **several Border Force staff had to work in Dover on Christmas Day 2021**. Because their expense allowance would not cover any of the meal options available, they were given ‘special provision’ to use the agency’s GPCs to buy a Christmas meal at the Dover Holiday Inn instead, **at a cost of just £745 in total**, or – according to the hotel’s website at the time – £28.95 per head.<sup>60</sup>

Recently asked by Labour what provision was made for Border Force staff working over **Christmas 2022**, Minister Robert Jenrick responded: “We can confirm **no arrangements were made** regarding the provision of Christmas meals to Border Force staff working in Dover on Christmas Day.”<sup>61</sup>

The catering costs highlighted above illustrate the scale of the spending routinely incurred by Whitehall departments – and their outposts overseas – when putting on events, whether to honour visiting guests, entertain external stakeholders, celebrate special occasions, or promote particular initiatives. Alongside the catering for these events, the GPC data reveals large amounts of spending across multiple departments on event facilitation, decoration, entertainment and guest speakers. For example:

- Across 14 transactions from February 2021 to October 2022, the **FCDO** made **£26,089 of purchases from Capital Pinball**, described on their website as “Canberra’s largest operator of amusement machines”, but – according to PQ answers from FCDO ministers – used by the High Commission in Canberra to hire tables, chairs, marquees, cutlery and crockery for **larger scale functions and receptions** held at the High Commission and the High Commissioner’s official residence.<sup>62</sup>
- On 8 March 2021, the **FCDO** paid **£1,495** to **Paul Martin, a magician, mind-reader and event host**, to act as Master of Ceremonies (with magic tricks included) at the UK-Spain Business Awards 2021<sup>63</sup>, a 90-minute event (held online due to Covid restrictions), also featuring speeches from then Investment Minister Lord Grimstone and one of his Spanish counterparts.<sup>64</sup>
- On 5 October 2021, the **FCDO** spent **£1,903** at **Hot Pink Photo Booth**, a photo booth rental company serving the Washington DC area. Ministers say the booth was used at a guest reception based around the screening of the Bond film ‘No Time to Die’, attended by over 200 people, including senior members of the US Government, and designed to promote the UK Creative Industries.<sup>65</sup>
- Across **eight purchases** from 12 October 2021 to 21 July 2022, the **FCDO** spent a combined total of **£14,957 on floral displays** from luxury London florists, **Pulbrook & Gould** and **Mary Jane Vaughan**. FCDO ministers placed this spending under the category ‘Event Costs’ when replying by letter to Labour’s questions, but did not specify for which individual events the costs were incurred.
- On 23 November 2021, the Education and Skills Funding Agency paid **£3,654** for **Jermaine Harris, a top motivational speaker, to lead a post-pandemic team-building event**. DfE minister Nick Gibb says that Mr Harris delivered a 3-hour keynote speech, and held 3 hours of other sessions. It is not known if these included any of the “show-stopping stunts” advertised on Mr Harris’s website, such as “breaking an arrow with his throat and walking across shards of broken glass”.<sup>66</sup>
- From May-July 2022, the **British Embassy in Singapore** paid **£2,174** for **Shake’n’Swirl**, cocktail specialists and provider of bespoke bar services, to support **at least two events**: a visit by Liverpool and Crystal Palace players on their pre-season tour<sup>67</sup>; and a Queen’s Platinum Jubilee Party, for which FCDO ministers described Shake’n’Swirl as providing “service and kitchen support staff”.<sup>68</sup>
- As part of other events held to celebrate the Platinum Jubilee in June 2022, the **British Embassy in Stockholm** paid **local performance troupe Entourage £6,941** to provide the entertainment to guests attending their gathering, including performers dressed as lookalikes of British musical icons such as David Bowie and Baby Spice<sup>69</sup>, while the **British Embassy in Lisbon** paid **£2,469** to **award-winning photographer, Kenton Thatcher**, to take pictures of attendees at their garden party.<sup>70</sup>
- The **UK’s embassy in The Hague** also held a Queen’s Birthday Party event in June 2022, paying **£2,942 for catering services to The Knott**, a fine dining Dutch seafood restaurant located a short distance from the embassy.<sup>71</sup> Unusually, this payment was made on 27 October 2021, some seven months before the event, and a month after the restaurant was declared permanently closed.<sup>72</sup>
- On 27 June 2022, the **FCDO** paid **£53,445** to specialist venue hire and events facilitation company **Camm & Hooper – the single biggest GPC transaction recorded outside the MOD in 2021 or 2022** – for services provided during the three-day ‘Mozambique In The UK’ trade promotion event (an occasion that also features in **Section E** above on ‘Gifts, Hospitality and Restaurants’).<sup>73</sup>

As with lots of the other spending highlighted in this report, the question for departments is not whether it was necessary to hold events for the purposes outlined above, but whether the size or nature of the spending that accompanied those events was justifiable and proportionate during a cost-of-living crisis.

In January 2022, **the FCDO paid £4,736 to Luna Park Venues**, a company that hosts events against the backdrop of one of Sydney's most famous amusement parks, to host a reception for then Foreign Secretary **Liz Truss and 70 guests**, including her Australian counterpart and the Premier of New South Wales.<sup>74</sup> The FCDO also paid **£699 to Captain Cook Cruises** to ferry the 70 guests across Sydney Harbour to the event, and **£1,783 to Event Hire Services** to provide socially-distanced arrangements of tables and stools.<sup>75</sup> In response to Labour PQs about these various items of expenditure, FCDO ministers have stressed in their answers that none of the **£7,218 total spending** on the event was used "for admittance into the fairground or to go on any attractions."

## G. EXPENSIVE ACCOMMODATION

Travelling overseas is an essential part of the job for many ministers and officials, and when that is necessary, there is an expectation that they will stay in hotels where they are able to get a good meal, a good night's sleep, use IT and office facilities for work, and most importantly, be safe. The same is true when they require hotels after working away from home within the UK or staying late in the office.

However, there is also an expectation – and indeed a requirement within the ministerial code – that the most cost-effective options will be chosen when making such travel arrangements, and as such, the PAC expressed concern in 2012 about **the use of GPCs to buy accommodation in five-star hotels**. Despite those concerns, that practice continues in multiple departments, as the following examples show:

- In July 2021, the **Treasury spent £3,217** on accommodation at the **five-star Hotel Danieli**, and **£1,361** at the **four-star Hotel Bonvecchiati**, for then **Chancellor Rishi Sunak** and **eleven other government representatives** attending the G20 summit in **Venice**. Treasury ministers have refused to say who stayed at which hotel, or for how many nights each, but it is known from his ministerial transparency data that Rishi Sunak stayed only one night at the summit, and incurred non-travel expenses (including accommodation) of **£292.17** while he was there.<sup>76</sup>
- On 26 August 2021, the **Transport Department spent £1,047.50** on three nights' accommodation at the **five-star Maritim Plaza Tirana** in Albania for the Director General for Civil Aviation and another senior official attending a European aviation conference (£175 per head per night).<sup>77</sup>
- On 1 September 2021, the **Cabinet Office spent £996** on two nights' accommodation at the **five-star Four Seasons hotel in Amman**, Jordan, for the then National Security Adviser and two of his officials attending a UK-Jordan Strategic Dialogue later that month (£166 per head per night).<sup>78</sup>
- From 25-27 October 2021, **Lord Grimstone** and a private secretary attended the Future Investment Initiative in Saudi Arabia, held at a conference centre adjoining the **five-star Riyadh Ritz Carlton**, one of the most luxurious hotels in the world. Lord Grimstone received two nights' complimentary accommodation from the hosts, but the DIT paid for his third night, plus all three nights for his aide: **four nights in total at a combined cost of £3,041, equivalent to £760 a night**.<sup>79</sup>
- In March 2022, **BEIS spent £1,989** on accommodation at the **five-star B.O.G Hotel in Bogota**, Colombia, for officials taking part in discussions on climate change. Ministers did not say how many officials travelled, or for how many nights, but rooms at the hotel start from around £163 per night.<sup>80</sup>
- On 1 July 2022, **BEIS** spent £636 on two nights' accommodation (**£318 per night**) for then Energy and Climate Minister **Greg Hands**, to stay at the legendary **five-star Grand Hotel Petersberg**, set in the hills overlooking Koenigswinter, Germany, while attending the Petersberg Summer Dialogue (a

private gathering of European political and financial decision-makers), not to be confused with the Petersburg Climate Dialogue held two weeks later in Berlin (see below).<sup>81</sup>

- On 8 July and 24 August 2022, DCMS spent a total of **£5,116 on five-star accommodation at The Meruorah Komodo and Mulia Resort in Indonesia** for officials taking part in G20 Digital Economy Working Group meetings – DCMS minister Julia Lopez has explained that there was an “expectation” that all delegates would stay in the same hotels where the relevant meetings were taking place.<sup>82</sup>
- In November 2022, Defra paid for three officials from its executive agencies to stay at the **five-star Hilton Hotel in Panama City**, while attending the World Wildlife Conference (otherwise known as CITES Cop-19). The total cost of their accommodation was **£5,924**, which – for the one official whose number of nights are stated in the GPC data – worked out at around £171 a night.

