



Crown
Commercial
Service



Annual Report and Accounts 2024/25

HC1091

Crown Commercial Service **Annual Report and Accounts 2024/25**

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Country of domicile: United Kingdom

Registered office: Liverpool

9th Floor, Capital Building
Old Hall Street
Liverpool L3 9PP

Newport

Room 1B31
Concept House, Cardiff Road
Newport NP10 8QQ

Birmingham

23 Stephenson Street
Birmingham B2 4BH

London

8th Floor, 10 South Colonnade
Canary Wharf
London E14 4QQ

Norwich

Rosebery Court
St Andrews Business Park
Norwich NR7 0HS

Telephone: 0345 410 2222

Email: info@crowncommercial.gov.uk

Online: www.crowncommercial.gov.uk



Crown Commercial Service

Welcome

to the Crown Commercial Service Annual Report and Accounts 2024/25

In 2024/25 the Crown Commercial Service (CCS), as a Trading Fund and an Executive Agency of the Cabinet Office (CO), helped organisations across the entire public sector to save time and money on buying their everyday goods and services.

Who we are

The Crown Commercial Service is an Executive Agency and Trading Fund of the Cabinet Office and a key constituent of the Government Commercial Function.

Our purpose is to help the UK public sector to better extract value from its commercial and procurement activity, with:

- the commercial and procurement products and services that enable our customers to buy more efficiently and effectively and manage risk
- leverage the public sector's combined demand so that each of our customers can better secure their quality, price, and wider policy, social and economic objectives

Our ambition is to increase the value the public sector gains from working with CCS year on year, through:

- Maximising our value and impact: making sure our products and services make effective procurement easier
- Extending our coverage and influence to add value: making sure that we support customers to better extract value in those sectors and markets where we can have the biggest impact
- Establishing a more effective and efficient organisation: making sure that we improve our leadership and management capability, enable our people's development and deploy their skills to best effect, supporting them, buyers and suppliers with effective processes and technology

Our vision is to be a world class provider of commercial and procurement products and services for the public sector. CCS will be customer focussed, trusted and admired by buyers and suppliers for our expertise and the quality of our offering.

We are committed to driving effective leadership through our organisation and we value our employees.

Our values shape and drive everything we do. We listen, respect, collaborate and trust in order to deliver with confidence



we listen

we respect

we collaborate

we trust

Performance highlights across the year

April 2024

We celebrated our 10-year anniversary, following a decade of success and delivering value for our customers. Over the past 10 years we are proud to have gone from strength-to-strength, growing both our team and the commercial solutions we offer – and supporting more and more organisations across the public sector

May 2024

We win an award at the National Go Awards for our collaboration with the Ministry of Defence (MoD) under our Network Services 3 agreement, which enabled the MoD to quickly procure tactical radios for urgent operations

July 2024

Sam Ulyatt succeeded Simon Tse as Chief Executive of CCS. Previously serving as Chief Commercial Officer at the Home Office, Sam brings extensive experience in navigating and resolving complex commercial challenges. To learn more about her vision and priorities for CCS, please read her article in Civil Service World

£33 billion of public sector direct spend was channelled through our commercial agreements with an **average commercial benefit rate of 10.49%**

Our Net Promoter Scores for customer satisfaction over the year were: **+69 for Customer Service**

+82 for Assisted Procurement

October 2024

We sign a new Memorandum of Understanding with Microsoft, offering access to enhanced value across Microsoft's portfolio of products and services to eligible public sector organisations

£2.3 billion (10%)
of central government
spend through our
commercial agreements
was directly with
1,468 SMEs

In line with
government policy on
prompt payment **we paid**
95% of undisputed
supplier invoices within
five days and **100% of**
undisputed payments
due within 30 days

November 2024

We put in place a new, first of its kind, agreement that will help schools, local authorities, hospitals and other public sector organisations buy high-quality and sustainable food and drink at better value

January 2025

We launched a trial version of our Sustainable Solutions Finder, making it easier for buyers to identify the commercial agreements that help them meet their Carbon Net Zero goals

February 2025

The Procurement Act 2023 went live, bringing significant changes to the regulations that govern UK procurement. We worked closely with the Cabinet Office to understand the new regulations and established a dedicated project team to help support public sector customers with implementing the new regime

March 2025

Over 5,000 people have now attended our free of charge training sessions for CCS suppliers on how to create a Carbon Reduction Plan

Glossary

ALB	Arm's length body, an organisation that delivers a public service, is not a ministerial government department, and which operates to a greater or lesser extent at a distance from ministers	Executive Committee	The Executive Committee manages the delivery of CCS's strategic aims and provides leadership to the organisation. The Executive Committee is chaired by the Chief Executive and includes Director-level representation from the key directorates and functions in CCS
CNZ	Carbon Net Zero. The target for the UK to bring all greenhouse gas emissions to net zero by 2050. Any emissions would be balanced by schemes to offset an equivalent amount of greenhouse gases from the atmosphere, such as planting trees or using technology like carbon capture and storage	FM	Facilities management
CCS	Crown Commercial Service	FReM	The government Financial Reporting Manual, which is the technical accounting guide for the preparation of financial statements
CETV	Cash Equivalent Transfer Value	FTEs	Full time equivalent, the hours worked by one employee on a full-time basis
CFBC	Counter Fraud, Bribery and Corruption	GDPR	General Data Protection Regulation
CG&S	Common goods and services, products and services that multiple organisations need to purchase, from locum doctors and laptops, to police cars and electricity	GGC	Greening Government Commitments
CG	Central government, the ministerial departments	GCF	Government Commercial Function
CO	Cabinet Office	GCO	Government Commercial Organisation
Commercial benefits	<p>The value that CCS drives for customers when purchasing through our commercial agreements. Our methodology allows for 2 routes for benefit calculations:</p> <ul style="list-style-type: none"> a. Spend benefits are based on sampling all spend through a commercial agreement and calculating average benefit for all the customer population using the agreement compared to current comparator market prices b. Change benefits are a specific measure applicable to an individual customer usually as a result of a business change influenced by CCS and signed off accordingly by the customer 	GIAA	Government Internal Audit Agency
		GHG	Greenhouse gas
		GPA	Government Property Agency
		KPI	Key Performance Indicator
		ICT	Information and Communication Technology
		ISO 14001	An internationally agreed standard that sets out the requirements for an environmental management system
		LGBTQ+	Lesbian, Gay, Bisexual, Transgender, Queer communities

MoU	Memorandum of Understanding, a type of agreement between two or more parties	SRO	Senior Responsible Owner, the individual responsible for ensuring that a programme or project meets its objectives
MPM	Managing Public Money, HM Treasury guidance for managing the spending of public funds	SSRB	Senior Salaries Review Body
MSAT	<u>Modern Slavery Assessment Tool</u>	tCO₂e	Greenhouse gas emissions are referred to as tonnes of Carbon Dioxide equivalent. This is to ensure simplicity in reporting and consistency, and encapsulate a number of different gases such as Carbon Dioxide, Methane and Nitrous Oxides
NAO	National Audit Office	TOM	Target Operating Model
NHS FOM	NHS Future Operating Model, the programme to enhance procurement efficiency and effectiveness across the NHS	VCSE	Voluntary Community and Social Enterprise
NPS	Net Promoter Score, a measure of customer satisfaction	WPS	Wider public sector, including local government, health and education, and third sector (charities)
PCSPS	Principal Civil Service Pension Scheme		
PES	Public Expenditure System		
ROCE	Return on Capital Employed		
SCS	Senior Civil Service		
Smarter Working	<u>Smarter working</u> empowers civil servants to make the right decisions about where, when and how they work; optimising the use of workplaces and technology, and realising savings for the taxpayer. It improves productivity through a focus on outputs and enables a better work life balance for all		
SMEs	Small and medium-sized enterprises (business of less than 250 employees)		
SOCNE	Statement of comprehensive net expenditure		
Social value	Social value legislation requires buyers of public sector services to consider whether there are related social, economic or environmental benefits that can be delivered through the contract, for example, creating more apprenticeships or reducing carbon emissions		
SOFP	Statement of financial position		

Performance report



Overview

Chair's statement



Peter George
Chair

It gives me great pleasure to write this Chair's statement, having now spent my first full year as Chair of Crown Commercial Service. It's been a year of a significant amount of change, but also a year where CCS has continued to grow and continued to deliver on the value that we can add to the public sector.

Last summer, our previous CEO Simon Tse retired after laying the 2023/24 Annual Report and Accounts in Parliament. We welcomed our new CEO, Sam Ulyatt, during the summer also, allowing for a comprehensive and smooth transition to new leadership. Sam has brought new energy to the leadership and organisation as a whole. The Board have no doubts that she will deliver on our goal of becoming a world class organisation.

On the day that Sam started in post, so did a new government. It was also the first full year of a new Permanent Secretary, with Cat Little leading Cabinet Office, our parent department. And in February, the new Procurement Act 2023 came into effect - and on the same day, a new Government Chief Commercial Officer, Andrew Forzani, took up his post and joined the CCS Board as a Non-Executive Director and CO Sponsor for CCS. As the financial year came to a close, it was also pleasing to be able to confirm Sean Golding in post as permanent Director of Finance, Planning and Performance after a year in the role as interim.

In addition to the above personnel changes, during the year the Office for National Statistics (ONS) also undertook a classification review of the sector classification of CCS of the statistical and financial reporting classification of public sector bodies in the National Accounts. The ONS concluded that CCS continues to meet the criteria to remain classified as a public corporation. Once Sam had a few months to settle into her role and the ONS classification review outcome was known, it was important that the Board and the Executive came together in November to reaffirm CCS's strategic direction and purpose, as well as the vision for CCS to 2030. The organisation has also made significant progress developing its new brand strategy to really cement this and to ensure the organisation is focused on delivering value for the nation.

Because of all these factors, 2024/25 has been a huge year of significant changes in the Civil Service landscape for CCS, but as Chair of the Board, it has been reassuring that the organisation has been stable and continued to deliver through all of this, not least in part thanks to Sam's and the Executive Committee's leadership. CCS has once again delivered significant commercial benefits to our customers.

With the renewed strategy, Sam and the Executive Committee are now really focussing on a new customer strategy to crystallise the service offering for our 19,000 plus customers. Our ambition is to be a world class central commercial and procurement organisation and the preferred choice for customers and suppliers. We will be a customer focused organisation which is influential for, and with, the UK public sector. CCS needs to continue to focus on what only we can do to drive value for the nation, and ensuring that we are the best at what we do, and I am confident that the strategy, ambition, purpose and values that the organisation has committed to will help us to achieve this.

CCS is exceptionally well placed to deliver on the government's missions, and to help the government deliver on the efficiency and productivity needed across the public sector. The new customer strategy and improved customer journeys will help CCS maximise the potential that is there and really ensure we are delivering value for the nation.

Chief Executive's introduction



Sam Ulyatt
Chief Executive and
Accounting Officer

It's a pleasure to be publishing my first CCS Annual Report and Accounts as the Chief Executive and Accounting Officer, having completed 9 months in post. Having worked at CCS previously as a Commercial Director, I have always believed in the mission of, and further potential for, the organisation. It has been great to come back to CCS as CEO, and it is a privilege to lead this organisation that marked its 10 year anniversary in 2024.

My first day as CEO was also the first day of a new government, and it's been a really exciting time as we've worked with colleagues across the Civil Service and Ministers to really demonstrate how we can contribute to the efficiency, productivity and reform ambitions of the government. As CEO, it's been inspiring to see how colleagues are rising to the ambitions of both the government and our own strategy.

CCS continues to deliver efficiency and productivity for our customers. In 2024/25, I am delighted that we have provided value to our customers with commercial benefits averaging 10.49% against market comparators. As our product portfolio continues to mature and improve, we can drive even more value through our agreements, by further aggregating the buying power of the public sector, as well as saving our customers time and money through using our commercial agreements to call off. I am delighted that our success as an organisation enables us to continue to invest in commercial capability across the public sector. One such success has been the Contract Management Pioneer Programme, in collaboration with Government Commercial Function (GCF), Ministry of Housing, Communities and Local Government and Local Government Association, which has seen us invest £4 million over 3 years, with 75 councils participating in sharing knowledge and experience and over 400 learners benefitting from intensive training in contract management. In 2024/25, we also ran a customer payment initiative, successfully paying out over £33 million to our customers who have used our agreements, allowing them to reinvest in their own organisations.

As a leader, my biggest asset in this organisation is our people, and it's personally important to me to be a values led CEO. The CCS values of Listen, Respect, Collaborate and Trust are as important now as they were when they were established. I was therefore very pleased with the 91% response rate to the 2024 Civil Service People Survey and the 5 percentage point increase in engagement scores to 67%. There are still areas for improvement and the 3 priorities agreed by the Executive Committee for 2025 are Leadership, Change Management and Talent Development.

Beyond the People Survey action plan priorities, we continue to ensure that we are doing all that we can to ensure that CCS is a great place to work, as it is vital to the success of the organisation. People do their best work when they are engaged and feel included and supported in their wellbeing. I was delighted therefore that CCS received another Gold Award from Mind in their Workplace Wellbeing Index. CCS is also now in the top 75 employers in the Social Mobility Employer Index, as well as achieving Level 2 'Accomplished' status in the Carer Confident scheme. We've expanded our internship and placement opportunities, welcoming 7 interns through the Autism Exchange Internship Programme and the Leonard Cheshire Change 100 Programme, as well as working with DWP to support the Movement to Work Programme in Merseyside.

We have also been recognised for our professional expertise, with wins at the GCF Awards in the Collaboration and Partnerships category for our work with the NHS to transform how they buy energy. We also won another Collaborative Procurement Initiative Award - Central Government at the National GO Awards for our work with the MOD on the Defence Tactical Radio procurement programme. We were shortlisted for 5 nominations at the CIPS Excellence in Procurement and Supply Chain awards, as well as two nominations at the iNetwork Innovation Awards that celebrate innovation across the local public sector, but unfortunately were not winners on the night. It is always wonderful to see our people and our teams being celebrated for the value that they can bring to our customers.

In my time away from CCS, I myself have gained insight on the other side of the fence as a user, and I am keen to use this insight and experience to continue to drive the organisation forward. The review of CCS's classification status and confirmation of continued public corporation status was important for me to be able to work with the Board and the Executive Committee to reaffirm our organisational strategy and our ambition, purpose and values as we look to where we want to be in 2030 so that we can truly deliver Value for the Nation. This also followed on the back of the NAO's report on 'Efficiency in government procurement of common goods and services', which particularly looked at CCS and how we can best operate to support the public sector to extract maximum value from their procurement. The report acknowledged the progress we have made and our role, especially in aggregating purchasing, allowing the public sector to get the benefit from collective buying.

In January 2025, the National Audit Office (NAO) also published another report on 'Government's approach to technology suppliers: addressing the challenges', which involved CCS. This report, as well as the publication of the Blueprint for Modern Digital Government report, have presented the opportunity for CCS, the GCF and Department for Science, Innovation and Technology to collaborate to address the challenges, and a Digital Commercial Centre of Excellence has been established to bring together the digital and commercial functions for digital procurement through: working with big technology suppliers; producing a digital sourcing strategy aligned to a jointly refreshed Digital, Data and Technology playbook, developing a reliable pipeline forecast for digital procurement, and supporting building more expertise in government. This is an exciting opportunity for new ways of working across functions, and is a model that could be replicated elsewhere if successful.

The opportunities to do things better across the public sector have also significantly shifted for the positive with the implementation of the new Procurement Act 2023 in February. CCS has been working closely with Cabinet Office colleagues for many years on the new regulations, ensuring that we are able to best exploit the new flexibilities and opportunities that the Regulations provide. Our Transforming Public Procurement project has successfully prepared us for the new Regulations and I am delighted to say that we had four agreements go out under the new regulations between go live of the Act and the financial year end. The appointment of Andrew Forzani as the new Government Chief Commercial Officer also presents the opportunity for CCS and the commercial function to collaborate even further, and I was pleased to welcome Andrew to the CCS Board as a Non-Executive Director and CCS's Sponsor in CO.

With the implementation of the new Regulations came the new National Procurement Policy Statement, with the government setting out their policy priorities and how procurement can deliver on them. CCS has always enabled delivery of government policy through our commercial agreements, and will use the flexibilities of the new Act to continue to support our customers to achieve their Social Value, SME and Net Zero ambitions and deliver on the government's missions.

In our work this year to reaffirm our strategy, purpose, ambition, vision and values, we have ensured that we are well positioned to maximise the opportunities that the new government, new Regulations and new ways of working across the public sector will bring. We have 9 ambitious strategic outcomes that will take us to 2030, and these underpin our annual business plan.

Optimising the value we provide for our customers and suppliers:

- customers save time and money by working with CCS
- CCS commercial agreements establish and maintain a capable and diverse supply chain that supports the UK economy and society
- the UK public sector chooses CCS digital solutions to transact a significant proportion of low value purchases
- CCS products and services are designed and deployed to support customers and achieve the best value

Maximising our impact by using our expertise and insight:

- the public sector recognises CCS as a key enabler of improved commercial outcomes through use of its relationships and unique position
- customers and suppliers recognise CCS as an authority in its markets through its expertise and scale
- CCS provides authoritative data and decision enhancing insight for the public sector

Building an effective and efficient organisation:

- our people are highly engaged and recognise CCS as a great place to work
- CCS is a well-run, resilient, and financially stable organisation

The government's commitment to ensuring the efficiency and productivity of the public sector is something that we can help to drive by providing good quality commercial agreements that are easy for customers and suppliers to use, supporting small business and stimulating economic growth. We continue our digital and data transformation journey, ensuring that we are providing the right platforms, and turning the data that we have access to into actionable insights for our customers and suppliers across the commercial function and public sector. As well as our continued focus on our customer strategy and improving our customer journeys, just as vital is the work we do with suppliers. This year, we introduced a new Supplier Specifics series, to complement our Procurement Essentials series, a publication that will help educate suppliers, particularly SMEs, about a number of topics, to build confidence and result in better relationships, as well as encourage more suppliers to apply for places on our commercial agreements and successfully contract with the government.

With all these opportunities and ambitions to improve, I am conscious of the feedback from the People Survey about managing change, and that we are still sometimes trying to do too much in a way that is not coordinated or always aligned to our strategy. With that in mind, in the year ahead, I will be appointing a new Strategic Delivery Director to bring it all together and ensure we are moving forward in a coordinated, planned and cohesive way. There will continue to be challenges and we expect more reform of the Civil Service to come in the new year, not least from the ALB review, which we will participate in fully. Through all of these challenges, I look forward to working with my Board and Executive Committee as we lead the enterprise as one team, so that we can all collectively deliver value for the nation.



Sam Ulyatt
Chief Executive and
Accounting Officer
11 July 2025

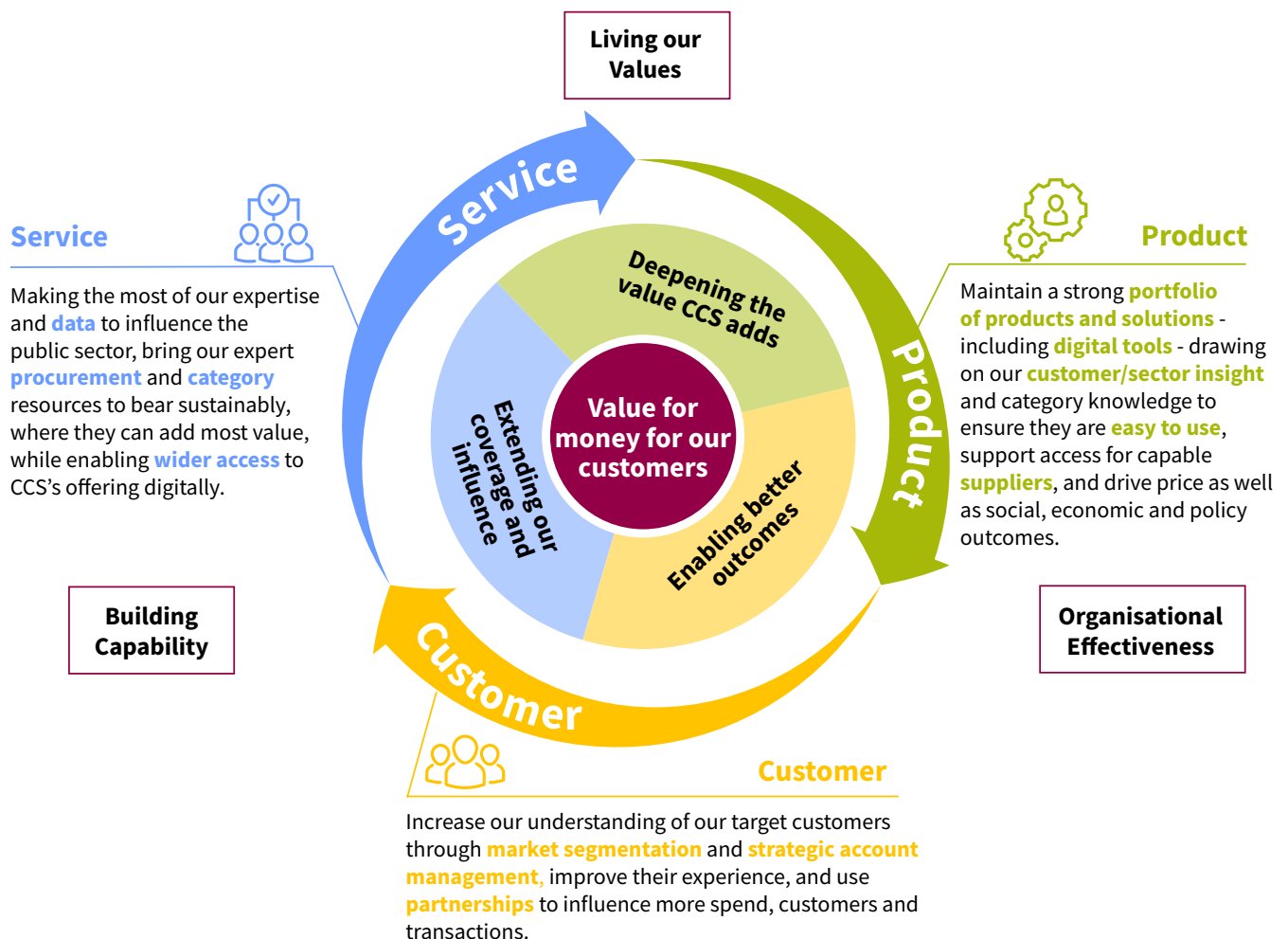


Statement of purpose, scope and strategy

In 2024/25, CCS pursued three strategic priorities:

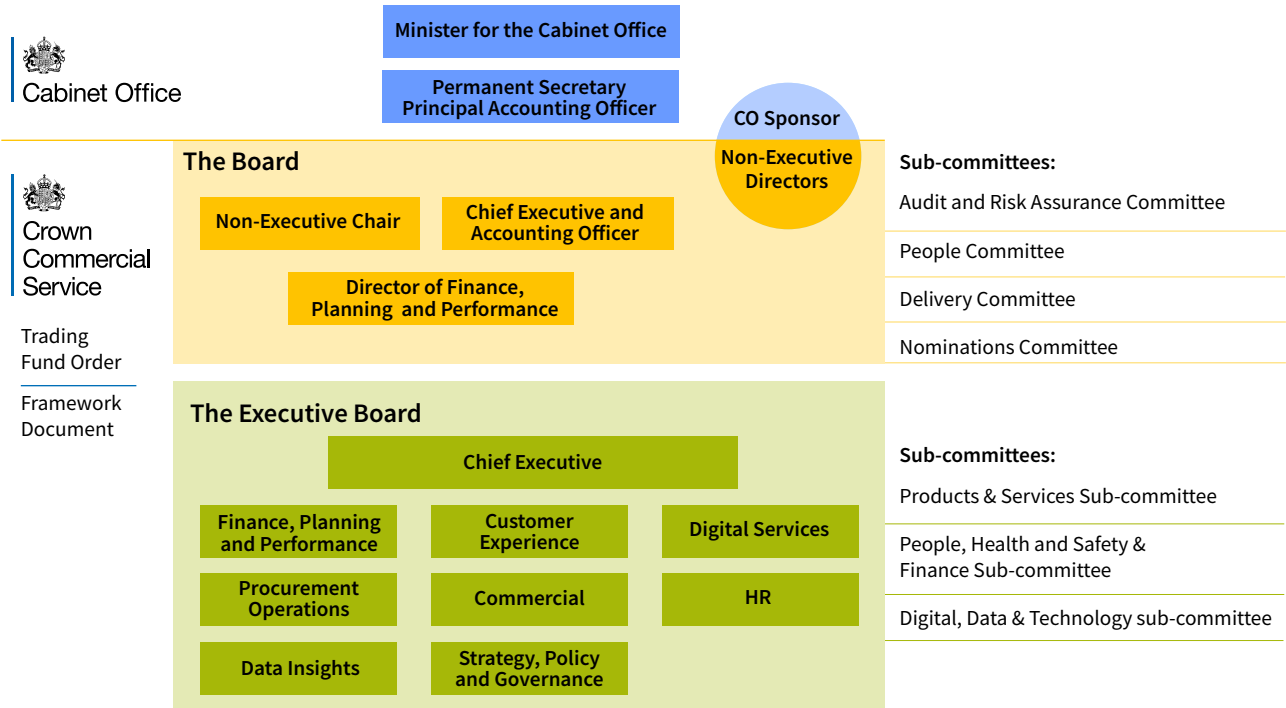
- maximising our value and impact
- extending our coverage and influence to add value
- establishing a more effective and efficient organisation

Our Business Strategy implements our strategic priorities by focusing on enhancing CCS's key interventions - Customer, Service and Products - and developing and sustaining the critical enabling activity which will allow the organisation to operate effectively and sustainably at the greater scale. It is aligned to the Government Commercial Function strategy and supports the delivery of the Commercial Functional Plan.



