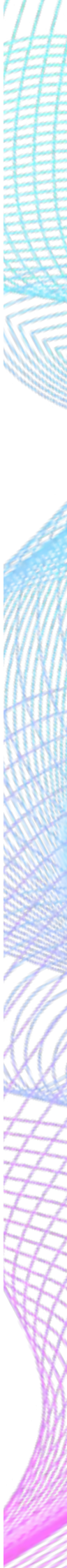




Building
Digital UK

Building Digital UK

Annual Report and Accounts
2024 to 2025



Building Digital UK

Annual Report and Accounts 2024 to 2025

For the period 1 April 2024 to 31 March 2025

Presented to the House of Commons pursuant to section 7 of the Government Resources
and Accounts Act 2000

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Joint Foreword from the Chair and the Chief Executive Officer of Building Digital UK

Building Digital UK plays a pivotal role in leading two of the government's most transformative infrastructure programmes. Every connection we deliver unlocks opportunity, drives innovation, and ensures that people can benefit from the digital age, regardless of where they live or work.

The impact of the faster broadband and mobile coverage we're delivering is vast. People in rural areas can access more job opportunities as they can now work remotely, elderly people can get higher quality healthcare through virtual NHS consultations, while small businesses can reach new markets and drive sales by moving online. Our mission to end the digital divide has never been more critical to achieving the government's Plan for Change, with our work directly enabling economic growth and breaking down barriers to opportunity across every corner of the United Kingdom.

Performance Against Our Targets

This year has been defined by strong progress against our core objectives. Most notably, we achieved our overarching coverage targets for both Project Gigabit and the Shared Rural Network a year ahead of schedule. In October 2024, the independent website ThinkBroadband reported that over 85% of UK homes and businesses had access to a gigabit-capable connection. This figure rose to 87% by March 2027, representing a significant step towards the Government's ultimate goal of 99% coverage by 2032.

During 2024 to 2025, we passed 152,700 premises with gigabit-capable broadband bringing our cumulative total to over 1.2 million premises. This includes 47,400 premises that previously received speeds below 30 Mbps, directly benefiting those stuck with the slowest speeds. In December 2024, Ofcom reported that 4G coverage now reaches over 95% of the UK landmass, up from 91% when the programme started in March 2020.

Our success has been built on strong partnerships across government, industry, and local authorities. By March 2025, we had signed Project Gigabit contracts covering nearly all of England and Wales, as well as our first contracts in Scotland, with a combined value of over £2 billion, demonstrating both the scale of government investment and industry confidence in our approach.

Responding to Market Challenges

The telecommunications sector has faced significant economic headwinds during 2024 to 2025, with several alternative network providers experiencing financial difficulties. These market conditions have required us to be more agile in our approach, continuously monitoring supplier performance whilst maintaining our commitment to value for money. We have successfully implemented alternative delivery arrangements where needed, ensuring that coverage commitments to communities remain on track despite wider market volatility.

Our response to these challenges demonstrates the importance of BDUK's role as both market facilitator and safety net, ensuring that essential infrastructure deployment continues even when commercial conditions become difficult. This approach has proved particularly valuable in maintaining momentum towards our coverage targets whilst protecting public investment.

Looking Ahead: Opportunities and Challenges

The June 2025 Spending Review provided BDUK with £1.9 billion capital investment through to 2029 to 2030, to cover existing commitments and new Project Gigabit contracts (particularly in Scotland), confirming government commitment to completing both Project Gigabit and the Shared Rural Network. Whilst the target date for 99% gigabit coverage has been revised from 2030 to 2032, this new timeline allows us to maintain quality and value for money whilst adapting to evolving market conditions.

We recently announced that BDUK will be integrated into the Department for Science, Innovation and Technology (DSIT). The decision continues DSIT's growth into the UK Government's department of digital delivery, helping to accelerate innovation and drive economic growth across the country. The move additionally reinforces BDUK's critical role in the department's objective of creating a modern digital government and presents significant opportunities

to align our delivery expertise with the department's broader innovation and technology objectives.

HM Treasury's ten-year infrastructure pipeline also provides clarity and confidence for industry partners whilst ensuring that government investment delivers maximum economic and social benefits. Ensuring we can manage this transition without impacting on our programme delivery will take significant management attention and effective collaboration with all involved.

However, challenges remain. The complex nature of deploying infrastructure in the most remote areas of the UK requires continued innovation in our delivery approaches. We will continue to adapt our programmes as required. For example, the revised approach to our Total Not Spots programme, focusing on areas where people live, work, and travel, demonstrates our commitment to maximising public benefit whilst managing delivery complexity.

Essential to Government Missions

BDUK's work remains essential to delivering the government's core missions. By connecting businesses to gigabit-capable broadband, we are directly supporting economic growth and productivity improvements across

all sectors. Our focus on rural and hard-to-reach areas ensures that the benefits of digital connectivity reach every corner of the UK, breaking down geographical barriers that have historically limited opportunity and growth.

We would like to thank BDUK staff for their ongoing dedication to our mission, and our Board members for their invaluable guidance and support. Furthermore, we recognise the crucial role of our partner suppliers, who we look forward to working with as our delivery ramps up in parallel with progress on their commercial rollout.



Dean Creamer CBE
Chief Executive Office
Building Digital UK



Lesley Cowley OBE
Chair
Building Digital UK



Performance Report

This section provides key information about BDUK and its purpose, a summary of our objectives and performance against them between 1 April 2024 and 31 March 2025 and the impact and managements of our key risks.

For additional detail on performance or accountability, see the performance analysis and accountability report sections of the annual report and accounts.

About Building Digital UK

BDUK's mission is to ensure that homes and businesses across the UK can access fast and reliable digital connectivity. We are responsible for the rollout of gigabit-capable broadband and the expansion of mobile coverage in hard-to-reach areas of the UK.

BDUK is part of the Department for Science, Innovation and Technology (DSIT). For this financial year our reporting is consolidated in the DSIT Annual Report and Accounts.

We work closely with colleagues in the Digital Infrastructure directorate of DSIT to support the telecommunications sector, providing funding to improve digital connectivity in places that might otherwise be left behind by commercial plans.

BDUK is responsible for two major programmes:

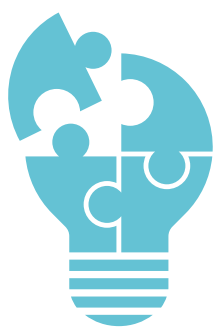
- 1. Project Gigabit:** A major government programme to deliver gigabit-capable broadband to homes and businesses across the UK. The programme supports the government's ambition for nationwide gigabit broadband coverage by 2032¹,
- 2. The Shared Rural Network (SRN):** A joint investment with the UK's mobile network operators to improve mobile connectivity in rural parts of the UK.² The programme is expanding 4G coverage, ensuring that more than 95% of the UK's landmass will have coverage from at least one operator, and increasing the areas where all operators deliver coverage.

Our work to improve broadband and mobile coverage will help to bridge the digital divide and unlock the benefits of cutting-edge connectivity for their families, businesses and communities across the UK.

Delivering BDUK's mission is a shared effort. Our partnerships across government, industry, local councils, devolved administrations, regulators, consumer groups and citizens ensure that investment and delivery are targeted effectively and provide the best value possible.

Our Chief Executive Officer (CEO) is both the Accounting Officer and the Senior Responsible Owner for our two major programmes. The CEO is accountable to the Secretary of State, Minister of State and DSIT's Principal Accounting Officer, and is advised and challenged on strategy, delivery and risk management by BDUK's Board. Prior to April 2025, as a part of the Government Major Projects Portfolio (GMPP), Project Gigabit and the SRN were subject to regular scrutiny by the Infrastructure and Projects Authority (IPA).

BDUK's work is underpinned by four core values: Embracing Challenges, Delivering Excellence, Working Together and Respecting Differences.



EMBRACING CHALLENGES

We are solutions driven



DELIVERING EXCELLENCE

We always strive for the best



WORKING TOGETHER

We achieve more if we share



RESPECTING DIFFERENCES

We listen and consider then act

¹ This target date was revised from 2030 to 2032 through the 2025 Spending Review.

² The mobile network operators are EE, VMO2 and VodafoneThree. Three and Vodafone merged their UK operations in May 2025, however they maintain individual SRN targets under the grant agreement/license obligations.

Outcome of Spending Review 2025

The June 2025 Spending Review provided BDUK with £1.9 billion capital investment up to 2029-30 to continue delivery of both the Project Gigabit and SRN programmes. Project Gigabit continues to target 99% gigabit coverage across the UK; however, the government has revised the target date for this from 2030 to 2032, and we will refresh our delivery plans as a result. The SRN will continue to work with industry to deliver 4G coverage to the most remote areas of the UK.



Challenges

To deliver both Project Gigabit and the SRN, BDUK must continually monitor and respond to wider macroeconomic, resource and financial pressures. We are working closely with our industry partners to ensure delivery remains on track and value for money is maintained.

For Project Gigabit, the highly competitive market has helped drive the expansion of coverage across the UK, but it remains dynamic, affected by the same macroeconomic issues as found across other infrastructure sectors.

BDUK continues to monitor suppliers' commercial plans. Where these change, we respond wherever possible to make sure homes and businesses are not left behind. We have also taken action to put in place alternative delivery plans in instances where suppliers have been unable to fulfil their commitments to BDUK.

The main challenge for the SRN programme remains the complex nature of building sites in very rural and hard-to-reach areas, in particular securing local authority planning permissions but also delivery of power and transmission connections while maintaining value for money and meeting the programme delivery timelines and licence obligations. To deal with these challenges, BDUK is heavily dependent on the Home Office, and Mova (the SRN delivery partner) who have the direct contracting relationships with critical suppliers (e.g. power and transmission suppliers).

The mobile network operators (MNOs) and BDUK have undertaken a significant amount of work to review the portfolio of SRN sites to reflect feedback from local communities and stakeholder groups. BDUK has since reached an agreement with the MNOs to focus on delivering sites that represent the best value for money, with the most benefits to communities and reducing the impact on landscapes.

On 30 June BDUK communicated the details of the agreement publicly and this was welcomed by key stakeholders such as the John Muir Trust, Scottish Land and Estates and the Highlands Council.

The recent Spending Review allocated funding for the SRN, to continue work with industry to deliver 4G coverage beyond 95% of the UK's landmass. The level of funding allocated at the Spending Review is based on the work with the MNOs to confirm this more targeted scope for the programme going forward. The construction phase of the programme will conclude as planned in 2027.

Performance summary and key achievements

Project Gigabit

Project Gigabit in numbers³

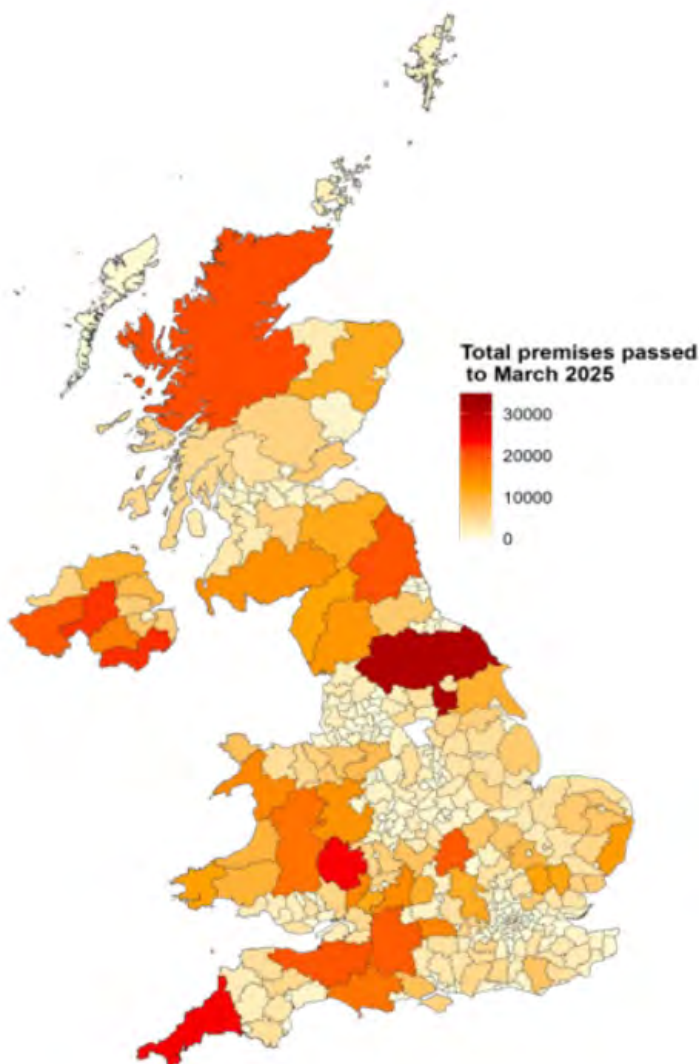


1. 1,227,000 premises passed with a gigabit-capable connection by 31 March 2025
2. 835,100 sub-superfast premises passed by 31 March 2025
3. 39 contracts signed by 31 March 2025 (to pass up to 1,099,144 premises and worth up to £2.05 billion)⁴
4. 5 procurements live on 31 March 2025 (to pass up to 186,707 premises and worth up to £381 million)
5. The number of premises passed by local authority (see illustration below)

Project Gigabit premises passed map

Notes:

1. Map indicating the total number of premises passed by BDUK interventions in each local authority district area up to March 2025.
2. Local authority district areas in London have been combined into a single unit, and the premises passed by BDUK have been summed.



³ Data represents BDUK progress to 31 March 2025. For our most up-to-date delivery information, please refer to our [latest BDUK delivery performance update](#).

⁴ Figures include contracts in England, Wales and Scotland. Contracts in England and Wales and all UK cross regional contracts are managed by BDUK. Local and regional contracts in Scotland are owned and managed by Scottish Government.

Project Gigabit was launched in April 2021, building on successful legacy programmes such as the Superfast, Local Full Fibre Networks and Rural Gigabit Connectivity programmes.

BDUK has achieved its interim target for 85% of the UK to have gigabit coverage by December 2025 and continues to work towards the target of nationwide coverage by 2032.

Project Gigabit contracts now account for the majority of our delivery, with most contracts signed and build underway. Meanwhile, delivery through Superfast contracts and GigaHubs is winding down and vouchers are being utilised more selectively to help fill smaller coverage gaps, complementing wider Project Gigabit rollout.

For the year ended 31 March 2025, we achieved the majority of our objectives set out in our [Corporate Plan 2023 to 2026](#). In October 2024, as a result of commercial and subsidised delivery, gigabit broadband coverage of UK premises reached 85%, achieving Project Gigabit's target over a year ahead of schedule⁵. By the end of March 2025 over 87% of UK homes and businesses had access to a gigabit-capable broadband connection⁶. More detail on how we performed against our objectives is included in the performance analysis section further below.

Project Gigabit delivery

A premises is counted as passed by Project Gigabit when it is possible to access a gigabit-capable service for the supplier's standard price and be connected in the supplier's standard timescale.

We count both directly subsidised premises as well as uncommercial premises that were not directly funded but received connections because of nearby BDUK-funded projects. As a result, all premises passed figures are estimates based on a combination of raw supplier data and modelled figures.

Project Gigabit's number of premises passed for previous financial years has been updated to account for new higher quality data from vouchers suppliers. We have also made minor methodological changes to improve the consistency of how we count premises across our interventions (that is, we now count both premises that we have directly subsidised as well as premises that we have not directly paid for, but which were delivered en route to subsidised premises).

For all of our interventions, we also exclude counting premises that we believe would have been commercially delivered or that were delivered by another supplier before our subsidised supplier. More information can be found in our quality and methodology report and bulletin⁷. Details of the number of premises delivered under each Project Gigabit contract have been published in BDUK's [performance data, annual: April 2024 to March 2025](#).

Table 1 shows that in the year ended 31 March 2025, we passed 152,700 premises with gigabit-capable broadband. We delivered more premises in the year ended 31 March 2025 compared to the previous year (150,100 in the year ended 31 March 2024) and we expect the number of premises passed to increase as more Gigabit contracts move from their planning phases into delivery.