Face-to-face diplomacy has played an important part in the efforts of COP26 President **Alok Sharma** to press for global action on climate change, and over the course of some **66 overseas trips from October 2020 to the end of September 2022**, the costs of his own individual travel, accommodation and other expenses have totalled **£220,817**, according to ministerial transparency data.

However, it is only thanks to the Cabinet Office’s occasional use of its GPCs to pay for Mr Sharma’s overseas accommodation that we have any insight into **what type of hotels** he used during his travels as COP President, as the following examples show:

- Across two transactions recorded on 4 January and 8 November 2021, accommodation totalling **£4,233** was purchased for the COP26 President and his aides at the **5-star Four Seasons hotel in Seoul**: a two-night stay for meetings with Korean counterparts in October 2020 (£255 per night per head); and another two-night stay for further bilaterals in April 2021 (£211 per night per head).<sup>83</sup>
- From 5-6 September 2021, Mr Sharma and 10 aides visited China for pre-COP26 talks, staying two nights at what Cabinet Office ministers described as the “Chinese-government approved” **5-star Tianjin Binhai One Hotel**, at a cost of **£9,238** or **£420 per person per night**. For unknown reasons, this expenditure was filed in the Cabinet Office GPC data under the category ‘Office Supplies’.<sup>84</sup>
- From 28 September to 2 October 2021, a total of **£7,671** was spent at the **4-star Enterprise Hotel in Milan** for the COP26 President and members of the COP26 Unit to attend a Youth4Climate event and a pre-COP summit; Cabinet Office ministers say the room rate was €163 per night.<sup>85</sup>
- From 15-18 February 2022, the COP President and five officials stayed for three nights at the **5-star Mandarin Oriental in Saigon** as part of their talks with Vietnam on the agreement of a Just Energy Transition Partnership, all at a total cost of **£2,656**, or £177 per head per night.<sup>86</sup>
- In July 2022, Mr Sharma and four of his private office staff stayed for two nights at the **5-star Hilton Hotel Berlin** while attending the Petersburg Dialogue international ministerial climate summit at the German Foreign Office, all at a combined cost of **£1,946**, or £194 per head per night.<sup>87</sup>

Unsurprisingly, the **FCDO** records the largest GPC spending in Whitehall on overseas accommodation, but is also one of the least transparent in terms of disclosing which hotels its officials and ministers have used, and what star-rating they had, beyond stating that they were on **the department’s ‘approved list’**.

The lack of transparency regarding FCDO hotel expenditure is growing as the department increases the amount it spends via GPC on accommodation for which no details are provided in the published data. Across all of 2021, the FCDO spent **£1.3 million** on unnamed **‘accommodation providers’**, logged under the category ‘hotels/motels/resorts’, at an average of £1,493 per transaction. **In the first 10 months of 2022, that figure rose to £3.25 million, at an even higher average of £1,815 per transaction.**

In March 2020, two officials from the Prison Service went on an **FCDO-funded 2-week factfinding trip to Anguilla, Turks & Caicos, and the British Virgin Islands** to assess the readiness of prisons in the British Overseas Territories to cope with a repeat of the 2017 hurricane in the British Virgin Islands.

MOJ ministers say that **all four hotels used on the trip were on the FCDO approved list**, including the two most expensive – the 4-star La Playa and Simpson Bay Resort – located on St Maarten Island, adjoining Anguilla. **The total cost of the trip is unknown but the hotels alone cost £6,247.**<sup>88</sup>

By comparison, three members of Defra's Marine Management Organisation made a 7-day visit to **Turks & Caicos** in December 2021 to meet local ministers and other stakeholders as part of the UK's Blue Belt programme, spending **£1,568** on their accommodation at the **3-star Island Club Turks.**<sup>89</sup>

The **Department for International Trade** also regularly records expenditure under the simple category **'Hotel'**, with no information on the location or purpose of the spending, regardless of the sums involved. As the examples below show, some relevant information has been obtained via Labour's Parliamentary Questions, but that is obviously not an option available to the taxpaying public footing the bill:

- Spending of **£621** on 15 May 2021 was revealed to have paid for three nights' accommodation in Greece for one official (**£207 per night**) "supporting Babcock in a maritime export opportunity...to progress final elements of the Hellenic Navy Future Frigate requirement".<sup>90</sup>
- Spending of **£1,724** on 10 July 2021 was revealed to have paid for four nights' accommodation in Jeddah (at a cost of **£215.50 per night**) for **Lord Grimstone and an aide**, while attending events with investors onboard HMS Defender as part of the Carrier Strike Group's visit to Saudi Arabia.<sup>91</sup>
- Spending of **£1,297** on 10 October 2021 was revealed to have paid for five nights' accommodation (**£259 per night**) in South Korea for Nigel Maddox, senior military advisor to UK Defence & Security Exports (DSE), when he attended the Seoul Aerospace and Defence Exhibition later that month.<sup>92</sup>
- Spending of **£585** on 21 October 2021 was revealed to have paid for three nights' accommodation (**£195 per night**) in Paris for the DSE's Principal Police and Security Adviser to attend the Milipol Conference, the leading international exhibition for Homeland Security-focused exports.<sup>93</sup>
- Expenditure of **£63,300** in the 'Hotel' category on 27 July 2022 was revealed after a PQ to relate to a total of **422 room bookings** at an unnamed Birmingham hotel, at a cost of **£150 per night** (including breakfast) for DIT staff supporting tourism and exports during the Commonwealth Games.<sup>94</sup>

The use of **Airbnb** is an increasing feature of GPC spending across Whitehall departments, with **Defra recording £17,824 of rentals** across its agencies in 2021, and the **Home Office spending £35,862** over the course of the same year. Even more strikingly, from May to October 2022, the FCDO spent **almost £120,000** buying accommodation via Airbnb on GPCs held in the UK, at an average of **£2,342 per transaction**, having only done so once before via GPC since January 2021.

But the biggest single outlay on one Airbnb property in 2021 was by BEIS, which spent **£9,121 on renting a private house for the two week duration of COP26.**

BEIS minister Dean Russell explained in response to a PQ: "This cost covered the accommodation for 4 members of the UK delegation and was needed due to lack of available hotel accommodation in Glasgow and surrounding areas. Due to high demand the price of any available accommodation was higher than usual, and this rental was the most cost-effective option for the delegation."<sup>95</sup>

That may be borne out by the **£5,369** that was paid via a **Defra GPC** for accommodation during COP26 at the **Hotel Ibis, Glasgow** for three staff from the Joint Nature Conservation Society (two staying 10 nights; one staying 2 nights), which – if correct – worked out at a cost of £244 per person per night.<sup>96</sup>

## H. EXPENSIVE TRANSPORT

As one of the biggest variable expenses for government departments, there have traditionally been strict rules for ministers and officials to follow in order to limit their travel costs, and also fixed contracts in place covering travel bookings by road, rail and air in order to get the best deals for the taxpayer.