Organisational structure

Our organisational structure and governance arrangements are set out in the diagram below.



Performance overview

The purpose of this section is to provide a summary of progress made against the three strategic priorities within our organisational strategy along with an overview of our financial performance. It also sets out the key strategic risks that have been and continue to be actively managed as we move forward.

1. Maximising our value and impact

To maximise value and impact, we enhanced our ability to assess the value delivered to customers, stakeholders and ourselves. A prototype Customer Value Scorecard was developed in October and successfully implemented across existing customer sector strategy groups, facilitating informed decision-making and strategic prioritisation.

We focused on enabling commercial benefits by improving our pricing performance against market comparators. In 2024/25, we partially achieved this objective, securing a commercial benefit rate of 10.49% and a spend-related commercial benefit value of £4.6 billion. These results show considerable progress in offering competitive pricing and delivering substantial stakeholder value.

Our efforts to enhance aggregation activities aimed at increased customer benefits include expanding beyond the Technology sector. While partially achieved in 2024/25, we continue to refine our approach as we move into 2025/26, acquiring better data to facilitate more effective aggregation and broader application. We fully achieved our goal of completing customer engagement pilots for 2024/25, underscoring our commitment to refining market strategies through active customer involvement to address priority areas and enhance stakeholder value.

In supplier assurance, while we completed pilots, the digitisation of supplier management is ongoing, leaving this objective partially achieved for 2024/25. Continued efforts are necessary to fully implement digitisation and enhance supplier risk assurance. With procurement reform enforced by new legislation, we concentrated on compliance risk mitigation and leveraging regime flexibility. The Act's commencement in February facilitated a transition involving four agreements under the new legislation during 2024/25, ensuring our customers effectively adapt to mandated changes.

Our customer payment initiative was completed in 2024/25, with £33.1 million paid out to customers confirming payment arrangements, highlighting our commitment to providing significant financial benefits and robust support to our customers.

2. Extending our coverage & influence to add value

During 2024/25, we successfully achieved a key deliverable in the development of a refocused brand strategy. We developed and signed off a clearly articulated brand value proposition, with the aim of embedding a renewed focus on CCS adding value to the public sector. This initiative aims to increase brand awareness, strengthen our position within the market and enable customers to see the value they can achieve in working with us. The brand strategy is now being embedded with plans for a gradual transition over the coming months, marking a significant step in our ongoing commitment to positioning CCS as a customer-led organisation.

In 2024/25, we made significant progress with our sector strategies initiative, aimed at enhancing support for public sector commercial and procurement activities. This deliverable seeks to create a coordinated and prioritised approach that maximises value for our stakeholders. While the sector strategies have been developed, the finalisation of delivery plans remains ongoing, indicating continuous effort to fully achieve this objective. Our focus remains on refining these strategies to ensure they provide optimal support and deliver substantial value in public sector engagements.

3. Establishing a more effective and efficient organisation

In 2024/25, we fully achieved our key deliverable of enhancing leadership capability by successfully implementing a leadership development programme. This initiative underscores our commitment to fostering effective leadership within the organisation.

We have made strides in improving the oversight and coordination of our portfolio's projects and change initiatives. A prioritised view and approach to managing these projects have been developed, though the complete implementation of the change management framework remains a work in progress.

We have made headway towards defining and agreeing upon a target operating model, fostering a common understanding of the necessary changes for its implementation. The process included mapping our business architecture and evaluating the maturity of our systems, data, and processes, which will undergo further refinement in 2025/26.

Organisational development efforts have led to partial progress towards establishing a common understanding of optimal design and resource deployment. While workforce planning has been initiated, its advancement is currently constrained by the development of the operating model, necessitating continued focus and refinement.

The development of a new digital operating model is underway, aiming to enhance our digital products and services for customers while improving CCS's overall efficiency and effectiveness. Following approval of the business case in October 2024, phased implementation has begun, including active recruitment efforts to support this transition.

The data strategy initiative has been fully achieved against the project plan to date, providing enhanced insights to inform decision-making, strengthening our value proposition to customers. Planned activity for 2024/25 has been successfully delivered, with the Executive Committee and the Board endorsing the Outline Business Case. Implementation of Phase 1 is currently underway alongside the development of a final business case.

Efforts to improve knowledge and information management, along with data governance are ongoing. While a data maturity assessment has yet to be performed, a project team is actively working to determine the requirements for migration, aiming to ensure effective management of our information assets and mitigate risks stemming from system changes.



Financial performance

We exceeded our financial targets in 2024/25. Total income was £222.7 million and expenditure was £107.5 million, delivering a surplus before other operating costs of £115.2 million (2023/24: £63.7m). Other operating costs of £27.9 million were also incurred relating to CCS Capability and Investment costs, Digital and Data Services and Procurement Capability. After interest and dividends, the retained deficit was £65.2 million (2023/24: deficit of £9.7m). The in-year deficit incorporated a dividend of £161.0 million to the Cabinet Office. Alongside this, CCS continues to expand the use of our commercial agreements with a focus on improving the value and commercial benefits arising to customers. We also continued to manage our cost base effectively with headcount in the organisation particularly closely managed.

The opening General Reserve of £167.9 million decreased to £102.7 million. Indexation of intangible assets resulted in an overall revaluation increase of £0.8 million. There was no change to Public Dividend Capital (£0.35m) meaning that the total of taxpayers' equity in CCS decreased from £168.9 million to £104.5 million. More information is contained within the notes to the accounts on pages 84 to 100.

The Dividend payable to the Cabinet Office was £161.0 million in 2024/25 (2023/24: £71.0m) and is used to fund the expansion of commercial capability across government, including upskilling the commercial workforce, providing expertise on complex projects and managing relationships with strategic suppliers.

In 2024/25 CCS achieved a Return on Capital Employed of 64.1% (2023/24: 31.0%) which was significantly above the 5% target as set out in the Treasury Minute. The last six years of CCS's income and costs are shown on page 102.

We continue to deliver commercial benefits and stimulate growth in customer spend through enhanced internal systems, digitised online access to our commercial agreements and focus on how we can add value through improved ways of working for both our customer users and suppliers.

We have continued our commitment to paying creditors in line with government policy on prompt payment. In 2024/25 CCS paid 95.3% (2023/24: 99%) of undisputed supplier invoices within 5 days and 100% (2023/24: 100%) of undisputed payments due within 30 days.

As a Trading Fund, CCS is expected to generate sufficient funds to meet its operating costs and prevent the need for recourse to the Cabinet Office or HM Treasury for financial support. Prudent financial management means that CCS ensures sufficient cash reserves are in place to mitigate against financial risk arising from any sudden reduction in customer demand, unexpected increases in expenditure or inability to collect income through systems failure. CCS will continue to adopt prudent cash and working capital management to ensure it is able to continue to operate as a going concern.



Key issues and risks that could affect CCS in achieving its objectives

We manage risk across all activities carried out by the business at a strategic and operational level, focusing on achievement of our Business Plan objectives. Risk management is coordinated across a network of risk management champions and business managers representing each team within the business.

Risk is appraised and managed in accordance with CCS risk management policy and practice. Our Strategic Risk Register is aligned to our business strategy and Business Plan and focuses on addressing the causes of each risk through a targeted set of mitigations. The causes are dynamic and are continually reviewed and updated to reflect any difficulties that the business foresees or experiences, including any arising from our analysis of the global and domestic political, economic and social context in which we operate. The Executive Committee and its sub-committees continue to have collective ownership of the risks and the Board sub-committees provide scrutiny on the effectiveness of mitigations to reduce risk in line with appetite and tolerances.

The Executive Committee and its sub-committees receive a risk insight report on a bi-monthly basis to enable a review of the effectiveness of mitigations. They also have access to the live Strategic Risk Register. The strategic risks are underpinned by a set of dynamic causes which are the focus of mitigating action. Those causes (typically more than 30 at any one time) change over the course of the year which impacts both the residual and inherent assessment scoring of risks. Additionally, there has been a wholesale review of risks and causes during Q4. This means that the risk assessment levels are not comparable to 2023/24.

Operational risks are reviewed by the Risk Assurance Group and a summary report is provided to the Executive Committee sub-committees on a bi-monthly basis.

The Audit and Risk Assurance Committee provides scrutiny of the overall system of governance, risk management and control.

The areas of strategic risk that had the potential for preventing the business from achieving its objectives in 2024/25 are set out in the following table. All of these risks are subject to continuous review.

ID	Risk	ExCo owner	Failure to	Results in
1	Customer Value	David Skinner	Deepen our relationships with our customers across the public sector whilst delivering compelling value for the nation through the delivery of our expertise and services products / solutions (simpler, faster & better)	Negative customer perception of CCS products, services and solutions and reputational damage leading to a loss of customers to competitors
2	Supplier Management	Colin Morrow	Manage and actively develop our supply base effectively along with providing appropriate levels of assurance (financial and non financial) expected by customers	Supplier failure, an under utilised supply base and negative customer and supplier perception about the value of doing business with CCS
3	People Capability	Les Brewster	Develop and retain required capability and to deploy resources flexibly across the organisation to meet priority business needs and to sustain continued business growth and to meet customer need	Insufficient capability and capacity resulting in a workforce that is less agile or flexible to respond to customers needs and meet the needs of the business to achieve successful implementation of the Business Plan
4	Technology & Digital Capability	Stewart Hamilton	Deliver technology and digital solutions aligned to the business strategy which meets the needs of our business and our customers (buyers and suppliers)	Inability to grow or continue to support data driven business growth, loss of customers to competitors, inefficient technical implementations causing reputational damage/technical debt, and ineffectiveness in streamlining resources or sustaining workload
5	Organisational Effectiveness	Sean Golding	Continuously improve organisational efficiency, effectiveness and sustain business growth and meet customer needs whilst operating effectively within agreed resource levels	Loss of confidence from the Board (and other key stakeholders including customers) in the organisation and associated reputational damage
6	Change	George Last	Identify, define, prioritise and deliver improvements and change required to deliver our organisational and customer strategies	Failure to achieve our ambition and to implement our strategies efficiently, effectively and with engaged staff

Mitigations for the causes of each risk are documented and managed as part of the Strategic Risk Register.

Performance analysis

How CCS measures its performance

Organisational performance has been measured on a monthly basis through a corporate dashboard, which tracks progress against Business Plan objectives and the Business Strategy and forms the basis of a formal monthly review at the Executive Committee and its sub-committees. The Executive Committee also performs a quarterly performance review with a focus on key risks and issues.

Organisational performance has been a standing agenda item at Board meetings. A summary performance report has been produced for this, drawing upon the corporate dashboard.

Performance against Business Plan objectives

Strategic Priority 1: Maximising our value and impact			
Key Deliverable	Headline Measure	2024/25 Target	2024/25 Result
1. Measuring our Value	Enhanced ability to measure the value we provide for our customers in ways that are relevant to them, to stakeholders and to us and to use this management information to improve our offering and prioritise our effort	A coherent suite of “value” performance measures with baselines and targets for each measure, where relevant by sector By December 2024	Fully achieved The prototype Customer Value Scorecard was developed in October and has been socialised and released to the existing customer sector strategy groups (Delivery Authorities)
2. Enable Commercial Benefits	Demonstrably improved pricing compared to market comparators	Maintain and seek to improve percentage price benefit of using CCS commercial agreements compared to market comparators from 10.33% By March 2025	Partially achieved A commercial benefit rate of 10.49% was achieved Spend related commercial benefits value of £4.6 billion was achieved
	Demonstrably improved pricing compared to market comparators	Achieve benefits of £4.8 billion by March 2025	
3. Aggregation	Increased benefits for our customers from aggregation	Continue implementation of the strategy to increase aggregation benefits in priority categories By October 2024	Partially achieved and ongoing Refinement of approach taking in wider application of aggregation activities beyond Technology Greater clarity on data required to enable more effective aggregation
4. Strategic Category Management	More influential supply market strategies	Undertake customer engagement pilots for priority market strategies by December 2024 and commence rollout by March 2025	Fully achieved Customer engagement pilots are complete
5. Supplier Assurance	Enhanced supplier risk assurance for our customers	Complete implementation of the digitisation of supplier management Pilot implementation of agreed supplier assurance offering for customers By December 2024	Partially achieved and ongoing Pilots have been completed but digitised supplier management is not yet complete

6. Procurement Reform	Provide customers with compliance risk mitigation and enable opportunities to take advantage of the flexibility and differences in new regime to create value	Complete a managed transition from PCR15 to the new regulations By March 2025	Fully achieved Legislation came into effect in February. 4 agreements were tendered under the new arrangements during 2024/25
7. Customer Payment Initiative	Tangible benefit returned to customers	Payments made to all intended recipients By December 2024	Fully achieved £33.1 million paid out to those customers that confirmed payment arrangements

Strategic Priority 2: Extending our coverage & influence to add value

Key Deliverable	Headline Measure	2024/25 Target	2024/25 Result
8. CCS Brand	A clearly articulated brand value proposition with consistent internal and external understanding and appreciation for CCS's core purpose and increased brand awareness	Review CCS brand proposition with a view to establishing a revised and comprehensive approach to brand positioning, underpinned by marketing and communications By December 2024	Fully achieved The brand strategy has been agreed and signed off and will be rolled out internally and externally as part of a soft launch over the coming months
9. Sector Strategies	A coordinated and prioritised approach to supporting public sector commercial and procurement activity that maximises value	Development and implementation of sector strategies for priority sectors By October 2024	Partially achieved and ongoing Sector strategies have been developed Delivery plans are still under development

Strategic Priority 3: A more efficient and effective organisation

Key Deliverable	Headline Measure	2024/25 Target	2024/25 Result
10. Leadership	Improved leadership capability	Executive Committee and SCS Leadership Development Programme to focus on enterprise leadership and leading change	Fully achieved Leadership development programme has been implemented
11. Management of Change	More effective oversight and coordination of projects and change initiatives across our portfolio	Create a prioritised/sequenced enterprise view of change across CCS to enable clear alignment of change initiatives to business targets and better manage our resources Establish and implement a new change management framework to improve consistency of delivery, manage risk and impact of change on business By September 2024	Partially achieved and ongoing Prioritised view of change projects and initiatives has been established along with a prioritisation approach Change management framework is still to be fully implemented
12. A defined and agreed target operating model	Common understanding of CCS's target operating model and the change required to implement it	Fully map CCS's current operating model By December 2024	Partially achieved and ongoing Process completed to mapping business architecture and assessing maturity of systems, data, and processes This analysis will be subject to further work in 2025/26

13. Organisational Development	A common understanding of optimal organisational design and resource deployment	Build a common understanding of the optimal organisational design and resource deployment alongside the operating model objective, making changes happen as appropriate By March 2025	Partially achieved and ongoing Workforce planning has been carried out which is limited by the progress made on the operating model
14. A new digital operating model	A more effective digital product and service offering to customers and a more efficient and effective CCS	Completion of final business case By October 2024 Implementation of phased digital target operating model From December 2024	Partially achieved and ongoing Business case signed in October 2024 Phased implementation is underway with recruitment being carried out
15. Data Strategy	Better insight to inform decision making and strengthen our value proposition to customers	Deliver phase 1 of the enterprise data strategy, focusing on the customer By September 2024	Fully achieved Phase 1 has been delivered Outline Business Case for next phase endorsed by Executive Committee and the Board and implementation is underway
16. Knowledge and Information Management and Data Governance	Effective management of our information assets and mitigation of risk from system changes	Significantly improve CCS Data Governance maturity assessment By March 2025 CCS establish project team to coordinate and deliver potential migration from Google to Microsoft in line with Cabinet Office requirements By March 2025	Partially achieved and ongoing Data maturity assessment has not been carried out Project team in place determining requirements for migration

Strategic Key Performance Indicators

	ID	KPIs	Measuring	Aim / trend	Base / target	Year end	% of target
Customer	1	NPS assisted procurement	Customer advocacy	Increase	55	82	149%
	2	CSC (1st line) - % of calls resolved within 24 hours	Responsiveness	Increase	81	96	119%
	3	Customer volume (reach) - LC&H (rolling baseline reflecting in month comparison v 2023/24)	Growth priority sector	Increase	4,441	4,278	96%
	4	Customer volume (reach) - Health (rolling baseline reflecting in month comparison v 2023/24)	Growth priority sector	Increase	2,275	2,170	95%
	5	Average price benefit rate (new customers) vs market % (Aggregate spend)	Price effectiveness	Increase	10.33	10.49	102%
Products & Services	6	At least 12 Market Strategies available through Kahootz to customers by March 2025	Effectiveness	Achieve	12	14	117%
	7	New commercial agreements endorsed by the customer (forecast)	Customer advocacy	Achieve	19	12	63%
	8	TPP: At least 8 procurements ready to be published to market, compliant with Procurement Act 2023	TPP compliance	Target not used due to delay in legislation			
	9	Supplier Certification rate %	Supplier compliance	Increase	85	77	91%
People & Capability	10	Maintain agreed staffing establishment	Headcount control	Achieve	844	851	101%
	11	Absence (Average Working Days Lost)	Productivity	Decrease	6.3	8.4	133%
	12	Manager to employee ratio (spans of control)	Hierarchical structure	Increase	2.6	3.0	115%
	13	% of Gov Functional Standards rated as at least "Better"	Functional capability	Increase	45	45	100%
Financial	14	Cost as a % of income	Organisational efficiency	Decrease	48%	46%	105%
	15	Trading Fund core operating surplus / deficit £m	Budget performance	Achieve	127	118	93%
	16	Income for the Trading Fund £m	Budget performance	Increase	236	220	93%

Key measures of success

Commercial benefits - the value that CCS drives for customers when purchasing through our commercial agreements. Our methodology allows for two routes for benefit calculations:

- 'Spend Benefits' are based on sampling all spend through a commercial agreement and calculating average benefit for all the customer population using the agreement (assuming new customers) compared to current comparator market prices
- 'Change Benefits' are a specific measure applicable to an individual customer usually as a result of a business change influenced by CCS and signed off accordingly by the customer

Work is being carried out in collaboration with customers to transition towards measuring customer savings in the future.

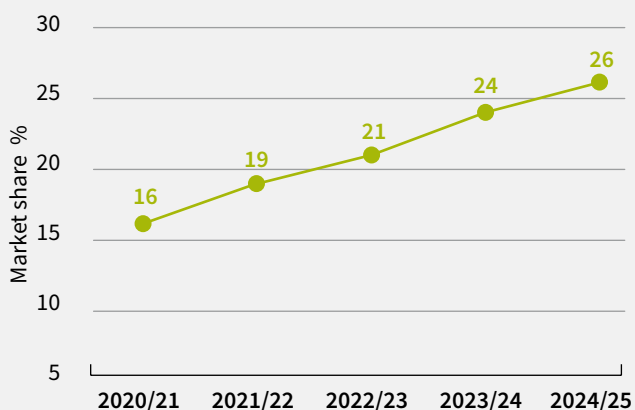
Our aim is to continue to attract more business from both new and existing customers so that the public sector is able to realise increased commercial benefits in terms of benchmarked prices, as well as quality goods and services.