Table 1: Premises passed (rounded to nearest 100) against the Corporate Plan 2024 to 2025 minimum trajectory⁸

	Apr 2024 to Mar 2025	Apr 2023 to Mar 2024	Apr 2022 to Mar 2023	Apr 2021 to Mar 2022	Before Apr 2021
Actual premises passed by BDUK interventions	152,700	150,100	162,500	148,900	612,700
Cumulative minimum target premises passed for BDUK interventions	1,100,000 to 1,200,000	1,000,000 to 1,050,000	935,000	742,000	600,000
Cumulative actual premises passed by BDUK interventions	1,227,000	1,074,200	924,100	761,600	612,700

Source: BDUK Delivery Performance Annual Information as of August 2025.

Note: Totals may not sum due to rounding.

⁵ [thinkbroadband UK broadband coverage statistics](#), October 2024

⁶ [thinkbroadband UK broadband coverage statistics](#), March 2025

⁷ [Quality and methodology information \(QMI\) for BDUK delivery performance, annual](#)

⁸ Data for previous years may differ from previously published figures due to updated methodology which can be found in [Quality and methodology information \(QMI\) for BDUK delivery performance, annual](#)

Delivery by intervention

Project Gigabit uses four interventions:

- 1. **Gigabit contracts:** Subsidies in the form of Gigabit Infrastructure Subsidy contracts awarded to suppliers to build gigabit-capable infrastructure to premises not reached by commercial build plans.
- 2. **Superfast contracts:** Contracts targeted at sub-superfast premises under the Superfast Broadband Programme, either extended to deliver gigabit-capable infrastructure, or delivering this as part of the original contract.
- 3. **Gigabit Broadband Voucher Scheme:** Small grants worth up to £4,500 each, which can be claimed by eligible residential and business customers in target

areas to cover the additional costs of a supplier extending gigabit-capable infrastructure to their premises.

- 4. **GigaHubs:** Grants to connect local public services in hard-to-reach areas, such as schools, libraries, and GP surgeries. We are not actively developing new projects given the coverage now being provided through other mechanisms.

Table 2 shows the contribution each of our interventions has made to deliver gigabit-capable coverage:



9 Data for previous years may differ from previously published figures due to updated methodology which can be found in [Quality and methodology information \(QMI\) for BDUK delivery performance, annual](#)

Table 2: Premises passed by intervention (rounded to nearest 10)⁹

Intervention approach	Total	Premises Passed between Apr 2024 and Mar 2025	Premises Passed between Apr 2023 and Mar 2024	Premises Passed between Apr 2022 and Mar 2023	Premises Passed between Apr 2021 and Mar 2022	Before Apr 2021
Superfast	793,590	33,820	60,640	89,230	94,080	515,830
Vouchers	353,900	55,740	78,590	73,090	51,540	94,950
Gigabit contracts	73,740	62,760	10,830	160	0	0
Hubs	5,720	380	80	50	3,300	1,910
Total	1,227,000	152,700	150,100	162,500	148,900	612,700

Source: BDUK Delivery Performance Annual as of August 2025

Note: Totals rounded to the nearest 100. Totals may not sum due to rounding.

Case study: Project Gigabit transforms homes and businesses in Grantchester



CityFibre's Project Gigabit contract in Cambridgeshire has brought faster, more reliable broadband to Grantchester, one of the first areas in the county to benefit from the rollout. Both residents and businesses are already seeing the difference.

The first household to connect was that of Josh Newman, a filmmaker and lecturer. Previously limited by slow speeds, his family often struggled with unreliable service. Thanks to Project Gigabit, the upgraded service has been transformative. Josh said, "We can now rely on the internet for everything - from smoother Teams calls for my wife's work, to faster uploads for my filmmaking, and easy streaming for the kids. Before, we had to plan around our unreliable broadband - now we have what we need when we need it."

Local business The Grantchester Green Man pub and rooms has also reaped the benefits. Slow connections holding back their operations were often frustrating. Manager Jules Gibson said: "Taking a full fibre connection has really boosted business for us. Processes that were a pain before are now smooth and efficient. Even stock management is

much easier, and that has a positive effect on how many customers we can serve."

By enabling residents like Josh to work and create more effectively, and businesses like The Green Man to run more efficiently, Project Gigabit is helping rural communities thrive in a digital world.

Photo credit: The Green Man website

Rurality of our subsidies

Rural premises are often far from the nearest viable broadband infrastructure, making their delivery too expensive for most suppliers. As a result, whilst Project Gigabit is a nationwide programme, a large number of the premises outside suppliers' build plans sit in rural locations.

The Superfast programme showed how building out a fast and reliable broadband network to rural communities helps tackle digital exclusion and rural poverty. Further information on the evaluated benefits of our programmes are accessible through our online Research Portal.¹⁰

Between April 2024 and March 2025, we passed 135,900 rural premises through our interventions. This means that 89% of premises benefiting from our subsidies were rural, compared to 20% of all premises in BDUK's premises base in the UK being classed as rural.

Table 3: Rural premises passed (rounded to nearest 100)¹¹

	Total	Premises Passed between Apr 2024 and Mar 2025	Premises Passed between Apr 2023 and Mar 2024	Premises Passed between Apr 2022 and Mar 2023	Premises Passed between Apr 2021 and Mar 2022	Before Apr 2021
Rural premises	988,200	135,900	137,100	144,200	127,000	444,000
% of premises passed by BDUK in the period	81%	89%	91%	89%	85%	73%

Source: BDUK Delivery Performance Annual as of August 2025

Note: Totals may not sum due to rounding.

Case study: 'Magic' in East Yorkshire

Colin Walker runs an equestrian centre in the tiny hamlet of Willitoft in East Yorkshire, surrounded by farmland and miles from the nearest town. For years his internet came via a four-mile copper line from Bubwith, offering little more than frustration.

"Without internet, you're left behind," Colin said. "We couldn't stream, do online banking, or run our business properly."

That changed when he spotted a Quickline engineer in the village. "It felt like winning the lottery," he laughed. "I asked straight away - where do I sign?"

Thanks to Project Gigabit, Colin now enjoys fast, reliable broadband. Customers can book riding lessons online, security cameras connect to his phone, and Netflix streams without a hitch.

Colin said. "It's given us access to the world. It's like magic."



10 www.gov.uk/government/collections/building-digital-uk-research-portal

11 Data for previous years may differ from previously published figures due to updated methodology which can be found in [Quality and methodology information \(QMI\) for BDUK delivery performance, annual](#)

Project Gigabit across the Union

Project Gigabit covers areas across the UK and we work closely with the devolved administrations on its delivery in Scotland, Wales and Northern Ireland.

Scotland

By 31 March 2025, over 81% of premises in Scotland had access to a gigabit-capable connection¹². During the financial year April 2024 to March 2025, we passed 34,700 premises in Scotland.

In May 2025 it was confirmed that Scotland would benefit from BDUK's largest call-off contract to date. Awarded under a cross-regional framework agreement, this provides up to £157 million to connect up to 65,000 premises across central and northern Scotland.

The Scottish Government is the lead organisation for managing local and regional procurements in Scotland. In February 2025, it was announced that the Scottish Government had awarded the first contract for Scotland

covering premises across the Borders and East Lothian area, with a second contract covering Aberdeenshire, Dundee and Moray Coast announced in July 2025. A further procurement covering the Orkney and Shetland Isles is also under way.

Significant change in the commercial coverage in Scotland has resulted in some changes to planned procurements. In Fife, Perth & Kinross, the Scottish Government has halted a regional procurement in the area and has undertaken further market engagement prior to relaunching the procurement process. Additionally, eligible premises in Dumfries and Galloway will be added into the cross-regional framework rather than a separate procurement being undertaken.



Wales

There has been a significant improvement in the rollout of gigabit-capable broadband in Wales in recent years, with gigabit coverage increasing from 58% in January 2023, when market engagement started in Wales, to over 80% by 31 March 2025.¹³ During the financial year April 2024 to March 2025 we passed 10,700 premises in Wales.

BDUK is the lead organisation for delivering Project Gigabit contracts in Wales. Wales is covered by two call-off contracts under the cross-regional framework awarded to Openreach in summer 2024. These two contracts will address 68,000 premises in Wales through a mix of directly subsidised premises and non-subsidised premises delivered en route to them.

Northern Ireland

Northern Ireland remains the most connected part of the Union, with over 96% of premises able to access a gigabit-capable connection by 31 March 2025.¹⁴ During the financial year April 2024 to March 2025, we passed 5,500 premises in Northern Ireland.

The Northern Ireland Executive is the lead organisation for managing procurements in Northern Ireland. The Northern Ireland Department for Economy launched a procurement for over 10,000 premises under Project Gigabit in 2024. The outcome is expected to be announced in 2025.

¹² [thinkbroadband](#), March 2025. Ofcom's most recent [Connected Nations report](#) noted 77% gigabit coverage in Scotland based on analysis of provider data from July 2024.

¹³ [thinkbroadband](#), March 2025. Ofcom's most recent [Connected Nations report](#) noted 74% gigabit coverage in Wales based on analysis of provider data from July 2024.

¹⁴ [thinkbroadband](#), March 2025. Ofcom's most recent [Connected Nations report](#) noted 94% gigabit coverage in Northern Ireland based on analysis of provider data from July 2024.

Table 4: Premises passed by nation and region (rounded to nearest 100)¹⁵

Country/Region	Total	Premises Passed between Apr 2024 and Mar 2025	Premises Passed between Apr 2023 and Mar 2024	Premises Passed between Apr 2022 and Mar 2023	Premises Passed between Apr 2021 and Mar 2022	Before Apr 2021
All UK	1,227,000	152,700	150,100	162,500	148,900	612,700
England	853,400	101,800	96,000	95,200	97,700	462,700
North East	32,400	7,000	5,600	4,000	4,500	11,300
North West	66,100	11,300	8,100	4,500	4,300	37,900
Yorkshire and the Humber	85,000	13,300	10,200	6,000	7,800	47,700
East Midlands	89,200	10,200	13,600	7,100	10,100	48,100
West Midlands	89,000	11,400	9,900	9,500	7,900	50,400
East of England	157,200	15,600	10,500	21,600	25,700	83,700
London	9,200	<50	100	300	300	8,600
South East	159,300	9,600	14,000	21,000	21,300	93,400
South West	165,900	23,400	24,000	21,200	15,800	81,500
Northern Ireland	127,400	5,500	20,300	38,300	31,000	32,200
Scotland	123,300	34,700	28,400	20,000	7,200	33,000
Wales	122,700	10,700	5,400	8,900	13,000	84,700

Source: BDUK Delivery Performance Annual as of August 2025.

Note: Totals may not sum due to rounding.



¹⁵ Data for previous years may differ from previously published figures due to updated methodology which can be found in [Quality and methodology information \(QMI\) for BDUK delivery performance, annual](#)

Case study: Royal Dornoch's digital transformation drives golf tourism growth



Highland Broadband's broadband upgrade at Royal Dornoch Golf Club in May 2024, exemplifies how digital infrastructure transforms rural businesses and supports the government's mission to break down barriers to opportunity.

The club's investment in an upgraded broadband service was a critical part of their ambitions to grow the business. Neil Hampton, general manager at Royal Dornoch, said that thanks to the "stunning" speeds provided by Highland Broadband, the club is in the perfect position to meet the burgeoning global interest in golf and the growing number of international visitors inspired by events such as the Scottish Open.

The prestigious club on the Dornoch Firth has benefitted from the upgrade through the Gigabit Broadband Voucher Scheme. Having access to a new service has enabled 24/7 international bookings and real-time course management systems.

"If the internet went down right now, suddenly the whole business stops," Hampton explained. The club forecasts a 30% rise in advance bookings for 2026, driven by growing international interest in Scottish golf tourism.

Royal Dornoch's success perfectly demonstrates how investment in reliable broadband is transforming opportunities for businesses across the country and creating a lasting economic impact whilst supporting local businesses and attracting international visitors to rural communities.

Photo credit: Highland Broadband Networks Ltd - Neil Hampton, general manager at Royal Dornoch

Sub-superfast premises passed

Project Gigabit has a specific spending objective to prioritise sub-superfast premises for gigabit-capable connectivity where practical.

A proportion of our interventions are therefore aimed at premises without access to a superfast connection (<30 Mbps). During financial year April 2024 to March, 2025 47,400 premises previously receiving speeds below 30 Mbps were passed by our interventions.

As we approach nationwide availability of Superfast broadband (98% coverage according to Ofcom's Connected Nations Report December 2024¹⁶), the proportion of premises that BDUK subsidises with previously <30 Mbps connection speeds is likely to decrease.

¹⁶ [Connected Nations UK report 2024](#)

Table 5: Sub-superfast premises passed by BDUK interventions (rounded to nearest 100)¹⁷

	Total	Premises passed between Apr 2024 and Mar 2025	Premises passed between Apr 2023 and Mar 2024	Premises passed between Apr 2022 and Mar 2023	Premises passed between Apr 2021 and Mar 2022	Before Apr 2021
Premises passed by a BDUK intervention that previously had available speeds of <30 Mbps	835,100	47,400	62,700	97,400	97,900	529,600
% of premises passed by BDUK in the period	68%	31%	42%	60%	66%	86%

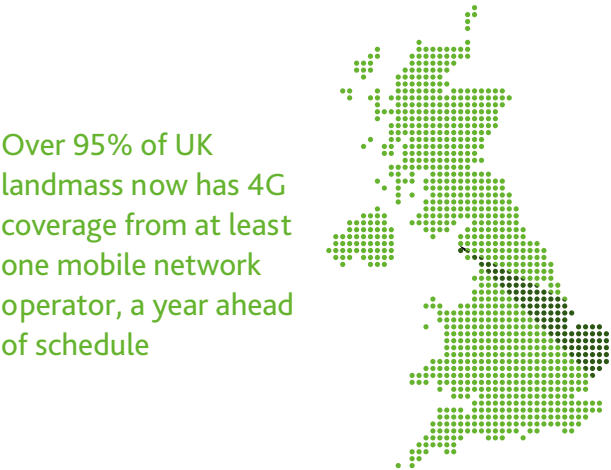
Source: BDUK Delivery Performance Annual as of August 2025.

Note: Totals may not sum due to rounding.