It is therefore all the more concerning in recent years that there has been such **extensive use of GPCs across multiple departments to pay for transport outside their normal corporate travel contracts**, and on some occasions, outside the rules that would usually apply. Below are just a few examples:

- In July 2021, **Network Executive Ltd. was paid a total of £1,212 to drive two junior Transport ministers on official visits: Baroness Vere** went from home in Kingston to Tring and South Mimms then back to Kingston on 1 July (£675); and **Rachel Maclean** went from Portsmouth to an event at Goodwood then back to her constituency 130 miles away in Redditch on 15 July (£567).<sup>97</sup>
- On 6 August 2021, **DWP paid British Airways £6,177 and £5,810 for two business class flights to Tokyo for Therese Coffey** and an aide to attend the Paralympics later that month. DWP ministers have confirmed that Ms Coffey's ticket was the more expensive of the two, for reasons unknown.<sup>98</sup>
- On 14 October 2021, the **Dept for Transport paid £3,511 to City Fleet Networks to provide chauffeur services to a number of ministers** across various departments when, according to DfT minister Jesse Norman, "the Government Car Service did not have sufficient drivers available".<sup>99</sup>
- On 29 October 2021, the **Treasury paid £3,600 to TBR Global Chauffeuring to transport Treasury ministers and officials during their visit to COP26** in Glasgow, including for the 'Finance Day' addressed by Rishi Sunak on 3 November, "as no government cars were available".<sup>100</sup>
- As an aside, it should be noted that the **Treasury** also made a **£6,103 payment via Booking.Com** on 25 October 2021 to buy accommodation at **Cityroomz Edinburgh** for officials attending events at COP26, which might explain some of the transport costs mentioned above.<sup>101</sup>
- On 22 December 2021, the **Dept for Education** settled their own bill with **TBR Global Chauffeuring** for the **£1,040 costs** of chauffeuring former Education Secretary **Nadhim Zahawi** between locations in Glasgow when he went to make his contribution to COP26 on 5 November 2021.<sup>102</sup>
- On 12 May 2022, the **Home Office** paid **£823 to Avanti for two return train tickets for Priti Patel and her private secretary to travel from London to Stoke**, for what were described in the GPC data as 'urgent ministerial meetings' but which was in fact a planned Cabinet awayday.
- On 27 September 2022, the **Cabinet Office** paid **£4,218 to Murray Chauffeur Services Ltd.**, for what it described in response to Parliamentary Questions as "a series of group transport journeys to and from airports, relating to official overseas travel".<sup>103</sup>

On 20 July 2022, the Department for International Trade spent **£8,110 on a business class return flight to Japan**, via a GPC payment to the **Brightsun travel agency**, after the Deputy Director of the department's Sponsorship and World Events team was asked to accompany **Cabinet Office minister, Nigel Adams**, on a five-day visit to Tokyo and Osaka, from 24-29 July. DIT ministers have described this as a 'last-minute' booking on flights with limited availability that would not normally have been booked in this way. The purpose of the minister's visit – according to the Cabinet Office – was "to confirm the UK's commitment to the Osaka Kansai Expo", **which does not start until April 2025**. Nigel Adams' own costs for the trip, including travel, hotels and meals, were £9,289.82. He stepped down as a minister five and a half weeks after the trip, following the change in Prime Minister.<sup>104</sup>

## I. FOREIGN OFFICE FURNISHING

Over recent years, there has been extensive discussion over the use of taxpayers' money to buy furniture and decoration for the official No.10 and No.11 residences, including criticism of the £30,000 annual allowance available to Prime Ministers for maintaining and furnishing their home in Downing Street.

By contrast, there has been almost no scrutiny of the costs incurred by the **Foreign Office purchasing home furnishings and decorative fabrics in the UK**, which amounted to **just under £500,000 in the twelve months up to the end of August 2022**, well over a quarter of it (27.2%) spent in March 2022, apparently as part of the department's usual spending spree at the end of the financial year.

While it is of course important to ensure that the FCDO's buildings in the UK and our embassies overseas are properly furnished and decorated, using British products wherever possible, there are numerous examples where the most high-end options appear to have been chosen, when less expensive but still perfectly decent alternatives will have been available, as shown below (all 2022 except where stated):

- **Wallpaper and Fabrics:** On 27 January, three purchases totalling **£7,077** were made at **Osborne & Little**; on 26 August, **£4,015** was spent on three purchases at **Colefax & Fowler**; and one-off purchases were also made from **Linwood Fabric** for **£2,623** on 10 January, and from **The Romo Group** for **£11,508** on 28 June, all leading suppliers in the luxury wallpaper and fabrics sector.
- **Furniture:** Over three purchases in March and one in August, **£17,749** was spent at **Heals**; over four purchases in March and three in January, **£9,988** was spent at **The Cotswold Company**; and between 23-25 March, **£9,935** was spent on four purchases from **Ercol**; luxury furniture was also bought from less-established retailers, with **£4,401** spent at **SoloMiya** on 7 January.
- **Linen and Beds:** Over six purchases from January to September (four of them in March), **£11,746** was spent at **Ferguson's Irish Linen**; three purchases totalling **£2,951** were made at **Simba Sleep** from 18 March to 29 May; and one-off purchases were made from **The Bed Guru** (**£2,784** on 28 March), **Dreams Beds** (**£1,489** on 9 June), and **Mattressman** (**£1,552** on 4 August).
- **Home Decor and Lighting:** From October 2021 to June 2022, three purchases were made from **The White Company** totalling **£4,583**; between 4 and 12 January, three purchases were made from high-end decorative lighting designers, **Chelsom Ltd.** totalling **£8,190**; and one-off purchases were made for **£3,266** from **Marc Wood Studio** and **£2,990** from **West Elm**, both on 23 March.
- **Rugs and Carpets:** On 5 October 2021, **£3,800** was spent over two purchases from Lady **Deirdre Dyson's** designer rug and carpet collection; and on 27 January, **£2,382** was spent on a single purchase from **Weaver Green**. **Other one-off purchases** were also made from **Olivia's** (**£1,680** on 7 January), **Clare Gaudion** (**£2,370** on 8 February), **Soho Home** (**£2,078** on 7 March), and **Amara Living** (**£2,166** on 8 March), all specialists in luxury decorative homeware.

It is worth noting that **12 of the individual purchases** highlighted above were made in just seven days from **21-28 March 2022**, all part of **£77,837-worth of spending** in that week on UK-issued FCDO GPCs in the categories of 'Equipment and Furniture', 'Miscellaneous House Furnishings' or 'Fabrics', as well as spending on furniture or decoration misdescribed in the GPC data as 'Computer Software Stores'.

## J. AMAZON PURCHASES

One issue that had yet to emerge when the NAO and PAC conducted their investigations ten years ago was the dominance of Amazon as a supplier of online goods. In 2021, by contrast, the 14 departments examined in this report spent **at least £1.5 million via Amazon on GPC purchases above £500**.



The **Ministry of Justice** alone recorded **£698,208 of GPC purchases from Amazon in 2021**, from a total of 785 transactions published above £500, giving an average of just over £889 per purchase. The MOJ's spending at Amazon spiked at £282,150 in March 2021; **more than 40% of the total for the year**. The value of the 255 transactions in March was also higher than the annual average, at £1,106 per purchase.

The **FCDO** was second behind the MOJ in spending via Amazon in 2021, with **£512,536** of GPC purchases from a total of 506 transactions above £500, but its use of the online giant is growing rapidly. In the first six months of 2022, the **FCDO** made Amazon purchases totalling **£371,264**, compared to £289,916 in the same period in 2021, and £145,866.50 in 2019 – **an increase of more than 150% in three years**.

There are two major issues that arise from the increasing use of Amazon to make GPC purchases, not just in the MOJ and FCDO, but across Whitehall:

- (i) The ambition to use government procurement to **support the growth of SMEs and promote local suppliers** is clearly at odds with the increased use of Amazon for GPC purchases, especially given the well-documented problems faced by small firms relying on the site as a retail platform; and
- (ii) For those departments – such as the MOJ – where the name of the supplier is the only basis for external scrutiny of what goods they are buying via GPC, **the use of Amazon further detracts from the transparency that taxpayers have a right to expect** over how their money is being spent.