The graphs illustrate over the period 2020/21 to 2024/25 the following:

- growth in our market share
- growth in spend directly through our agreements
- growth in commercial benefits achieved through commercial agreements
- the gross rate of return - benefits as a percentage of spend
- the upward trend in our Net Promoter Scores for Assisted Procurement and Customer Service
- the downward trend in our core costs in relation to the output we manage (spend through the portfolio of commercial agreements)

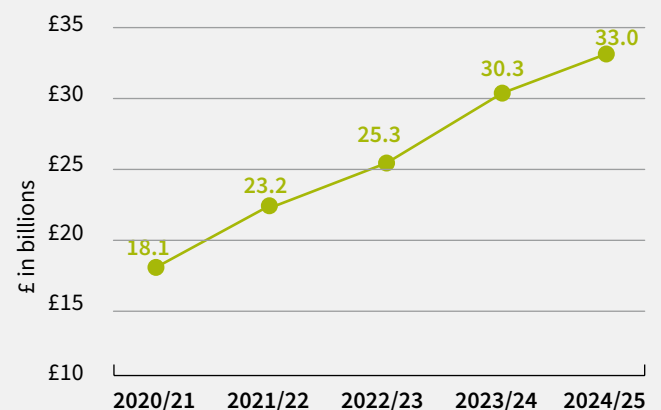
Market share

Market share - percentage



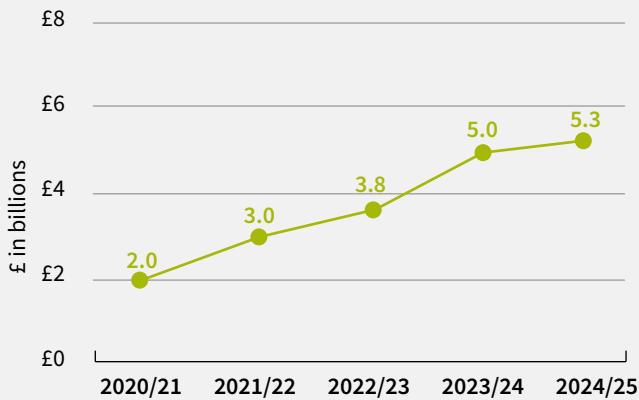
Direct spend on common goods and services

Direct spend growth



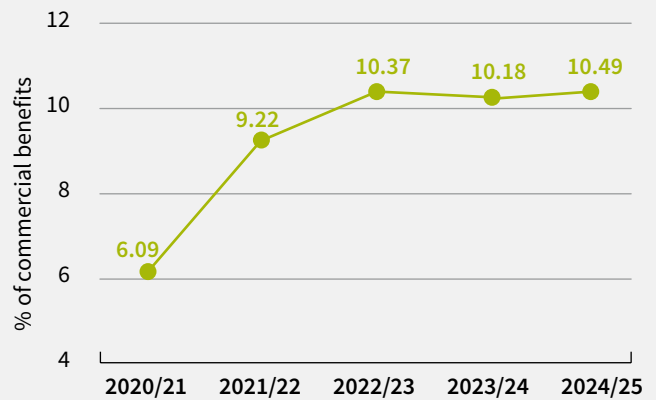
Growth in commercial benefits achieved through commercial agreements

Commercial benefits - all spend types and change initiatives £ billion



Gross rate of return

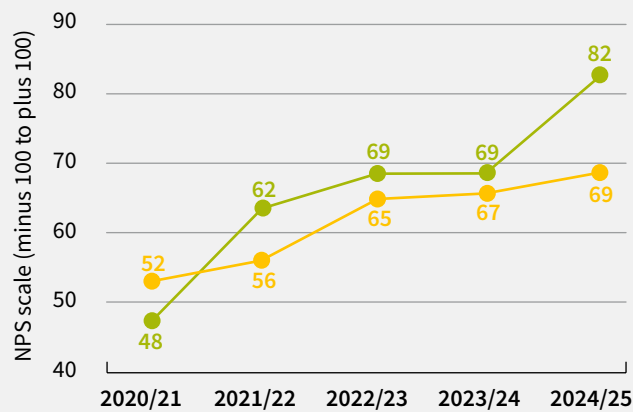
Spend related commercial benefits as a percentage of aggregate spend



Net Promoter Scores

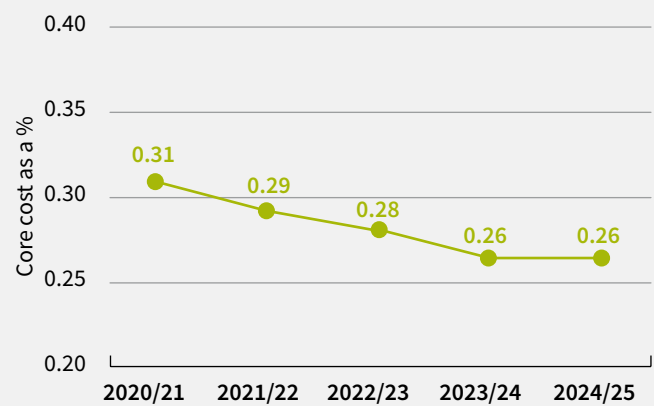
Customer Service and Assisted Procurement

— Customer Service — Assisted Procurement



Efficiency - cost in relation to output (spend channelled through commercial agreements)

Core cost as a percentage of aggregate spend managed





Sustainability report

The UK government has made a commitment to be Carbon Net Zero (CNZ) by 2050. The Greening Government Commitments (GGCs) demonstrate how the government is working to improve the environmental performance of its estate and operations. As an executive agency and trading fund of the Cabinet Office, we are committed to supporting the GGCs in reducing our impact in these areas, to contribute towards meeting this target.

Our CCS estate is managed by the Government Property Agency (GPA) and its partners. We work closely with the GPA and our facilities management service partners to provide data that reflects our proportion of office space in our shared buildings, in order to accurately report on our performance. The greenhouse gas emission data published in our 2022/23 Annual Report and Accounts forms our baseline metrics for GGC reporting, against which future progress is measured.

GPA manages three of the properties CCS are based in (London, Birmingham and Norwich) and has recently achieved the ISO14001 certification. As the strategic leader in sustainability for the government's office portfolio, the GPA is committed to minimising environmental impact through innovative programmes such as its CNZ and Lifecycle Replacement programme. These initiatives benefit CCS by creating a more sustainable working environment which potentially reduces operational costs and improves efficiency.

We continue to work closely with the GPA and our landlords in reducing the environmental impact of our estate to meet our CNZ targets.

The Greening Government Commitments

The GGCs set out the actions government departments and their partner organisations will take to reduce their impacts on the environment in the period 2021 to 2025.

The following GGC commitments are not applicable to CCS and are therefore excluded from this report:

- **Nature recovery and biodiversity action planning** – CCS does not have any significant natural capital, however our staff organise and participate in a number of nature recovery initiatives across the UK every year including beach cleans, gardening projects and parkland maintenance
- **Travel car fleet** – CCS do not own, lease or hire any fleet cars and therefore cannot report on this area. However, we are able to report on official business travel through other methods as detailed below
- **ICT** – Environmental impacts of ICT and paper usage will be reported by the Cabinet Office who provide CCS's ICT equipment. CCS have moved all internally managed services on to public clouds and continues to benefit from the activities undertaken by those service providers with regards to the sustainability, carbon tracking and waste reduction associated with the services hosted with them, as well as the reporting they provide in support of those efforts

Overleaf is an overview of CCS's performance against each GGC for 2024/25, with a breakdown of the metrics for each area included later in this section.

The table below shows the data gathered for 2024/25 on scope 1-3 emissions along with the baseline year for comparison (2022/23). For transparency, we have also included emissions data for 2023/24 again, which reflects a correction to the gas figure for our Liverpool office compared to last year's report. This correction is due to a recently identified error in the meter readings at this site, which has now been resolved. This has taken our 2023/24 carbon footprint up by 9 tCO₂e to a total of 407 tCO₂e.

The data reported only includes those CCS offices in scope for reporting and has been extrapolated from full building data, showing figures based on space occupied. The offices reported on are:

- Birmingham - 23 Stephenson Street - 70m² - 58 FTE
- Liverpool - The Capital Building - 1877m² - 459 FTE
- London - 10 South Colonnade, Canary Wharf - 482m² - 91 FTE
- Norwich - Rosebery Court, St Andrews Business Park - 1652m² - 156 FTE

To avoid double counting, any data relating to our office at Concept House in Newport has been excluded as it is reported by the Intellectual Property Office.

Figures in italics indicate that the number reported for that line includes some estimates for part of the year. These estimates have been provided by the GPA and are based on the previous year's data.

Below is an overview of CCS's performance against each of the GGC commitments for the year 2024/25.

Scope	Emission source/ activity	Detail	Amount	tCO ₂ e	Expenditure (£)	Base year 2022/23 (tCO ₂ e)	% difference	2023/24 tCO ₂ e
Scope 1	Natural Gas (CCS contribution)	London (kWh)	1,518	0.28	174	0.50	-44	0.67
		Liverpool (kWh)	64,970	11.88	-	4.30	176	11.78
		Norwich (kWh)	337,850	61.79	28,123	28.00	121	52.15
	Total gas		404,338	73.95	28,297	32.80	125	64.60
	Fugitive emissions	Birmingham (CO ₂ e)	1,931	1.93	-	-	-	-
	Total fugitive		1,931	1.93	-	-	-	-

Scope	Emission source/ activity	Detail	Amount	tCO ₂ e	Expenditure (£)	Base year 2022/23 (tCO ₂ e)	% difference	2023/24 tCO ₂ e
Scope 2	Electricity generated (CCS contribution)	London (kWh)	139,481	28.88	36,207	20.30	42	22.66
		<i>Birmingham (kWh)</i>	22,395	4.64	7,791	3.10	50	4.02
		Liverpool (kWh)	558,640	115.67	224,000	122.00	-5	127.20
		Norwich (kWh)	249,523	51.66	79,059	39.00	32	41.30
	Total scope 2		970,039	200.85	347,057	184.40	9	195.18

Scope	Emission source/ activity	Detail	Amount	tCO ₂ e	Expenditure (£)	Base year 2022/23 (tCO ₂ e)	% difference	2023/24 tCO ₂ e
Scope 3	Upstream transportation and distribution	Transport of event equipment (miles)	5,903	1.66	-	1.30	28	0.85
	Business travel*	Car (hire + grey fleet, miles)	320,330	53.47	81,655	31.20	71	49.21
		Coach + mini bus (km)	-	0.00	-	0.00	0	0.21
		Rail travel (passenger.km)	2,183,932	77.44	640,018	45.30	71	64.55
		Air (passenger.km)	15,330	4.18	3,306	0.00	100	2.93
		Air (international, passenger.km)	19,046	4.91	1,148	0.40	1127	0.49
	Hotel stay	UK (room per night)	2,260	23.50	216,416	13.50	74	18.53
		UK (London) (room per night)	667	7.67	92,771	5.90	30	7.43
	Waste disposal (CCS contribution)	Energy from waste (tonnes)	8.42	0.05	4,190	0.10	-46	0.14
		Landfill (tonnes)	0.00	0.00		0.50	-100	0.00
		Food Waste (tonnes)	0.99	0.01		0.00	0	0.01
		Recycling (tonnes)	13.90	0.09		0.30	-70	0.28
	Water ** (CCS contribution)	Water supply and treatment (m3)	3,753.70	1.27	2,394	0.60	112	2.18
	Downstream transportation and distribution	Miles	0.00	0.00	0.00	0.00	0	0
	Total scope 3				174.25	1,041,898	99.10	76
				Annual tCO ₂ e	Annual expenditure (£)	Baseline 2022/23 (tCO ₂ e)	% difference	Revised tCO ₂ e (2023/24)
Total emissions and expenditure				450.98	1,417,252	316.30	43	406.59

*Business travel does not include GCO deployed staff as their travel is booked via Cabinet Office

**Expenditure for scope 1 and 3 excludes Liverpool as the data is currently unavailable

Scope 1 - direct emissions from owned or controlled sources

Scope 2 - indirect emissions from the purchase and use of electricity, steam, heating and cooling

Scope 3 - all other indirect emissions that occur in the upstream and downstream activities of an organisation

Mitigating Climate Change: working towards Net Zero by 2050

CCS's overall GreenHouse Gas (GHG) emissions for 2024/25 are 451 tCO₂e, showing an increase of 43% on our baseline. Our direct GHG emissions (scope 1 gas) are 73.9 tCO₂e, up 125% from the baseline. Over the past year, CCS has assisted the GPA with upgrading the heating, ventilation, and air conditioning (HVAC) system at our Norwich office as part of the lifecycle replacement programme. Anticipated reductions in gas emissions have not yet materialised, as GPA needed to operate two systems simultaneously until the programme completed in early 2025. We expect to see improvements moving forwards. Additionally, the GPA has upgraded the London office hot water system to an Air Source Heat Pump (ASHP) this year removing the need for gas and making this an all-electric site. The GPA has also installed a Building Management System (BMS) to monitor and control key services, enhancing efficiency and sustainability, which should see future reduction in emissions at this site.

CCS's GHG emission data continues to show that a significant proportion of our carbon footprint is from business travel (scope 3). The number of flights booked in 2024/25 rose slightly but is still at minimal levels. Our travel policy mandates considering lower carbon options, with rail travel as the preferred choice. CCS provides a travel booking tool that displays the CO₂ emissions for each train journey, flight, or hotel stay, helping employees make sustainable decisions.

To encourage greener commuting, CCS continues to offer a 'Cycle to Work' scheme to all employees and we continue to have 12 active members of the scheme. As part of our Carbon Reduction Plan CCS has begun exploring other ways we can encourage greener commuting.

Minimising waste & promoting resource efficiency

In 2024/25 CCS produced 23.3 tonnes of waste, equating to 0.15 tCO₂e.

Our waste bins are categorised and clearly labelled, enabling efficient waste management and output monitoring. All reported sites have now implemented recycling and waste-to-energy and as a result, CCS can continue to report zero waste to landfill across the four offices mentioned. In addition, our offices in Birmingham, Liverpool and London are also now sending food waste for composting/anaerobic digestion.

CCS has a strong focus on recycling with 13.9 tonnes of waste being recycled, which equates to 60% of our total annual waste. CCS sent 8.4 tonnes (36%) of waste for energy recovery and 1 tonne (4%) of food waste to composting/anaerobic digestion. CCS has minimal single use plastic across the organisation. All of our offices are equipped with ceramic mugs and glasses, stainless steel cutlery and ceramic plates for staff use.

Finite resource consumption - reducing water use

The amount of water consumed across the CCS estate in 2024/25 was 3,753.7 cubic metres, equating to 1.27 tCO₂e, which is an increase of 112% from our 2022/23 baseline of 0.6 tCO₂e. Despite this increase, this year's figures show a 42% drop in consumption from last year's report. Whilst water consumption has increased slightly from our baseline, CCS offices continue to benefit from the use of combined hot and cold taps which are an efficient system that only cools or heats what is required to avoid water waste. Additionally, CCS benefits from the use of dual flush toilets and sensor taps in the bathrooms which also reduce the amount of water being used across our sites.

Adapting to climate change

In 2024/25 CCS conducted an assessment of our estate and operations, identifying areas at risk of climate change and including the ways in which we can mitigate these risks. From this we developed CCS's first adaptation action plan which sets out our approach to ensuring our offices remain safe working environments in a changing climate, allowing for continued business operations.

CCS's Workplace Services team will continue to work closely with the GPA who are leading on the reduction of carbon emissions from their buildings via the Life Cycle Replacement and CNZ programmes. CCS will ensure that any future upgrade projects undertaken by the GPA across our estate are successfully delivered, contribute to the reduction in our carbon emissions, are adapting to a changing climate and will continue to maintain a safe working environment for our employees.

Procuring sustainable products and services

We remain committed to supporting the government's 25 Year Environment Plan and the transition to a CNZ economy by 2050. We use relevant standards in contract specifications, and build in contractual levers such as social value provisions, enabling users of our agreements to meet their own sustainability goals.

In particular CCS is committed to the following sustainable procurement priorities:

- applying relevant and appropriate buying standards and best practice industry innovation to all our procurement activity
- implementing and monitoring the relevant and appropriate Procurement Policy Notices (PPNs) across our agreements and supply chain
- reducing carbon emissions through the procurement of energy across government and the public sector
- ensuring our procurements make a contribution towards reducing single use plastics in the supply of goods
- ensuring our procurements and wider activities make a contribution towards the government's Net Zero target for 2050
- enabling the delivery of social value in public sector contracts through effective contract levers
- helping address the risks of modern day slavery in government's supply chains
- supporting small and medium-sized enterprises through our procurements

Government buying standards

The Government Buying Standards (GBS) are a principal source of procurement guidance and set minimum mandatory buying standards for certain goods and services such as paper, office technology equipment, cleaning products, furniture and textiles, construction and fleet.

Where relevant and aligned with the timing of their procurement, these standards are explicitly referenced in CCS's current commercial agreements. CCS also consults with policy experts in other departments, as well as relying on the considerable expertise of our category teams who will incorporate industry level best practice where relevant.

Carbon Net Zero projects

To support the UK Government's commitment to achieving Net Zero by 2050, CCS has created a dedicated CNZ team to implement sustainable commercial practices. The team has been involved in delivering public sector buyer advice, supplier training and support, sustainable policy implementation and supported cross-government working groups and industry bodies, to establish procurements as a vehicle to deliver tangible sustainability outcomes.

Funding CNZ projects is a big consideration when developing plans. To support our customers, we collate a list of open CNZ grants and funding opportunities from across government into a single place. The grants are mapped to appropriate routes to market offered by CCS, making it easy for customers to fund and operationalise CNZ initiatives.

Employee engagement and knowledge-building are central to our project's success. We have continued to utilise Get Informed Know your Impact (Giki) this year to bring colleagues a personalised employee sustainability engagement programme and understand their personal impact. We have introduced sustainability champions to drive engagement and action, created tailored learning programmes, and encouraged participation through online interactive and engaging quizzes.

Carbon reduction plan

Commercial agreements are being created with sustainability built in from the start. For any contract over £5 million, PPN 06/21 applies, requiring bidders to provide a Carbon Reduction Plan (CRP), ensuring that agreement suppliers are committed to helping customers achieve CNZ by 2050.

In support of this, the Sustainability team has delivered virtual training sessions on the PPN to raise awareness of the policy and its requirements, helping suppliers understand how to create a compliant CRP. During 2024/25, CCS completed 16 virtual sessions, with 657 attendees. Since inception, the CRP training has been attended by 5,282 people across 83 events.

The CRP Compliance Team has been offering a free assessment to ensure the CRPs of suppliers on existing agreements are compliant. In November 2024 we started to link supplier CRPs to the CCS website when suppliers have provided their plan voluntarily, or as part of a tender requirement.

Social value

We continue to work with the Cabinet Office to fully embed Social Value PPNs 06/20 and 002, and follow best practice in social value. Our category strategies specifically address the opportunities to deliver social, economic and environmental sustainability in each market where we operate. Our agreements are designed to allow customers to create tangible benefits in towns and cities across the UK, including an evaluation of suppliers' approaches during the procurement stage.

Our internal network of social value champions continues to peer review each procurement for social value inclusion and share best practice across the organisation. Every new agreement we have launched in the past year has included social value provisions, enabling customers to work towards their economic, social and environmental objectives through procurement.

Modern slavery prevention

We are committed to tackling modern slavery in global supply chains. Our agreements are designed to address modern slavery as part of our wider supplier due diligence. We continue to implement the key activities outlined in our Modern Slavery Statement, which sets out our approach to managing labour risks in our supply chains. The statement is available to view on our website.

We are working to ensure that there are appropriate measures in place to mitigate the risk of modern slavery throughout the whole commercial agreement lifecycle. All new commercial agreements are assessed for modern slavery risks and set out measures to prevent the occurrence of forced labour abuses in the supply chain if the risk level is high.

We continue to request annual Modern Slavery Assessment Tool (MSAT) reports from suppliers on higher-risk agreements, and conduct follow-up conversations with suppliers whose assessments have returned high risk scores. We have held follow-up reviews with numerous suppliers, resulting in improvements to their operations and risk management processes.

We understand how important access to information is in empowering our customers to buy responsibly. Our [Modern Slavery](#) web page provides guidance and information on how we enable sustainable procurement.

Small and medium-sized enterprises

We have seen continued good progress with our efforts to enable small and medium-sized enterprises to participate in our commercial agreements, with £2.33 billion (10%) of central government spend directly with 1,459 SMEs. This represents a reduction of £180 million in spend compared to 2023/24. We continue to design our commercial agreements so that SMEs are able to benefit and that is why 75% of the suppliers on CCS's commercial agreements are micro (33%), small (28%) or medium (14%) sized enterprises.



Task Force on Climate Related Financial Disclosures

HM Treasury released guidance on the TCFD framework for the UK public sector to report on climate-related financial disclosures aligned with the private sector. CCS is an ALB of the Cabinet Office and falls within scope of reporting, consistent with the guidance available. CCS has complied with the TCFD recommendations and recommended disclosures around:

- governance (disclosures (a) and (b))
- metrics and targets (disclosure (a) to (c))
- risk management (disclosure (a) to (c))

This is in line with the central government's TCFD-aligned disclosure implementation timetable which will take a phased approach to the reporting. CCS plans to make disclosures for Strategy disclosures (a) to (c) in future reporting periods in line with the central government implementation timetable.

Governance

(a) Describe the Board's oversight of climate-related issues

We are in the process of developing a comprehensive sustainability strategy for 2025/26, which will be presented for the Board's review. This strategy will ensure that a robust governance structure is established to effectively oversee climate-related initiatives.

For 2024/25, our focus has been on fully understanding the requirements of the GGCs, alongside the creation of a climate change risk assessment and adaptation plan. Both of these documents have been reviewed and endorsed by our People and Finance Committee and Executive Board. The recommendations from the adaptation plan will be integrated into the implementation plan, which is set for delivery over the next five years, extending to 2030.

(b) Management's role in assessing and managing climate-related issues

CCS remains committed to supporting delivery of the government's Net Zero target and ensuring the UK maximises the benefits of the transition.

CCS helps customers generate long-term environmental benefits for their organisations, society and the economy. As part of our ambitions to maximise our value and impact, and establish a more effective and efficient organisation, CCS's Board and committees will monitor and oversee progress against goals and targets for addressing climate-related issues moving forward.

CCS's organisational structure can be found in detail on page 20 of this annual report.

Metrics and Targets

(a) disclosure of the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process

CCS currently reports on GHG emissions as its key sustainability metric (as detailed in disclosure b). Other metrics for assessing climate related risks and opportunities are currently being reviewed as part of CCS' strategic planning which will identify and embed appropriate metrics to measure climate related risks and opportunities in the future.

b) disclosure of Scope 1, 2 and, if appropriate Scope 3 greenhouse gas emissions and their related risks

CCS currently reports on its GHG emissions quarterly via the Cabinet Office as part of the GGC requirements. The CCS annual Sustainability Report aligns with this reporting framework for Scopes 1 and 2, and expands on Scope 3 to include data on hotel stays. A detailed breakdown of our GHG emissions data, including disclosure across Scopes 1, 2 and 3 can be found in the table on pages 32 to 33 of the Sustainability Report. This table includes 2022/23 emissions data reported which forms our baseline, allowing for transparency towards achieving the government target of CNZ by 2050.

As detailed in the Sustainability Report, CCS undertook a Climate Change Risk Assessment during 2024/25 for our estate and operations. The findings from that risk assessment were that there are no immediate high-risk actions required however there are a number of proactive measures which can be taken. These have been mapped into our implementation plan for 2025/26.

(c) describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

CCS is committed to climate risk management through the CRP, which sets out ambitious targets for the short (<4 years), medium (5-10 years) and long term (10 years+), working towards CNZ by 2050. CCS will continuously review carbon targets ensuring they align with our Sustainability Strategy and wider GGC targets. This approach will enable us to adapt to ongoing business changes and the impact of emerging technologies in the coming years.

Risk Management

(a) describe the organisation's processes for identifying and assessing climate-related risks

In December 2024, the People and Finance Committee approved CCS's first ever climate change risk assessment and adaptation plan.