Note: A data tables and definitions annex supporting Project Gigabit delivery data used in this report is available online at GOV.UK.¹⁸

The Shared Rural Network

Shared Rural Network in numbers¹⁹



4G coverage has reached targets of extending to an additional 280,000 premises and 16,000km of road²⁰, also achieved one year ahead of schedule



As of 31 March 2025, 46 Extended Area Service sites are live and providing 4G coverage to remote regions (8 in England, 13 in Scotland and 25 in Wales)



The first publicly funded Total Not Spot site went live on South Uist in October 2024

Maps showing growth in 4G coverage (see illustration on following page)

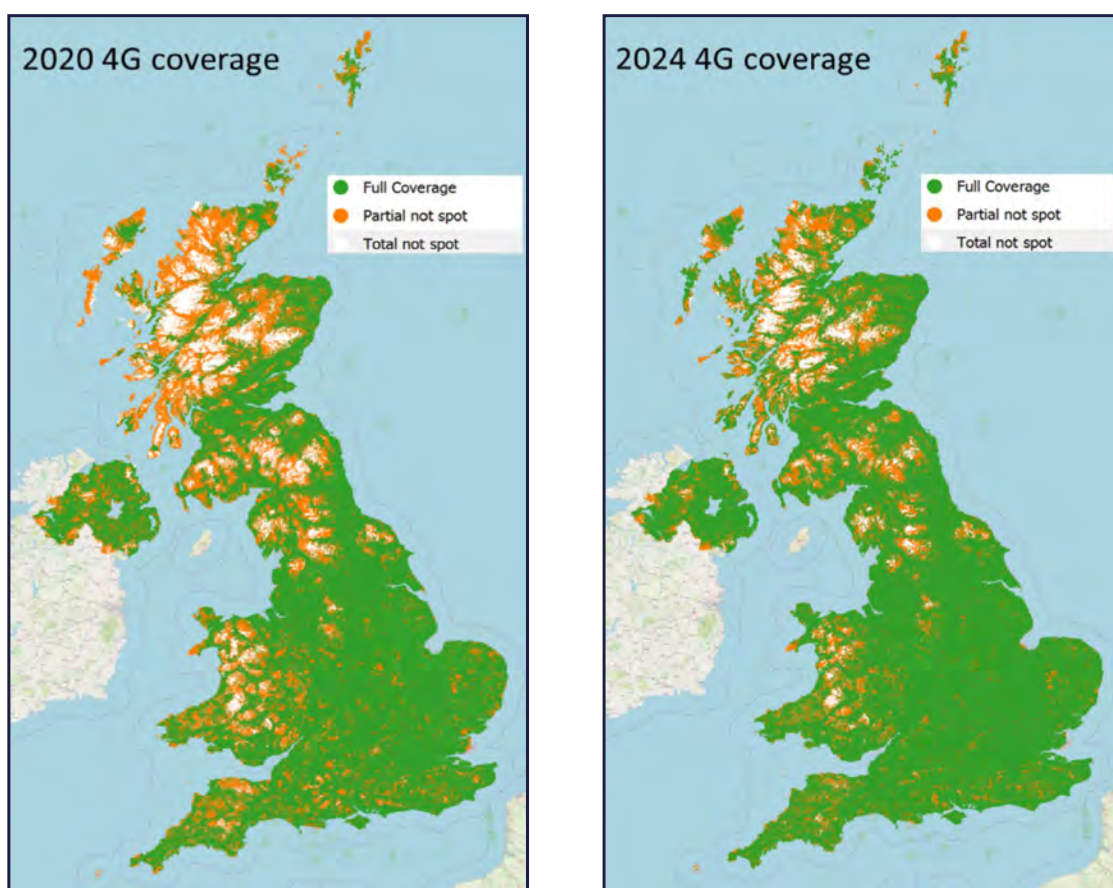
¹⁷ Data for previous years may differ from previously published figures due to updated methodology which can be found in [Quality and methodology information \(QMI\) for BDUK delivery performance, annual](#)

¹⁸ [BDUK delivery performance, annual: April 2024 to March 2025](#)

¹⁹ For current information, see our online [Programme Progress page](#)

²⁰ Based on [Ofcom Connected Nations report](#).

The maps below from Ofcom show how 4G coverage has improved since the start of the programme as more rural locations have benefitted from increased 4G coverage.²¹



Through the SRN programme, we are working with the UK's mobile network operators (MNOs) – EE, VMO2 and VodafoneThree - to upgrade existing masts, as well as building new masts, to cover areas with no or partial mobile connectivity.

The SRN programme has already achieved its primary coverage targets over a year early, thanks to the completion of the industry funded Partial Not Spots element of the programme. Over 95% of UK landmass now has 4G coverage from at least one MNO, and the SRN has provided coverage to an additional 280,000 premises and 16,000km of roads.

The SRN programme is split between public and privately funded elements, underpinned by the MNOs' spectrum licence obligations. In line with the six-year capital funding period, the MNOs' legally binding spectrum obligations for the SRN, which are still yet to be met, must be achieved by January 2027 and the programme will continue to deliver coverage improvements up to that point. Having achieved the overarching objectives of the SRN programme, government and the MNOs have since worked together to agree a revised plan to target remaining deployment of infrastructure in places where the benefit will be felt the most.

The SRN will help those who live and work in rural communities to achieve their full potential and

enable those that visit to have access to vital services, through improved mobile connectivity.

The SRN consists of three separate parts:

1. To tackle Partial Not Spots, areas where there is currently coverage from at least one, but not all, mobile operators, the four mobile network operators are investing in a shared network of new and existing masts. This UK-wide intervention is now complete.
2. The government is upgrading Extended Area Service (EAS) masts being built as part of the Home Office's Emergency Services Network (ESN). These masts will become usable by all four mobile network operators, improving connectivity in hard-to-reach places across Great Britain.
3. The government is also funding new masts to be shared by the four mobile network operators in Scotland to tackle Total Not Spots, areas where there is currently no coverage from any mobile operator.

²¹ [Source: Shared Rural Network Coverage-Assessing the mobile network operators' compliance with their geographic coverage obligations](#)

All the work undertaken as part of the programme is regulated by Ofcom, with regular reporting throughout the life of the programme to ensure agreed obligations and targets are met. The programme was designed with Ofcom and the MNOs to develop coverage obligations that reflect the desired coverage outcomes.

The MNOs are incentivised to deliver through these legally binding obligations, with a range of measures available to Ofcom to enforce them, including the power to issue fines for up to 10% of turnover. Under these obligations, MNOs have committed to meet certain coverage thresholds, assessed by Ofcom. The first of these was 88% geographic coverage of the UK (through the Partial Not Spots element of the programme) by the end of June 2024, achieved by all MNOs in early November 2024. As of 31 March, the second coverage requirement is 90% geographic coverage of the UK in January 2027, to be delivered through coverage uplifts

resulting from the Total Not Spots and Extended Area Service parts of the programme²².

The SRN Programme team has acted on recommendations from a National Audit Office report (January 2024), the Public Accounts Committee (May 2024) and the National Infrastructure and Service Transformation Authority Gateway 0 Review (January 2025). Significant progress has been made against recommendations in all areas; in June 2025 BDUK agreed a revised, targeted delivery portfolio for the TNS project with the MNOs, the portfolio focuses on sites with the best value for money, with the most benefits to communities and reducing the impact on landscapes. As a result of the agreement, BDUK now have improved access to management information to effectively monitor delivery progress and cost changes across the project lifecycle.

Shared Rural Network delivery

We achieved all our 2024 to 2025 objectives for the programme. More detail on how we performed against our objectives is included in the performance analysis section further below.

We have worked with our partners to improve 4G coverage in rural areas throughout the country. The table below shows that 4G coverage across the UK reached 96% in January 2025, an increase from 91%

in March 2020 when the SRN agreement was signed and confirming that the programme has delivered the overarching 95% coverage target a year ahead of its target date of December 2025.

Table 6: Mobile coverage across the UK and nations, 2020 to 2025 ²³

	Jan 2020	Jan 2021	Jan 2022	Jan 2023	Jan 2024	Jan 2025
UK 4G landmass coverage	91%	91%	92%	92%	93%	96%
England 4G landmass coverage	97%	97%	98%	98%	98%	99%
Scotland 4G landmass coverage	80%	81%	82%	83%	85%	90%
Wales 4G landmass coverage	89%	90%	90%	91%	92%	96%
Northern Ireland 4G landmass coverage	97%	97%	97%	97%	97%	98%

22 BDUK has agreed a revised targeted delivery portfolio, with the MNOs which will also result in an update to the second coverage requirement of 90% geographic coverage of the UK in January 2027

23 Source: [Connected Nations update: Spring 2025](#) - Ofcom

SRN Delivery in focus – the first Total Not Spot site goes live

In November 2024 the first SRN Total Not Spot site was switched on in South Uist in the Outer Hebrides, delivering 4G to areas that previously did not have mobile broadband coverage.

The publicly funded mast provides coverage from all mobile network operators, significantly improving connectivity for those who live, work and travel to the area. The villages of Balivanich, Grimsay, Liniclate, across almost the entirety of Benbecula, as well as more than 30km of the A865 and other smaller roads and tracks have been provided with coverage. In addition, those working in and passing through the waters



of The Little Minch between South Uist and Skye also benefit from connectivity provided by the site.

Telecoms Minister Chris Bryant said: "For too long, island communities in Scotland have struggled to get online while on the go. This milestone for the Shared Rural Network means vast swathes of Uist are now covered by 4G for the first time, boosting productivity for local businesses and safety for those in remote areas."

Investment in our programmes

The table below shows the capital spending on our interventions and programmes this year with a comparison to last year. The prior year figures have been restated to correct the Gigabit vouchers and Gigabit contract spend totals and align with the comparative information for 2023 to 2024 disclosed in the financial statements.

Table 7: BDUK capital spend by intervention and programme

£ million	2023 to 2024 (restated)	2024 to 2025
Fixed Broadband		
Gigabit Vouchers	56.8	72.3
GigaHubs	2.6	-
Superfast Extension	0.2	1.0
Gigabit contracts (GIS)	32.2	180.5
Total Project Gigabit spend	91.8	253.8
Superfast	1.6	1.2
Mobile		
Shared Rural Network	3.3	13.8
Total Capital spend	96.7	268.8

Risks

Our delivery plan is challenging, not least as we are operating in a dynamic market environment making our programmes particularly vulnerable to macroeconomic pressures outside of our control.

We have a well-established Audit and Risk Assurance Committee in line with appropriate guidelines, and a programme of internal audit has been delivered by the Government Internal Audit Agency (GIAA) acting as internal auditors. Both the GIAA and the National Audit Office (NAO) attend the BDUK Audit and Risk Assurance Committee. More information on risk

management in BDUK is covered in the Accountability Report.

The principal strategic risks we face, and the steps we have taken to mitigate against them, are included in the following table. These are based on both the risks we faced during the year and those we have identified for the year ahead.

Table 8: Strategic risks faced by BDUK with key mitigations

Risk	Key Mitigations
Project Gigabit delivery of 99% gigabit coverage by 2032 There is a risk that BDUK will not achieve its target of 99% gigabit-capable connectivity by 2032 due to supplier challenges, funding constraints, market conditions or deployment complexities. Failure to meet this target would impact government commitments, and result in reduced economic and social benefits.	• Close engagement with key delivery partners, particularly with the highest dependency. • Held suppliers to account for delivery of Gigabit contracts in line with targets and milestones. • Reviewed opportunities across the range of routes to market, such as voucher projects in parallel with contract award. • Monitored indicators of contracted suppliers' and key sub-contractors' financial resilience, capacity and capability. • In-life contract and supplier management to ensure suppliers deliver against their commitments. • Technical assurance of the technology used by Suppliers to ensure the network meets appropriate standards. • Used efficient processes for moving premises into new contracts or other mechanisms in the event of supplier failure. • Undertook regular Open Market Reviews to monitor commercial build and plans and took appropriate action in the procurement process/contract life.
SRN delivery commitments There is a risk that BDUK is unable to deliver the programme and value for money by January 2027 due to complex delivery challenges associated with very rural areas. BDUK does not have direct contracting relationships with power and transmission suppliers and therefore relies on grant recipients to deliver outputs to necessary timescales.	• Continued to work with Mova and the MNOs on delivering their plans in a way that focuses remaining delivery of the programme on delivering recognisable public benefits and represent value for money. • Continued assurance of SRN costs to ensure they align with industry standards and provide value for money. • Reviewed how BDUK monitors grant recipient management of these key dependencies and agree associated reporting mechanisms to identify where issues might be arising

Risk	Key Mitigations
Demonstrating the benefits, value and impact of programmes There is a risk that BDUK's interventions do not deliver intended benefits, or that we are unable to effectively evidence their value, efficiency or impact.	• Dedicated Analysis and Evaluation team to evaluate Project Gigabit and Shared Rural Network programmes, with a strategy aligned to Green Book Principles. • Environmental and social value criteria incorporated into procurement and programme design and reported via Government Major Projects Portfolio. • Requirements for suppliers to provide data on infrastructure usage, uptake and delivery quality.
Ability to attract, retain and enable the people we need to deliver There is a risk that we are unable to retain, develop, and enable a workforce with the right skills, experience, and behaviours to deliver our objectives and adapt to changing delivery needs.	• Used the People Board every other month, which focuses on decision-making for BDUK people matters, to discuss and address key capacity issues. • Development of strategic workforce plan to support prioritisation and identify skills gaps. • Identification of automated solutions to support with scaling up. • Continuous improvement to BDUK's operating model to ensure effective management of our programmes and other competing priorities.
Risk to BDUK's effective financial stewardship There is a risk that BDUK is unable to maintain effective financial stewardship across its portfolio including securing and managing sufficient funding, ensuring accurate forecasting, maintaining strong financial controls, and preventing fraud or financial irregularity.	• Business case refreshes for both programmes and regular touch points with HM Treasury to give us the best view of upcoming expenditure requirements and secure necessary funding. This will be critical for Project Gigabit following the changes to the programme in the 2025 Spending Review. • Resource planning to understand our capacity requirements. • Development of systems and processes to enhance our effectiveness and improve forecasts. • Robust counter-fraud systems and processes with targeted, proportionate controls across key areas.
Effective governance, management and use of data to support decision-making and delivery There is a risk that BDUK's data assets, processes, culture, and cyber security measures are not sufficient to enable effective use of data to drive decisions and delivery. This may impact programme performance, relationships with stakeholders, and result in missed opportunities to optimise delivery.	Completed the BDUK 'Data Backbone' project, consolidating processes and data into an easy-to-access single point of truth. This includes: • Improved internal technical capability, which has reduced the need for outsourcing all development work • BDUK colleagues' ability to interact with and leverage data autonomously, including the availability of AI tools which speed up data ingestion and analysis • Building a solution for our payments process, with automated checks to streamline and boost accuracy • Improved readiness for disaster recovery through secure storage of BDUK's data, which mitigates risk should access to our core systems be disrupted.

Performance analysis

This section provides a detailed analysis of BDUK's performance between 1 April 2024 and 31 March 2025.

Performance against BDUK's Corporate Plan objectives for the year ended 31 March 2025

This section sets out BDUK's performance in the year ended 31 March 2025 against the associated objectives and sub-objectives outlined within our [Corporate Plan 2023 to 2026](#). The objectives support our mission to ensure that homes and businesses across the UK can access fast and reliable digital connectivity.

BDUK's objectives for 2024 to 2025



Reporting against all objectives and measures in the Corporate Plan

In the [Corporate Plan 2023 to 2026](#), sitting below our five key strategic objectives²⁴, we set out specific sub-objectives, measures and milestones to achieve in the year ended 31 March 2025. This is the framework we use to analyse our performance. Included below are our results and analysis.

Results key for the tables below:

	Achieved (A) - BDUK has fully achieved the measure set out in its Corporate Plan.
	Partially Achieved (PA) - BDUK has made good progress towards achieving the measure set out in its Corporate Plan.
	Not Achieved (NA) - BDUK has not achieved the measure set out in its Corporate Plan.

Project Gigabit objectives

Objective 1: Deliver gigabit-capable connectivity to homes and businesses outside suppliers' commercial rollout plans

- 1.1 We will provide gigabit-capable connectivity to an increasing number of premises and drive delivery of Project Gigabit targets through:
- Delivering on existing Gigabit contracts, Superfast contracts, voucher projects and GigaHub projects
 - Setting up future delivery by managing Gigabit procurements

2024 to 2025 Measure	Result
Subsidise gigabit-capable connectivity to between a cumulative 1.1 to 1.2 million homes and businesses.	Achieved
Award the majority of Gigabit contracts in England in line with our quarterly published pipelines and exercise robust contract management, supporting our suppliers to deliver on their contracted milestones. Support the launch of procurements across Scotland, Northern Ireland and Wales in line with our quarterly published pipelines. Develop voucher projects for premises not within the scope of Gigabit contracts.	Achieved
Award and sign our first cross-regional Gigabit contract.	Achieved

Summary of performance

By March 2025, we passed 1.23 million premises, achieving our target of subsidising connectivity to 1.1 to 1.2 million premises. More detail on our interventions and delivery results are included in the Project Gigabit delivery section further above.

We achieved our objective to award the majority of Project Gigabit procurements in England, with contracts signed for all procurements in the pipeline for England by December 2024.

This included awarding and signing our first cross regional framework agreement.

In the devolved administrations, we awarded call offs covering a significant part of Wales under the cross regional framework and launched procurement for a call off covering Scotland which was awarded in April 2025. The first local and regional procurements in Scotland and Northern Ireland were launched during 2024 to 2025, with further procurements in Scotland in progress.