On 31 October 2022, two purchases of near identical value were made using Home Office GPCs, which illustrate both the debate around supporting local suppliers versus spending via Amazon, and also how some GPC purchases can be considered essential, and others less so. In Kent, Border Force spent **£721 on 'new and replacement wet weather clothing' for staff on duty at Western Jetfoil and Manston**, bought from Sharp & Enright, a small marine supply shop in Dover. On the same day in London, Suella Braverman's communications team spent **£724 via Amazon on a four-metre wide 'Panoramic Limestone Background'**, made by Italian photo specialists, Manfrotto, described by ministers as necessary to "provide a professional multi-purpose backdrop to a broad range of video and photo communications, ministerial pre-records, pool clips and other media moments".<sup>105</sup>

## K. CORPORATE BRANDING

The branding of products that are either distributed – or on general view – to members of the public can be a useful way for government departments and agencies to raise awareness of the services they are offering, or campaigns they are promoting, to individuals who might not otherwise be aware of them. There are many instances of GPCs being legitimately used for that type of expenditure.

However, there are dozens of other instances in the GPC data of **departments commissioning branded merchandise**, where the only members of the public who would ever be likely to see them are those already using the service, or where the merchandise was not intended for public consumption at all, but just geared towards the internal promotion of brands or services to other civil servants. For example:

- On 15 September 2020, the Ministry of Justice paid Positive Media Promotions **£4,019 for 850 branded USB cables** for distribution to staff taking part in a virtual conference.<sup>106</sup>
- In February 2021, Natural England bought **£1,411 of branded mugs** from Trade Promotions Ltd for staff in its Evidence Services team "in recognition for the difficult year of 2020".
- In March and June 2021, HM Prison and Probation Service spent **£9,236 buying branded hand sanitiser** products from Everything Branded for use in prison establishments.<sup>107</sup>
- On 22 November 2021, the Education Department spent **£1,296 on roller banners and stationery** from Awesome Merchandise "to raise staff awareness about the Department's vision and purpose".

- In March 2022, the Cabinet Office paid One Stop Badges Ltd **£3,252 for "branded badges for staff delivering COP26"**, presumably late payment for an event taking place the preceding November.<sup>108</sup>
- On 8 April 2022, the Cabinet Office paid Total Merchandise Ltd. **£2,315 for unspecified items of merchandise** "for distribution to members of the Government Geography Profession".<sup>109</sup>
- On 3 May 2022, the Cabinet Office spent **£1,188 on branded sashes** from B-Loony Ltd. for staff to wear when helping to deliver Civil Service Live events around the country.<sup>110</sup>
- On 29 July 2022, the Government Property Agency spent **£1,450 on 500 branded fidget cubes** from Big Bear Promo for distribution at Civil Service Live events.<sup>111</sup>
- On August 18 2022, the Public Sector Fraud Authority paid The Hotline Group **£1,705 for 500 branded notebooks** distributed to their own staff to mark the launch of the organisation.<sup>112</sup>

The **Home Office** recently launched a corporate initiative to make sure all customer-facing staff in HM Passport Office (HMPO) and UK Visas & Immigration (UKVI) were using the same colour drinking vessels. That was at least the explanation for the HMPO Belfast office spending **£584.50 on 'corporate coloured cups'** in May 2022, and UKVI spending **£968 on 'thermos cups in corporate colour (purple) unavailable on standard catalogue platforms'** in September 2022, both purchases made via Amazon. Asked how much in total has been spent on the same-colour cups initiative, Minister Robert Jenrick would only say that: "This spend was made in accordance with Home Office policy."<sup>113</sup>

## L. TRAINING AND AWAYDAYS

The training of Whitehall staff plays an essential part in increasing the overall excellence and expertise of the civil service, and supporting the personal wellbeing and professional development of individual officials. Similarly, gathering those individuals together for a day away from their desks can be essential to help teams focus on – and plan for – the major, long-term challenges they must tackle together.

The vast majority of spending on those kind of individual training courses and team sessions is clearly justified, and no-one would quarrel with the use of GPCs to pay for them where necessary.

However, the GPC data does throw up several examples across Whitehall of training and away-days that appear harder to justify as essential spending, especially given the large sums involved, or where the variety of costs for similar events suggests that the most cost-effective options are not always chosen:

- On 3 and 21 January 2021, the **FCDO** spent a total of **£2,000** on learning and development courses from the **UK Hypnosis Academy** for an undisclosed number of DIT staff. According to FCDO ministers, this comprised wellbeing strategies and management tools, delivered to staff by video conference, and "did not involve hypnosis, nor include any hypnosis related training."<sup>114</sup>
- From February to April 2021, the **Treasury** paid a total of **£25,200 to the training arm of the Royal Academy for Dramatic Art (Rada)** to provide workshops in communications and presentation skills attended by a total of 62 members of staff drawn from various Treasury teams.<sup>115 116</sup>
- Between March 2021 and August 2022, the FCDO's New York consulate spent a total of **2,957** for **three staff** to have professional development sessions with '**Be Mindfully Well**', a company helping participants to take a Deep Living "Enneagram-Based Approach to the Practice of Presence."<sup>117</sup>
- On 21 April 2021, the **Treasury** spent **£3,665 on a guest speaker** from the **Make Life Simple** agency to address the Government Finance Function's Spring Festival, as part of the GFF's effort to provide support for staff wellbeing and help managers develop their own wellbeing strategies.<sup>118</sup>

- On 3 June 2021, the **Cabinet Office** spent **£1,863** hiring an individual from **Speakers Corner** to talk about careers at a reception event for participants in the Civil Service Fast Stream internship scheme. Minister Jeremy Quin has since said that “the Fast Stream now sources all speakers internally”.<sup>119</sup>
- On 2 July 2021, the **Treasury’s** Financial Services Group paid **£6,554 to Surrey County Cricket Club to hold an away-day at The Kia Oval**, an event subsequently postponed – ministers have explained – due to rising Covid cases. Only **half the original payment was recovered**, but it seems legitimate to ask whether any of the original cost was necessary compared to other cheaper options.<sup>120</sup>
- For example, still very expensive but much less so, an “internal team-building and planning exercise” was held for **30 DIT officials** on 14 September 2021 at the **4-star Clermont Hotel** (formerly The Grosvenor) in Charing Cross, with room hire and refreshments, at a cost of **£1,649**.<sup>121</sup>
- On 27 October 2021, the **Environment Agency** held a two-day incident management and response leadership team building event for 10 people, including lunches, refreshments, one evening meal and overnight accommodation; an important event no doubt, but expensive **at the price of £2,260** to hold it at the **4-star Nailcote Hall and Golf Club**, set in 15 acres of Warwickshire countryside.
- On 27-28 November 2021, the **Environment Agency** paid **£4,180 to the 4-star Doubletree Hilton Dartford Bridge** to provide a training room, accommodation and subsistence for nine members of the Voluntary Bailiff Service to undergo two days of conflict resolution training, as part of preparation for their volunteer work reporting incidents of illegal fishing to the Angling Trust.<sup>122</sup>
- To take part in the **International Records Management Conference** in Glasgow (15-17 May 2022), the £788.80 package offered by Revolution Events included two nights accommodation at the **4-star Doubletree Hilton**, refreshments, a social event on the first evening, and a **gala awards dinner** on the second. According to their GPC data, the DfT sent 7 staff on the full package, the DHSC sent 6, and the FCDO sent 2, making **a total of 15 civil servants taking part for a total cost of £11,692**.
- On 18 May and 27 June 2022, the **FCDO** made payments totalling **£8,835 to A Head Space**, a training company run by procurement experts who – as per their website – “believe in a world where buying and selling is something that should be done with each, not to each other”. According to FCDO ministers, they delivered two sessions to 150 staff designed to aid professional development.<sup>123</sup>
- Finally, on 16 August 2022, **£1,518** was paid to Northgate Training Ltd on an **Education Department** GPC, for the delivery of an “interactive team building game for a quarterly staff away day”, later identified in *The Sun* as a 90-minute activity named **‘El Dorado!’**, where teams compete against each other to solve riddles and clues, complete tasks, and ultimately find a key to open a treasure chest.<sup>124</sup>

In under four weeks from 5 November to 1 December 2021, the **Department for Transport paid out £15,766 via GPC for the costs of staff awaydays**, including the following notable examples:

- Following a re-organisation of the **Local Transport Directorate** in June 2021, **£5,388 was spent on an online workshop** for 29 staffers, facilitated by training provider **Service Animals**, who use animal behaviour archetypes to analyse different service delivery models, with participants asked to consider (as per their website): “Do you hoot? Growl? Click-click? Or wave your feathers?”<sup>125</sup>
- On 15 November 2021, **£5,400 was spent hiring Mind Gym** to facilitate an away day at the **Kia Oval** for **90 staff** from the **Transport Security, Resilience and Response Directorate**. According to their website, Mind Gym specialise in coaching and behaviour change, designed to “teach your leaders to dance” (in a metaphorical sense), and turn workforces “from burnt out to blossoming”.<sup>126</sup>
- On 1 December 2021, **Zing Events** were paid **£2,074** to host an away day for **38 staff**, which the newspaper later revealed had featured activities including **‘Group Juggling’** – “passing the juggling ball onto the next person while receiving a juggling ball from your other side” – and the construction of a **‘Mini-Mexican Railway’** to carry a ball from one end of a room to the other.<sup>127</sup>

## M. MISCELLANEOUS AND MYSTERY PURCHASES

In addition to all the general categories of expenditure analysed above, the GPC data is littered with further examples of seemingly random purchases or unexplained spending, which serve to reinforce the fundamental concerns at the heart of this report around the apparent lack of control over the use of GPCs across Whitehall, as these few examples illustrate:

- On 30 March 2021, **Rishi Sunak's Treasury spent £3,393 buying 13 fine art photographs from The Tate Gallery** to hang in the department's Horse Guards Road building, an unusual move when departments already have the entirety of the Government Art Collection (GAC) from which to select items for their walls without any cost to the taxpayer. Ministers have refused to say which photos were purchased, but have confirmed they are now the property of HM Treasury, not the GAC.<sup>128</sup>
- On 5 January 2022, the **DLUHC spent £390** on a software subscription service for generating **Trivia Quizzes**. Ministers said that this was to "help bring together staff who were working from home in challenging circumstances", despite taking place 24 weeks after the 'work from home' guidance was lifted. Ministers also said the subscription would be discontinued "now the pandemic is over."<sup>129</sup>
- On 18 and 22 February 2022, the **FCDO** paid a total of **£3,895 to Boss Media**, a Swedish-based company best known for developing **online gambling software**. Ministers said this money had been used to "improve the data processing and user experience of the Export to Japan platform, which...helps provide information on the Japanese market to UK businesses."<sup>130</sup>
- On 23 February 2022, the **FCDO** spent **£4,259** on the services of **Scriberia**, 'visual thinking' experts who – as per their website – deliver "vision maps, animations, illustrations, infographics [and] murals" to help clients translate their ideas onto the page. FCDO ministers said Scriberia offered expertise not available in house "to support a major engagement initiative at short notice."<sup>131</sup>

Over the course of July and August 2021, the Environment Agency spent almost **£25,000 on a dozen GPC transactions** related to a €14m EU-funded Preventing Plastic Pollution initiative focused on the English South Coast and neighbouring French regions. A crucial campaign for sure, but looking at the list of related GPC purchases, some items of spending appear rather more essential than others.

For example, **£4,946** was spent on **360 bag openers for litter-picking**, "to be stored at government offices and communities to inspire positive behaviour change"; **£4,103** was spent **translating UK teaching materials and guidance** to share them with French project partners; **£3,482** was spent on **branded hi-viz vests** and **£2,450** on **branded hand-sanitizer**, both to place in litter-picking kits; **£877** was spent **printing leaflets on seeded paper to send to Team GB athletes** "to inspire [them] to reduce their plastic consumption"; **£654** was spent on **five branded tablecloths** for use at events; **£580** was spent on **solid shampoos and coconut scrubbers** for staff to test and review; and **£1,742 was spent via Amazon** on what were only described as "multiple items" for use in educational kits.

## 6. CONCLUSION AND NEXT STEPS

In 2012, the cross-party Public Accounts Committee – featuring current Cabinet ministers Steve Barclay and Chris Heaton-Harris among its members – concluded from its investigations that:

*"The current level of controls on the use of the Government Procurement Card is not sufficient to prevent and deter inappropriate use [with] significant variation in the adequacy of, and compliance with, controls in departments over the use of GPC. This does not provide us with adequate assurance that purchases are controlled strongly, and that they represent a suitable use of public funds."*

Ten years later, on the basis of the analysis conducted above into how GPCs are currently being used across fourteen central government departments, as well as the inability even to conduct the same analysis on the Ministry of Defence due to the inadequacy of its data, **it is difficult to argue that the picture painted by the PAC has changed in any kind of meaningful way**, despite the fact that – in terms of the rising value of GPC purchases across Whitehall – the risks have grown substantially.

A central factor that reassured the PAC that improvements were being made, and which was heavily relied on by the officials who appeared before them to make that case, was the creation in November 2011 of a new **GPC Steering Group** – jointly led by the Cabinet Office and MOJ – to oversee GPC use, to disseminate best practice, to tackle inconsistent rules and reporting standards across Whitehall, and even – it was promised – to implement the recommendations of the NAO and PAC reports.

However, there is little subsequent evidence even of the existence of this GPC Steering Group, let alone the impact that the Cabinet Office said it would have on practice in this area. Asked recently in a Labour PQ what cross-departmental steering groups or other arrangements were currently in place to provide oversight and guidance on the use of GPCs, this was Minister Burghart's reply<sup>132</sup> in full:

*"Purchase to Pay (P2P) is one of the 12 areas of the finance taxonomy governed by the Finance Global Design Principles. These Principles are a set of common processes and procedures which are used by departments to ensure consistency across government and facilitate greater sharing of expertise. The cross-department P2P network supports direction giving and guidance in this area, including for EPCs."*

In other words, what may have started life a decade ago as a crucial reform to bring transparency, consistency and efficiency to an area of government spending then under heavy political, media and public scrutiny, has become an **ineffectual sub-area of a sub-area**, since that scrutiny has waned.

In the wake of this report, Labour's Deputy Leader and Shadow Minister for the Cabinet Office, Angela Rayner, will set out initial proposals for greater control over the use of GPCs that a future Labour government would put in place, reflecting the proposed reforms set out in the **National Procurement Plan** she published at Labour's party conference in September 2022, and the plans for a new **Office for Value for Money** set out by Labour's Shadow Chancellor, Rachel Reeves, the previous year.

However, there is still extensive work to be done simply to understand the full extent of the problems when it comes to current use of GPCs across Whitehall, to identify further examples of inappropriate, excessive and wasteful use, and to hold the government to account on the lack of adequate controls over this area of spending. To those ends, Labour will also be immediately:

- (i) **Making available online a single, accessible, searchable and uniformly-tabulated database of over 66,000 GPC transactions** made over the course of 2021 by the 14 Whitehall departments examined in this report, collated from approximately 180 separate (and disparately-formatted) month-by-month spreadsheets currently available across those different departmental websites;
- (ii) **Encouraging members of the public to use this database** (at [www.theGPCfiles.com](http://www.theGPCfiles.com)) **to identify and flag additional purchases** that may warrant further scrutiny, where not already examined in this report, on the basis of which Labour's front bench team can ask further questions to government ministers about the transactions for which their departments have been responsible;
- (iii) **Continuing to seek final and definitive answers on the overall levels and detailed breakdowns of Ministry of Defence GPC spending in 2021**, and pressing MOD ministers on what they intend to do to ensure that the transparency data they publish on a monthly basis can be reliably trusted and meaningfully analysed in the future, in a way that is simply impossible at present;

- (iv) **Seeking immediate answers from the government to many of the other questions raised by this report**, including: 'What happened to the GPC Steering Group?', 'What happened to the promised dissemination of best practice?', 'Is the emergency policy put in place for the pandemic now permanent?', 'Why are departments like the MOJ and Treasury so far behind on reporting their spending?', and 'What accounts for the recent explosion in the use of GPCs at the FCDO?';
- (v) **Preparing a second volume of this report, analysing the total number and cost of GPC purchases made in 2022**, once all departments have published their full set of monthly transparency data for the past calendar year, in particular to make an assessment of whether the use of GPCs is rising or falling as we return to more normal post-pandemic spending patterns; and
- (vi) **Making all our detailed research available to the NAO and the PAC**, so that they will have the opportunity – should they wish – to revisit their own investigations into this area of government spending, and call for their own evidence and witnesses to determine for themselves whether the serious problems that they identified ten years ago are still of equal concern today.

In 2012, ministers from the relatively new coalition government responding to the NAO and PAC reports were only too keen to argue that they were bringing transparency and efficiency to an area of public spending where past waste and excess had been the subject of intense media and public criticism. In response to this report, by contrast, ministers may say that they cannot be expected to control every purchase made against their departmental budgets, and shift blame to the civil service instead.