CCS used the Orange Book methodology to establish a systematic approach for identifying, assessing and mitigating climate-related risks aligned to the GGC framework. This involved integrating climate risk considerations into our existing risk management framework, ensuring that these risks are treated with the same rigour as other operational risks.

The recommendations and risks outlined in these documents have been incorporated into a draft implementation plan for 2025/26.

(b) describe the organisation's processes for managing climate-related risks

Any risks identified as part of the CCS climate change risk assessment will be mapped into short, medium and long-term risks aligned to the GGC framework as we draft our forthcoming Sustainability Strategy. Climate-related risks will be included in our risk register along with appropriate mitigation strategies. Any identified risks will be reviewed at intervals as set out in our strategy once finalised.

(c) describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management

Using the Orange Book's principles to guide our practice in risk evaluation, CCS has ensured that we employ a consistent approach to quantifying exposure to climate-related risks aligned to other operational risks in the business. Any risks identified will be included in our risk registers to enable us to implement appropriate mitigation strategies.



Sam Ulyatt
Chief Executive and
Accounting Officer
11 July 2025

Accountability report



Corporate governance report

This Accountability report includes the:

- Corporate governance report
- Remuneration and staff report
- Parliamentary accountability and audit report

The purpose of the corporate governance report is to provide an overview of CCS's governance arrangements and the Accounting Officer's responsibilities in managing and controlling the resources of the CCS Trading Fund during the financial year.

The Remuneration and staff report sets out the policy and disclosures on directors' remuneration as required by the Companies Act 2006 sections 420 - 422 and as interpreted in the Government Financial Reporting Manual (FReM). It also provides details on CCS's staff numbers, composition, costs and other staff-related matters.

The Parliamentary Accountability and Audit Report brings together the key parliamentary accountability documents within the Annual Report and Accounts.

Directors' report

As an Executive Agency of the Cabinet Office, CCS is accountable to the Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office. The holders of both roles during the financial year were:

Role	Holder	Duration
Chancellor of the Duchy of Lancaster	Rt Hon Pat McFadden MP	From 5 July 2024 to date
Paymaster General and Minister for the Cabinet Office - Minister for the Constitution and European Union Relations	Rt Hon Nick Thomas-Symonds MP	From 8 July 2024 to date
Chancellor of the Duchy of Lancaster	Rt Hon Oliver Dowden CBE MP	From 25 October 2022 to 5 July 2024
Paymaster General and Minister for the Cabinet Office	Rt Hon John Glen MP	From 13 November 2023 to 5 July 2024

The sponsor of CCS was the Government Chief Commercial Officer:

- Gareth Rhys Williams until 5 July 2024
- Clare Gibbs and Marco Salzedo were joint sponsors as Interim Co-Government Chief Commercial Officers from 5 July 2024 until 24 February 2024
- Andrew Forzani was the sponsor of CCS as Government Chief Commercial Officer from 24 February 2025 to date

The management of CCS was directed by the Board, comprising the Chair, Non-Executive Directors, Chief Executive and Director of Finance, Planning and Performance.

Role	Holder	Duration
Non-Executive Chair	Peter George	The full reporting period
Chief Executive and Accounting Officer for the Trading Fund	Simon Tse	Chief Executive from 1 April 2024 to 8 July 2024 Accounting Officer for the Trading Fund from 1 April 2024 until 31 July 2024
	Sam Ulyatt	Chief Executive for the Trading Fund from 8 July 2024 to 31 July 2024 Chief Executive and Accounting Officer for the Trading Fund for the period 1 August to date
Director of Finance, Planning and Performance	Sean Golding	Interim from 1 April 2024 until 22 March 2025 and permanently appointed Director of Finance, Planning and Performance from 22 March 2025 to date

The attendance list is provided on page 45 and the remuneration of all Board members during the year is shown on page 54 of the remuneration and staff report.

Managing outside interests

CCS has implemented a clear and robust policy and process for managing and reviewing outside interests in accordance with the requirements under the Civil Service Management Code (Section 4.3). To provide the necessary and appropriate corporate governance, accountability and transparency for CCS, the policy applies to all employees and those representing CCS, who are required to declare any private interests which may result in a perceived or actual conflict of interest when they commence employment through an annual mandatory declaration of interests exercise. All declarations returned are reviewed to ensure that the right safeguards have been put in place to mitigate or remove any potential conflicts.

No SCS employed by CCS has declared any paid or otherwise remunerated work, employment or appointment that falls under the Civil Service declaration and management of outside interests. Guidance can be found at: <https://www.gov.uk/government/publications/declaration-and-management-of-outside-interests-in-the-civil-service/declaration-and-management-of-outside-interests-in-the-civil-service>

The declaration of interests is a standard item addressed at the start of all Board meetings. Additionally, Board members complete an annual declaration of interest form and are required to update this throughout the year should their situation change. The following Board members' outside interests were declared during the reporting period, although no actual conflict of interest has arisen:

- P George (Non-Executive Chair) is Chair of Benchmark Holdings PLC; Chair and shareholder of Oxford Quantum Circuits; President and majority shareholder at Enigma Holdings Group Ltd and XPG Ltd; Venture Partner and Advisor at Oxford Sciences Enterprises; an Advisor at Gresham House PLC; and a member of Cancer Research UK
- S Weiner (Non-Executive Director) holds Non-Executive Director roles at Mediclinic International and King's College London
- Dr M Gazzard (Non-Executive Director) is Group Executive Director, Regulatory Services at the British Standards Institute (BSI). One of BSI's subsidiaries, BSI Cybersecurity and Information Resilience (UK) Limited, is a supplier on the G-Cloud framework. Dr Gazzard was not involved in the day to day operations or decisions relating to that framework. Dr Gazzard is also a Parish Councillor for Dummer Parish Council
- S Halton (Non-Executive Director) is a Non-Executive Director and shareholder at Robinson PLC and is also a Non-Executive Director at Roys (Wroxham) Ltd

- G Rhys Williams (Non-Executive Director until 5 July 2024) was the Government Chief Commercial Officer and an employee of the Cabinet Office, and is a Member of the FRC Advisory Panel and a Trustee of the Chartered Management Institute
- Marco Salzedo (Non-Executive Director from 5 July 2024 to 24 February 2025) was the Joint Interim Government Chief Commercial Officer and an employee of the Cabinet Office
- Clare Gibbs (Non-Executive Director from 5 July 2024 to 24 February 2025) was the Joint Interim Government Chief Commercial Officer and an employee of the Cabinet Office
- Andrew Forzani (Non-Executive Director from 24 February 2025 to date) is the Government Chief Commercial Officer and employee of the Cabinet Office
- S McCrystal (Non-Executive Director) has no interests to declare
- S Tse (Chief Executive until 8 July 2024 and Accounting Officer until 31 July 2024) is the Chair of Mumbles Community Association and a Non-Executive Director at Gower College, Swansea
- S Golding (Director of Finance, Planning and Performance) has no interests to declare
- S Ulyatt (Chief Executive) is a Non-Executive Director for the Portfolio and Investment Committee, Department for Energy Security and Net Zero

Statement of Accounting Officer's responsibilities

Under Section 4 (6A) (b) of the Government Trading Funds Act 1973, HM Treasury has directed CCS to prepare for each financial year a statement of accounts and on the basis set out in the Accounts Directions 2024/25. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of CCS and of its Income and Expenditure, Statement of Financial Position and Cash Flows for the financial year. In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

HM Treasury has appointed Sam Ulyatt as Accounting Officer of CCS. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding CCS's assets, are set out in Managing Public Money (MPM) published by HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that CCS's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

As Accounting Officer I confirm compliance with all the above requirements.

Governance statement

I confirm that there has been a change in the role of Accounting Officer during this financial year, following my appointment as CEO. I, Sam Ulyatt, am now appointed as the Accounting Officer for CCS. I take full responsibility for the preparation and presentation of the Annual Report and Accounts for the entire reporting period, ensuring they are fair, balanced, and understandable, and that all necessary steps have been taken to make myself aware of any relevant audit information.

As Accounting Officer, I have responsibility for reviewing the effectiveness of CCS's governance, risk management and systems of internal control. The areas of strategic risk that had the potential for preventing the business from achieving its objectives in 2024/25 are shown on page 24. My review has been informed by the assurance of Operational Management Returns from each executive director and other sources of assurance including compliance with government functional standards. Further assurance has also been gained from internal audit reports and the annual audit opinion from the Government Internal Audit Agency.

I am in agreement with the Internal Audit overall opinion rating of Moderate Assurance (as outlined in this Governance Statement), namely that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

I have considered the evidence provided to support this Governance Statement and sought relevant Audit and Risk Assurance Committee assurance. Overall I conclude that a sound system of governance, risk management and internal control has been in place for the year under review and up to the date of approval of the annual report and accounts.

Corporate governance

CCS is an Executive Agency of the Cabinet Office and operates as a Trading Fund under the Government Trading Funds Act 1973. The governance arrangements are set out in the diagram on page 20.

As a Trading Fund, CCS is required to have a Framework Document agreed with the Cabinet Office as its sponsor department that outlines key activities and governance. The document sets out CCS's roles and responsibilities and the framework within which it operates. The Framework Document was updated and agreed by the CCS Board in November 2022 and by the Cabinet Office, to reflect the new guidance and templates published by HM Treasury in March 2022.

In 2024 the Office for National Statistics (ONS) undertook a review of the sector classification of CCS as part of their ongoing programme of assessments of the statistical and financial reporting classification of public sector bodies in the National Accounts. The ONS completed its review and published the outcome on its website in October 2024. It concluded that CCS's existing sector classification as a public corporation is correct. Following this conclusion, CCS has retained its corporate status as a Trading Fund.

The 2024/25 Accounting Officer System Statement for the Cabinet Office includes assurance for the accountability relationships and processes between the department and CCS.

The role of the CCS Board

The primary responsibility of the CCS Board is to support, advise and challenge the Chief Executive and Accounting Officer on matters of strategic importance to CCS. In addition, the Board is responsible for:

- endorsing CCS's vision, standards and values
- endorsing CCS's strategic aims, objectives and target setting
- developing and endorsing the CCS Strategy and annual Business Plan
- reviewing the management of financial and human resources to deliver the Business Plan
- monitoring the operational and financial performance and actions needed to keep performance on plan
- monitoring strategic risks and seeking assurance on their management

- reviewing the Annual Report and Accounts prior to approval by the Accounting Officer
- reviewing the effectiveness of maintaining a transparent system of prudent and effective controls (including internal controls) and providing a scheme of delegated authority
- reviewing the results of staff surveys and the results of customer satisfaction surveys, the health and safety report and major projects on a regular basis throughout the year
- scrutinising and endorsing business cases of above £2 million prior to approval by the Accounting Officer and other central government controls

Board Effectiveness

During 2024/25, a number of changes were implemented following recommendations identified from the external Board Effectiveness Evaluation which was conducted in November 2023. These include:

- setting the Board's overall risk appetite
- developing a Non-Executive Directors' skills matrix to factor into succession planning
- refreshing the Board's Terms of Reference
- Board approval of an overarching Corporate Social Responsibility (CSR) statement
- the Customer, Technology and Senior Appointments & People Committees were replaced with a new Delivery Committee, People Committee and Nominations Committee

Board and Committee attendance

Meeting attendance per Board member of meetings eligible to attend						
Name	Position	Board	Audit & Risk Assurance Committee	Delivery Committee	People Committee	Nominations Committee
		Note 1	Note 2			
P George	Non-Executive Chair	6/7	N/A	N/A	2/2	1/1
M Gazzard	Non-Executive Director	5/7	N/A	N/A	2/2	1/1
S Halton	Non-Executive Director	7/7	4/4	3/3	N/A	1/1
S McCrystal	Non-Executive Director	6/7	3/4	1/3	N/A	N/A
S Weiner	Non-Executive Director and Chair of the Audit Committee	6/7	4/4	N/A	N/A	N/A
G Rhys Williams	Non-Executive Director	2/4	N/A	N/A	N/A	N/A
C Gibbs	Non-Executive Director	3/4	N/A	N/A	2/2	0/1
M Salzedo	Non-Executive Director	1/4	N/A	N/A	2/2	0/1
A Forzani	Non-Executive Director	1/1	N/A	N/A	N/A	N/A
S Tse	Chief Executive	2/2	1/1	N/A	N/A	N/A
S Ulyatt	Chief Executive	5/5	3/3	2/3	2/2	1/1
S Golding	Director of Finance, Planning and Performance	7/7	4/4	3/3	N/A	N/A

Note 1 There were 6 full Board meetings during the year and 1 extraordinary meeting (to approve the Annual Report & Accounts 2023/24)

Note 2 Attendance by the Chief Executive and Director of Finance, Planning and Performance at the Audit & Risk Assurance Committee was in an attendee, not member capacity

Board sub-committee reports

The Board was supported by four sub-committees: Audit and Risk Assurance Committee, Delivery Committee, People Committee, and Nominations Committee. All committees met regularly throughout the year to review and provide assurance on those specific areas of responsibility.

Audit and Risk Assurance Committee

Role and responsibilities of the Committee

The Audit and Risk Assurance Committee's role is to advise the Board and Accounting Officer on the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements. This is in addition to reviewing and signing off the Annual Report and Accounts.

The Committee met 4 times during the financial year and core membership comprised 3 Non-Executive Directors. Other regular attendees included the Chief Executive, Director of Finance, Planning and Performance, Head of Internal Audit and representatives from the National Audit Office and Cabinet Office. In addition, other executive directors and managers attended as appropriate at the request of the Committee. The Chair provides an update on the Committee's work at each main Board meeting.

Focus during 2024/25

The Committee agreed a programme of internal audit assurance reviews for 2024/25 and considered the outcomes of 4 assurance reports and 5 advisory engagements.

Over the year, the Committee monitored the implementation of actions and recommendations by the executive team. The Committee received regular updates on counter fraud, bribery and corruption (CFBC) measures, whistleblowing and data governance.

The Committee accepted the Internal Audit overall opinion rating of Moderate assurance.

Delivery Committee

Role and responsibilities of the Committee

The Delivery Committee was formed in September 2024 as an advisory non decision making authority with the objective of discussing key risks and issues relating to various CCS change programmes and track delivery of projects to ensure they are progressing in line with agreed timescales and resourcing, allowing the opportunity to inform, assist, provide guidance, challenge and review.

The Committee met 3 times during the financial year, core membership comprised of 2 Non-Executive Directors, the Chief Executive Officer, the Director of Finance, Planning and Performance and is chaired by the Principle Commercial Director of CCS. In addition, other executive directors and managers attended as appropriate at the request of the Committee.

Focus during 2024/25

The Committee's focus during this period has been to support the implementation and progress of the key deliverables set out in the Business Plan and provide constructive challenge and support empowering Senior Responsible Officers (SROs) who lead strategic initiatives requiring significant investment, notably Digital and Data Transformation and Target Operating Model, Insights with Impact, Brand Strategy and Transforming Public Procurement.

People Committee

Role and responsibilities of the Committee

The People Committee was formed in May 2024 as an advisory committee to discuss key people issues including the People Survey, resourcing, annual objectives, office attendance, absence and wellbeing, equality diversity and inclusion, culture and values, behaviours, management and spans of control.

The Committee met 2 times during the financial period, and consists of 2 Non-Executive Directors, the Chief Executive Officer and is chaired by the Director of Human Resources. Executive directors and managers from across the organisation attended as appropriate at the request of the Committee as well as engagement from heads of function.

Focus during 2024/25

The Committee received senior leader updates and reviewed performance against key indicators such as headcount, reward, learning and development, absence and turnover, health and safety all of which are reported through the people dashboard. It also reviewed the people capability strategic risk and considered the effectiveness of mitigating actions.

The Committee provided strategic direction on the Wellbeing strategy and the Inclusion and Diversity strategy, considered outputs from deep dives carried out on turnover and absence rates, received updates from leaders across the organisation regarding functional capability including the Leadership development programme, and provided guidance on the process changes to process for performance management.

Nominations Committee

Role and responsibilities of the Committee

The Nominations Committee was formed in May 2024 and its role is to ensure that resourcing, succession planning and developmental strategies are in place for senior leadership roles within CCS i.e. those sitting on the Executive Committee or in Senior Civil Service posts and for Non-Executive Director/Board Member' succession. All other People and HR issues are the responsibility of the People, Health and Safety & Finance sub-committee (of the Executive Committee).

The Committee has met once since inception and consists of 4 Non-Executive Directors and is chaired by the Chief Executive Officer. Members of the Human Resources Senior Management Team or the Executive Committee by specific invitation will attend if required for selected agenda items.

Focus during 2024/25

The Committee agreed the terms of reference and scope for future discussions and discussed talent, development and succession planning for the Executive Committee.

Executive Committee

The Executive Committee was led by the Chief Executive and included executive directors from all the key areas of the organisation. This group met formally as an Executive Committee once a month and informally on a weekly basis. Its role is to manage operational service delivery and oversee delivery against the agreed strategy and to provide leadership to the organisation.

The Executive Committee was supported by three internal sub-committees, each chaired by a different executive director and comprising members representing all directorates across the business. The 3 sub-committees are: People, Health and Safety & Finance, Products & Services and Digital, Data & Technology and are supported by the Governance team who also support the Executive Committee, as well as the Non-Executive Board and its sub-committees.

Code of Corporate Governance

CCS follows best practice for corporate governance in line with the Corporate Governance in Central Departments: Code of Good Practice 2017 and its key principles (parliamentary accountability, role and composition of the Board, effectiveness and risk management). In 2024/25, the Nominations Committee replaced the Senior Appointments and People Committee and its remit ensures that resourcing, succession planning and developmental strategies are in place for senior leadership roles.

Internal Audit

CCS has a dedicated Internal Audit service provided by the Government Internal Audit Agency (GIAA) which is delivered in accordance with the GIAA Charter and the Public Sector Internal Audit Standards. The Head of Internal Audit reports directly to both the Accounting Officer and the Audit and Risk Assurance Committee. Throughout the year, the Audit and Risk Assurance Committee was advised by the Internal Audit function on the effectiveness of internal controls within the organisation and on the status of outstanding actions from previous audit reviews. Internal Audit has a key role in the governance framework of the organisation through the provision of assurance to management, the Accounting Officer and the Audit and Risk Assurance Committee, along with identifying practical recommendations to reduce risk exposure across the organisation.

The Internal Audit Plan for 2024/25 was developed with reference to CCS's corporate objectives and risks, and was reviewed, discussed and subsequently approved by the Audit and Risk Assurance Committee in June 2024. During the year, 4 internal audit assurance reports and 5 advisory reviews were completed covering business activities across CCS:

Internal Audit Assurance Reports:

Asset Management, Debt Management, Effective Governance, Data Strategy Implementation.

Advisory Reviews:

Commercial Operating Model, Public Procurement Act 2023 - Implementation Readiness, Customer Payment Initiative, Customer Feedback Process, Conclave (PPG)

In consultation with management, the Internal Audit Plan was reviewed regularly throughout the year to ensure that it remained fit for purpose and any proposed changes were presented to the Audit and Risk Assurance Committee for approval.

Annual Opinion

The Head of Internal Audit's overall opinion on the adequacy and effectiveness of CCS's risk management, control and governance arrangements for 2024/25 was confirmed as 'Moderate'. The level of assurance on the effectiveness of governance, risk management, and internal control issued to the Accounting Officer of CCS is consistent with the evaluations given in previous years.

Based on the work undertaken throughout the year, recommendations were identified where improvements to the control environment would be of benefit, none of those areas identified indicate a significant control failure, however it was recommended that CCS should continue to prioritise work to deliver effective programme and change management.

Corporate Governance activities are operating well. In 2023/24, CCS underwent a change to its governance structures and after a period of 'bedding-in' it is evident that the framework supporting governance is effective. The governance structure is well defined and follows good practice, management information supports effective decision making with those decisions and actions clearly logged and tracked, and risk management forming an integral part of the formal discussions.

CCS is progressing with a number of transformational activities in order to support the achievement of its strategic aims and outcomes. Key to this is the move to a Target Operating Model within the Commercial Directorate (Commercial Futures Programme), as well as the Transformation programme within Digital Data and Services (DDS) Directorate, which will consolidate technology services, as well as deliver a data strategy that will support how CCS adapts its service offering to continue to meet the needs of its suppliers and end users.

The Internal Audit plan for this year, as with the previous year, prioritised the more high risk and demanding areas of the business. The key themes demonstrate the progress made to improve the governance, risk and control framework across the organisation.

Risk Management

CCS continues to operate a robust and comprehensive approach to Risk and Issue Management, which is managed by the Planning, Performance and Risk (PPR) team within the Finance, Planning and Performance Directorate.

The PPR team facilitates the recording and monitoring of strategic risks (Board level) through a multi-level dashboard which comprises a summary dashboard, detailed Strategic Risk Register (including PESTLE and SWOT analysis of external factors) setting out the risks, causes, maximum risk tolerance (risk appetite) and the mitigations in place and those planned, along with an assessment mechanism (5 x 5 matrix covering impact and likelihood and associated definitions and scoring criteria).

The reporting and review of risks (at both executive and non executive level) is based on an insights report which is reported on a bi-monthly basis. The insight report is actively discussed at the Board and Executive Committee and their sub-committees as part of a standing agenda item where risk reviews take place.

A corporate risk appetite statement was developed and endorsed by the Executive Committee during 2024/25 which set out appetite levels against a four point scale (averse, cautious, open and eager) across 19 risk areas.

Operational risks and issues are also recorded and tracked through a network of more than 45 Risk Champions (coordinated by the Head of Risk Management) covering each team within the organisation. Monthly reviews are carried out at both first line assurance (business managers and risk champions) and second line (Directorate Business Manager and the Head of Risk Management).

The Risk Assurance Group (RAG), chaired by the Head of Risk Management, reviewed progress on a monthly basis. RAG also provided oversight of dedicated risk frameworks covering CFBC and Information Security. A summary report was also developed for the Executive Committee and its sub-committees to review on a monthly basis.

During 2024/25, CCS has continued to focus on embedding rigorous risk and issue management processes and culture across all parts of the business as part of our aim to continuously improve organisational capability.

Central to the risk management approach is a policy and framework which is integral to corporate governance. Risk management practices are aligned to the guidance and principles of HM Treasury's Orange Book.

Management assurance

The CCS Operational Management Assurance Framework (OMAF) comprises four key elements:

- a. directorate self assessment against a set of standards (a simple playbook of what a well run directorate looks like) across 12 management practices - which provides the basis for directors to set out how they meet those standards and more importantly what improvements are planned going forward.
- b. a wide ranging central assessment which tests out the extent to which the organisational as a whole is meeting a broader set of assurance questions (100) linked to a new risk and control framework established by the Government Internal Audit Agency and HMT Treasury.
- c. our application and assessment of capability against the 11 Government Functional Standards that are currently applicable to CCS.
- d. an assurance map covering the enterprise which identifies the scope (but not quality) of first, second and third line activities that are or have been carried out during 2024/25.