24 Overall strategic objectives included here are from our [Corporate Plan 2024 to 2025](#), published 10 April 2024.

1.2

We will monitor and evaluate our interventions for efficiency and effectiveness to support our strategic decision-making.

2024 to 2025 Measure	Result
Monitor the benefits of our gigabit-capable build as part of the longer-term Project Gigabit evaluation programme, including publishing a final Superfast report, a second GigaHubs impact report and the first outputs from our final full Local Full Fibre Networks legacy programme evaluation.	Partially Achieved
Research and develop new interventions which could be deployed if required.	Achieved

Summary of performance

Under the voucher scheme terms and conditions, suppliers are required to report against their delivery on a quarterly basis. We regularly meet with strategic suppliers to discuss delivery performance and future opportunities.

In the past year we have continued with the evaluation of all BDUK programmes and have published several reports on the impact and benefits of our programmes, including:

- The final “Superfast Broadband Programme Evaluation” report
- “Early Process Evaluation of Gigabit Contracts” report
- In-house research on the digital divide and the impact of connectivity on rural schools and farmers

These are accessible through our online Research Portal with all our previous research and evaluation²⁵. Evaluation of Hubs and Vouchers is ongoing; with an interim impact evaluation report for each to be published later in 2025. Soon we will also publish our Evaluation Plans for every live evaluation contract – this includes Project Gigabit, Shared Rural Network, Hubs and Local Full Fibre Network Programme. The last of these was procured in November 2024 and has been scoping and developing the work required to deliver reports in early 2026.

Over the 2024 to 2025 period BDUK also used stakeholder engagement and analysis to develop an expansion to the Gigabit Broadband Voucher Scheme. An initial trial extends their availability beyond rural areas and into urban areas, to address coverage gaps in towns and cities. This was announced on 31 March 2025 and launched to initial areas in April.



25 [Building Digital UK Research Portal](#)

Shared Rural Network objectives

Objective 2: Improve mobile internet connectivity for people living, working and visiting remote regions by delivering the SRN programme

2.1 We will work with our partners to provide 4G mobile coverage to more remote regions across the UK.

2024 to 2025 Measure	Result
Collaborate with our partners to ensure that the programme is on track to deliver 4G mobile coverage to 95% of the UK geography by the end of 2025.	Achieved
Review and respond to the findings of the quarterly reports produced by the programme's independent assessor.	Achieved

Summary of performance

BDUK achieved its 4G mobile UK coverage target a year ahead of schedule, with Ofcom noting UK 4G coverage to be over 95% in its Connected Nations Report in December 2024.

We continue to review and respond to independent assessor recommendations on a quarterly basis.

The most recent report was received in May 2025 and focussed on planning, power and transmission challenges as well as reporting requirements to increase oversight of the TNS project. BDUK and mobile network operators have worked together and agreed updated reporting requirements will be provided as part of the new revised, targeted TNS plan.

2.2 We will work with our partners to upgrade infrastructure through the Extended Area Service (EAS) element of the programme. Driving even more benefits from existing government investment.

2024 to 2025 Measure	Result
Mobile network operators to provide 4G mobile coverage to people in remote regions from a cumulative 20 sites	Achieved
Home Office to upgrade a cumulative 72 EAS sites for hand-over to mobile network operators to make operational for commercial use.	Achieved

Summary of performance

The programme achieved the objective of providing 4G coverage to remote regions through the EAS project from 20 sites in October 2024, five months ahead of schedule. As of 31 March 2025, the EAS element of the SRN had 45 sites live providing 4G coverage to remote regions, with 8 in England, 13 in Scotland and 24 in Wales.

In December 2024 the programme also achieved its target to upgrade 72 EAS sites for hand-over to mobile network operators. Work has continued to hand over more sites and by the end of the 2024 to 2025 period 100 sites had been handed over for commercial use.

2.3 We will work with our partners to build new infrastructure through the Total Not Spots (TNS) element of the programme.

2024 to 2025 Measure	Result
Engage with mobile network operators to receive their finalised target portfolio of sites to reach the 1% TNS 4G coverage target.	Partially Achieved
Mobile network operators to prepare the first TNS pilot site for launch.	Achieved

Summary of performance

Following the programme's achievement of its overall objective of 95% UK landmass coverage from at least one MNO, BDUK and mobile network operators have undertaken significant work to focus the remaining TNS project in a way that maximises public benefit, targeting delivery of coverage in areas where people live, work or travel, and walking and hiking routes. This approach also addressed feedback from local communities and interest groups who were concerned about impact of new masts in areas of natural beauty.

The outcome was an agreement between BDUK and mobile network operators to re-shape the project to a portfolio which focused on delivering maximised benefits whilst reducing costs, under a revised budget

of up to £150 million. BDUK and mobile networks operators agreed the revised, targeted delivery portfolio, prioritising new mobile infrastructure for areas where it will have the biggest positive impact where people live, work or travel. As a result of BDUK and MNOs agreeing a revised targeted delivery portfolio, meaning far fewer masts, the 1% TNS 4G coverage target is now revised to 0.2%

The first TNS mast in South Uist in the Scottish Hebrides went live in October 2024. At end of March 2025, MNOs had accessed a further 3 sites with 1 site in build. We expect the second TNS mast located in Islay to go live in September 2025.

Operational objectives to support our delivery

Objective 3: Make BDUK a great place to work, inspiring and empowering our people to perform at their best

3.1 We will strengthen our capability and capacity by developing our workforce to ensure we have the right people in the right roles, at the right time, and retaining existing expertise through better employee engagement and a commitment to the wellbeing of staff.

2024 to 2025 Measure	Result
Improve our employee engagement (as tracked in the annual Civil Service People Survey) from 68% in 2023.	Not Achieved
Improve our learning and development theme score (as tracked in the annual Civil Service People Survey) from 65% in 2023. Launch a new talent and leadership programme, and enable all staff to undertake training in line with a personal learning and development plan.	Partially Achieved
Implement changes to our organisational structure and processes to optimise delivery as our programmes enter new phases.	Achieved

Summary of performance

Our employee engagement score in the annual Civil Service People Survey dropped from 68% to 65% in 2024 to 2025. The last three years have seen unrelenting change for BDUK as we transitioned to operating as an executive agency under DSIT Sponsorship from DCMS whilst continuing to deliver our programmes. Although our target to improve this score was not achieved, our score compares favourably to the Civil Service benchmark figure of 64%.

Our learning and development theme score in the Civil Service People Survey also dropped, reducing from 65% to 59%. Although this also sits above the Civil Service benchmark figure of 56%, the target to improve

this score was not achieved. A High Performance Leadership programme was launched in February 2024, with its first cohort completing the training in August the same year. A new talent and development programme for middle management was launched in June 2025 and a target has been set for BDUK to build a talent pipeline in 2025 to 2026.

Implementation of changes with a focus on supporting processes to optimise programme delivery was carried out though the 2024 to 2025 period, including changes to team structures. This is ongoing and we continue to scope opportunities for digitisation and automation to support efficient working.

3.2 We will strengthen our commitment to develop a positive culture, with clear values to support respect, diversity and inclusion.

2024 to 2025 Measure	Result
Improve our inclusion and fair treatment theme score (as tracked in the annual Civil Service People Survey) from 84% in 2023.	Not Achieved
Implement a new diversity and inclusion strategy, publish gender pay gap reporting for the first time and improve in areas of low representation.	Achieved

Summary of performance

In the 2024 Civil Service People Survey, we saw a percentage decrease in the inclusion and fair treatment theme score to 81% from 84% the previous year, meaning that our target to improve this score was not achieved.

We re-launched an updated diversity and inclusion strategy in January 2025, with the aim to build a collaborative culture that promotes diversity and inclusion and to retain a diverse range of people. The strategy includes specific actions that sit under core 'pillars' of diversity, inclusion and data. We have will continue to implement the actions within the strategy.

In July 2024, The Civil Service gender pay gap statistics were published, with BDUK's figures separated from those of our sponsor department for the first time²⁶. Our mean and median gender pay gaps (5.6% and 5.9%) both sit below the overall Civil Service averages (mean 7.4%, median 8.5%) – whilst this is positive, we will continue to work to address any difference in pay between genders. We also saw improvement in some areas of low representation with a small increase in the percentage of women in senior grades. In 2024 48.2% of those at SCS level were women compared to 47.9% in 2023 and of those with a known ethnicity, the percentage who are from an ethnic minority background reached a record high of 16.6%.

26 [Civil Service statistics: 2024](#) - GOV.UK

Objective 4: Provide excellent financial management, supported by strong governance and risk frameworks

4.1 We will plan and manage resource and capital expenditure to ensure that our spending is efficient and protects value for money for taxpayers.

2024 to 2025 Measure	Result
Operate within delegated funding limits and in line with DSIT requirements. In doing so, develop robust medium-term financial plans, which accord with government standards regarding regularity, propriety, feasibility and value for money.	Achieved
Continuously review supplier cost data through all stages of our interventions to ensure it is in line with the agreed funding envelope and providing value.	Achieved
Pay 90% of undisputed and valid invoices within 5 days and 100% within 30 days, in accordance with government prompt payment guidelines.	Not Achieved

Summary of performance

We stayed within our Delegated Expenditure Limits (DEL) in 2024 to 2025, meeting our objective. BDUK has operated across the year within its delegated funding limits, retaining accurate and realistic forecasts. Our medium-term financial plan is currently being reviewed following the outcome of the government's 2025 Spending Review.

Table 9: BDUK Resource funding

	Resource DEL				
(£ million)	2024 to 2025 Budget	2024 to 2025 Supplementary Estimates	2024 to 2025 Outturn	Variance to Supplementary Estimates	Percentage Variance
Programme resource	47.8	49.9	45.7	-4.2	-8.4%
Total resource DEL	47.8	49.9	45.7	-4.2	-8.4%

Table 10: BDUK Capital funding by programme

	Capital DEL				
(£ million)	2024 to 2025 Budget	2024 to 2025 Supplementary Estimates	2024 to 2025 Outturn	Variance to Supplementary Estimates	Percentage Variance
Superfast	7.0	1.9	1.2	-0.7	-36.8%
Project Gigabit	461.8	303.1	278.7	-24.4	-8.1%
Shared Rural Network	87.1	45.0	30.6	-14.4	-32.0%
Total capital DEL	555.9	350.0	310.5	-39.5	-11.3%

Notes to tables:

- 2024 to 2025 Budget figures are based on SR21 and were included in the [Corporate Plan 2023 to 2026](#).
- 2024 to 2025 Supplementary Estimates figures are based on the Supplementary Estimates revision during the year.
- 2024 to 2025 Outturn figures are based on actual spend and subject to change following the NAO audit.
- Variance is based on difference between Supplementary Estimates and Outturn.
- Figures include capital budget transfers to other government departments.

Supplementary Estimates

Our budget was revised at Supplementary Estimates²⁷ which reduced our capital budget from £555.9 million to £350.0 million. We transferred £41.5 million capital to other government departments to deliver BDUK priorities, including: £4.1m to the Department for Education to deliver GigaHubs in schools; £17.9 million to the Northern Irish Government and £2.7m to the Scottish Government to deliver Superfast Extension premises; and £16.8 million of capital to the Home Office to fund Shared Rural Network delivery. A total of £205.9 million capital was also released to HM Treasury as this was not required for BDUK delivery in 2024 to 2025.

Our resource budget increased from £47.8 million to £49.9 million. £2.7 million was transferred to the Home Office to delivery Shared Rural Network priorities. An additional £1.3 million of budget was delegated to BDUK at Supplementary Estimates for amortisation and to cover DSIT-funded priorities within BDUK and £0.8 million RDEL for one-off transition costs.

Resource spending

RDEL spend was £4.2 million below budget. Primarily savings came from reduced business expenses, such as travel and subsistence, reducing our usage of third-party professional services and consultancy costs and lower IT costs resulting from budget underspends and deferred initiatives. Supplier and market challenges contributed to a rise in bad debt write-offs.

Capital spending

Capital spend was £39.5 million below budget, primarily due to reprofiling Project Gigabit procurements to adapt to increased commercial coverage. The surplus funding was released at the earliest opportunity to HM Treasury to be used elsewhere across government.

Our forecasting accuracy has increased significantly over the 2024 to 2025 financial year, with our final outturn representing less than 3% variance from our capital forecast at the mid-year point (11% from the Supplementary Estimates budget).

Performance of other financial measures

We achieved our objective to continuously review supplier cost data. We do this as part of our ongoing business operations, carrying out checks to ensure value is maintained from the point of contract signature and any risk to value attrition is mitigated by challenging supplier on cost and commercial assumptions where appropriate. Changes in contracts are reviewed against existing baseline metrics in the contract and the should cost model to mitigate risk of value attrition. Actual costs submitted in monthly reports by suppliers are checked at invoice level (with a material sample) and any costs not found eligible are rejected. Final true ups at the end of the build phase also will ensure that only eligible costs are claimed by the supplier and any underspend can be clawed back.

To ensure that BDUK is able to track delivery and forecast against agreed funding in greater detail, new processes to track supplier performance were implemented in 2024 to 2025. Whilst this resulted in outturn with low variation across Project Gigabit, we seek to improve upon variations within Project Gigabit contracts in 2025 to 2026.

In accordance with government prompt payment guidelines, we aim to pay 90% of undisputed and valid invoices within five days and 100% within 30 days. In the year ended 31 March 2025, we paid 76% of invoices within five days and 98% within 30 days (annual average rate). Our rates are below our target, but we are working within the business to address issues wherever possible to improve our performance.



²⁷ [HMT Supplementary Estimates](#)

4.2 We will build on solid foundations to continuously improve governance, compliance and risk management, embedding best practice across the organisation.

2024 to 2025 Measure	Result
Ensure effective counter fraud controls are in place and tested for Gigabit contracts.	Partially Achieved
Continuously improve our risk management approach, with a focus on ensuring decisions are made consistently in line with risk appetite.	Achieved
Develop and implement a clear approach to assurance (including subsidy control) for 'in life' delivery of Project Gigabit and SRN.	Achieved

Summary of performance

A proposal outlining fraud measurement and ongoing engagement in fraud controls for Project Gigabit contracts has been developed, building on our learnings from the established measures in place for the vouchers scheme. This fraud and error process will develop a more accurate and tailored fraud and error figure and monitor any changes as the scheme matures. Cross-functional engagement is ongoing to finalise this methodology.

BDUK has implemented the 2024 Risk Development Plan, delivering improvements across risk identification, monitoring and reporting and embedding enhancements to reporting and our central risk management tool. We have a refreshed Risk Maturity Plan for 2025, identifying aims informed by independent assessment and Risk Centre of Excellence tools. BDUK is now well established with the Risk Centre of Excellence and

GIAA as a risk mature organisation, and we are regularly connected with colleagues in organisations keen to learn from our approach.

We have also implemented a new assurance checkpoint for Project Gigabit in-life that strengthens cross-functional alignment at key decision points. This proportionate approach is informed by BDUK's risk appetite, ensuring assurance involvement is a targeted step in the contract change control process. The updated process is currently in implementation. Has been utilised effectively during the year and will be reviewed again for further improvement in 2025 to 2026.

In SRN we have strengthened assurance around Grant Claims processes and refined our approach to evaluating sites for build based on value for money and delivery of benefits.

4.3 We will build trust through providing strong service levels and transparent reporting.

2024 to 2025 Measure	Result
Develop a new approach for reporting our progress by publishing official statistics on a regular basis, providing transparency and insight for the general public.	Not Achieved
Respond to 90% of ministerial correspondence within 20 working days, and complaints within 20 working days, in line with our complaints procedure.	Partially Achieved

Summary of performance

In 2024 to 2025 we published delivery data as part of the annual Performance Report with a statement of voluntary compliance with the Code of Practice for Statistics. The target was not met due to the prioritisation of the release of the premises-level contract data ([Premises in BDUK plans](#)), which was released as management information, due to a perceived public interest in greater transparency of where the programme is headed rather

than where it has been. This data has been used by industry commentators to provide insights on gigabit build progress in the UK. It has also been used by individuals interested in whether Project Gigabit will deliver to their home or business. Official statistics focused on where BDUK has already delivered were published in July 2025 and will be published quarterly thereafter.