Those kind of excuses will not wash for three reasons:

- As this report shows, **ministers themselves are often directly culpable** for the wasteful and excessive GPC spending taking place to cater for their accommodation, their travel, and their refreshments at the public's expense – in other words, they are a central part of the problems exposed in this report, not simply neutral bystanders with no stake in the issues raised;
- Similarly, if the Labour Party has been willing and able to conduct analysis into GPC spending across the whole of central government in order to produce this report, then it does not seem unreasonable to expect the ministers in charge of individual departments to take just a fraction of that interest in the **spending taking place in their own backyards**; and
- Finally, it seems clear that some departments are trying harder than others to ensure that the GPCs they issue are not being used inappropriately, excessively or wastefully, and – if the ministers in charge of those departments are happy to take responsibility for that – then their **counterparts in other departments where GPC use is not so well controlled must surely do likewise**.

Finally, it is clear that – despite the best efforts of the NAO and PAC ten years ago – the government's previous promises to ensure that GPC use would be properly controlled and transparently reported **reflected only the public pressure they felt on those issues at the time**, rather than the obvious public interest in achieving those goals. As that pressure lifted, not least because of the improvements the government said they were delivering, so did any impetus for change.

**We must not let that happen again.** That is why – on the back of this report, and with the assistance of the public at large – Labour will both maintain our rigorous scrutiny of the current government over this area of spending for as long as they remain in office, and also ensure that – if we are ourselves given the chance to serve – we will come into government with clear and measurable commitments for reform, the determination to drive them through, and the willingness to be held to account for doing so.

These may be called government procurement cards, but too many in government have clearly forgotten that **it is the public footing the bill**. That would be irresponsible at the best of times, but during the worst cost of living crisis for generations, it is simply unforgivable. That will all change under Labour, but it should not have to wait until then. **It is high time to bring the use of these cards under control.**

## ANNEX A: DETAILED FIGURES FOR DEPARTMENTAL GPC SPENDING

<b>MONTHLY NET SPENDING BY DEPARTMENT, 2021</b>															
Month	DLUHC	DCMS	DIT	DHSC	BEIS	DfE	DfT	HMT	Cabinet	Home	DWP	Defra	FCDO	Moj	TOTALS
Jan	6487.96	3559.73	11727.94	2970.24	31000.01	45599.25	51852.95	95540.82	58380.62	71601.94	13475.50	793994.87	1525319.75	5463497.25	8175008.83
Feb	0.00	4574.75	12476.65	25608.78	27876.04	63580.86	87162.77	98722.2	93031.12	121581.98	0.00	677013.58	2024886.15	5260715.53	8497230.41
Mar	2191.48	5786.68	20637.66	46032.57	66084.36	63440.18	106595.82	193881.59	192609.09	333109.15	29306.16	1334361.35	3916430.35	7076346.07	13386812.51
Apr	3324.15	2740.56	12397.68	14749.59	31604.57	28714.15	29679.02	109696.49	18564.57	104857.86	0.00	110633.20	1071674.57	5626012.45	7164648.86
May	2170.10	2979.00	10732.34	28935.58	13884.42	49807.19	44634.93	77237.70	92247.60	116563.63	6907.19	798471.59	1231334.61	5336406.24	7812312.12
Jun	543.96	5507.18	19584.02	20233.48	33802.21	58082.24	52615.58	103052.13	101962.65	57443.17	10159.17	1033069.68	1629000.79	5199018.82	8324075.08
Jul	3251.86	14977.52	10781.81	14530.03	92594.82	29429.07	48459.65	102642.38	91472.84	140062.27	4105.67	652,885.18	1588890.09	5338729.17	8132812.36
Aug	5608.39	1723.60	9720.93	18539.07	55195.87	33289.82	40935.48	86720.18	70004.86	152389.07	12532.74	569,961.20	1677662.44	5123843.92	7858127.57
Sep	4446.78	15619.41	10510.71	14640.89	25846.50	43662.58	27761.28	68119.16	76454.14	110200.20	2890.16	586,913.26	2087803.85	5054406.98	8129275.9
Oct	3364.78	17082.26	33254.72	8651.75	40975.24	58333.95	36650.85	78367.11	78264.64	112486.83	7227.60	574,893.62	2205813.66	4161961.37	7417328.38
Nov	1840.95	16490.33	21218.60	2804.34	56246.70	63476.92	67887.35	69230.75	153234.16	156116.79	1120.00	635,215.28	2340123.14	4531152.05	8116157.36
Dec	1865.37	8815.29	10178.07	10983.24	48422.68	49476.27	39589.96	58107.27	57198.82	69543.48	0.00	693,190.80	2123755.06	4989102.65	8160228.96
Other										799042.00					799042.00
<b>+£500</b>	<b>35095.78</b>	<b>99856.31</b>	<b>183221.13</b>	<b>208679.56</b>	<b>523533.42</b>	<b>586892.48</b>	<b>633825.64</b>	<b>1141317.78</b>	<b>1083425.11</b>	<b>2344998.37</b>	<b>87724.19</b>	<b>8460603.61</b>	<b>23422694.46</b>	<b>63161192.50</b>	<b>101973060.3</b>
<b>-£500</b>	<b>25923.38</b>	<b>67757.40</b>	<b>148099.63</b>	<b>125739.00</b>	<b>213000.00</b>	<b>284811.85</b>	<b>529615.48</b>	<b>121000.00</b>	<b>675243.02</b>		<b>8507730.65</b>	<b>199762.00</b>	<b>10929670.05</b>	<b>21700000.00</b>	<b>43528352.46</b>
<b>TOTALS</b>	<b>60186.98</b>	<b>167613.71</b>	<b>331320.76</b>	<b>334418.56</b>	<b>736533.42</b>	<b>871704.33</b>	<b>1163441.12</b>	<b>1262317.78</b>	<b>1758668.13</b>	<b>2344998.37</b>	<b>8595454.84</b>	<b>8660365.61</b>	<b>34349014.55</b>	<b>84861192.50</b>	<b>145501412.8</b>

**Notes:** The figures in blue are highs for the year. The Home Office column has no data for GPC spending under £500 but does include their spending on Travel & Expenses cards in the 'other' row.

<b>NUMBER OF PURCHASES AND AVERAGE VALUE OF PURCHASES BY DEPARTMENTS WHERE ALL TOTALS ARE KNOWN, 2021</b>														
Purchases	DLUHC	DCMS	DIT	DHSC	BEIS	DfE	DfT	HMT	Cabinet	DWP	Defra	FCDO	Moj	TOTALS
<b>+£500</b>	38	96	142	178	281	391	509	637	1,001	44	6,463	18,362	36,529	64671
<b>-£500</b>	184	572	2,756	1,027	3,473	2,277	9,942	1,021	9,164	69,786	2,486	120,431	231,362	454481
<b>Total No.</b>	222	668	2,898	1,205	3,754	2,668	10,451	1,658	10,165	69,830	8,949	138,793	267,891	519152
<b>Total £</b>	60186.98	167613.71	331320.76	334418.56	736533.42	871704.33	1163441.12	1262317.78	1758668.13	8595454.84	8660365.61	34349014.55	84861192.50	143152232.3
<b>Average £</b>	<b>271.11</b>	<b>250.92</b>	<b>114.33</b>	<b>277.53</b>	<b>199.32</b>	<b>326.73</b>	<b>111.32</b>	<b>761.35</b>	<b>173.01</b>	<b>123.09</b>	<b>967.75</b>	<b>247.51</b>	<b>316.78</b>	<b>275.74</b>

**Notes:** The Home Office is excluded from this table because we cannot compare their number of purchases above £500 with their number below, due to lack of data on the latter.