Taken together with other sources of assurance including recommendations from audit reports, the OMAF provides the

Accounting Officer with assurance and informs the governance statement for the Annual Report and Accounts. OMAF is also a continuous improvement tool.

All directorates were able to demonstrate that they are being managed in line with the expected standards and Directorate-level improvements are being captured within local business plans for 2025/26.

Government Functional Standards

Executive Committee sub-committees have, over the course of the year, sought assurance from SROs of the assessments that have been made against the 11 Government Functional Standards that are currently applicable to CCS. Part of this assurance was a requirement for SROs to confirm current and target levels of capability against the standards - along with articulation of improvement plans being put in place to close any gaps.

Reviews of progress against improvement plans have been carried out over the course of the year via the three Executive Committee sub-committees along with reviews of re-assessments where they have taken place.

A key area of focus going forward is to establish a more strategic view of where capability levels need to be to match organisational requirements to achieve our business strategy along with establishing a strong functional leadership model. This will be in addition to implementing existing improvement plans at a functional standard level.

Data governance

Following on from the Data Governance Framework being endorsed by the Digital, Data and Technology Executive Committee sub-committee in March 2024, improvement activity continues alongside the CCS Data Strategy, with the agreement to establish a Data and Information Governance Council aimed at enhancing data and information management throughout the organisation. Data Governance and Data Quality Managers have been appointed to engage with the business in developing a robust data governance framework that aligns with the strategic priorities of CCS for 2025/26 and beyond.

Key priorities include the creation of a data and information governance forum, which will serve as a strategic alliance between the Data Governance/KIM team and the various directorates to improve data and information management.

Knowledge and Information Management Activities

CCS's focus remains on driving compliance through the completed policy work which aligns with Cabinet Office Data and knowledge information management policies and procedures. Priorities include developing a CCS KIM Quarterly Assurance process, maturing Information Asset Register activities, ensuring all Information Asset Owners and Information Asset Managers understand their duties and are implementing good Directorate information and records management across their teams in readiness for any future digital enhancements.

Security and data protection

CCS seeks to comply with the HMG Security Policy Framework, together with Cabinet Office's Government Functional Standard GovS007: Security. In addition, CCS adheres to Cabinet Office guidance on risk management, including bulk data security guidance. The UK General Data Protection Regulation (UK GDPR) compliance standards are embedded and approved by the Cabinet Office.

Security assurance processes are in place to provide confidence in the effectiveness of security controls to business owners and to further support this.

The CCS Senior Information Risk Owner acts as the focus for information risks and is a member of the CCS Board. All staff agree to an Acceptable Use Policy before accessing IT systems.

During 2024/25, there have been no material breaches and no incidents reportable to the Information Commissioner's Office. Similar to many organisations, CCS has faced increased security risks, and has ensured a proportionate level of security whilst keeping critical functions and priority work operational.

Fraud, Bribery and Whistleblowing

CCS has adopted the Government's Functional Standards for Fraud, Bribery and Corruption (GovS013) ensuring it remains aligned to the government's wider agenda around a robust and coordinated approach to protecting public services and the public purse against the risk of fraud, bribery and corruption.

CCS's compliance with GovS013 is reported to and monitored by the Audit and Risk Assurance Committee, the Cabinet Office and also the Public Sector Fraud Authority (PSFA) on a regular basis. CCS's fraud and error measure agreed with the Cabinet Office has been met.

The CCS CFBC team addressed 6 reported allegations of fraud in 2024/25, 5 of these have been progressed and fully concluded in 2024/25. One remains under investigation and will be carried over to 2025/26.

One Whistleblowing case was received under the terms of the Whistleblowing policy during 2024/25 and the investigation for that case is ongoing and will be carried over to 2025/26.

Other**Ministerial directions**

There have been no ministerial directions given.

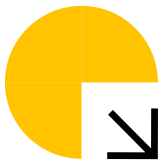
Official and Parliamentary correspondence

During 2024/25, CCS received 118 Freedom of Information requests and 6 Subject Access Requests under the Data Protection Act. Additionally, we answered 27 Parliamentary Questions and 16 MPs' and Peers' correspondence cases.

Complaints to the Parliamentary and Health Service Ombudsman

The Parliamentary and Health Service Ombudsman received no complaints about CCS for 2024/25.

Remuneration and **staff** report



This remuneration report sets out the policy and disclosures on directors' remuneration as required by the Companies Act 2006 sections 420 - 422 and as interpreted in the Government Financial Reporting Manual. The Companies Act requirements include some disclosures that are not likely to be relevant to the Crown Commercial Service (such as those on shareholdings, share options, long-term incentive schemes and excess pension benefits paid), however the report has been prepared to be compliant so far as is practicable and appropriate.

Remuneration policy

Senior Salaries Review Body

The Executive Directors are all Senior Civil Servants and the precise funding available to departments each year is decided by the government in response to recommendations of the independent Senior Salaries Review Body (SSRB), taking account of the government's overall approach to public sector pay. SSRB recommendations cover the level of uplift to the SCS pay bands and progression target rates in the light of economic evidence and movements in the private and wider public sector markets for senior executives. SSRB also gives a view on performance awards for base salary and the minimum bonus payments. In reaching its recommendations, SSRB is to have regard to the following considerations:

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

Performance and reward

The Senior Civil Servants pay system consists of two elements, both a consolidated and non-consolidated award as applicable. Increases to the minimum salaries of SCS pay ranges 1, 2 and 3 were in line with SSRB recommendations and the government's response.

In respect of performance assessments for those that were assessed as 'exceeding' against performance objectives for 2024/25, they received a non-consolidated award. This payment was made in October 2024. Per the SSRB all eligible members of SCS received a consolidated pay increase of 5 per cent of their base pay from 1 April 2024. SCS pay band minimums for SCS 1, 2 and 3 were increased from 1 April 2024. There were no increases to pay band maximums.

Read the Senior Service Performance Management Framework for more information.

<https://www.gov.uk/government/publications/senior-civil-service-performance-management>.

Service contracts

The Constitutional Reform and Governance Act 2010 requires that civil service appointments are made in accordance with the Civil Service Commission's Recruitment Principles, which require appointments to be made on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the directors covered by this report hold appointments that are open ended until they retire. Early termination, other than misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Read about the work of the Civil Service Commission for further information.

<http://civilservicecommission.independent.gov.uk>.

Remuneration of Board Members FY 2024/25 (Audited)

The following sections provide details of the remuneration interests of Board Member Executive and Non-Executive Directors employed by CCS.

	To 31 March 2025					To 31 March 2024				
	Salary	Bonus payments	Benefits in kind to nearest £100	Pension benefits to nearest £1000	Total	Salary	Bonus payments	Benefits in kind to nearest £100	Pension benefits to nearest £1000	Total
	Note 1		Note 2	Note 3		Note 1		Note 2	Note 3	
	£000	£000		£000	£000	£000	£000		£000	£000
P George Non-Executive Chairman	15-20	-	-	-	15-20	5-10	-	-	-	5-10
Full Year equivalent	-					15-20	-	-	-	15-20
M Gazzard Non-Executive Director	10-15	-	-	-	10-15	10-15	-	-	-	10-15
G Rhys Williams (Note 4) Non-Executive Director	-	-	-	-	-	-	-	-	-	-
A Forzani (Note 4) Non-Executive Director	-	-	-	-	-	-	-	-	-	-
S McCrystal Non-Executive Director	10-15	-	-	-	10-15	10-15	-	-	-	10-15
S Weiner Non-Executive Director	10-15	-	-	-	10-15	10-15	-	-	-	10-15
S Halton Non-Executive Director	10-15	-	-	-	10-15	10-15	-	-	-	10-15
C Gibbs (Note 5) Non-Executive Director	-	-	-	-	-	-	-	-	-	-
M Salzedo (Note 5) Non-Executive Director	-	-	-	-	-	-	-	-	-	-
S Golding Finance Director	135-140	-	-	75-80	210-215	-	-	-	-	-
S Ulyatt (Note 9) Chief Executive	145-150	-	-	-	145-150	-	-	-	-	-
Full Year equivalent	195-200	-	-	-	195-200	-	-	-	-	-
S Tse (Note 8) Chief Executive	70-75	5-10	-	25-30	105-110	165-170	-	-	-	165-170
Full Year equivalent	165-170	5-10	-	25-30	200-205	-	-	-	-	-
T van Kralingen (Note 7) Non-Executive Chairman	-	-	-	-	-	10-15	-	-	-	10-15
Full Year equivalent	-	-	-	-	-	15-20	-	-	-	15-20
P Coombs (Note 7) Director of Finance, Planning & Performance	-	-	-	-	-	140-145	5-10	-	75-80	225-230

Note 1 Salary includes gross salary, overtime, recruitment and retention allowances, private office allowances and any other taxable allowances or payments

Note 2 No benefits in kind were provided to any members of the Board during this year

Note 3 The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, plus the real increase in any lump sum, less contributions made by the individual. Non-Executive Board members do not receive any pension entitlements

Note 4 No remuneration was paid to G Rhys Williams or A Forzani as they are employees of the Cabinet Office

Note 5 No remuneration was paid to C Gibbs or M Salzedo as they are employees of the Government Commercial Function

Note 6 S Tse was the Chief Executive and Board member from 1/4/2024 - 31/08/2024, he received a performance bonus within the F/Y which relates to performance for 2023/24

Note 7 T van Kralingen end date 30/11/2023 and P Coombs end date 31/03/2024

Note 8 Accrued pension benefits for 2023/24 were not provided due an exceptional delay

Note 9 S Ulyatt participates in the partnership pension scheme. No pension benefits are available. She was appointed as Chief Executive from 8 July 2024. She is employed by the Government Commercial Organisation (GCO) and the terms and conditions of her remuneration, including the approval of her salary, yearly increases and bonus are determined by the GCO. In addition to the remuneration above recharged to CCS, Sam Ulyatt received a bonus of £24,437 from the GCO in 2024/25, which was recharged to the Home Office and relates to performance for 2023/24. For year-on-year comparability purposes, this bonus has been included within the highest paid director remuneration used to calculate fair pay disclosure on page 57.

Senior management pension entitlements FY 2024/25 (Audited)

The pension entitlements of the Board Members within CCS were as follows. These figures are calculated based on the duration of their tenure on the Board.

	Accrued pension and lump sum at pension age as at 31 March 2025	Real increase in annual pension and lump sum at pension age	CETV at 31 March 2025	CETV at 31 March 2024	Real increase in CETV
	£000	£000	£000	£000	£000
S Ulyatt (Note 1)	-	-	-	-	-
Chief Executive					
S Tse	80-85	0-2.5	1487	1344	22
Chief Executive					
S Golding	20-25	2.5-5	324	253	54
Director of Finance, Planning and Performance					

Note 1 S Ulyatt participates in the partnership pension scheme. This is a defined contribution scheme, and we are only required to disclose the contribution made in the year rather than the information in the table above. The total employer contribution made for 2024/25 was £28,704

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – classic, premium, and classic plus provide benefits on a final salary basis, whilst nuvos provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as “rollback”.

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2023 and 31 March 2024, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or alpha benefits, the figures show the rolled back position i.e., PCSPS benefits for that period.

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

Further details about the Civil Service pension arrangements can be found at the website:

www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member’s accrued benefits and any contingent spouse’s pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in the value of the CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation on early retirement or for loss of office (Audited)

We have not made any compensation for early retirement or loss of office payments to Executive Directors in 2024/25 nor any in the prior year 2023/24.

Fair pay disclosure (Audited)

The table below illustrates the relationship between the remuneration of the highest paid director and the median remuneration of the workforce. The following information includes staff deployed from the Government Commercial Organisation (GCO). The calculation includes fixed term and agency and interim staff. For details of the remuneration of Executive Directors and Non-Executive Directors see page 54.

Total remuneration includes salary, non-consolidated performance-related payments and benefits in kind. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Year	25th Percentile Pay Ratio	Median Pay ratio	75th Percentile Pay Ratio
2024/25	5.66	4.51	3.11

The banded remuneration of the highest paid Executive Director in the financial year 2024/25 was £220,000 to £225,000 (2023/24: £185,000 to £190,000). This was:

- 5.66 times (2023/24: 5.33) the 25th percentile remuneration of the workforce, which was £39,291, (2023/24: £35,185). Salary component, £38,710 (2023/24: £34,665)
- 4.51 times (2023/24: 4.22) the median remuneration of the workforce, which was £49,337 (2023/24: £44,436). Salary component £48,608 (2023/24: £43,779)
- 3.11 times (2023/24: 2.88) the 75th percentile remuneration of the workforce, which was £71,432, (2023/24: £65,035). Salary component £68,185 (2023/24: £61,689)

Total remuneration ranged from £21,995 to £252,000 (2023/24: £21,995 to £213,275). Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The median total remuneration for 2024/25 is derived from the annualised payments of all staff made in March 2025, including staff paid by the GCO, interim and fixed term appointments. Part time employees' payments are adjusted to a full time basis.

In 2024/25, 1 staff member received an annualised salary in excess of the highest paid Executive Director. There were 5 of these workers during 2023/24. The average percentage changes since 2023/24 are outlined below:

- highest paid director salary: +18%
- highest paid director bonus: +52%
- CCS employees salary taken as a whole: +9% (excluding highest paid director, the median pay ratio for the relevant financial year is consistent with the pay, reward and progression policies for the entity's employees taken as a whole)
- CCS employees bonus taken as a whole: +4% (excluding highest paid director, bonus payment consistent with the two year pay award)

Staff report

Staff numbers and composition

There has been a reduction of 1 in the SCS combined CCS and GCO headcount.

Salary band	CCS SCS within band as at 31 March 2025		GCO Deployed SCS within band as at 31 March 2025		Total CCS and GCO Deployed SCS within band as at 31 March 2025		Total CCS and GCO Deployed SCS within band as at 31 March 2024	
Note 1			Note 2		Note 3			
£000	Number	%	Number	%	Number	%	Number	%
60-70	0	0.00%	0	0.00%	0	0.00%	1	2.04%
71-80	4	17.39%	0	0.00%	4	8.33%	8	16.33%
81-90	8	34.78%	5	20.00%	13	27.08%	11	22.46%
91-100	2	8.70%	3	12.00%	5	10.43%	4	8.16%
101-110	4	17.39%	2	8.00%	6	12.50%	5	10.20%
111-120	3	13.04%	2	8.00%	5	10.43%	8	16.33%
121-130	1	4.35%	3	12.00%	4	8.33%	4	8.16%
131-140	0	0.00%	4	16.00%	4	8.33%	0	0.00%
141-150	1	4.35%	0	0.00%	1	2.08%	1	2.04%
151-160	0	0.00%	0	0.00%	0	0.00%	2	4.08%
161-170	0	0.00%	1	4.00%	1	2.08%	1	2.04%
171-180	0	0.00%	1	4.00%	1	2.08%	2	4.08%
181-190	0	0.00%	3	12.00%	3	6.25%	2	4.08%
191-200	0	0.00%	1	4.00%	1	2.08%	0	0.00%
Total	23	100.00%	25	100.00%	48	100.00%	49	100.00%

Note 1 The figures shown are salary band only and not total remuneration

Note 2 The table above includes the SCS deployed from GCO

Note 3 The figures shown relate to permanent payrolled employees and exclude interim SCS

Staff numbers and costs

The following information also provides details of staff deployed from GCO. CCS currently has 4 people on internal development opportunities within GCO but these individuals are included in CCS headcount and FTE figures.

CCS currently has 5 people on loan to other government departments which are on a long term basis i.e. 6 months or longer.

Total staff numbers (Audited)

Details of the average number of full time equivalent employees during the period were as follows:

Average number of FTE employees during the period		
	2024/25	2023/24
Salaried staff	668	697
GCO deployed staff	157	168
Agency and contract staff	34	24
Total	859	889

Note 1 Figures above exclude Fast Streamers and loans out

Apprentices, internships and work experience students

CCS is fully committed to offering apprenticeships to both external candidates where the role allows or to internal colleagues as a development intervention.

CCS is proud to report that during the reporting period, 18 of its employees (2.4% of CCS employees), were enrolled onto a recognised apprenticeship programme across a range of areas and levels; for example, Level 3 Customer Service Specialist, Level 4 Procurement and Supply Chain, Level 6 Digital and Technology Solutions and Level 4 Associate Project Manager.

In addition, during the reporting period, 7 CCS apprentices successfully completed their apprenticeship programme.

CCS is also committed to promoting the Civil Service as an employer of choice by offering internships and work placements. Similar to previous years, CCS has engaged in the Civil Service Autism Exchange Internship Programme, which seeks to position the Civil Service as a preferred employer for diverse young individuals. This 4 week programme provides support to young people who are on the autism spectrum. Through this programme, they are given the opportunity to experience work and develop employability and personal skills within the Civil Service. In 2024/25 CCS was delighted to welcome 5 interns on this programme.

CCS is also proud to have hosted 2 new internship students from the University of East Anglia. These placements allowed the students to experience a role which is relevant to their studies whilst at the same time providing them with the opportunity to develop personally.

Turnover (not audited)

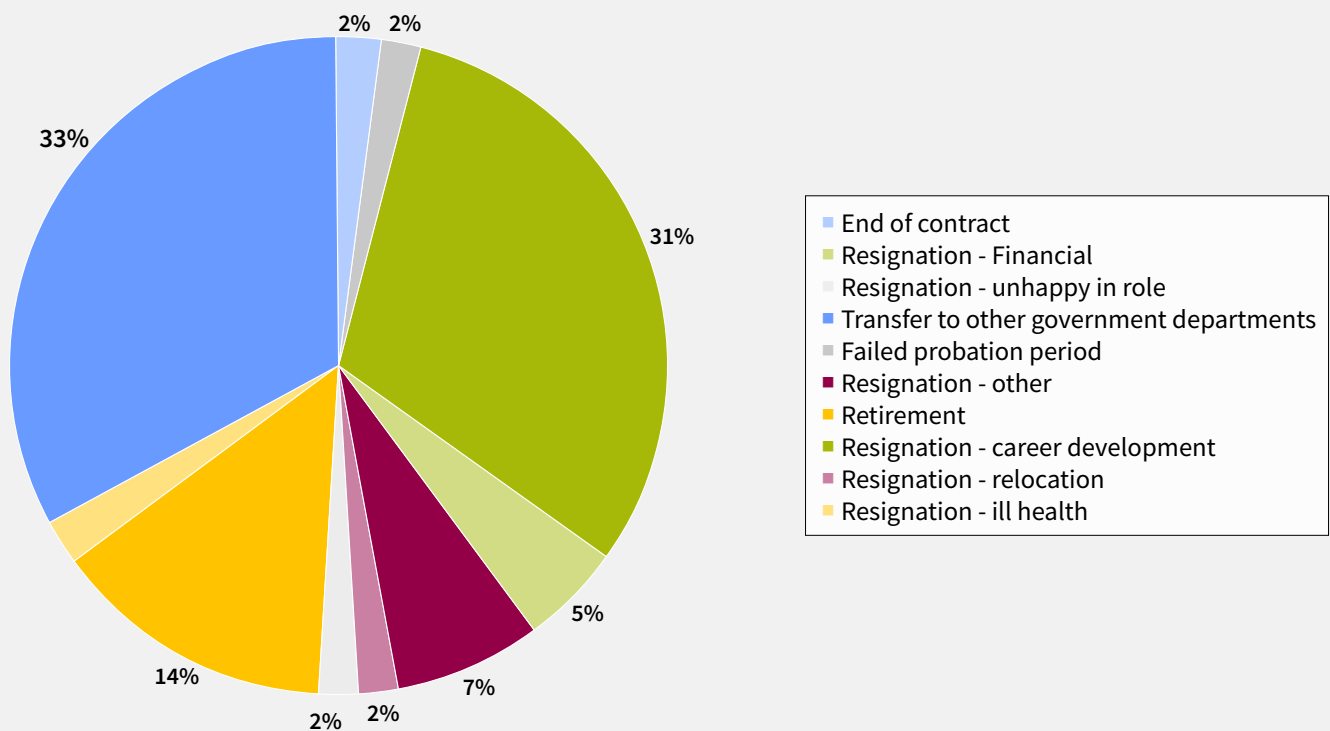
The rolling 12 month staff turnover rates over the last five years are:

2020/21	2021/22	2022/23	2023/24	2024/25
5.4%	10.4%	13.1%	11.6%	11.9%

Note Figures are taken as of 31 March for each of the years above and reflect the previous 12 months turnover

CCS's turnover reporting has captured and included those employees who have transferred to another government department. All leavers were voluntary. Of the 55 leavers 4 of these were SCS grade. Transfers to other departments represent 33% of all leavers closely followed by "resignation for career development" at 31%. Those with 2-5 years service make up almost half of all leavers at 49% with the lowest percentage of leavers having 1-2 years service at less than 2%.

Reasons for leaving as percentage



In terms of the leavers during the financial year, no business appointment rules conditions were set and there were no breaches of the rules during the financial year.

Our business appointment disclosures are published in accordance with the rules

<https://www.gov.uk/government/publications/ccs-business-appointment-rules-advice-april-2024-to-march-2025>

Total staff costs (Audited)

	2024/25			2023/24
	CCS	GCO	Total	Total
	£000	£000	£000	£000
Wages and salaries	33,469	-	33,469	32,899
Bonus	673	823	1,496	1,339
Social security	3,710	-	3,710	3,608
Superannuation (Note 1)	9,076	-	9,076	8,280
Apprentice levy	151	-	151	146
GCO staff costs (Note 2)	-	16,661	16,661	16,683
Agency and contract staff costs	4,508	-	4,508	2,627
Total	51,587	17,484	69,071	65,582

Note 1 Superannuation costs relate to staff participation in the Principal Civil Service Pension Scheme and 'alpha' defined benefits schemes. Further details about the pension benefits can be found on page 55

Note 2 During the year, CCS has paid the Cabinet Office for the provision of GCO staff who are filling CCS roles. Costs are invoiced to CCS quarterly by the Cabinet Office. Any uninvoiced amounts are accrued

Staff composition

	Male		Female		Total	
	Headcount	%	Headcount	%	Headcount	%
Executive Committee	6	75.00%	2	25.00%	8	100%
SCS (CCS)	17	65.38%	9	34.62%	26	100%
Staff (CCS)	328	43.56%	425	56.44%	753	100%
SCS (GCO deployed)	14	58.33%	10	41.67%	24	100%
Staff (GCO deployed)	64	46.04%	75	53.96%	139	100%

Note 1 This table shows the gender composition for each category of staffing group as at 31 March 2025. It is not a cumulative table

Note 2 Staffing figures shown are headcount and include staff on loan out to other government departments

Note 3 Staffing figures are made up of the following contract types - permanent, fixed term appointments, loan in

Note 4 Executive Committee have been included in the CCS Executive Committee figures and not the SCS CCS and SCS GCO deployed

Sickness absence and attendance management

Year	CCS Average Working Days Lost	Civil Service
2020/21	3.9	7.4
2021/22	6.3	6.1
2022/23	5.8	7.9
2023/24	6.3	7.9
2024/25	8.4	8.1

These figures exclude contingent workers as we do not record their absence.