BDUK does not control the system for processing ministerial correspondence; we work closely with our sponsor department to ensure that correspondence allocated to BDUK is responded to in a timely fashion. During the 2024 to 2025 reporting year, BDUK handled 210 pieces of ministerial correspondence, returning 70% of cases to DSIT within 16 days from the date of receipt to allow for responses to be processed by the department.

BDUK's performance against meeting the 20-working day target for responding to ministerial correspondence is wrapped into DSIT's overall figures. The most recent data published by the Cabinet Office relates to the period of 1 January to 31 December 2024. During this period, 44% of ministerial correspondence sent

to DSIT was responded to within 20 working days. DSIT's performance against correspondence improved from 2023 to 2024, however significant investment in resource and digital tools has been undertaken to improve these figures further for 2025 to 2026. The performance figures for January to March 2025 will be published in 2026.

BDUK has autonomy over the system for handling complaints. During the 2024 to 2025 period we responded to ten complaints within 20 working days meeting our service level agreement.

Since our timeframe for responses to complaints met the target but the percentage of ministerial correspondence did not, this target has been partially achieved.

Objective 5: Develop practical digital solutions to support programme delivery and transform how we use data

5.1 We will develop, maintain and support digital and data services to strengthen operational delivery of our programmes.

2024 to 2025 Measure	Result
Complete delivery of the data backbone - a platform which aims to provide seamless access to reliable data across the organisation. This will enable consistent data driven decision making.	Achieved
Develop technology solutions that address business requirements. This includes exploring the use of advanced AI services to boost efficiency and support predictive modelling, and ongoing support for complex ingestion pipelines such as supplier financial models.	Partially Achieved
Enhance our data culture, encouraging an environment of 'data first' thinking and practice through the implementation of a coordinated strategy and workstreams. This includes educating staff on how to realise the benefits of the new data backbone platform and how to use it.	Achieved

Summary of performance

In the previous year we began delivery of the BDUK Data Backbone project, aiming to establish coordinated and homogenised data as a service to the whole of BDUK. An opportunity to improve how data is stored, governed and used across the business, the work aimed to increase resilience against data losses, data corruption and security vulnerabilities. The Data Backbone has now been fully implemented and is being embedded with a focus on key benefit realisation as part of its benefits strategy.

Our Digital, Data and Technology (DDaT) team continues to deliver on priority digital solutions addressing BDUK's requirements. Our digital portfolio has delivered

tangible benefits. Optimisation efforts have generated over £2 million in savings across digital and data operations and halving our cloud carbon footprint. Further investment in AI and automation will enable us to achieve additional reductions in 2025 to 2026.

A culture of 'data-first' thinking within BDUK remains a priority, ensuring that data becomes central to our decision-making processes. A new data strategy was approved in July 2024 and a new data ownership model adopted shortly after we continue to embed these. In March 2025 BDUK's Data Board was relaunched with updated Terms of Reference focusing on data ownership and governance.

Corporate performance

In our third year as an executive agency, we embedded our governance structure and processes, with a continued focus on ensuring appropriate workforce capability and capacity to support the delivery phase of our major programmes. The year ended 31 March 2025 has also been a year of change as we finalised elements of our transition from DCMS to DSIT, including changing HR systems.

People

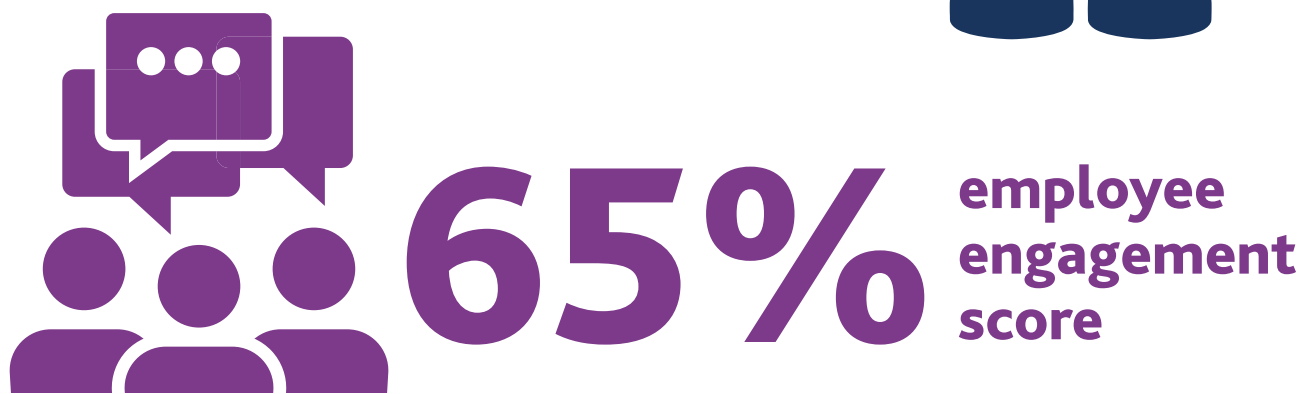


Table 11: BDUK FTE levels

	At 31 March 2025
Full Time Equivalent staff ²⁸	317

²⁸ Includes Government Commercial Organisation, fast streamers and contingent labour.

Our People Survey results



The People Survey acts as a benchmark across government to track our employees' experiences working at BDUK. Compared to the previous year, in 2024 the response rate decreased from 99% to 97%. Our overall engagement score decreased by three percentage points this year from 68% to 65% (1% higher than the Civil Service Benchmark). Our most improved score was in Pay and Benefits from 25% to 34% following a pay uplift for BDUK staff, however it remains our lowest scoring category. BDUK has experienced a third year of considerable change, and whilst this is reflected by a drop in scores in most categories, figures for the most part remain similar or above equivalent scores for wider DSIT and the Civil Service.

Engagement with key stakeholders

It is important that we continue to have strong engagement with the public, parliament, local authorities, and suppliers.

We have continued to publish regular updates on the progress of our programmes. With the majority of our local and regional contracts in delivery, this year most of the contracts awarded were under our cross-regional framework which currently covers 18 areas around Great Britain. The dynamic nature of the market has also impacted delivery, resulting in a small number of contract terminations, however BDUK is working to put alternative plans in place where this is the case. New contract awards and updates to existing contracts have been marked through media announcements and social media content. We also continue to work closely with all contracted suppliers, supporting them with their

external communications, including correspondence to residents and businesses, websites and digital tools, and community publicity.

We continued to meet and produce regular newsletters for local councils and partners and send bulletins to key stakeholders including colleagues in the devolved administrations and other government departments to keep them up to date with BDUK news and developments. BDUK also ran exhibition stands at key stakeholder conferences such as Connected Britain and Connected North, as well as supporting contracted suppliers with attendance at public-facing events.



Under the terms of the Shared Rural Network's grant agreement, our delivery partner for the Shared Rural Network, Mova, is responsible for leading the engagement with stakeholders, keeping them abreast of its progress and facilitating the installation of new masts across Scotland. We support Mova with its engagement, which has included working with the John Muir Trust coalition and meeting with the Highland Council to discuss the programme.

To keep parliamentarians well informed of our progress, we held quarterly MP surgeries in Westminster where all MPs were invited to talk with BDUK officials about

Project Gigabit and the Shared Rural Network in their constituency. These events continue to serve as a valuable forum, with an average of 25 MPs registered for each session.

We endeavour to respond to Freedom of Information (FOI) requests within the target of 20 working days. Our performance is measured and reported on by the Cabinet Office as part of DSIT's performance. In 2024, DSIT responded to 81% of cases within the 20-day deadline.²⁹ There was no further breakdown to measure BDUK's response rates.

²⁹ [Freedom of Information statistics: annual 2024 bulletin](#) - GOV.UK

Sustainable development report

We are committed to protect the environment and enable sustainable practices. The sub-sections below explain how we are doing this.

Sustainable procurements and social value

All procurements and contracts incorporate requirements in line with environmental, social and governance best practice in ethical sourcing.

All suppliers have included their commitment towards achieving Net Zero by 2050 and provided a Carbon Reduction Plan (CRP)³⁰, which is a mandatory requirement for high value contracts. Suppliers are also required to re-confirm compliance with these standards annually.

There are five social value criteria that were considered ahead of tender which also form requirements within each contract. Local authorities determined the relevant category(s) for their area to be weighted in for the procurement selection process. To note, some contracts contribute to more than one social value category. See table below for a summary of areas BDUK contracts are contributing towards.

Table 12: Social value proportion in Project Gigabit contracts

Social value category	Contracts covering social value 2024 to 2025
Covid19 Recovery	2
Tackling Economic Equality	29
Fighting Climate Change	17
Equal Opportunity	11
Wellbeing	12

For the SRN programme, the grant agreement with the MNOs has a requirement for annual social, economic and environmental reporting by the MNOs on matters such as management of supply chains; maintaining workplaces standards and promotion of skills and training; and consideration of environmental

protection. As the TNS project in Scotland progresses there is increased focus on minimising environmental disbenefits, including by prioritising sites that can be connected to the electricity grid and have access to renewable energy sources, and are located away from areas of natural beauty.



30 [Procurement Policy Note 06/21: Taking account of Carbon Reduction Plans in the procurement of major government contracts, updated 17 April 2023.](#)

Social value in focus: Project Gigabit investment supports skills and employment in Greater Manchester

Daniel Brown from Bolton, 34, is now thriving in a new role with Streetwise Traffic Management thanks to an Openreach training course enabled by investment through Project Gigabit.

Daniel was unsure of his next steps after losing his previous job due to ill health, but a jobs fair at Bolton Job Centre in February changed everything. He signed up for a five-week Sector-based Work Academy Programme (SWAP) delivered by Openreach. The course, part of the wider investment in digital infrastructure under Project Gigabit, provided Daniel and others with vital training in roadworks, signing, lighting, and guarding - skills directly linked to the rollout of full fibre broadband across the UK.

"This job has changed my life," said Daniel. "I've gained confidence, new qualifications, and a routine again. My mental health has improved, and I feel part of something with purpose."



Supporting climate adaptation and environmental improvements

We completed our first climate risk assessment (adaptation for 2°C or 4°C scenarios) as part of our business case and spending review justifications in early 2025. As BDUK plays a temporary role (funding infrastructure with no ownership) we see climate risk responsibility predominantly with suppliers', albeit of direct interest to us. We will continue to monitor climate risks over the duration of the programmes. The top three risks identified by the sector are: dependencies/cascading failures; flooding; and extreme weather.

Our work complements the prevention principles in the Environmental Principles Policy Statement. Where possible we inform and/or learn from suppliers best practice options and limitations as part of build, design and operation. This includes our environmental resource guide which had 301 unique page views this performance year. We are also refining how we monitor climate-related risks associated with our programmes and assessing what our priorities are and how we may action them in any future environmental sustainability strategy. We refreshed our environmental literature review to support additional work on evaluations.

We continue to review improvements in the services and delivery of our programmes with environmental and net zero benefits in mind. Some examples include:

- Staff lunch and learn, including list of relevant sustainability and environmental development training

- GMPP quarterly reporting on environmental and social value aspects
- Sharing learnings on climate risks and resilience of networks with DI policy, Go Science, includes input into National Adaptation Programme (NAP3) on telecoms risks and mitigations
- Collaborating with Digital Connectivity Forum³¹ and Ofcom
- Reviewing the initial data report on UK digital sector environmental impacts (commissioned by DCMS and DSIT)
- Our latest gigabit vouchers evaluation found evidence that gigabit upgrades reduced carbon emissions by a net of 7,600 tonnes over three years due to decreases in travel to work times and energy usage in the workplace. This equates to approximately 0.14 tonnes per prem over the three years.

31 www.connectivityuk.org, accessed July 2024.

Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) are part of the 2030 Agenda, a package of goals aimed at securing an end to poverty and promoting peace and prosperity globally.³² The UK government is delivering the SDGs via HM Government's existing planning and performance frameworks. We align with our parent department to support achieving SDG 8: decent work and economic growth, and SDG 9: industry, innovation and infrastructure.

Greening Government Commitments, mitigating climate change and working towards net zero by 2050



We aim to mirror the commitments outlined by our parent departments and adhere to departmental policies on Greening Government Commitments (GGC) and mitigating climate change and working towards net zero.

BDUK is unable to measure any sub-targets related to fleet commitments and emission reductions as these are not applicable to us. Our official business travel is in line with departmental approaches re low carbon options and minimising flights to locations that can be taken by train.

Overall, a significant portion of our business is done through virtual meetings so our emissions reflect this. See table and narratives below for our GGC and other sustainability reporting areas.

Sustainability disclosures³³

BDUK occupies eight building estates across the UK, each hosted by other government departments or private landlords. We have an average of 317 staff and operate a hybrid working model, which means our portion of occupancy is relatively low. For example, our largest occupancy sites are in London (approximately 50 desks) and Manchester (approximately 24 desks). We have not disclosed other sites based on scale.

Operationally, the parent department that collected our building emissions data was DCMS. We have not received the data due to ambiguity following machinery of government changes, and who was responsible for collecting on our behalf. We therefore do not have data for our occupancy in the London office, and for these reasons have not been able to report on BDUK's portion of energy, waste and paper usage. For our Manchester office, neither DCMS or BDUK have access to this data (same as 2023 to 2024), as this is via a private landlord.

Nonetheless, BDUK adheres to office sustainability approaches of the parent departments i.e. minimising waste by utilising food waste bins and/or choosing more sustainable modes of travel, such as rail.

We also perform well on areas within our control such as ICT savings and environmental improvements – see below.

We have obtained our travel expense records from DCMS and these are detailed in the table below. We had more domestic flights but reduced our international flights from 6 to 3 flights, and whilst our rail travel increased by 141,900km (out on site with suppliers) and our emissions rose overall it cost less, which may be an outcome from booking tickets well in advance.

This is our minimum requirement on scope 3, official business travel emissions, and it does not include accommodation emissions and employee commute emissions.³⁴

³² [United Nations: Department of Economic and Social Affairs: 17 Sustainable Development Goals.](#)

³³ In accordance with [HM Treasury Sustainability Reporting Guidance 2023 to 2024](#), published July 2023.

³⁴ Refer to greenhouse gas protocols: a corporate accounting and reporting standard - revised, for further context on scope 1, 2 and 3 emissions. Figure 3 on page 26 is a useful diagram of the value chain and emissions [The Greenhouse Gas Protocol.](#)

Table 13: Greenhouse gas emissions

				2023 to 2024	2024 to 2025
Scope 1 - Direct GHG emissions	Non-Financial Indicators (tCO ₂ e)	Total gross emissions: Scope 1		0	0
		Emissions from:	Gas	0	0
			Oil	0	0
			Fuel (including LPG)	0	0
			Other	0	0
Scope 2 - Energy indirect emissions	Non-Financial Indicators (tCO ₂ e)	Total gross emissions: Scope 2		18	No data available
		Emissions from:	Electricity	18	No data available
Scope 3 - Official travel emissions	Non-Financial Indicators (tCO ₂ e)	Total gross emissions: Scope 3 (rail and flights)		27.4	38.2
		Disaggregated by category:	Domestic	27.1	38.1
			International	0.32	0.10
Scope 1 & Scope 2	Non-Financial Indicators - Related Energy Consumption (kWh)	Total Electricity		83,771	No data available
		Electricity	Renewable	0	0
			Non-Renewable	83,771	No data available
		Gas		77,057	No data available
		LPG		0	0
		Other		0	0
Scope 1, Scope 2 & Scope 3	Financial Indicators (£'000)	Expenditure on energy		0	0
		Expenditure on accredited offsets		0	0
		Expenditure on official domestic and international business travel (includes rail and flights)		194.9	178.0

Notes:

1. BDUK has no owned/leased vehicles.
2. Domestic air travel flights includes UK destinations only, international air travel short-haul flights includes European destinations excluding UK, and international air travel long-haul flights includes worldwide destinations excluding UK and Europe.
3. Rail travel data provided by our parent department is likely to be overestimated as it does not calculate rail tickets that were not activated, or only taken in part.