## ANNEX B: THE MINISTRY OF DEFENCE'S ACCOUNTING FAILURES

### Background

For at least a decade, the Ministry of Defence (MOD) has stood out as a special case when it comes to both the use of GPCs, and reporting details of that use. Some of the key aspects of that are as follows:

- The nature of the work undertaken by MOD and armed forces personnel has historically demanded much greater use of GPCs than other departments, e.g. being regularly out on the road while stationed in the UK, or having to book travel for short-notice deployments overseas.
- As such, the use of GPCs against the MOD budget has historically outweighed their use by every other department. In 2010-11, according to the NAO, the MOD accounted for almost three-quarters of all GPC spending by value, two-thirds of all transactions, and more than half of all card-holders.
- Though we do not yet have reliable equivalent numbers for calendar year 2021, we do know there are still more card-holders at the MOD than every other major department put together<sup>133</sup>, and the same is almost certainly true for the number of transactions and amount of overall spending.
- Given the volume of spending involved, the MOD has historically broken down its transparency reporting into three main categories: (i) travel and accommodation; (ii) stationery; and (iii) other goods and services, and produced separate figures for each category every month.
- Finally, a key difference between GPC use and reporting at the MOD compared to other departments are the great swathes of MOD spending in recent years for which the only information provided has been the cost, date and merchant categories for each transaction, but no specific named supplier.

### Scrutiny of merchant categories

Armed forces personnel in charge of groups of trainees or members of the junior ranks have always enjoyed some leeway when it comes to using GPCs to spend on recreational, leisure and fitness activities, in order to maintain morale, or to aid recovery after periods of active service. However, the nature of the MOD's GPC reporting means that the public has tended to see only the general 'merchant categories' into which this spending falls, rather than any explanations as to its purpose.

That naturally prompts uncertainty about whether the spending in those categories is appropriate, and that was one of the driving forces behind the media and political scrutiny into GPC use a decade ago. At the PAC hearings in March 2012, MPs repeatedly asked MOD officials to explain what was being spent in categories such as 'boat-dealers', 'restaurants and bars', 'golf clubs', and 'members/clubs/rec/sport',

The MOD has subsequently sought to allay those concerns by providing 'examples of expenditure' within some of the more eye-catching categories highlighted by the PAC and other commentators, so as to illustrate that all such spending is indeed essential. The table below contains some of these examples, quoted exactly as they appear alongside the MOD's monthly transparency data.

MERCHANT CATEGORY	MOD'S SUGGESTED EXAMPLES OF EXPENDITURE
<b>Hobbies, Toys and Games</b>	Models of military equipment for presentations to schools.
<b>Jewellery</b>	Maintenance of clocking-in machines at MOD establishments; Warrant card holders for MOD Police; Kilt pins for school uniforms.
<b>Cosmetics</b>	Demineralised water for radar systems; Air fresheners for waiting areas and toilets in Military Careers Offices.
<b>Theatrical Producers</b>	Ferry bookings; Venues for MOD Recruiting Teams and Presentation Teams; Army Officer training as part of cultural awareness.
<b>Health and Beauty Spas</b>	Some of the hotels booked by our Hotel provider for staff on detached duty fall into this category.



<b>Beauty and Barber shops</b>	Specialist medical and trauma training.
<b>Children/Infants wear stores</b>	Some retailers in this category also supply adult clothing/products; Specialist clothing requiring motifs e.g. t-shirts for the Red Arrows.
<b>Beer/Wine/Liquor</b>	The purchase of alcohol for cooking purposes at the Defence School of Catering for trainee chefs.
<b>Variety Stores</b>	Specialist boots on health grounds for Military staff.
<b>Public Golf Courses</b>	Some of the hotels booked by our Hotel provider for staff on detached duty fall into this category.

In recent months, responses to Labour PQs have confirmed that the ‘merchant category’ transparency data published by the MOD is rarely a reliable guide to how money is actually being spent. For example, £3,345.00 spent on 28 February 2022 in the category 'Billiard/Pool Establishment' was explained by MOD ministers as relating to the use of the Llangorse Multi Activity Centre Ltd facility in Brecon two months later, for a number of recruits to do indoor climbing as part of their adventurous training.<sup>134 135</sup>

### Scrutiny of overall spending

Given the difficulty of subjecting individual items of MOD expenditure to scrutiny, it becomes even more important to be able to analyse the department’s overall levels of GPC spending to see whether they have appropriate controls and adequate reporting mechanisms in place. However, our attempts to do so have simply uncovered one accounting failure after another, most notably in the following examples:

- In November 2022, it was pointed out to the MOD that the amounts of spending recorded in the categories of ‘Stationery’ and ‘Other Goods and Services’ for the previous November were way below the monthly averages of spending in those categories for the rest of the year. MOD ministers subsequently confirmed that the published data for those months had under-reported spending on ‘stationery’ and ‘other goods and services’ by £536,499<sup>136</sup> and £6.47 million<sup>137</sup> respectively.
- For the months of January, March to August, and December 2021, the published MOD data recorded negative totals for spending on ‘travel and accommodation’, on the surface due to the apparent size of refunds recorded in those months, but explained by MOD ministers as due to the nature of their accounting arrangements with Barclaycard.<sup>138</sup> Whatever the reason for those figures, they turn what are supposed to be publications to aid transparency and accountability into anything but.
- It has also become clear that – even in periods without large recorded refunds – several of the published monthly totals for spending on ‘travel and accommodation’ are so far below the average implied by the annual or half-yearly figures supplied by the MOD in response to PQs that either the published data or the PQ answers must be erroneous.
- Finally, in analysing the spending data for the period September to December 2021, it became apparent that there had been extensive double-reporting by the MOD (and therefore potential double-counting) of transactions in the categories of ‘Travel and Accommodation’ and ‘Other Goods and Services’, covering around £4 million of transactions in the period in question.

In an attempt to secure definitive totals for the net amount spent in each of the three categories in 2021, both above and below £500, Labour asked a final PQ to that effect on 30 January 2023.

If the MOD had robust systems for managing this expenditure, we would expect those totals to be available at the touch of a few buttons. Instead, Defence Minister Alex Chalk said in response that “the information” was “taking time to collate” and that he would write with an answer shortly. At the time of writing, two weeks after the original question, no such answer has been received.

This is therefore something we will have to return to in the second volume of this report, once we have finally established accurate and comprehensive figures which can be reliably used to analyse the MOD’s spending, and include alongside the data for other departments set out above.

## ANNEX C: NOTES AND REFERENCES

### NOTES:

- All figures in this report have been rounded to the nearest pound, except where exact values were relevant.
- All reporting and analysis is based on the spending data, PQ answers and other information publicly-available at the time of publication (07:00 on Monday 13th February 2023). Any relevant new information that becomes available – or existing information that is updated or corrected – after the date of publication will be reflected in future editions of this report.
- Initial details of all individual purchases examined in this report have been taken directly from the information on GPC purchases over £500 published on a monthly basis by central government departments on their websites. Any spelling or typographical errors, and any inaccurate or duplicate entries, will therefore tend to reflect the errors and inaccuracies contained in the original source data. Wherever possible, we have sought to check through PQs whether the published entries are an accurate record, and in those instances, we are reliant on the accuracy of the answers received.
- Where the description of an individual purchase has no accompanying reference, all information has been obtained from the original details of the relevant GPC transactions published in each department's monthly transparency data. The fourteen departmental websites where those original details can currently be found are listed below, albeit the names of some of these sites may be subject to amendment following the machinery of government changes announced on 7 February 2023:
  - MOJ: <https://www.gov.uk/government/collections/ministry-of-justice-government-procurement-card-spend-over-500>
  - FCDO: <https://www.gov.uk/government/collections/fcdo-spending-over-500>
  - Defra: <https://www.gov.uk/government/collections/defra-spending-over-500>
  - DWP: <https://www.gov.uk/government/collections/what-dwp-spends>
  - Home Office: <https://www.gov.uk/government/publications/home-office-procurement-card-spend-over-500-2022>
  - Cabinet Office: <https://www.gov.uk/government/publications/government-procurement-card-data--2>
  - HM Treasury: <https://www.gov.uk/government/collections/gpc-spend>
  - Transport: <https://www.gov.uk/government/collections/dft-spending-over-500>
  - Education: <https://www.gov.uk/government/collections/dfe-government-procurement-card-gpc-over-500>
  - BEIS: <https://www.gov.uk/government/collections/beis-spending-over-500>
  - DHSC: <https://www.gov.uk/government/collections/dh-spending-over-500>
  - International Trade: <https://www.gov.uk/government/collections/dit-spending-over-500>
  - DCMS: <https://www.gov.uk/government/collections/dcms-spending-over-500>
  - DLUHC: <https://www.gov.uk/government/collections/dluhc-spending-over-0>