Average working days lost in 2024/25 is 8.4 compared to 6.3 average days lost in 2023/24 and an average of 8.1 days lost across the Civil Service as a whole.

Recruitment

We are an equal opportunities employer and our recruitment processes are underpinned by the Civil Service Commission Recruitment Principles. As such all appointments are awarded on merit and based upon fair and open competition. We are subject to regular audit by the Civil Service Commission.

The Civil Service Commission’s latest audit of the recruitment practices in operation within CCS has been assessed and our rating was ‘Good’.

New recruits to CCS in 2024/25 are shown in the following table, showing gender breakdown for CCS and GCO:

New recruits to CCS in 2024/25 are shown in the following table, showing gender breakdown for CCS and GCO:

CCS - New hires				GCO - New hires				Total
Band	Male	Female	Total	Band	Male	Female	Total	
Band 1	5	7	12	Band 1	0	0	0	12
Band 2	8	11	19	Band 2	0	0	0	19
Band 3	3	10	13	Band 3	0	0	0	13
Band 4	6	7	13	Band 4	0	0	0	13
Band 5	2	2	4	Band 5	0	0	0	4
Band 6	2	1	3	Band 6	1	0	1	4
SCS 1	1	1	2	SCS 1	0	0	0	2
SCS 2	0	0	0	SCS 2	0	0	0	0
Total	27	39	66	Total	1	0	1	67

Note 1 These figures relate to external hires from outside the Civil Service, they exclude transfers, loans or secondments from other government departments. Figures shown are headcount

Staff policies and other employee matters

During 2024/25, work continued to maximise CCS's employee value proposition through the launch of a new employee benefits platform, CCS Perks, with greater emphasis placed on in the moment, peer to peer recognition. The approach to performance management was reviewed, aiming to place greater emphasis on its value and purpose across the organisation, helping to empower performance through conversations that support growth and foster wellbeing. Enhancements to existing family and special leave policies have been made, bringing together all leave provisions to support colleagues under one category of 'Life Leave'.

All of this work contributes to CCS being a great place to work. We have ensured that supporting tools are available alongside policy guidance to empower managerial ownership for people related activity.

The relationship with the Trade Unions continues to be productive and engaging with regular discussion taking place between the CEO, management, HR and Trade Union colleagues.

Inclusion and diversity

We are committed to creating a culture where staff feel included and valued, regardless of their background. We believe an inclusive and diverse workforce is good for everyone.

The following are key elements to our strategy:

- **representation:** ensuring that CCS's workforce is representative of the diversity of modern British society
- **inclusion:** refers to the behaviours and social norms that ensure people feel that they belong
- **networks:** our formal staff networks which are set up internally to represent groups of employees with a specific characteristic

Our achievements over the past 12 months include:

- achieved Carers Confident Accomplished employer status
- expanded our internship opportunities for people with disabilities
- delivered our first employability work experience placements for young people in partnership with Movement to Work
- improved our position in the Social Mobility Index, achieving a place in the top 75 index for the first time
- published our 2024 gender pay gap report, which remains significantly lower than the Civil Service average with another year of progress on our median pay gap
- published our fourth ethnicity pay gap report, which continues to have no median pay gap and a mean pay gap which is in favour of ethnic minorities

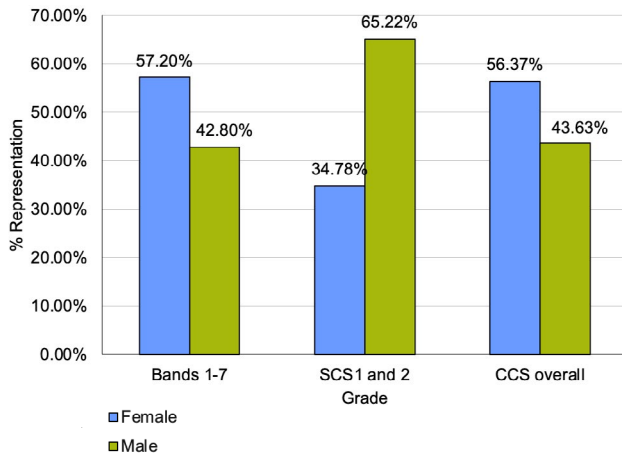
We are recognised as a Disability Confident Leader which means:

- utilising data insight to understand the impact of our efforts and drive targeted action
- offering work experience and paid internship placements for people with disabilities
- creating policies and guidance which are inclusive by design
- conducting equality impact assessments on all new policy changes and large change projects
- promoting a disability-confident culture by raising awareness of conditions and colleagues' experiences along with the support available through internal communications
- providing colleagues with support, education and a voice through the membership of our Able staff network
- promoting our credentials through our external facing platforms

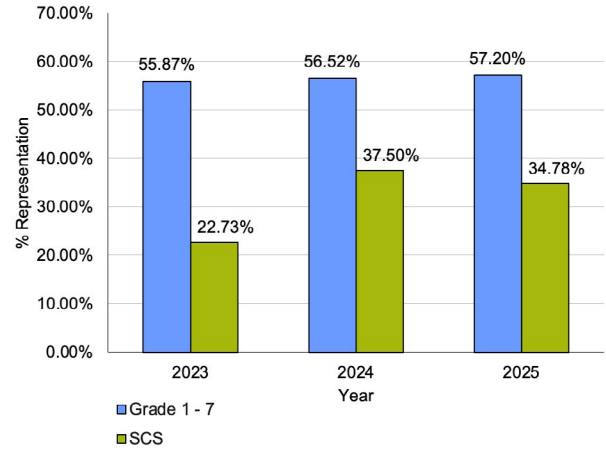
Our data shows that we have low rates of declaration in relation to disability at 57%, although this has increased from 52% in the past year. We have continued to raise awareness of updating declarations through the sharing of our I&D Dashboard with directorate and engagement activities like National Inclusion Week, in order to increase our percentage completion rates.

Our representation rates for CCS colleagues are shown below. A comparison can be made against [Civil Service benchmarks Representation charts](#).

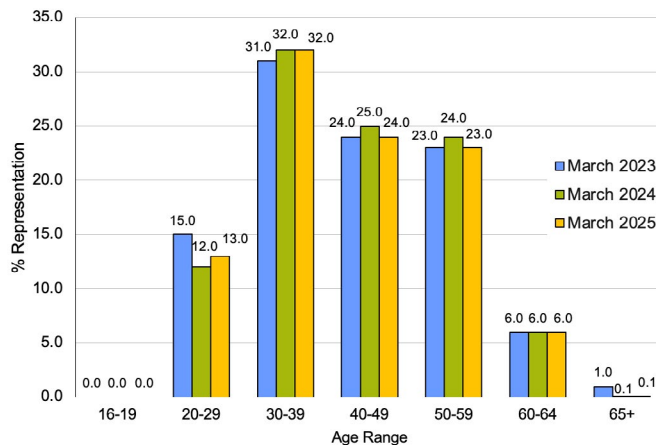
CCS gender representation as at 31 March 2025



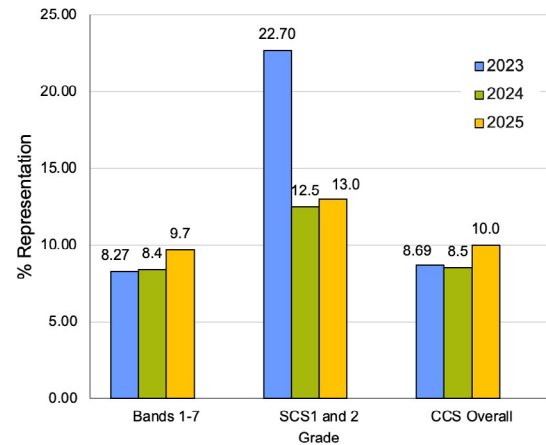
CCS % of females by grade 2023 to 2025



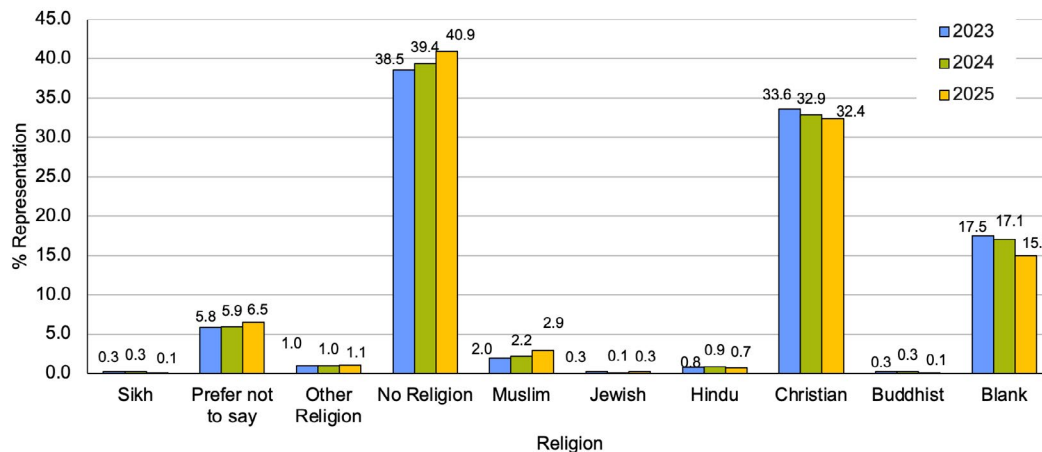
CCS age range representation 2023 to 2025



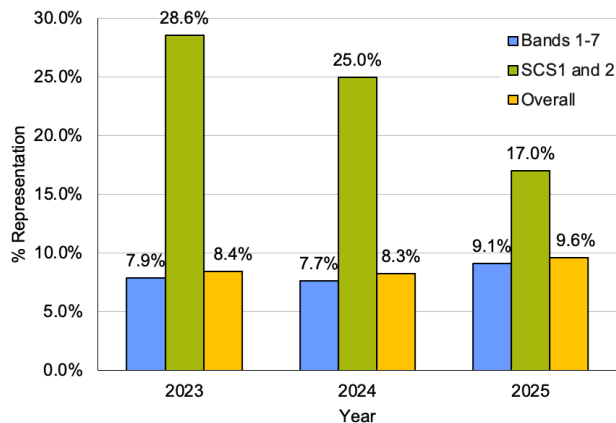
CCS disability representation 2023 to 2025



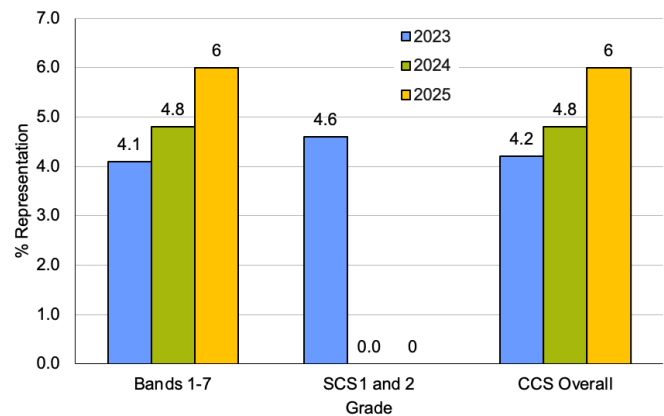
CCS religion representation 2023 to 2025



CCS ethnic minority 2023 to 2025



CCS LGBTQ+ representation 2023 to 2025



Gender pay gap

This is the eighth CCS Gender Pay Report and, as per the legislation, includes CCS-employed staff only. Staff deployed from the GCO are included in the Cabinet Office report.

This report is based on a “snapshot” of the pay of all CCS employees as of 31 March 2024, as well as annual payments and bonuses paid between 1 April 2023 and 31 March 2024.

Whilst we are not legally obliged to do so, the Executive Committee is committed to producing our own overview to illustrate how CCS is doing specifically, affirming the steps we are taking and reiterating our commitment to achieving pay equality.

The median pay gap has decreased to 0.00%, making it the joint lowest median pay gap we have reported and equals that observed in 2021, however, our mean pay gap of 6.88% has increased by 2.1% compared to 2023.

	2020	2021	2022	2023	2024
Median pay gap	1.73%	0.0%	1.63%	0.16%	0.00%
Mean pay gap	7.58%	3.63%	3.87%	4.78%	6.88%

Our overall median and mean pay gaps are both significantly lower than the Civil Service averages.

Drivers of the increase of the pay gap were:

- our workforce has a higher percentage of women in band 1 to 3 positions than men, and in contrast, we still have more men in the SCS population, occupying 65% of all these roles
- within our senior bands, whilst there are more females in Bands 5-6 we have observed a 3% decline in female numbers over the past year
- the population of band 1 roles has decreased overall, but the percentage of females occupying these roles has now increased by 8% year on year
- bonuses of a higher value are awarded to SCS's and these are majority male

We continue to invest in long-term programmes such as talent and leadership schemes, which allow employees of all levels to develop their careers. We continue to gather further data and insights to better understand the barriers to progression and monitor progress through the production of our I&D dashboard.

Ethnicity pay gap

Gender is not the only characteristic that we are focused on. This year, we also published our fourth ethnicity pay gap data and the work of our Inclusion and Diversity Staff Networks continues to inform our strategy.

Our representation of ethnic minority colleagues is reported at 8.0%. This is a 0.5% decrease from last year's reported representation. For the third year in a row, our median pay gap has remained at 0%. While the mean gap continues to be strong with a positive pay gap of 6.51% in favour of ethnic minorities.

	2021	2022 (Restated)**	2023	2024
Median pay gap	+2.20%	0%	0%	0%
Mean pay gap	+5.48%	+8.94%	+9.04%	+6.51%

*A positive number denotes the pay gap is in favour of ethnic minorities.

**2022 has been restated to correct the number previously reported

Drivers of the pay gap were:

- there is a higher number of ethnic minority employees in bands 1 to 5
- the percentage of ethnic minority employees is second highest at Band 1, with 22.2%
- ethnic minority representation at band 6 has increased by 2.4% in 2024, and the pay gap at this band has increased from a positive +11.92% in 2023 to +15.97% in 2024
- across all the grades, there is a positive pay gap with the exception of Band 2 and both SCS grades
- The number of ethnic minority colleagues has fallen by 15% in the last year compared to a 9% fall in white colleagues

We want to continue to learn and seek improvements for the future. We commit to continuously reviewing our data to make evidence-based decisions to drive positive change. We will continue to utilise our I&D dashboard and our recruitment data insights and listen to our people through the Civil Service People Survey results, directorate communication and staff networks. We will look at creating opportunities, reviewing our policies and practices and continue to build on what we have already achieved.

Employee engagement

People Survey - employee engagement trends

Year	Response rate percentage
2020	72
2021	71
2022	69
2023	62
2024	67

CCS takes part in the Civil Service People survey to measure employee engagement, focusing on how staff feel about working in CCS and the broader Civil Service.

We achieved a 91% response rate from our CCS and GCO deployed staff. Our Engagement Index (EI) score stands at 67%, which is an improvement of 5% since 2023 and higher than the Civil Service benchmark of 64%, which remained unchanged.

There is a positive trend in employee engagement, particularly in advocacy and attachment, reflecting an increase in pride and identification with CCS.

Our EI score positions CCS as the 4th highest among organisations of a similar size and 12th highest overall among all participating organisations. We have recorded improvements in nine survey core themes, with 'My Manager' remaining unchanged from 2023. All our core theme scores exceed the Civil Service Benchmark, with the most significant increases in 'Leadership & Managing Change', and 'Learning & Development'.

Bullying and harassment has remained at 8% with no increase in reported cases. Discrimination stands at 7%. Both of these scores are consistent with the Civil Service benchmark.

All personal wellbeing indicators have improved slightly, including satisfaction with life and sense of accomplishment. Every focus area from last year's CCS Action Plan showed positive results; however we recognise ongoing challenges, particularly staff perception of how change is implemented, the outcomes of those changes and fairness in performance evaluation.

Health, safety and wellbeing

We continue to comply with our legal obligations by continuing to:

- maintain working relationships with Government Property Agency, FM providers and Trade Unions
- provide advice, guidance and support to our colleagues
- continue to ensure all workplaces are safe and legally compliant supporting our smarter working initiative by undertaking and managing all relevant risk assessments
- maintain and develop systems and policies to ensure staff safety and promote health and safety compliance by moving towards an employee led H&S culture
- collaborate with HR colleagues to promote work-based health, safety and wellbeing initiatives
- report all health and safety matters to the Health and Safety Committee and the People & Finance sub-committee each quarter

There were no incidents during 2024/25 that required reporting to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR).

We are proud to have retained our gold status award in the 2024 MIND Workplace Wellbeing Index, and maintained positive health and wellbeing scores in the 2024 People Survey.

Expenditure on consultancy and temporary staff

	2024/25	2023/24
Consultancy spend	£1,631,195	£3,667,941
Contingent labour spend	£4,508,388	£2,626,577

The figure for Consultancy of £1,631,195 is represented in the Financial Statements as £301,107 as per Note 5.1, and a proportion of Note 5.2 of £1,330,088.

Consultancy costs have decreased by 56% since 2023/24 and contingent labour costs have increased by 72%. The decreased consultancy expenditure is driven by the decision to move towards service delivery partners and an outcome based approach. In the year there was an increased dependency on agency staff for Digital and Investment portfolio activity.

Reporting of off-payroll appointments

We continue to use contingent labour as part of our resourcing model as we recognise the need for flexibility within our workforce to respond to various circumstances for example:

- short term absences
- peaks in demand
- seasonal variations
- one-off events
- to gain specialist skills/knowledge

Highly paid off-payroll worker engagements as at 31 March 2025, earning £245 per day or greater:

The total number of existing engagements as of 31 March 2025	41
Of which, number that existed:	
for less than one year	23
for between one and two years	9
for between two and three years	7
for between three and four years	1
for four or more years	1

Interims that have been with us for more than one year are currently assigned to key long-term government commercial negotiations/projects where continuity of personnel is critical to a successful outcome. Where appropriate we have run recruitment campaigns in line with the Civil Service Commission's Recruitment Principles to convert key personnel into permanent civil servants.

In line with the HM Treasury Public Expenditure System guidance (IR35 assurance) to ensure IR35 compliance of all our interim/agency staff, we undertake an assurance exercise every time a contract is renewed and confirm the outcome via a Status Determination Statement where applicable, which is passed down the supply chain.

All highly-paid off-payroll appointments engaged at any point during the year ended 31 March 2025, earning £245 per day or greater.

Number of temporary off-payroll workers engaged during the year ended 31 March 2025	49
Of which...	
Not subject to off-payroll legislation	48
Subject to off-payroll legislation and determined as in scope of IR35	0
Subject to off-payroll legislation and determined as out of scope of IR35	1
Number of engagements reassessed for compliance or assurance purposes during the year	0
Number that saw a change to IR35 status following review	0

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2025:

Number of off-payroll engagements of Board Members, and/or, senior officials with significant financial responsibility, during the financial year	0 (Note 1)
Total number of individuals on payroll and off-payroll that have been deemed 'Board members, and/or, senior officials with significant financial responsibility', during the financial year	8 on payroll 0 off-payroll

Note 1 Excludes Simon Tse/Sam Ulyatt (CEO) and Gareth Rhys Williams/Clare Gibbs/Marco Salzedo/Andrew Forzani (Non-Executive Board Member) as they are paid by the Cabinet Office. Gareth Rhys Williams/Clare Gibbs/Marco Salzedo/Andrew Forzani do not receive remuneration for their Non-Executive role

Reporting of the Civil Service and other compensation schemes - exit packages (Audited)

During the financial year, CCS did not operate a voluntary exit scheme. Exit costs are accounted for at the point the organisation is demonstrably committed to making the payment. All payments are made in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972.

	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Exit package cost by band:	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
<£10,000	-	-	2	-	2	-
£10,000 - £25,000	-	-	-	-	-	-
£25,001 - £50,000	-	-	1	-	1	-
£50,001 - £100,000	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-
£200,001 - £250,000	-	-	-	-	-	-
£250,000 +	-	-	-	-	-	-
Total number of packages by type	-	-	3	-	3	-
Total cost £	0	0	49,145	0	49,145	0

Parliamentary Accountability and Audit Report

Regularity of expenditure (Audited)

In spending public money, CCS operates in accordance with the principles of HM Treasury Managing Public Money. This includes the framework of HM Treasury approval of expenditure and the practice of HM Treasury delegating authority to departments to enter into commitments and expenditure within predefined limits without specific prior approval.

The key requirements are regularity, propriety, value for money, and feasibility.

CCS meets the requirements for regularity through compliance with relevant legislation, HM Treasury delegated authority, and through following MPM guidance.

HM Treasury spending controls continue to operate on the basis of the delegated authorities set by spending teams, with spending proposals above the Department's delegated authority requiring HM Treasury approval.

The Cabinet Office operates a set of additional spending controls on behalf of HM Treasury, which focus on common categories of expenditure. CCS is compliant with these controls.

CCS meets the requirements for assurance through compliance with Government Functional Standards (as set out in the Corporate Governance report).

There were no losses or special payments in the year, nor in the prior year.

Fees and charges (Audited)

As a Trading Fund, CCS manages the funded operations so that the revenue of the fund is sufficient to cover general running costs and the cost of capital, which are chargeable to the Statement of Comprehensive Net Expenditure.

Levies are set to recover costs and to achieve the required rate of return on capital employed, before interest and dividends, of 5.0% a year averaged over the five year period from 01/04/2021 to 31/03/2026.

In ensuring we use surpluses generated for the benefit of the public purse, we are continuing to develop plans for investment covering:

1. Initiatives that prioritise building the public sector's commercial and digital capabilities
2. Further development of digital tools to make it easier to conduct compliant and effective public procurement through our commercial agreements
3. Investing further in assuring the compliance and resilience of suppliers and supply chains accessed through our commercial agreements

CCS provides services to Government departments (including agencies in other departments), non-departmental public bodies and other bodies within central government. CCS also provides commercial services to National Health Service bodies and the wider public sector.

As per the segmental analysis shown in Note 2 of the Notes to the accounts on page 88, three types of charges are applied from which income is derived:

- **commercial agreements** - a commission levy is applied as applicable at the appropriate rate on sales reported by suppliers or based on a specific customer measure (such as energy levy based on the number of sites)
- **other operating segments** - chargeable directly to customers for services received
- **Customer Payment Initiative** - returned surplus income to qualifying customers, proportionate to the levy received through CCS commercial agreements in 2022/23
- **NHS Future Operating Model (NHS FOM)** - chargeable on a full cost recovery basis together with possible additional income based on savings achieved. This activity ceased in 2023/24 and relates to the prior year only

In setting fees and charges, CCS follows the principles of Chapter 6 of Managing Public Money.

Remote contingent liabilities (Audited)

We do not have any remote contingent liabilities.



Sam Ulyatt
Chief Executive and
Accounting Officer
11 July 2025

The **certificate** and **report** of the **Comptroller** and **Auditor General** to the **Houses of Parliament**

Opinion on financial statements

I certify that I have audited the financial statements of the Crown Commercial Service for the year ended 31 March 2025 under the Government Trading Funds Act 1973.