Table 14: Waste

			2023 to 2024	2024 to 2025
Non-Financial Indicators (tonnes)	Total waste disposed		3	No data available
	Hazardous waste disposed		0	No data available
	Non-hazardous waste disposed	Landfill	0	No data available
		Recycled	2	No data available
		ICT waste recycled, reused and recovered (externally)	0	No data available
		Composted	0	No data available
		Incinerated with energy recovery	1	No data available
		Incinerated without energy recovery	0	No data available
Financial Indicators (£)	Total waste disposal cost		0	No data available
	Hazardous waste disposal cost		0	No data available
	Non-hazardous waste disposal cost	Landfill	0	No data available
		Recycled	0	No data available
		ICT waste recycled, reused and recovered (externally)	0	No data available
		Composted	0	No data available
		Incinerated with energy recovery	0	No data available
		Incinerated without energy recovery	0	No data available

Note: In previous years we reported 0 but the data was not available from the parent department on financial indicators

Table 15: Finite Resource Consumption

			2023 to 2024	2024 to 2025
Non-Financial Indicators (m³)	Water consumption (Office estate)	Supplied	178	No data available
		Abstracted	0	No data available
		Collected	0	No data available
	Water consumption (Non-office Estate)	Supplied	0	No data available
		Abstracted	0	No data available
		Collected	0	No data available
Non-Financial Indicators (Number of reams of paper)	Paper consumption - A4	Supplied	0	No data available
	Paper consumption - A3	Supplied	0	No data available
Financial Indicators (£'000)	Water Supply costs (Office estate)		0	No data available
	Water Supply costs (Non-office estate)		0	No data available
	Paper costs (A4 & A3)		0	No data available

Note:
 In previous years no data was available for non-financial indicators for paper consumption, and financial indicators for water and paper from the parent department

Table 16: GGC Sub-Targets (Ultra-low and zero emission vehicles & Air travel)

				2023 to 2024	2024 to 2025
Ultra-low and zero emission vehicles	Non-Financial Indicators (#)	Total Vehicles (Owned, Hired & Leased)		0	0
	Non-Financial Indicators (%)	% of vehicles categorised as Ultra Low Emission Vehicles (ULEV)		0	0
International air travel (scope 3)	Non-Financial Indicators (km)	Total: Distance travelled by international business flights		9,072	2,843
		Disaggregated by category	Long-haul flights	0	0
			Short-haul flights	9,072	2,843
		Disaggregated by class	Economy	9,072	2,843
			Premium Economy	0	0
			Business	0	0
			First	0	0
Domestic Air Travel	Non-Financial Indicators (tCO2e)	Emissions from domestic business flights		2.19	2.87
	Non-Financial Indicators (km)	Distance travelled by domestic flights		61,930	81,118
	Non-Financial Indicators (#)	Number of domestic flights		96	117
Rail Travel	Non-Financial Indicators (tCO2e)	Emissions from rail travel		24.9	35.3
	Non-Financial Indicators (km)	Distance travelled by rail		702,705	844,632
	Non-Financial Indicators (#)	Number of rail tickets activated		1,764	2,809

Notes:

1. There was an error in last year's report on total international travel. This has been corrected to 9,072km instead of the 28,142km disclosed.
2. Domestic air travel flights includes UK destinations only, international air travel short-haul flights includes European destinations excluding UK, and international air travel long-haul flights includes worldwide destinations excluding UK and Europe.
3. Rail travel data provided by our parent department is likely to be overestimated as it does not calculate rail tickets that were not activated, or only taken in part. This could also have an impact on our distance travelled and cost of travel too. In subsequent years, we aim to ensure this is more robust.

Other reporting requirements

Reducing emissions from Information and Communication Technologies (ICT) and Digital – BDUK operates a hybrid model, consuming end user compute services from Integrated Corporate Services (ICS) while running its own cloud compute and data infrastructure with Google Cloud. Where applicable we partner with DSIT and the Government Digital Service (GDS) to ensure a robust approach to Greening Government: ICT and Digital Services Strategy.³⁵



In 2024 to 2025, our Digital Assurance Board (DAB) assessed over £10 million of investment in digital and technology initiatives. The DAB makes use of cross-government standards such as the Service Standard and Technology Code of Practice, both of which mandate sustainability as a core requirement for solution designs and development.

As part of maintaining and improving our services, digital and data professionals continually identify ways to reduce waste. The machinery of government change allowed BDUK to take control of its cloud operations and identify areas for introducing efficiencies. This has a direct impact on the usage and running costs of our cloud operations. In 2024 and 2025, optimisation activities resulted in savings of over £1.2 million across digital and data products.

Cloud operations contribute to our carbon footprint due to the energy consumption at data centres. Through ongoing optimisation of our platform and infrastructure, we have successfully reduced this footprint from 36 tCO₂e (tonnes of carbon dioxide equivalent) per month in 2023 to 2024 to 2025 tCO₂e.

In March 2025, we approved the BDUK Digital Strategy for 2025 to 2028. This outlined our long-term vision for the development, maintenance and sustainable evolution of digital services underpinning our programmes. The strategy was developed around four of the six goals within the cross-government digital roadmap, produced by GDS in May 2024.

One of these missions is the delivery of 'efficient, secure, and sustainable technology' and represents a significant effort across our operations for 2025 and 2026. By March 2026, we aim to reduce our cloud carbon footprint yet again by 25% thanks to further optimisation of our technology estate.

Rural proofing - Our programmes deliver coverage to rural communities and businesses. See the performance overview section above for more details.

Sustainable construction and refurbishments - The estates we occupy are the responsibility of the Government Property Agency or private landlord who conduct all construction and refurbishment work, therefore refer to GPA GGC reports for more information.

Nature recovery – DSIT/DCMS are responsible for any bio-diversity action plan. We do not own any landholdings or natural capital. Some Project Gigabit contracts include biodiversity improvements, under the social value category of 'fighting climate change'. The [BDUK environmental resource guide](#) aims to assist telecoms suppliers to deliver environmental improvements and awareness, from survey to operation.

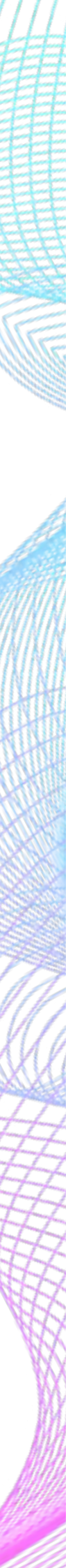
Taskforce on climate-related financial disclosures³⁶
This does not apply to BDUK for 2024 to 2025 because we have fewer than 500 full-time employees and our total operating income (including grants-in-aid) was less than £500 million. We are in scope for 2025 and are assessing our approach.

Dean Creamer CBE
(Accounting Officer)

Date: 16 October 2025

³⁵ [Greening Government ICT and Digital services strategy 2020 to 2025 policy paper, published in 2020.](#)

³⁶ [Taskforce on climate-related financial disclosures application guidance -Phase 1 and 2, March 2024.](#)



Accountability Report

Corporate governance report

This report covers the operating period from 1 April 2024 to 31 March 2025, to the point of the signing of the Annual Report and Accounts by the accounting officer. It describes the composition and organisation of our governance structures and the arrangements we put in place for good corporate governance to support the delivery of our objectives.

Directors' Report

For the duration of the reporting period, BDUK was an Executive Agency, focused on progressing the delivery of the government's digital infrastructure programmes. For 2024 to 2025, BDUK fell under the responsibility of the Secretary of State for Science, Innovation and Technology, the Principal Accounting Officer is the Permanent Secretary for the Department for Science, Innovation and Technology.

From April 2024 to 8th July 2024, BDUK was under the portfolio of the Minister of State for Media, Data, and Digital Infrastructure, a position held by Julia Lopez. On 8th July 2024, Sir Chris Bryant MP was appointed as Minister of State for Data Protection and Telecoms, with oversight of BDUK. On 11 September 2025, Liz Lloyd CBE was appointed as Minister for Digital Economy, with her portfolio including BDUK.

Simon Blagden (CBE) was appointed as permanent chair of BDUK in August 2022. Simon resigned his role in July 2024. Hazel Hobbs was appointed as interim chair from 1st September 2024. Lesley Cowley OBE was appointed as permanent chair of BDUK in June 2025.

The composition of the BDUK Board, the terms of office of members and their current interests are below.

Executive members who served during the year were as follows:

Dean Creamer joined BDUK as CEO and SRO in September 2023. Prior to joining BDUK, Dean was the DCMS Director and SRO for the Commonwealth Games. Previously, Dean led programmes to improve digital connectivity in cities as Programme Director for the Super Connected Cities initiative and before this, worked on preparations for the Olympic games in 2012. Dean is a graduate of the government's Major Projects Leadership Academy and was the Head of Profession for Project Delivery within DCMS since 2017.

Jonathan Clear joined BDUK as Chief Financial and Operating Officer in June 2023 leading the finance and corporate services functions within BDUK. Jonathan has spent the last 11 years of his career in senior roles in the Department for Work and Pensions, Ministry of Justice, and Department for Education where he was a member of the Departmental Board and executive. Jonathan is a qualified accountant and until recently was also a non-executive member of the Audit, Risk and Assurance Committee for His Majesty's Courts and Tribunals Service.

Martyn Taylor joined BDUK in November 2021 as Chief Commercial Officer. Prior to this, Martyn held roles as Director for Digital Identity in the Government Digital Service, interim Commercial Director at the Ministry for Housing, Communities and Local Government, and between 2017 to 2020, Director for Cross-Government Brexit Commercial Readiness.

Non-executive board members who served during the year (including terms of office) were:

Simon P. Blagden CBE was appointed as the first permanent Chair of BDUK in August 2022. Simon has 35 years' experience in the IT, Telecoms and Digital industry. He was previously non-executive Chairman at Fujitsu Telecommunications Europe, a post he held for 14 years. Simon resigned as chair in July 2024.

Hazel Hobbs was appointed as non-executive director in April 2022 and was appointed as interim chair in September 2024. Hazel was previously Director of Strategy at the Government Digital Service. Hazel is an Associate at Oxford Said Business School, teaching and coaching on major project leadership programmes for government. She is also a regular reviewer of the highest risk government major projects and an Associate Adviser for the National Infrastructure and Service Transformation Authority (NISTA).

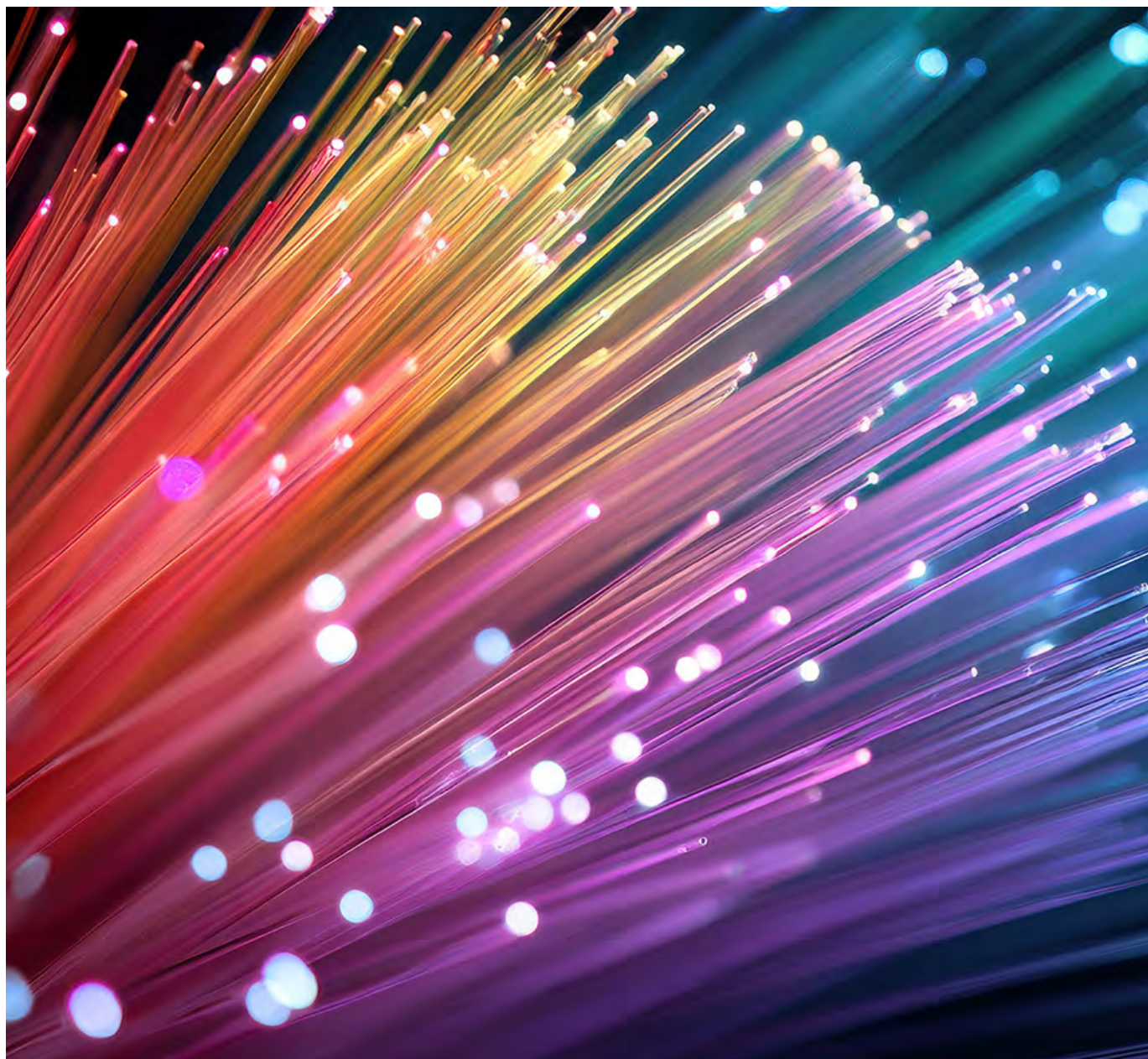
Fiona Driscoll was appointed as non-executive director in January 2023. Fiona has a portfolio of non-executive roles. Fiona has also carried out over 100 High Risk Reviews of HMG's most costly and complex projects for No 10, the Treasury, and the Cabinet Office and is a Member of HM Treasury's Major Programmes Review Group. Fiona has also chaired Women on boards, and the City Women's Network.

Stephen Unger was appointed as non-executive director in January 2023. His last full-time role was as a Board member for Ofcom, where he served as CTO, and as acting CEO. Whilst at Ofcom, he was responsible for the reset in the regulatory framework for telecommunications which has facilitated commercial investment in full-fibre networks. Before he was a regulator, he spent several years in the private sector, working on new wireless technologies. He now has a portfolio of non-executive and advisory roles in the technology sector.

Sarah Connolly was appointed as Director for Digital Infrastructure for the UK Government in January 2024. Prior to this, Sarah was Director for

Security and Online Harms from May 2019, having spent six months as Acting Director Internet and International and, prior to that, a year as DD Internet and International. Before this, Sarah worked on international issues at the Home Office, and the Foreign and Commonwealth Office.

Meirion Nelson was appointed as a permanent member of the BDUK Board in March 2023 acting as a representative of the finance function from the parent department. Since the reporting period has ended, Meirion has moved to a different portfolio within DSIT, and no longer sits on the BDUK board.



Register of Interests and Related Disclosures

All staff must comply with the Civil Service Code and standards of conduct. Any outside employment, business interests and financial interests or political activities must be declared and approved. BDUK's non-executive members are required to provide declarations of private, professional and commercial interests, which are maintained on a register of interests. At each board meeting the members are reminded to declare any potential conflict of interest in the business of the meeting. Registers of interest are available on our website.