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### REFERENCES:

#### All Parliamentary Questions are from Labour's Shadow Attorney General Emily Thornberry, except where stated:

<sup>1</sup> <https://www.nao.org.uk/wp-content/uploads/2012/03/10121828es.pdf>

<sup>2</sup> <https://publications.parliament.uk/pa/cm201213/cmselect/cmpubacc/128/128.pdf>

<sup>3</sup> Available at the Wayback Machine archive at the link here: <https://bit.ly/3RH94JL>

<sup>4</sup> <https://www.crowncommercial.gov.uk/agreements/RM6248>

<sup>5</sup> <https://assets.crowncommercial.gov.uk/wp-content/uploads/Procurement-Cards-Pan-Government-Policy-V4-06042020.pdf>

<sup>6</sup> <https://www.gov.uk/government/publications/payment-cards-pan-government-policy>

<sup>7</sup> <https://bit.ly/3YCl0yx>

<sup>8</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-11-28/97490>

<sup>9</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-08/106394>

<sup>10</sup> In addition, the HO also had 1,839 Travel & Expenses cards in circulation at the end of 2021/22 used for the transport, accommodation and subsistence costs of staff on the road. These have not been included in the breakdowns of card-holders (Chart E), but the £800,000 spent using them in 2021 is included in the totals at Chart C.

<sup>11</sup> See Paragraph 30 of the code on local government transparency, published here: <https://www.gov.uk/government/publications/local-government-transparency-code-2015/local-government-transparency-code-2015#part-2-information-which-must-be-published>

<sup>12</sup> In addition to the highlighted examples related to the Ministry of Defence in Annex B, there have been a number of transparency disclosures by other departments in recent months that only came about because of errors and omissions pointed out by Labour, including: the publication by BEIS of the correct month of GPC data for April 2020; the publication of previously missing months of DHSC and HO GPC data for August 2021 and January 2022 respectively; the publication of missing dates for all transactions made by the Cabinet Office in September 2021; and the correction of an original £27.98 million over-statement by DWP of its spending below £500 in 2021.

<sup>13</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-12/108124>

<sup>14</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/119031>

<sup>15</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-19/113187>

<sup>16</sup> Ibid.

<sup>17</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-16/123885>

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<sup>18</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/119041>

<sup>19</sup> <https://bit.ly/3JLDF01>

<sup>20</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-19/113255>

<sup>21</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-20/114584>

<sup>22</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-09/107080>

<sup>23</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-20/114578>

<sup>24</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-20/114582>

<sup>25</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-20/114581>

<sup>26</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-20/114580>

<sup>27</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-20/114583>

<sup>28</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-20/114577>

<sup>29</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-20/114579>

<sup>30</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118883>

<sup>31</sup> In response to a number of recent PQs, FCDO ministers have stated that: "There is an expectation that UK diplomatic missions procure and serve British wine whenever possible for official entertainment to boost exports, support and promote UK business overseas and project soft power"

<sup>32</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-16/123886>

<sup>33</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118878>

<sup>34</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118876>

<sup>35</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-12/122081>

<sup>36</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/119030>

<sup>37</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-08/106383>

<sup>38</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-12/108123>

<sup>39</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118864>

<sup>40</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118863>

<sup>41</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118895>

<sup>42</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-13/109491>

<sup>43</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-13/109487>

<sup>44</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-08/106385>

<sup>45</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-12/108113>

<sup>46</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-13/109487>

<sup>47</sup> *Ibid.*

<sup>48</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-12/108118>

<sup>49</sup> [https://www.linkedin.com/posts/lechkaczanowski\\_offshorewind-renewables-activity-6978113651081707521-tF22/?originalSubdomain=mt](https://www.linkedin.com/posts/lechkaczanowski_offshorewind-renewables-activity-6978113651081707521-tF22/?originalSubdomain=mt)

<sup>50</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-12/108120>

<sup>51</sup> <https://www.thetimes.co.uk/article/liz-truss-wants-to-lunch-and-only-a-tory-donors-place-will-do-z0gq8pknc>

<sup>52</sup> <https://www.mirror.co.uk/news/politics/boris-johnson-put-4445-dinner-28955276>

<sup>53</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-16/123888>

<sup>54</sup> <https://questions-statements.parliament.uk/written-questions/detail/2021-11-15/74928>

<sup>55</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118870>

<sup>56</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118872>

<sup>57</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118871>

<sup>58</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-23/129736>

<sup>59</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-16/123890>

<sup>60</sup> <https://web.archive.org/web/20211207000241/https://holidayinn dover.co.uk/christmas>

<sup>61</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118882>

<sup>62</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-27/133964>

<sup>63</sup> [https://www.youtube.com/watch?v=9ZHM\\_uLj4](https://www.youtube.com/watch?v=9ZHM_uLj4)

<sup>64</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-12/122082>

<sup>65</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-12/122079>

<sup>66</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118894>

<sup>67</sup> <https://www.instagram.com/p/CgDu89bLXvB/?hl=en-gb>

<sup>68</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-16/123886>

<sup>69</sup> <https://www.mirror.co.uk/news/politics/british-officials-blew-7k-hiring-28899204>

<sup>70</sup> <https://www.instagram.com/p/CeWPZiMsEry/?hl=en>

<sup>71</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-16/123887>

<sup>72</sup> <https://www.instagram.com/p/CUK17czloVK/?hl=en-gb>

<sup>73</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-23/129739>

<sup>74</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-12/108125>

<sup>75</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118865>

<sup>76</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-14/110630>

<sup>77</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-14/110628>

<sup>78</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-16/118889>

<sup>79</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-13/109493>

<sup>80</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-10-13/62739>

<sup>81</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/119034>

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<sup>82</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-09/107075>

<sup>83</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-16/118889>

<sup>84</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-02-06/140051>

<sup>85</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118884>

<sup>86</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-12/108116>

<sup>87</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118885>

<sup>88</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-10-12/61812>

<sup>89</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118879>

<sup>90</sup> <https://questions-statements.parliament.uk/written-questions/detail/2021-09-07/44260>

<sup>91</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118892>

<sup>92</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-13/109493>

<sup>93</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-13/109493>

<sup>94</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-12/108111>

<sup>95</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-10-13/62742>

<sup>96</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118880>

<sup>97</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-13/109489>

<sup>98</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-14/110642>

<sup>99</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-13/109492>

<sup>100</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-14/110635>

<sup>101</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118902>

<sup>102</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118904>

<sup>103</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-08/106388>

<sup>104</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-12/108112>

<sup>105</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-14/110643>

<sup>106</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-10-12/61812>

<sup>107</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-10-12/61813>

<sup>108</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-07-04/29975>

<sup>109</sup> Ibid.

<sup>110</sup> Ibid.

<sup>111</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-08/106389>

<sup>112</sup> Ibid.

<sup>113</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-08/106381>

<sup>114</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118875>

<sup>115</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-14/110633>

<sup>116</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118869>

<sup>117</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118868>

<sup>118</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-14/110634>

<sup>119</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118893>

<sup>120</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-14/110631>

<sup>121</sup> Question from Ruth Cadbury MP: <https://questions-statements.parliament.uk/written-questions/detail/2023-01-06/117616>

<sup>122</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118881>

<sup>123</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118866>

<sup>124</sup> <https://www.thesun.co.uk/news/politics/21122517/dfe-quango-civil-servants-treasure-hunt-game/>

<sup>125</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118910>

<sup>126</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-09/118909>

<sup>127</sup> <https://www.mirror.co.uk/news/politics/civil-servants-given-2000-lesson-27045512>

<sup>128</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-14/110629>

<sup>129</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-12/108115>

<sup>130</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-16/123889>

<sup>131</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-01-23/129738>

<sup>132</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-20/114588>

<sup>133</sup> As of 31 March 2022, the MOD reported that there were 11,920 GPCs in circulation to make purchases against its departmental budget, compared to 8,666 across the other 14 departments analysed in this report combined.

<sup>134</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-10-12/61825>

<sup>135</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-12-08/106375>

<sup>136</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-11-25/96587>

<sup>137</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-11-24/95811>

<sup>138</sup> <https://questions-statements.parliament.uk/written-questions/detail/2022-09-05/47409>