The financial statements comprise the Crown Commercial Service

- Statement of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Crown Commercial Service's affairs as at 31 March 2025 and its retained deficit for the year then ended; and
- have been properly prepared in accordance with the Government Trading Funds Act 1973 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2024. I am independent of the Crown Commercial Service in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Crown Commercial Service's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Crown Commercial Service's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other information

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

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

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

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

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Government Trading Funds Act 1973.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Trading Funds Act 1973; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Crown Commercial Service and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

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

- adequate accounting records have not been kept by the Crown Commercial Service or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Crown Commercial Service from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Trading Funds Act 1973;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Trading Funds Act 1973; and
- assessing the Crown Commercial Service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Trading Funds Act 1973.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

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

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

- considered the nature of the sector, control environment and operational performance including the design of the Crown Commercial Service's accounting policies;
- inquired of management, the Crown Commercial Service and those charged with governance, including obtaining and reviewing supporting documentation relating to the Crown Commercial Service's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Crown Commercial Service's controls relating to the Crown Commercial Service's compliance with the Government Trading Funds Act 1973 and Managing Public Money.
- inquired of management, the Crown Commercial Service's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I obtained an understanding of the Crown Commercial Service's framework of authority and other legal and regulatory frameworks in which the Crown Commercial Service operate. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Crown Commercial Service. The key laws and regulations I considered in this context included the Government Trading Funds Act 1973, Managing Public Money, employment law, pensions legislation and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
16 July 2025

National Audit Office
157-197 Buckingham Palace Road
Victoria, London, SW1W 9SP

Financial statements



Statement of comprehensive net expenditure for the year ended 31 March 2025

		2024/25		2023/24	
	Note	£000	£000	£000	£000
Income from external sales	2		222,557		169,276
Other operating income	3		<u>188</u>		<u>412</u>
Total income			222,745		169,688
Staff costs	4	(69,071)		(65,582)	
Depreciation of property, plant and equipment	7	(688)		(688)	
Amortisation of intangible assets	8	(4,269)		(4,145)	
Lease Depreciation	9	(799)		(1,013)	
Lease interest	14	(37)		(51)	
Other expenditure	5.1	<u>(32,643)</u>		<u>(34,540)</u>	
Total expenditure			(107,507)		(106,019)
Surplus before other operating costs			115,238		63,669
Other operating costs	5.2		<u>(27,890)</u>		<u>(9,878)</u>
Operating surplus			87,348		53,791
Finance income	6		<u>8,449</u>		<u>7,484</u>
Surplus for the financial year			95,797		61,275
Dividend payable to Cabinet Office	22		<u>(161,000)</u>		<u>(71,000)</u>
Retained deficit for the financial year			(65,203)		(9,725)
Other comprehensive income					
Revaluation reserve	19		751		541
General reserve	18		—		<u>138</u>
Total other comprehensive income			751		679
Comprehensive net expenditure for the financial year			<u>(64,452)</u>		<u>(9,046)</u>

The Notes to the accounts on pages 84 to 100 form an integral part of these accounts.

Statement of financial position as at 31 March 2025

		31 March 2025		31 March 2024	
	Note	£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	7		1,383		2,071
Intangible assets	8		12,219		15,737
Right of use assets	9		3,531		4,981
			17,133		22,789
Current assets					
Trade and other receivables	10	55,214		50,727	
Cash and cash equivalents	11	72,232		166,532	
		127,446		217,259	
Current liabilities					
Trade and other payables	12	(35,116)		(64,805)	
Employee benefit payable	13	(549)		(498)	
Lease liabilities due in less than one year	14	(776)		(883)	
		(36,441)		(66,186)	
Net current assets			91,005		151,073
Total assets less current liabilities			108,138		173,862
Non current liabilities					
Lease liabilities due in more than one year	14	(2,894)		(4,132)	
Provisions	16	(782)		(816)	
Total non current liabilities			(3,676)		(4,948)
Total assets less liabilities			104,462		168,914
Capital and reserves					
Public dividend capital	17		350		350
General reserve	18		102,716		167,919
Revaluation reserve	19		1,396		645
Total capital and reserves			104,462		168,914

The Notes to the accounts on pages 84 to 100 form an integral part of these accounts.



Sam Ulyatt
Chief Executive and
Accounting Officer
11 July 2025

Statement of cash flows for the year ended 31 March 2025

		2024/25		2023/24	
	Note	£000	£000	£000	£000
Net cash inflow from operating activities	20		59,219		94,182
Cash flows from investing activities					
Finance income		8,387		7,623	
Purchases of property plant and equipment		-		-	
Purchases of intangible assets	8	-		(7,684)	
Assets under construction	8	-		4,148	
Net cash inflow from investing activities			8,387		4,087
Net cash inflow before financing			67,606		98,269
Cash flows from financing activities					
Dividend paid		(161,000)		(71,000)	
Lease rental paid		(906)		(1,225)	
Net cash outflow from financing activities			(161,906)		(72,225)
Net (decrease) / increase in cash and cash equivalents			(94,300)		26,044
Cash and cash equivalents 1 April			166,532		140,488
Cash and cash equivalents 31 March			72,232		166,532

See Note 20 in the Notes to the accounts, in which operating surplus (as shown in the Statement of Comprehensive Net Expenditure) is reconciled to net cash flows from operating activities.

The Notes to the accounts on pages 84 to 100 form an integral part of these accounts.

Statement of changes in taxpayers' equity as at 31 March 2025

	Public Dividend Capital	General Reserve	Revaluation Reserve	Total
	£000	£000	£000	£000
Balance at 1 April 2024	350	167,919	645	168,914
Comprehensive (expenditure) / income for the financial year	-	(65,203)	751	(64,452)
Revaluation disposal	-	-	-	-
Lease adjustment rent free periods	-	-	-	-
Balance at 31 March 2025	<u>350</u>	<u>102,716</u>	<u>1,396</u>	<u>104,462</u>

	Public Dividend Capital	General Reserve	Revaluation Reserve	Total
	£000	£000	£000	£000
Balance at 1 April 2023	350	177,460	150	177,960
Comprehensive (expenditure) / income for the financial year	-	(9,725)	541	(9,184)
Revaluation disposal	-	46	(46)	-
Lease adjustment rent free periods	-	138	-	138
Balance at 31 March 2024	<u>350</u>	<u>167,919</u>	<u>645</u>	<u>168,914</u>

The Notes to the accounts on pages 84 to 100 form an integral part of these accounts.

Notes to the accounts

1 Accounting policies

The accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of CCS for the purpose of giving a true and fair view has been selected. The particular policies adopted by CCS are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1a Standards in issue but not in force

There is one new standard in issue but not yet in force for the year ended 31 March 2025 and it has not been applied in preparing these financial statements. The standard that may be adopted in subsequent periods is:

- IFRS 17 - Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts. The standard was issued in May 2017 and is expected to apply to annual reporting periods during 2025/26. IFRS 17 does not currently apply within the FReM. The standard is not expected to impact CCS's financial statements in the future.

1.1b Other impending changes for subsequent periods

- Non-investment asset valuations

In December 2023 HM Treasury released an exposure draft on potential changes to make to valuing and accounting for non-investment assets (e.g. PPE, intangible assets). The following changes to the valuation and accounting of non-investment assets is to be included in the 2025/26 FReM for mandatory implementation:

References to assets being held for their 'service potential' and the terms 'specialised/ non-specialised' assets are being removed from the FReM. Non-investment assets are instead described as assets held for their 'operational capacity'. This change has no impact on the valuation basis of non-investment assets, which remains Existing Use Value (EUV).

An adaptation to IAS 16 will be introduced to withdraw the requirement to revalue an asset where its fair value materially differs from its carrying value. Assets are now valued using the one of the following processes:

- a quinquennial revaluation supplemented by annual indexation
- a rolling programme of valuations over a 5-year cycle, with annual indexation applied to assets during the 4 intervening years
- for non-property assets only, appropriate indices
- in rare circumstances where an index is not available, a quinquennial revaluation supplemented by a desktop revaluation in year 3

The option to measure intangible assets using the revaluation model is withdrawn. The carrying value of intangible assets at 31 March 2025 will be considered the historical cost at 1 April 2025.

CCS does not hold any property assets. For all non property assets CCS currently values its assets using the appropriate indices and will continue to do so (see note 1.4 and 8).

- Social Benefits

The 2025/26 FReM will include new guidance on accounting for social benefits. The 2025/26 FReM will define social benefits as 'current transfers received by households (including individuals) intended to provide for the needs that arise from certain events or circumstances, for example, sickness, unemployment, retirement, housing, education, or family circumstances.'

The 2025/26 FReM clarifies that expenditure in respect of social benefit payments should be recognised at the point at which the social benefit claimant meets the eligibility requirements to receive the benefit. Only the expenditure for the period of entitlement that falls within the accounting year should be recognised.

This standard does not need to be adopted as CCS does not provide social benefits.

- IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The Public Sector implementation date is not yet confirmed. The impact of IFRS 18 on the Public Sector is still being assessed.

1.2 Income and segmental reporting

Income consists of the value of the goods and services net of Value Added Tax (VAT), trade discounts, and commission shares from the ordinary activities of the business. Income is recognised in line with IFRS 15 principles.

Income received in advance of services provided is recognised as deferred income.

The applicable segments are as follows:

1. Commercial agreement income

- a) General income – income is recognised in the calendar month in which spend takes place, at the appropriate commission rate on sales reported from suppliers. Where management information has been received and commercial agreement sales have been invoiced but not paid as at the year end, this is recognised as receivables and measured at supplier sales times the relevant contractual levy. Where current year management information has not been received by the year end this is recognised as accrued income. Accrued income is initially estimated based on previous management

information returns and subsequently measured at supplier sales times the relevant contractual levy where the management information is received and the sale is invoiced prior to accounts production.

- b) Energy income – a monthly levy is charged based on the number of sites and meters a customer has. Income is recognised monthly based on site information as reported by our suppliers.
- c) Crown Hosting income – a charge is recovered from customers based on their rental hosting charges.
- d) Workforce Alliance – CCS has entered into an Alliance agreement with four other purchasing partners to enhance and simplify health workforce procurement services to the NHS. Commercial Agreement income received across the applicable portfolio of workforce frameworks is distributed to each of the five organisations who form the Workforce Alliance in accordance with market share and growth percentages achieved within a financial year. CCS only includes the share of income it is entitled to as a net revenue, within the Statement of Comprehensive Net Expenditure (SOCNE).

Commercial agreements exist between CCS and each customer (suppliers to the end user) with separate call off arrangements between that customer and end user. The performance obligating event is the construction and award of the framework (i.e. the point at which control and access is handed to the customer and end user). CCS does not recognise the income at this point because of the uncertainty in the value of potential customer sales to the end user from which CCS earn a commission. Consequently, CCS recognises income at the point supplier sales are made. This information is disclosed within monthly management information provided to CCS from the customer. The Workforce Alliance (WA) has agreed income will be distributed to each of the five organisations who form the WA in accordance with market share and growth percentages achieved within a financial year as set out in the commercial model. The amounts due to each party are calculated quarterly based on cumulative cash received and distributed accordingly. CCS's income through the SOCNE is recognised and accrued in accordance with CCS's applicable share of overall income.

2. Other operating segments

- a) Managed services – income is recognised through invoices billed directly to customers for services received. Any uninvoiced amounts are accrued.

The performance obligating event for contracts for managed services between CCS and specific customers continues to be the direct provision of the service to the customer. Income is recognised progressively as the performance obligations associated with these engagements are satisfied over time in proportion to contracted values. CCS has determined that the performance obligations are satisfied over time rather than

at a point in time. This is because CCS's performance under the agreement does not create an asset with an alternative use to CCS and CCS has an enforceable right to payment for performance completed to date. Income is invoiced after the event and accrued if not invoiced before year end.

- b) National Health Service Future Operating Model (NHS FOM) – income is recognised through monthly invoices billed directly to the customer for services received. Income is chargeable on a full cost recovery basis. Additional income may arise if agreed savings are achieved. Any uninvoiced amounts are accrued. This service ended during the prior year.

The performance obligating event for the contract with the customer is the direct provision of the service to the customer. Income is recognised progressively as the performance obligations associated with these engagements are satisfied over time through the incurrence of costs. This provides a faithful depiction of the transfer of services because the nature of work is that the costs of staff time, travel expenses and other costs incurred represent progress towards satisfaction of the performance obligation. Income is invoiced after the event and accrued if no invoices are received for work completed before year end. If savings are achieved, the gain share entitlement to income is calculated and recognised following agreement with the customer in line with IFRS 15.

- c) Customer Payment Initiative – CCS made payments back to end user qualifying customers in proportion to the amount of income their commercial agreement purchases had generated. These payments were not part of any written agreement and were non-contractual. In the current year, CCS paid £33.1 million, with £2.9 million not able to be paid. This unpaid amount is reflected as additional income in the current year's financial statements. For comparison, payments in 2023/24 were recorded as a reduction in income in the year and held as a current liability on the SOFP, as payment was anticipated to occur in the current year.

The segmental analysis (Note 2) reflects the income and costs applicable to each segment.

1.3 Property, plant and equipment

Property, plant and equipment assets are capitalised at their cost of acquisition and installation. The prescribed capitalisation level is £5,000. Where an asset costs less than this but forms an integral part of a package whose total value is greater than the capitalisation level, then it is treated as a capital asset. Where material, assets are revalued but where assets have a short life or are low value, depreciated historic cost is used as a proxy for fair value.

Notes to the accounts continued

Depreciation

Depreciation is provided on property, plant and equipment on a straight-line basis at annual rates based on the estimated lives of the assets as follows:

- computer equipment – 3 to 6 years
- fixtures and fittings – 4 to 10 years
- plant and equipment – 5 to 25 years
- right of use assets – over the life of the associated lease

A full month's depreciation cost is charged in the first month of acquisition.

Assets which are work in progress are held within the Statement of Financial Position (SOFPI) until such time that they are brought into use. Only assets that have been brought into use are depreciated.

1.4 Intangible assets

Recognition and Amortisation

Software licences and costs directly associated with the development of identifiable and unique software products controlled by CCS are capitalised where future economic benefits are expected and can be reliably measured. Economic benefits are assessed with reference to revenue generation and/or clear cost savings.

Third party software licences are not capitalised and are expensed within the SOFPI. Licences with a life greater than one year are prepaid.

Intangible Assets are measured on initial recognition at cost. Costs include both permanent and temporary pay costs directly attributable to bringing the asset into service. Intangible assets are assessed as having a finite life of between 3-10 years and are amortised accordingly. The amortisation period and method are reviewed at each financial year end to assess whether there has been any indication that an asset maybe impaired (in accordance with IAS 36). There have been no indications of impairments in the current year. The prescribed capitalisation level is £5,000. A full month's amortisation cost is charged in the first month of acquisition.

In accordance with IAS 38, development expenditure is recognised as an intangible asset when CCS can demonstrate:

- the feasibility of completing the asset for its intended use
- how the asset will generate future economic benefits
- the availability of resources to complete the asset
- the ability to measure the expenditure reliably during development

Following initial recognition of development expenditure as an asset, where an active market exists, intangible assets would be carried at fair value in the SOFPI. Where no active market exists, the asset is carried at amortised replacement cost indexed for

relevant price increases as a proxy for fair value. CCS uses ONS published indices to assess the amortised replacement cost. Indexation is applied to assets in the year after acquisition.

Any research costs are not capitalised and are expensed as incurred.

Asset Under Construction (AUC)

Assets which are work in progress are held within the SOFPI until such time that they are fully brought into use. Only assets that have been brought into use are amortised.

The majority of AUC costs relate to time spent by both temporary and permanent resources in the build of an asset until it is ready to be brought into use. There are no AUC balances in the current year and there are no AUCs being developed.

1.5 Early retirement

The majority of past and present employees within CCS are covered by the provisions of the Civil Service pension arrangements. The defined benefit schemes are unfunded. CCS recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Civil Service pension arrangements of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the Civil Service pension arrangements. In respect of the defined contribution schemes, CCS recognises the contributions payable for the year.

1.6 Leases

In 2022/23, CCS adopted IFRS 16, Leases, which replaced the previous standard IAS 17. Contracts for services were evaluated to determine whether they conveyed the right to control the use of an identified asset, incorporating both the right to obtain substantively all the economic benefits from the asset and to direct its use. If so, the relevant part of the contract is treated as a lease.

Each lease liability is measured at the payment for the remaining lease term discounted by the HM Treasury discount rate as its incremental borrowing rate. HM Treasury's PES paper stated that the incremental borrowing rate (a nominal rate) for leases commencing in the 2022 calendar year was 0.95%.

Each right-of-use asset is measured at the value of the lease liability, adjusted for any payments made or amounts accrued before the commencement date; lease incentives received; incremental costs in obtaining the lease; and any disposal costs at the end of the lease. The Treasury has withdrawn the option to reassess whether a contract is, or contains, a lease at the date of initial application. Hence CCS has only applied IFRS 16 to those contracts identified as a lease, or containing a lease under IAS 17.

Subsequent measurement

The right-of-use assets are measured using the cost model. (measurement by reference to the lease liabilities) as CCS consider that the cost model is a reasonable proxy for fair value for CCS's current leases. The value of the leases are adjusted for subsequent depreciation and impairment and for any reassessments and modifications of the lease liabilities. Where the amount of a reduction to an asset exceeds the carrying value of the asset, the excess amount will be recognised in expenditure.

The lease liabilities are adjusted for the accrual of interest, repayments, and any reassessments and modifications. Reassessments and modifications are accounted for by discounting the revised cash flows: using a revised discount rate where CCS becomes or ceases to be reasonably certain to exercise or not exercise an extension or termination option, or the lease is modified to amend the non-cancellable period, change the term of the lease, change the consideration or the scope, or at the existing discount rate where there is a movement in an index or rate that will alter the cash flows.

In the current year there were no new lease additions. There has been a change to one lease which has been reclassified from a Finance lease to an Operating lease due to the absence of a formal agreement being in place (see note 15). Other lease liabilities have not been re-measured and the discount rate used has not been revised. Where future lease payments are based on a specified interest rate the revised lease payments have been discounted accordingly.

Lease expenditure

Expenditure includes lease interest, straight-line depreciation and any asset impairments and any changes in variable lease payments not included in the measurement of the liability.

Lease payments are set against the liability. Rental payments for leases where the term is 12 months or less, or where the lease is classified as low-value, are expensed (note 5.1).

1.7 Financial instruments, cash and cash equivalents

Cash and cash equivalents comprise bank deposits together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Trade and other receivables are recognised at fair value and subsequently at amortised cost.

1.8 VAT

CCS charges output VAT on external sales and pays input VAT on VAT applicable costs and fixed asset additions. Income and expenditure are shown net of VAT.

1.9 Expenditure

Expenditure is recognised on an accruals basis to reflect when the service is performed/goods are received. Services performed/goods received but not paid by year end are recognised as trade payables (if invoice received) or accruals if not. When payments above £5,000 are made for services not performed/goods not received by year end, they are recorded as prepayments.

1.10 Significant judgements and critical accounting estimates

The preparation of the financial statements requires CCS to make some estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities and disclosure of lease obligations. Key assumptions are stated below:

Income accruals

Accrued income where known is based on customer invoiced data received and where not known is based on an average calculation of the previous 6 months invoiced data.

Total staff costs

An estimate has been calculated for the CCS bonus relating to the reporting year.

Depreciation and amortisation

The useful lives of property, plant and equipment and those of intangible assets have been estimated for the purposes of applying the accounting policies for depreciation and amortisation respectively.

Office dilapidations

Estimates for future liabilities arising at the termination of office leases have been based on information provided by GPA each year who act as the lessor. The provision is estimated on a rate per square metre of floor space for each property.

Impairment

The annual impairment review identified that there were no indications of impairment for any assets held. In the prior year £2.3 million was impaired from intangible assets under construction and software licenses (see notes 5 and 8).

Expected credit loss provision

In accordance with the requirements of IFRS 9, the calculation reflects CCS's historic loss average and a prudent, aged profiled approach. CCS applies a simplified model for expected credit losses.

1.11 Going concern

In October 2024, ONS concluded a review of the sector classification of CCS, which determined that CCS remains classified as a public corporation.

The directors continue to form the judgement at the time of approving the financial statements that CCS has adequate resources to continue in operational existence for the foreseeable future. Future financial plans and forecasts have been subject to sensitivity analysis on which the directors have based the going concern assessment. The assumptions made in this assessment are reasonable and appropriate in the context of the FReM and accordingly the financial statements have been prepared on the basis that CCS is a going concern.

Notes to the accounts continued

2 Segmental analysis

2024/25
31 March 2025

	Commercial Agreements	Other Operating Segments	Customer Payment Initiative	Total
	£000	£000	£000	£000
Statement of Comprehensive Net Expenditure (SOCNE)				
Gross income from external sales 1.2	228,716	245	-	228,961
Commission shares	(9,326)	-	-	(9,326)
Customer payment initiative	-	-	2,922	2,922
Net income from external sales in SOCNE	219,390	245	2,922	222,557
Other operating income	-	188	-	188
Total income	219,390	433	2,922	222,745
Operating costs	(107,319)	(188)	-	(107,507)
Surplus before other operating costs	112,071	245	2,922	115,238
Other operating costs	(27,890)	-	-	(27,890)
Operating surplus	84,181	245	2,922	87,348
Statement of financial position				
Non-current assets	17,133	-	-	17,133
Current assets	127,444	2	-	127,446
Total assets	144,577	2	-	144,579

2023/24
31 March 2024

	Restated Commercial Agreements	Restated Other Operating Segments	Customer Payment Initiative	Total
	£000	£000	£000	£000
Statement of Comprehensive Net Expenditure (SOCNE)				
Gross income from external sales	213,135	245	-	213,380
Commission shares	(8,104)	-	-	(8,104)
Customer payment initiative	-	-	(36,000)	(36,000)
Net income from external sales in SOCNE	205,031	245	(36,000)	169,276
Other operating income	-	412	-	412
Total income	205,031	657	(36,000)	169,688
Operating costs	(105,639)	(380)	-	(106,019)
Surplus / (deficit) before other operating costs	99,392	277	(36,000)	63,669
Other operating costs	(9,878)	-	-	(9,878)
Operating surplus/(deficit)	89,514	277	(36,000)	53,791
Statement of financial position				
Non-current assets	22,789	-	-	22,789
Current assets	217,251	8	-	217,259
Total assets	240,040	8	-	240,048

The segments reflect how income and expenditure are currently managed and reported. Other operating costs have been restated in 2023/24 to reflect an updated apportionment approach.

2.1 IFRS 15 contract assets and liabilities

Contract balances relating to the reporting segments are as follows.