Statement of Accounting Officer's responsibilities

BDOUK is required to prepare, for each financial year, resource accounts detailing the resources it has acquired, held or disposed of during the year and the resources it has used during the year. The resource accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of BDOUK and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, I am required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- observe the relevant accounting and disclosure requirements, and applied 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 FReM, have been followed, and disclosed and explained any material departures in the resource accounts
- prepare the resource accounts on a going concern basis
- confirm that the Annual Report and Accounts 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

The Secretary of State appointed me as accounting officer for BDOUK in September 2023. The responsibilities of an accounting officer are set out in Managing Public Money issued by HM Treasury. They include responsibility for the propriety and regularity of the public finances for which the accounting officer is answerable, for keeping proper records and for safeguarding BDOUK's assets. During the operating year to 31 March 2025, I have been accountable to the Secretary of State and the Permanent Secretary of DSIT as its accounting officer in respect of responsibility for maintaining sound systems of governance, risk management and internal control for BDOUK.

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 BDOUK's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

I also confirm that the Annual Report and Accounts are fair, balanced and understandable, and I take personal responsibility for judgements made to ensure that they are fair, balanced and understandable.

Dean Creamer CBE
BDOUK Chief Executive Officer

Governance statement

As chief executive and accounting officer, I am required to produce an annual governance statement. I have signed this statement after satisfying myself that the information provided is a fair and accurate description of our governance structures, and there are no material ongoing issues affecting the Agency that I should declare within this statement.

BDUK Governance Statement Headlines

2024 to 2025 was BDUK's third year as an executive agency and we have therefore sought to continuously improve our core governance and internal control functions with a focus on supporting major programmes as they progress through the delivery phase. We have made good progress as evidenced by internal audit and our own reviews against Government functional standards and other commitments.

Our non-executive level governance has provided the scrutiny and advice we need to meet the challenges we face. The new executive level boards introduced in 2023 to 2024 have continued to mature and provide effective forums for decision making across our operations.

We have developed an appropriate system of second line assurance as part of oversight through the three lines of defence. GIAA audits in 2024 to 2025 have carefully reviewed risk management arrangements across functions, while the second line focussed on the project and programme delivery.

Risk management processes are well embedded across our programmes. The major risks we face are discussed at every meeting of the BDUK Board and our Programmes have established Risk Review Boards to ensure oversight and action. We are building a strong and transparent risk management culture to ensure we take decisions which are aligned with our appetite.

This year has not been without challenges, and these have tested our system of internal control. For example, the transition of BDUK information technology and corporate systems from DCMS to DSIT has been an additional area of work which has impacted on all staff and has taken time to implement. We have also seen small number of information security issues which, although not major in terms of their impact, have highlighted the need to focus on cyber and information security improvement – an area we have invested in this year. Looking ahead we will need to ensure our internal control processes can scale appropriately as BDUK delivers digital infrastructure on the ground across the whole of the UK.

“

The new executive level boards introduced in 2023 to 2024 have continued to mature and provide effective forums for decision making across our operation.

”

Corporate governance

For the reporting period, BDUK was an executive agency under the sponsorship of DSIT, and was not a separate legal entity. From 1 November 2025, BDUK will be integrated into DSIT.

BDUK's governance structure was designed to fulfil effective decision making around the delivery of BDUK's digital infrastructure programmes, Project Gigabit and the Shared Rural Network, and for the effective management and oversight of the organisation.

For the reporting period, BDUK was accountable to Parliament for the funds it expended through the parent department, DSIT. BDUK's working relationship and lines of accountability with DSIT were defined in its Framework Agreement, the Corporate Plan, Allocation Letter(s) and Letter(s) of Delegated Authority made to the Chief Executive as Accounting Officer. Whilst established as an executive agency, BDUK was also held to account through regular performance reviews with the DSIT sponsor team and DSIT corporate governance. These reviews ensured active engagement and a transparent relationship with our parent department.

The BDUK Board

The BDUK Board is an advisory board. Its role is to advise ministers on the strategic direction of BDUK and provide guidance and challenge to the chief executive and the executive team on the operation and development of BDUK and the delivery of its programmes. The board regularly discusses reports provided by BDUK and features key discussions on programme delivery and risk.

For the reporting period, the BDUK Board comprised the following members:

- BDUK Chair (non-executive)
- Two/Three non-executive directors*
- BDUK Chief Executive
- BDUK Chief Financial and Operating Officer
- BDUK Chief Commercial Officer
- Sponsor Department Finance Director
- Sponsor Department Digital Infrastructure Director
- A non-voting independent board advisor

*From April 2024 – July 2024, there were three non-executive members. In September 2024, following Hazel Hobbs' appointment as interim BDUK chair, there were two non-executive board members.

Non-executive members are appointed by the Secretary of State and bring together a wide range of backgrounds, skills and experience. Attendance at board meetings is shown in Table 17.

In establishing our governance arrangements, we applied the principles of the Corporate Governance in central government departments: code of good practice, and we comply with the code (to the extent that it is relevant to BDUK as an executive agency). During the reporting period, the BDUK Board undertook an effectiveness review, and following this, improvements have been made to how this board operates.

For the reporting period, the board had two committees, the Audit and Risk Assurance Committee (ARAC) and the People and Development Committee. These are composed of a mixture of board members, independent members and executive members. Supporting these committees are programme boards for the Project Gigabit and Shared Rural Network Programmes and several executive level decision making boards set up to ensure decisions are made efficiently and effectively.

Looking ahead, following BDUK ceasing to be an Executive Agency, the advisory board will continue to provide expertise and scrutiny to ensure successful delivery of BDUK's programmes. It will also provide input into the integration of the agency into DSIT.

Audit and Risk Assurance Committee

The ARAC supports the chief executive in their role as accounting officer. The committee's functions are to ensure propriety and accountability of public funds through monitoring and promoting financial reporting and discipline, and oversight of the organisation's approach to risk management. The chair of the committee is a non-executive member of, and reports to, the BDUK Board. In July 2024, Fiona Driscoll was appointed as interim chair of the committee, whilst the permanent chair, Hazel Hobbs, took on the role of interim chair of BDUK. The standing membership of the committee consists of at least one non-executive board member, three independent members, and one DSIT appointee. The chief executive, the chief finance and operating officer and the chief commercial officer are expected to attend as the executive representatives. Meetings are also attended by representatives from the GIAA and the NAO.

The ARAC regularly reviews the organisation's risk register, the NAO external audit plan and the GIAA audit plan, in addition to progress against actions arising from internal audit reports.

Key discussions in 2024 to 2025 included data and cyber risk, counter fraud, the pace of Gigabit delivery the SRN programme, and risks created by the organisation's transition to DSIT. Additionally, the committee discussed BDUK's risk appetite and assurance maturity. The committee generally meets every other month. Six meetings were held during 2024 to 2025.

People and Development Committee

The People and Development Committee met once during this year, before being stood down in summer 2024. At this point, the executive led People Board was running effectively, and the BDUK Board were satisfied that this provided sufficient assurance over people matters.

Table 17: Attendance for financial period 1 April 2024 to 31 March 2025

Various individuals were not in position for the full year, this is demonstrated by only showing the total number of meetings they were eligible to attend.

BDUK Board attendance (a total of 11 board meetings were held between 1 April 2024 to 31 March 2025)

Non-executive board members and independent advisors		
Name	Role	Meetings attended
Simon Blagden CBE	Chair	4/4
Hazel Hobbs	NED/Interim Chair	10/11
Fiona Driscoll	NED	11/11
Stephen Unger	NED	11/11
Steve Robertson	Board independent advisor	10/11
Attendees from the executive team		
Name	Role	Meetings attended
Dean Creamer	CEO	11/11
Jonathan Clear	CFO and COO	11/11
Martyn Taylor	CCO	10/11
Attendees from DSIT		
Name	Role	Meetings attended
Sarah Connolly	Director for Digital Infrastructure	7/11
Meirion Nelson	Deputy Director - Finance Business Partnering, Technology & Corporate, DSIT	8/11

Audit and Risk Assurance Committee attendance

Non-executive board and independent members		
Name	Role	Meetings attended
Hazel Hobbs	NED/Interim Chair	3/3
Fiona Driscoll	NED	6/6
Steve Robertson	Board independent advisor	6/6
Steve Unger	NED	4/6
Anna Caffyn	Finance Director for the Environment Agency Independent member of the ARAC until September 2024	1/3
Daron Walker	Director of Smart Metering and NZBI Delivery Portfolio - DESNZ Independent member of the ARAC	4/6
Dean Medcraft	Finance Director, Welsh Government Independent member of the ARAC (appointed September 2024)	4/4
Attendees from the executive team		
Name	Role	Meetings attended
Dean Creamer	CEO	5/6
Jonathan Clear	CFO and COO	6/6
Martyn Taylor	CCO	5/6
Attendees from DSIT		
Name	Role	Meetings attended
Meirion Nelson	Deputy Director – Finance, Business Partnering, Technology & Corporate, DSIT	5/6

Notes:

1. Hazel Hobbs was ARAC chair until September 2024, when she became interim chair of BDUK. At this time, she stepped down from the ARAC.
2. Steve Unger was appointed as a temporary member of the ARAC to ensure suitable non-executive challenge for the period that Hazel Hobbs was not a member of the ARAC.
3. Anna Caffyn left the BDUK ARAC in summer 2024. Dean Medcraft was appointed as the new independent member in September 2024.

People and Development Committee attendance

Non-executive board and independent members		
Name	Role	Meetings attended
Stephen Unger	NED	1/1
Simon Blagden CBE	Chair	1/1
Attendees from the executive team		
Name	Role	Meetings attended
Dean Creamer	CEO	1/1
Jonathan Clear	CFO and COO	1/1
Martyn Taylor	CCO	1/1
Attendees from DSIT		
Name	Role	Meetings attended
Helen Mills	HR Director, DSIT	0/1



Risk management

The principal risks we faced during this operating year are detailed in our Performance Report. We have continued to invest in risk management and our risk monitoring, understanding and engagement has continued to improve.

GIAA carried out a review of programme risk management last year which confirmed 'substantial assurance' and identified areas of good practice as well as a few areas for continued improvement. These were consolidated into a risk development plan for 2024, with improved identification, monitoring, and reporting across the organisation. BDUK's updated strategic risks, redesigned reporting with sharper insights for more effective prioritisation, and enhanced use of our risk management platform 4Risk strengthened oversight and reduced duplication. A growing risk lead community and tailored training have boosted engagement, while a refreshed risk appetite framework is now actively supporting informed decision-making. This maturity was evident in our effective response to political and financial challenges.

Our risk maturity plan for 2025 is grounded in the Orange Book, alongside outputs from assessment tools from the Risk Centre of Excellence and external subject matter experts in Gartner. The plan is focussed on four key objectives:

1. Enhance **oversight of low-level risks** and support identification of **emerging risks**
2. Ensure **risk-informed decision making** by **operationalising risk** appetite through an **integrated Risk and Assurance** approach
3. Continue fostering **positive risk culture** in BDUK and beyond
4. Reassess **Shared Rural Network** programme risks based on updated delivery landscape

Control Activities

Our control activities aim to ensure that the policies and procedures governing the organisation and are efficient and effective.

Governance framework and arrangements

For the reporting period, our framework document set out the broad framework within which we operated. This document set out our purpose, the core elements of the relationship with our sponsor government department and the governance arrangements within which we operated

Within BDUK the core of our governance rests with our programme boards which oversee delivery of Project Gigabit and the Shared Rural Network. These programme boards undertake effectiveness reviews annually and improvements have been made to how they operate and to the clarity of our scheme of delegation which supports decision making.

Functional standards

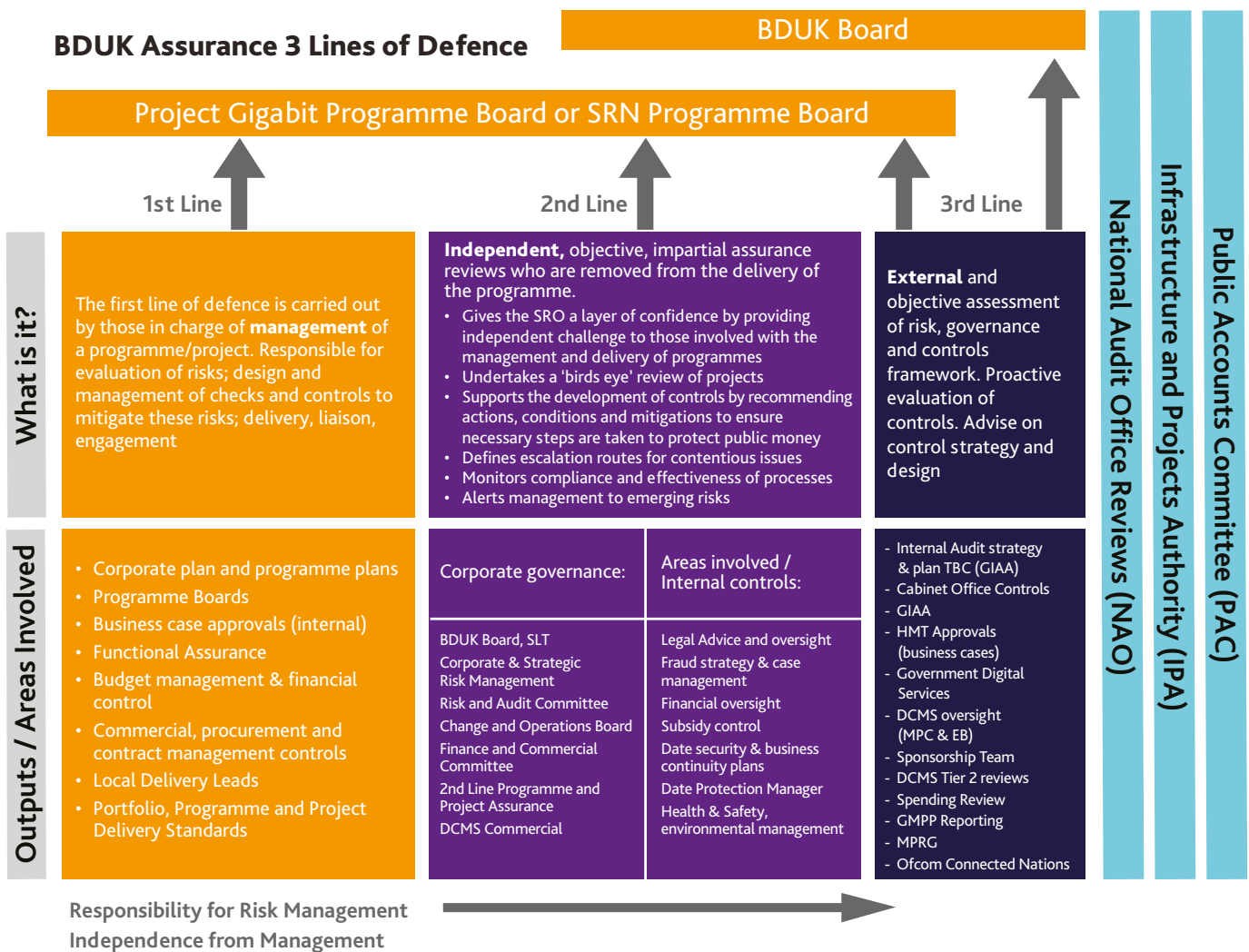
All central government departments and their Arm's Length Bodies (ALBs) are mandated to embed the usage of functional standards. As described in the BDUK Framework Agreement formalising our transition to an executive agency, BDUK is required to carry out regular self-assessments to establish compliance, ensuring application of the standards is proportionate in accordance with the scale and complexity of the work being done. A review of compliance with the standards relevant for BDUK was carried out in 2024 to 2025, which established that BDUK had at least 'good' compliance with every standard assessed. Areas of particular strength were compliance with the HR functional standards and the Internal Audit Standards.

Assurance maturity and integration

BDUK operates a three lines of defence assurance model aligned to the areas of most significant risk. With BDUK being focussed on ensuring success in the delivery of its programmes and projects there is a preference for clarity in control, assurance, governance and accountability as well as strong oversight and reporting of progress. During 2024 to 2025 we have focussed on ensuring our assurance framework meets the needs of digital infrastructure programmes in delivery, providing scrutiny and oversight but not creating inefficiencies or slowing progress.