	31 March 2025 Commercial Agreements £000	31 March 2025 Other Services £000	31 March 2025 Customer Payment Initiative £000	31 March 2025 Overall Total £000
Contract assets				
Trade receivables	21,066	74	-	21,140
Accrued income	29,194	-	-	29,194
	<u>50,260</u>	<u>74</u>	<u>-</u>	<u>50,334</u>
Contract liabilities				
Accrued MoU	6,736	-	-	6,736
Workforce Health Alliance payable	1,822	-	-	1,822
Trade payables	492	-	-	492
	<u>9,050</u>	<u>-</u>	<u>-</u>	<u>9,050</u>
Non contracted liabilities				
Customer payment initiative	-	-	1,208	1,208

Payments associated with the customer payment initiative are not part of any written agreement and are non-contractual.
See also note 1.2.2c.

	31 March 2024 Commercial Agreements £000	31 March 2024 Other Services £000	31 March 2024 Customer Payment Initiative £000	31 March 2024 Overall Total £000
Contract assets				
Trade receivables	17,145	74	-	17,219
Accrued income	26,112	2,891	-	29,003
	<u>43,257</u>	<u>2,965</u>	<u>-</u>	<u>46,222</u>
Contract liabilities				
Accrued MoU	4,297	-	-	4,297
Workforce Health Alliance payable	3,359	-	-	3,359
Trade payables	416	-	-	416
	<u>8,072</u>	<u>-</u>	<u>-</u>	<u>8,072</u>
Non contracted liabilities				
Customer payment initiative	-	-	36,000	36,000

Contract assets relate to invoices raised not paid and income accrued and not invoiced.

Contract liabilities represent uninvoiced Memorandum of Understanding (MoU) commission shares based on customer invoice data received (where money is rebated to customers), Workforce Health Alliance payable and Trade payables balances where income has been collected in advance of service provision.

Notes to the accounts continued

3 Other operating income

	2024/25	2023/24
Income	£000	£000
NHS FOM funding	-	175
Support services	<u>188</u>	<u>237</u>
Total	<u>188</u>	<u>412</u>

NHS FOM was a service CCS provided to NHS BSA for the provision of office solutions. This service ended in the prior year.

Cabinet Office provided CCS with income to recruit a number of staff with regards to support services.

4 Total staff costs

	2024/25	2023/24
	£000	£000
Wages and salaries	33,469	32,899
Bonus	673	440
Social security	3,710	3,608
Superannuation (Note 1)	9,076	8,280
Apprenticeship levy	151	146
GCO staff costs (Note 2)	17,484	17,582
Agency and contract staff costs	<u>4,508</u>	<u>2,627</u>
SOCE total	<u>69,071</u>	<u>65,582</u>
SOFP capitalised staff costs	-	610
Total	<u>69,071</u>	<u>66,192</u>

Note 1: Superannuation costs relate to staff participation in the PCSPS and alpha defined benefits schemes. Further details about the pension benefits can be found on page 55.

Note 2: During the year, CCS has paid the Cabinet Office for the provision of GCO staff who are filling CCS roles. Costs are invoiced to CCS quarterly by the Cabinet Office. Any uninvoiced amounts are accrued

Note 3: Further details are provided in the remuneration and staff report on page 52.

5 Operating costs

5.1 Other expenditure

Charges include:

	2024/25	2023/24
	£000	£000
Auditor's remuneration*	89	84
Accommodation - buildings and utilities	1,249	1,287
Accommodation - furniture and equipment	8	2
Travel and subsistence	1,219	997
Marketing	1,413	2,087
Training	2,184	1,714
Impairment**	-	2,323
Asset disposal (gain) / loss	(6)	176
Operating lease	200	-
Legal fees	2,168	1,293
Technology and mobile	16,766	17,518
Recruitment	542	415
Digital transformation and service delivery partners	2,694	2,111
Consultancy	301	1,477
Seminars, conferences and room hire	486	291
Security clearance and information assurance	214	228
Publications and periodicals	409	243
Crown Hosting Services	189	229
GCO non pay costs	800	838
Internal audit fees	192	176
Partial exemption VAT costs	25	290
Other operating and external charges	1,501	761
Total	32,643	34,540

*The Comptroller and Auditor General is the auditor of CCS's accounts. The charge for the year is £88,500 (2023/24: £84,000). All of this cost is related to audit services.

** During 2023/24 assets under construction were impaired by £2.3 million as part of the annual impairment review.

5.2 Other operating costs

	2024/25	2023/24
	£000	£000
CCS capability investment costs	8,439	5,862
Cabinet Office central digital platform	9,660	944
Supplier assurance delivery partner	826	795
Customer, commercial and contract management capability	8,965	2,277
Total	27,890	9,878

Other operating costs relate to specific programmes of work which are in addition to costs relating to normal operations.

CCS Capability Investment funds a number of Programmes to improve our products, services and digital services.

CCS have provided funding to the Cabinet Office to develop the Central Digital Platform to comply with new procurement legislation.

Supplier Assurance delivers a number of initiatives to support the management, risk and due diligence of national and global supply chains.

CCS provided funding to the Cabinet Office to deliver commercial and contract management capability training to CCS customers and has invested in other public sector bodies to support customer capability.

Notes to the accounts continued

6 Finance income

	2024/25	2023/24
	£000	£000
Interest earned on cash held with the Government Banking Service and short term investments	8,449	7,484
Total	8,449	7,484

7 Property, plant and equipment

2024/25

	31 March 2025 Fixtures and fittings	31 March 2025 Total
Cost	£000	£000
At beginning of period	3,455	3,455
Additions in period	-	-
Asset under construction transfer	-	-
Disposals in period	-	-
At end of period	3,455	3,455
Depreciation		
At beginning of period	1,384	1,384
Amount provided in period charged to SOCI	688	688
Disposals in period	-	-
At end of period	2,072	2,072
Net book value at March 2025	1,383	1,383
Net book value at March 2024	2,071	2,071

2023/24

	31 March 2024 Fixtures and fittings	31 March 2024 Total
Cost	£000	£000
At beginning of period	3,455	3,455
Additions in period	-	-
Asset under construction transfer	-	-
Disposals in period	-	-
At end of period	3,455	3,455
Depreciation		
At beginning of period	696	696
Amount provided in period charged to SOCI	688	688
Disposals in period	-	-
At end of period	1,384	1,384
Net book value at March 2024	2,071	2,071
Net book value at March 2023	2,759	2,759

8 Intangible assets**2024/25**

	31 March 2025 Software licences	31 March 2025 Asset under construction	31 March 2025 Total
Cost	£000	£000	£000
At beginning of period	20,869	-	20,869
Additions in period	-	-	-
Additions - asset under construction transfer	-	-	-
Revaluation	1,379	-	1,379
Impairment	-	-	-
Disposals in period	-	-	-
At end of period	<u>22,248</u>	<u>-</u>	<u>22,248</u>
Amortisation			
At beginning of period	5,132	-	5,132
Amount provided in period	4,269	-	4,269
Revaluation	628	-	628
Disposals in period	-	-	-
At end of period	<u>10,029</u>	<u>-</u>	<u>10,029</u>
Net book value at March 2025	<u>12,219</u>	<u>-</u>	<u>12,219</u>
Net book value at March 2024	<u>15,737</u>	<u>-</u>	<u>15,737</u>

2023/24

	31 March 2024 Software licences	31 March 2024 Asset under construction	31 March 2024 Total
Cost	£000	£000	£000
At beginning of period	13,544	6,382	19,926
Additions in period	3,536	-	3,536
Additions - asset under construction transfer	4,148	(4,148)	-
Revaluation	784	-	784
Impairment	(89)	(2,234)	(2,323)
Disposals in period	(1,054)	-	(1,054)
At end of period	<u>20,869</u>	<u>-</u>	<u>20,869</u>
Amortisation			
At beginning of period	1,622	-	1,622
Amount provided in period	4,145	-	4,145
Revaluation	243	-	243
Disposals in period	(878)	-	(878)
At end of period	<u>5,132</u>	<u>-</u>	<u>5,132</u>
Net book value at March 2024	<u>15,737</u>	<u>-</u>	<u>15,737</u>
Net book value at March 2023	<u>2,602</u>	<u>15,702</u>	<u>18,304</u>

Notes to the accounts continued

9 Right of use assets

	31 March 2025 Land and buildings £000	31 March 2024 Total £000
Cost		
1 April 2024	6,969	6,831
Additions in periods	-	138
Disposals in period	(1,041)	-
At end of period	5,928	6,969
Depreciation		
1 April 2024	1,988	975
Amounts provided in period	799	1,013
Disposals in period	(390)	-
At end of period	(2,397)	(1,988)
Net book value	3,531	4,981

10 Trade and other receivables

	31 March 2025 £000	31 March 2024 £000
Current receivables		
Trade receivables	21,205	17,384
Less: bad and doubtful receivables impairment assessment	(65)	(28)
Net trade receivables	21,140	17,356
Other receivables	456	375
Prepayments	4,170	3,304
Accrued income	29,539	29,739
Less: bad and doubtful accrued income impairment assessment	(91)	(47)
Net accrued income	29,448	29,692
Total current receivables	55,214	50,727
Aged debt analysis		
Within credit terms	18,995	15,223
Past due date but not impaired:		
1-30 days	1,608	1,488
31-60 days	175	275
61-90 days	115	92
Over 90 days	247	278
Total receivables	21,140	17,356
Bad and doubtful receivables and accrued income impairment analysis		
Assessment at the beginning of the year	75	134
Increase / (decrease) in the assessment for the year	81	(59)
Assessment at the end of the year	156	75

11 Cash and cash equivalents

	31 March 2025	31 March 2024
	£000	£000
Government Banking Service cash balance	<u>72,232</u>	<u>166,532</u>
Total	<u>72,232</u>	<u>166,532</u>

12 Trade and other payables

	31 March 2025	31 March 2024
	£000	£000
Current payables		
VAT	7,283	6,931
Other taxation and social security costs	1,030	955
Trade payables	9,050	8,073
Other payables	974	841
Dividend	-	-
Accruals	15,469	11,909
Deferred income	102	96
Customer payment initiative	<u>1,208</u>	<u>36,000</u>
Total	<u>35,116</u>	<u>64,805</u>

All of the dividends have been paid in the year. In 2024/25 £161 million was paid.

13 Employee benefit payable

	31 March 2025	31 March 2024
	£000	£000
Balance at beginning of period	498	554
Increase/(decrease) in the period	<u>51</u>	<u>(56)</u>
Balance at end of the period	<u>549</u>	<u>498</u>

Excess or deficit annual leave balances have been applied to the actual employee salary costs to derive a liability cost. The increase in the period is reflected within total wages and salaries (Note 4).

Notes to the accounts continued

14 Lease liabilities under finance leases

31 March 2025

31 March 2024

£000

£000

Obligations under leases

Not later than one year	806	926
later than one year and not later than five years	2,515	3,442
later than 5 years	450	796
	3,771	5,164
Less interest elements	(101)	(149)
Present value of obligations	<u>3,670</u>	<u>5,015</u>

Present value of obligations under leases

Not later than one year	776	883
later than one year and not later than five years	2,446	3,344
later than 5 years	448	788
	3,670	5,015

Amounts recognised in the statement of comprehensive net expenditure

Depreciation	799	1,013
Interest expense	37	51
	836	1,064

Amounts recognised in the statement of cash flows

Interest expense	37	51
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15 Obligations under operating leases

31 March 2025
Land and buildings
£000

31 March 2024

Operating lease rentals due within:

One year	200	-
Total	<u>200</u>	<u>-</u>

16 Provisions

	31 March 2025	31 March 2024
	£000	£000
Balance at beginning of period	816	692
Utilised in the period	-	-
(Decrease) / increase in the period	(34)	124
Balance at end of period	<u>782</u>	<u>816</u>

The provision reflects future expected dilapidation liabilities incurred upon exit of leased offices.

17 Public dividend capital (PDC)

	31 March 2025	31 March 2024
	£000	£000
Issued pursuant to Government Trading Funds Act 1973	100	100
Issued upon acquisition of Fuel Branch 1 July 1995	250	250
Balance at end of period	<u>350</u>	<u>350</u>

PDC is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the Trading Fund. A dividend is payable to the Cabinet Office annually.

18 General reserve

	Note	31 March 2025	31 March 2024
		£000	£000
Balance at beginning of period		167,919	177,460
Revaluation disposal	19	-	46
Lease adjustment rent free period	9	-	138
Retained deficit for the period		(65,203)	(9,725)
Balance at end of period		<u>102,716</u>	<u>167,919</u>

Notes to the accounts continued

19 Revaluation reserve

	Note	31 March 2025	31 March 2024
		£000	£000
Balance at beginning of period		645	150
Revaluation disposal	18	-	(46)
Increase in the period	1.4	751	541
Balance at end of period		<u>1,396</u>	<u>645</u>

20 Notes to the statement of cash flows

Note (i): Reconciliation of operating surplus to net cash inflow from operating activities

	Note	2024/25	2023/24
		£000	£000
Operating surplus		87,348	53,791
(Decrease) / increase in provisions	16	(34)	124
Depreciation charges	7	688	688
Amortisation of intangible assets	8	4,269	4,145
Right of use depreciation	9	799	1,013
Lease interest	14	37	51
Asset disposal (gain) / loss	5	(6)	176
Asset impairment	8	-	2,323
(Decrease) in receivables	10	(4,425)	(6,774)
Less movements in receivables not passing through the SOCNE		181	244
(Decrease) / increase in payables and employee benefit	12/13	(29,638)	38,401
Net cash inflow from operating activities		<u>59,219</u>	<u>94,182</u>

Note (ii): Analysis of changes in net funds

Net funds at 1 April		166,532	140,488
Net funds (decrease) / increase		(94,300)	26,044
Net funds at 31 March		<u>72,232</u>	<u>166,532</u>

21 Capital commitments

There were no capital commitments contracted for at 31 March 2025 (31 March 2024: £Nil).

22 Dividends payable to Cabinet Office

During the year, CCS received a request for a dividend payment from the Cabinet Office which was subsequently made. The Cabinet Office request arose as an outcome following their discussions with HM Treasury.

23 Related party transactions

In accordance with IAS 24 Related Party Disclosures, as interpreted by the FReM, the following information is provided on related party transactions.

CCS is an Executive Agency within the Cabinet Office. The Cabinet Office is regarded as a related party.

During 2024/25, CCS had various material transactions with most government departments and other central government bodies, devolved administrations and Wider Public sector bodies including the NHS and many local authorities.

Dr M Gazzard is a Non-Executive Director for CCS and is a President for the Regulatory Services at the British Standards Institute (BSI). Several of the BSI's subsidiaries, consulting and assurance, are suppliers on CCS frameworks. Dr Gazzard was not involved in the day to day operation or decisions relating to these frameworks. Dr Gazzard is also a Parish Councillor for Dummer (Basingstoke and Deane). Basingstoke and Deane Borough Council are a customer who transact through CCS frameworks. Dr Gazzard has not been involved in any of these transactions.

S Weiner is a Non-Executive Director of CCS and is also a board member for King's College London University. During 2024/25, they procured goods and services through CCS frameworks. S Weiner was not involved in these transactions.

D Skinner is Director of Customer Experience Directorate and his wife is employed by FCM travel; a supplier on a CCS framework. There is no conflict of interest between D Skinner and the occupation of his wife, and D Skinner has not been involved in any transactions with FCM.

Compensation due to key management personnel in year has been disclosed in the Remuneration report (page 54).

24 Financial instruments

CCS has powers to borrow funds.

Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing CCS in undertaking its activities.

CCS's policies for managing its financial risks are set to achieve compliance with the regulatory framework. Liquidity risk is managed as part of the overall organisational risk management strategy. The objective of liquidity risk management is to ensure that the organisation can continue to trade and invest according to the corporate strategy.

Liquidity risk management activities include:

- short and long-term cashflow monitoring
- analysis of key performance indicator ratios including liquidity and working capital ratios
- monitoring and managing outstanding receivables

Information on all of these measures is included in monthly reporting.

- interest rate risk – CCS places funds on short-term deposit with the National Loans Fund at fixed rates of interest. Sums held in the Government Banking Service are deposited overnight on a fixed rate basis.
- foreign currency risk – CCS has no foreign currency income. Any foreign currency expenditure is converted and reflected in the accounts in GBP. CCS is not exposed to currency risk. Transactions have not been hedged.
- credit risk – CCS has little risk in cash and cash equivalents because these are deposited with the Government Banking Service and the National Loans Fund, within government. CCS has no significant concentration of credit risk from its customers as exposure is spread over a large number of entities.

In accordance with IFRS 7 and IFRS 9, the carrying values of short term assets and liabilities (at amortised cost) are not considered different to fair value.

Notes to the accounts continued

Financial assets

	Total	Floating rate	Fixed rate	Non-interest bearing	Weighted average interest rate %	Weighted average period for which fixed years	Non-interest bearing weighted average term until maturity
31 March 2025	£000	£000	£000	£000			
Trade receivables	21,140	-	-	21,140	-	-	-
Accrued income	29,449	-	-	29,449	-	-	-
Cash and cash equivalents	72,232	-	72,232	-	4.84	-	-
Gross financial assets	122,821	-	72,232	50,589	-	-	-

31 March 2024	£000	£000	£000	£000			
Trade receivables	17,356	-	-	17,356	-	-	-
Accrued income	29,691	-	-	29,691	-	-	-
Cash and cash equivalents	166,531	-	166,531	-	4.92	-	-
Gross financial assets	213,578	-	166,531	47,047	-	-	-

Financial liabilities

	Total	Floating rate	Fixed rate	Non-interest bearing	Weighted average interest rate %	Weighted average period for which fixed years	Non-interest bearing weighted average term until maturity
31 March 2025	£000	£000	£000	£000			
Trade payables	9,050	-	-	9,050	-	-	-
Accruals and other payables	16,444	-	-	16,444	-	-	-
Customer payment initiative	1,208	-	-	1,208	-	-	-
Gross financial liabilities	26,702	-	-	26,702	-	-	-

31 March 2024	£000	£000	£000	£000			
Trade payables	8,073	-	-	8,073	-	-	-
Accruals and other payables	12,750	-	-	12,750	-	-	-
Customer payment initiative	36,000	-	-	36,000	-	-	-
Gross financial liabilities	56,823	-	-	56,823	-	-	-

The only financial instruments held by CCS are those which arise from CCS's day to day operational activities and include trade receivables (Note 10) and trade payables (Note 12).

25 Contingent liabilities

There were no contingent liabilities.

26 Events after the reporting period

There are no events to report. In accordance with the requirements of IAS 10 - Events after the Reporting Period, events after the reporting period are considered up to the date on which the accounts are authorised for issue by the Accounting Officer. This is interpreted as being the date of the Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament.

Treasury minute dated July 2022

1. Section 4(1) of the Government Trading Funds Act 1973 provides that a Trading Fund established under the Act shall be under the control and management of the responsible Minister and in the discharge of the Minister's functions in relation to that fund it shall be the Minister's duty:
 - a. To manage the funded operations so that the revenue of the fund:
 - i. consists principally of receipts in respect of goods and services provided in the course of the funded operations, and
 - ii. is not less than sufficient, taking one year with another, to meet outgoings which are properly chargeable to income and expenditure account; and
 - b. To achieve such further financial objectives as the Treasury may from time to time, by Minute laid before the House of Commons, indicate as having been determined by the responsible Minister (with Treasury concurrence) to be desirable of achievement.
2. OGCBuying.solutions Trading Fund was established as the Buying Agency Trading Fund with effect from 1 April 1991. The name of the Buying Agency Trading Fund was amended to OGCBuying.solutions Trading Fund with effect from 3 April 2001 by the OGCBuying.solutions Trading Fund Order 1991 (S.I. 2001. No 922). The Buying Agency Trading Fund (Amendment) Order 2009 (S.I. 2009/647) then changed OGCBuying.solutions Trading Fund to the Buying Solutions Trading Fund from 6 April 2009, which was subsequently changed to the Government Procurement Service Trading Fund by the Buying Agency Trading Fund (Amendment) Order 2011 (S.I. 2011/2208) from 1 October 2011. The Government Procurement Service Trading Fund has since changed to the Crown Commercial Service Trading Fund by the Buying Agency Trading Fund (Amendment) Order 2014 (S.I. 2014/561) from 1 April 2014.
3. The Minister for the Cabinet Office, being the responsible Minister, has determined (with Treasury concurrence) that a further financial objective desirable of achievement by Crown Commercial Service Trading Fund for the 5 year period from 1 April 2021 to 31 March 2026 shall be to achieve a minimum return, averaged over the period as a whole, equivalent to 5 percent a year in the form of an operating surplus, i.e. before interest (both receivable and payable) and dividends payable expressed as a percentage of average capital employed. Capital employed shall equate to the capital and reserves, i.e. the Public Dividend Capital, long term loan capital (if any) and the general reserve.
4. This minute supersedes that dated 30 June 2020.
5. Let a copy of this Minute be laid before the House of Commons pursuant to section 4(1)(b) of the Government Trading Funds Act 1973.

Six year summary

1 April 2019 to 31 March 2025

	Year 2024/25	Year 2023/24	Year 2022/23	Year 2021/22	Year 2020/21	Year 2019/20
	£000	£000	£000	£000	£000	£000
Statement of financial position						
Non-current assets	17,133	22,789	26,919	14,565	8,081	2,574
Net current assets	91,005	151,073	156,748	118,930	56,649	24,202
Non-current liabilities	(3,676)	(4,948)	(5,707)	(903)	(713)	(577)
Assets employed	104,462	168,914	177,960	132,592	64,017	26,199
Financed by						
Public dividend capital	350	350	350	350	350	350
General reserve	102,716	167,919	177,460	132,144	63,630	25,849
Revaluation reserve	1,396	645	150	98	37	—
Total capital and reserves	104,462	168,914	177,960	132,592	64,017	26,199
Comprehensive (net expenditure) / income						
Income	222,745	169,688	177,628	171,928	132,789	93,269
Operating costs	(107,507)	(106,019)	(94,897)	(86,143)	(76,948)	(71,767)
Surplus before other operating costs	115,238	63,669	82,731	85,785	55,841	21,502
Other operating costs	(27,890)	(9,878)	(4,195)	(2,361)	(3,560)	(6,167)
Operating surplus	87,348	53,791	78,536	83,424	52,281	15,335
Finance income	8,449	7,484	2,780	90	—	170
Surplus for the year	95,797	61,275	81,316	83,514	52,281	15,505
Dividend payable to the Cabinet Office	(161,000)	(71,000)	(36,000)	(15,000)	(14,500)	(14,475)
Retained (deficit) / surplus	(65,203)	(9,725)	45,316	68,514	37,781	1,030
Other comprehensive income	751	679	52	61	37	—
Comprehensive (net expenditure) / income	(64,452)	(9,046)	45,368	68,575	37,818	1,030

	Year 2024/25	Year 2023/24	Year 2022/23	Year 2021/22	Year 2020/21	Year 2019/20
	£bn	£bn	£bn	£bn	£bn	£bn
Aggregated commercial benefits	4.6	4.9	3.8	2.8	2.0	1.0
Aggregated customer spend	39.6	37.1	31.1	27.6	22.7	18.1

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