The BDUK risk and assurance map was updated regularly throughout the year and reviewed by ARAC. The mapping illustrates how the various assurance mechanisms available mitigate against strategic risks. The BDUK three lines of defence model is outlined in Figure 1. This shows a high-level map of the enterprise assurance system in BDUK.

Figure 1: BDUK Three Lines of Defence model



Our risk appetite indicates a level of 2nd and 3rd line assurance is needed around project delivery, which must be proportionate to the risks faced. There is significant assurance provided through:

- governance in the first and second lines of defence, including programme boards and business case approvals
- substantial commercial, procurement and contract management controls
- a process of programme and project assurance in the second line which involves a series of 'gates' which each project must pass to progress, these gates provide various checks including subsidy control and value for money. Table 17 illustrates the assurance checkpoints carried out in the reporting period
- third line assurance from Cabinet Office (including commercial controls), the Infrastructure and Projects Authority, and scrutiny from the Public Accounts Committee

- as a major government programme, Project Gigabit is subject to an Infrastructure and Projects Authority Stage Gate 0 Strategic Review, the last of which took place in March 2024 (Amber rating, with an excellent progress made to address areas where controls required improvement). The next review is planned for 2025 to 2026 GIAA has also undertaken a review of GIS Contract Payments, and its audit findings are being addressed at a pace. SRN assurance has been provided through second line support to the SRN Risk Review Board as well as the Programme Board, and engagement with commercial and commercial finance. BDUK also take assurance from the work Mova undertake on our behalf and the quality of the insight we get from Mova has improved significantly this year. In addition, in 2024 to 2025 GIAA undertook an audit review of SRN Grant Administration and was able to provide moderate assurance of this area.

Table 18: Volume of Second Line Assurance Checkpoints Carried out 2024 to 2025

Programme	Checkpoints Total	Checkpoint B0/FNP A	Checkpoint B1/ FNP B	Checkpoint B2	Checkpoint C	Checkpoint E	Checkpoint F1
GIS	38	4	1	8	8	17	-
Superfast	45	-	-	-	-	19	26
Gigahubs	3	-	-	-	1	1	1
FNP	11	-	-	-	1	1	9

Subsidy Control

To ensure compliance with subsidy control regulations (under a combination of the Trade and Cooperation Agreement with the EU and the Subsidy Control Act 2022) we have built processes based on the successful National Broadband Schemes approved by the European Commission in 2012 and 2016. This approach enables us to deliver digital infrastructure to UK premises which are not expected to be delivered commercially. We have applied our experience from the earlier programmes, supported by extensive evaluation work, to refine the delivery mechanism and adapt it to the specific need to deliver gigabit-capable networks. The proposed approaches have been tested with industry and are published for transparency on the BDUK website as the Detailed Overview.

For Project Gigabit this means comprehensively capturing supplier data via the Open Market Review and Public Review processes, with review from the Subsidy Control Team, to ensure we have a clear understanding of where the market is failing. The outcomes of these processes are then shared publicly and feed into the design of intervention areas for gigabit delivery; compliance of network design; and, importantly, wholesale access arrangements. The latter feed into an annual review process to make sure suppliers are maintaining access and pricing requirements. Finally, all individual awards over £100,000 are published on the HMG Subsidy Control database.

Counter Fraud and Investigations

BDUK is committed to creating a transparent environment and has a strategy, policy, response plan and annual action plan in place covering counter-fraud, which is a significant risk area for BDUK as it is for any government subsidy or grant scheme.

BDUK's counter fraud control environment is managed across the three lines of defence. The finance team, commercial team, and others provide first line oversight in the prevention and detection of fraud. Any transactions deemed to be unusual are reported to the

second line Counter Fraud and Investigations team for investigation. The central team also carry out proactive work on fraud risk assessments and auditing fraud and error to estimate underlying levels in key areas of spend, which to date has been the Gigabit Broadband Voucher scheme.

Our counter-fraud and investigations discipline has seen substantial improvements during the course of the year, including:

- training for members of the Counter Fraud and Investigations team, several who have completed the Public Sector Fraud Authority (PSFA) Fraud Risk Assessor Programme. This has equipped the team with the formal training on how to conduct and manage fraud risk assessments, according to the PSFA Fraud Risk Assessment discipline. Participants were also enrolled as members of the Government Counter Fraud Profession, a first for BDUK
- building a positive working relationship with the PSFA. BDUK was selected as one of the first organisations to undergo the PSFA's Continuous Improvement Assessment Framework and Functional Standard Assurance process to assess compliance with the Government Functional Standard 013: Counter Fraud. An interim assessment report was received in May 2024, and a follow up review was conducted in November 2024. Following the re-review, it was identified that BDUK had improved compliance against five requirements in the Functional Standard, equivalent to 29 individual criterions. Particular highlights include counter fraud governance being assessed as "best", improving our proactive detection and measurement from "better" to "best", reflecting our commitment to sharing best practice across other public sector organisations, and moving management of gifts, hospitality and conflicts of interests from "in development" to "good". The Counter Fraud team will continue to work towards improving compliance with the Government Functional Standard 013: Counter Fraud.

- Progressing compliance investigations referred through fraud and error controls. Improved controls have driven an increase in referrals, and we have been able to progress 27 cases to final determination, a marked increase in comparison to the previous financial year's figure of 10 cases progressing to determination. In 2024 to 2025 BDUK had an increase in recovery of funding from investigations, over twice the value from the previous year. It is anticipated that this momentum will continue into the new financial year.
- The Counter Fraud team submitted quarterly Consolidated Data Returns (CDR) to the Public Sector Fraud Authority in the Cabinet Office. These included all detected, prevented and recorded fraud and error data across all BDUK schemes, internal functions and the outcomes of Investigation cases. In 2024 to 2025, we agreed with the PSFA a methodology for quantifying prevented fraud and error, reflecting the strength of our controls including the introduction of a voucher fraud and error audit process and the implementation of counter fraud controls on the vouchers funding platform. This resulted in £2.3m of prevented fraud and error.
- This financial year saw further developments in the delivery of proactive fraud and error auditing on the Voucher Scheme. The audit has continued to establish assurance of controls, detect any control failures, refer concerns regarding non-compliance or suspected fraud, and identify opportunities to improve controls in BDUK. The Counter Fraud team will implement the fraud and error audit measurement methodology for the Gigabit Infrastructure Subsidy scheme.

Our fraud and error audit has found (based on cumulative results since 2022 to 2023 to ensure the robustness of the sample) 0.9% of the sampled transactions were categorised as irregular with 0.7% being classified as Supplier Error and 0.1% being classified as Official Error. 0.1% were classified as Suspected Fraud. For the cases specifically identified as part of our audit work the main causes of error identified included:

- Beneficiary eligibility;
- Retrospective requests for vouchers, where the connection was delivered prior to the request for a voucher.

Based on this estimation the overall level of underlying fraud and error in the vouchers scheme for 2024 to 2025 is therefore estimated to be £650,700 (based on spend of £72,300,000), £72,300 of which would be suspected fraud. This aligns with the total detected and recovered fraud and error figures submitted through the 2024 to 2025 Consolidated Data Return.

If we were to apply the above estimation to the £180,500,000 of spend on our Gigabit contracts there

would be c.£1,624,500 of fraud and error, £180,500 of which would be suspected fraud. In future years we will focus more attention on fraud and error in our Gigabit contracts as they increase in spend and delivery. However, our detailed fraud risk assessments show this mechanism as being relatively low risk given the extensive contract management controls, processes and procedures in place.

Business Continuity and Information Security

A small number of information incidents were reported to the ARAC during the year, but none reached the threshold of being reportable to the Information Commissioner's Office. The most significant breaches were due to BDUK employees mishandling information assets, leading to them being accessible to parties who do not have the right to access these. Outcomes and actions as a result of these incidents include advice to individuals on the appropriate handling of personal data, team briefings on the correct handling of commercially sensitive data, and in the most serious incidents, disciplinary action.

We continued work to ensure BDUK complies with the UK General Data Protection Regulation 2018 and the Data Protection Act 2018. The move to from Google Suite to Microsoft 365 has provided an excellent opportunity to enhance BDUK's knowledge and information management practices, supporting good digital hygiene. Additionally, the creation of a Chief Information Security Officer, recruitment of two Information Security Analysts and co-locating information security and data protection responsibilities into the same team has led to a number of opportunities to strengthen both information security and data protection controls, providing a greater level of confidence that technical and regulatory controls are both more robustly applied across BDUK.

BDUK is alert to the enhanced cyber security risks faced in government today and is taking measures in response to this, working with the National Cyber Security Centre as appropriate.

The key information security activities this year were:

- The undertaking of an externally led audit report to assess BDUK's cyber security maturity, and the creation of a detailed improvement plan in response to the findings.
- Investment in additional and enhanced technical controls such as improved Data Loss Prevention, Endpoint Detection, Sensitive Data Identification, Third Party Risk Management tools and refining the continuous monitoring provided by the Security Operations Centre (SOC).
- Administrative controls have also been enhanced by incorporating Secure by Design principles, maintaining detailed risk registers, and enforcing rigorous change management processes.



Complaints

We have a formal process (published in April 2023) for complaints against BDUK in relation to the service we provide, our staff's behaviour, and whether we have followed appropriate procedures. Our target is to respond to complaints within 20 working days.

This process is separate from complaints made in relation to our specific procurements which are dealt with according to procurement processes. It is also separate to other pieces of correspondence from MPs and members of the public, which are processed by DSIT.

During 2024 to 2025, we received ten complaints. In accordance with our complaints procedure all complaints were addressed within 20 working days. Four of the complaints led to BDUK providing further information in response to additional queries. The complaints related to the allocation of Project Gigabit contracts and the validation of voucher projects and funding in specific areas. Our complaints process follows, and is subject to, the Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling.

Anti-bribery and anti-corruption

No cases of bribery or corruption were identified within BDUK in 2024 to 2025. BDUK introduced our own BDUK Declarations of Interests, Gifts and Hospitality Policy. We continued to maintain standards and implement best practice and fully adopt this policy on gifts, hospitality, bribery and corruption. The Civil Service Code states that civil servants must not accept gifts or hospitality or receive other benefits from anyone which

might reasonably be seen to compromise their personal judgement or integrity. BDUK employees are fully aware that they must not accept offers of gifts or hospitality without considering whether it would be both legal and proper to do so, and without seeking appropriate clearance if required to do so. In 2025 to 2026, the Counter Fraud team will continue to manage declarations of interests, gifts and hospitality, as well as proactively identify areas of non-compliance.

Raising a Concern (including Whistleblowing) Policy

BDUK introduced their own BDUK Raising a Concern (including Whistleblowing) Policy in 2024 to 2025. Following production of the BDUK specific policy, the Counter Fraud team worked to drive awareness of the policy internally and externally. Public facing guidance was published on the [bduk.gov.uk](https://www.bduk.gov.uk) website and the Counter Fraud team introduced the policy during BDUK Cascade in July 2024, both actions outlining the procedure for raising concerns and the protections afforded to those making certain disclosures.

The BDUK Counter Fraud and Investigations team, Engagement and Public Information staff, and three members of Senior Leadership Team attended a bespoke Whistleblowing masterclass in December 2024. This was delivered by Protect, the UK's leading Whistleblowing Charity and provided attendees with clear training on how to deal with whistleblower reports in line with legislation.

There were four instances of whistleblowing under this policy in 2024 to 2025. Of these four, two have been closed, and two are undergoing preliminary enquiries.

Financial management, systems and control

Profiled budgets form part of our annual business plans. BDUK conducts a comprehensive business planning exercise to ensure that all financial requirements are met and agreed with each budget holder ahead of formal budget delegations.

On a monthly basis, reporting is provided to the senior leadership team, the BDUK board and our sponsor department on the financial position of the organisation for both our resource and capital programme funding. A finance board is held monthly which enables senior leaders to make proactive decisions on key financial matters including risks or opportunities, in order to monitor performance against our 1% forecasting accuracy target.

This year there were internal audits on SRN grant administration, and payroll, with a moderate rating provided for each. These audits gave assurance that our processes are currently satisfactory, with suggested improvements quick to implement within the relevant teams. An internal audit was also conducted on our expenses process. This returned a limited opinion, citing a weakness in the lack of clear second line assurance in this area. The audit agreed that this would be resolved by BDUK's transition to UKSBS for shared services.

Internal Audit

Internal audit was provided independently by the Government Internal Audit Agency (GIAA). GIAA reports annually to the Accounting Officer. The internal audit

assurance programme is managed by GIAA and developed annually in consultation with BDUK and its Audit and Risk Assurance Committee.

In agreeing the 2024 to 2025 audit programme with GIAA, the following areas were considered:

- BDUK's objectives and priorities
- the key performance indicators
- risks to achievement of BDUK's objectives
- assurance map and risk register areas where the effectiveness of controls could be improved

GIAA undertook eight reviews in 2024 to 2025. Their reports identified a number of areas where management controls could be further strengthened. BDUK takes all audit recommendations seriously. Action plans were developed to address the findings of all audits where BDUK received, and accepted recommendations, and BDUK is committed to implementing these. As we integrate into DSIT in 2025 we will ensure audit recommendations are transferred and there is no weakening of our system of internal control.

External Audit

The Comptroller and Auditor General is BDUK's external auditor. The audit of the 2024 to 2025 financial statements was completed with an unqualified audit opinion.



4.2 Head of Internal Audit opinion

I am providing a **Moderate** opinion on the framework of governance, risk management and control within BDUK for the Financial Year ended 31 March 2025.

This is a continuation of the Moderate opinion provided for 2023 to 2024. However, we note a positive direction of travel influenced by the maturing risk and control arrangements within BDUK.

We have used evidence from multiple sources including the work undertaken as part of our substantive audit reviews, progress made by BDUK in implementing internal audit recommendations, consideration of the work of other assurance providers, papers submitted to ARAC and our engagement with BDUK staff throughout the year.

We have delivered our agreed programme of eight reviews for 2024 to 2025, and provided five Moderate, one Substantial and one Limited opinion. We also completed one advisory review which contributed to our overall assessment.

For Project Gigabit and the SRN programme we found that governance and controls in place to manage delivery through suppliers and grant recipients were operating well for each Programme respectively.

For BDUK's internal-facing strategic objectives we found positive progress in designing and implementing governance arrangements to support its use of artificial intelligence and processes were in place to assess and develop skills and capability within BDUKs workforce.

Other areas of notable good practice and improvement include:

- BDUK continues to display a robust and engaged approach to risk management, focused on implementing suitable mitigations and understanding risk tolerance.
- BDUK has utilised assurance mapping at a strategic level, providing a good understanding of the three lines of defence within the organisation and areas where additional assurances are required.
- We have identified the Standards, Policies, and Procedures element of HMTs Risk and Control Framework as a particular area of good practice for BDUK.

We have identified some weaknesses in second line control for financial processes resulting from BDUK's transition away from legacy DCMS arrangements following the Machinery of Government changes announced in 2023. For both our Expenses (Limited Opinion) and Payroll (Moderate Opinion) reviews we made recommendations focused on resolving these weaknesses, aligned with the move to UKSBS as a shared service provider in April 2025. In line with the Moderate assurance provided in our overall annual opinion, we do not consider that these weaknesses above constitute significant weaknesses to the overall framework of control.

Mark Toward
Government Internal Audit Agency

Accounting Officer's conclusion

I am assured that BDUK has appropriate levels of internal control and governance to manage the business, consistent with my responsibilities as the Accounting Officer.

I have been provided with evidence of: board and committee effectiveness in managing risks, finance and operational performance; the policies in place impacting on risks such as counter fraud, whistleblowing, assurance, and complaints; and the work of internal audit, which in 2024 to 2025 awarded BDUK an overall 'moderate' assurance.

Equally, I am confident from the evidence provided by my finance team and the assurance from the external auditors that the accounts for the year ended 31 March 2025 are a true and fair reflection of the organisation and accord with Treasury guidance.

I conclude that BDUK has satisfactory governance and risk management systems in place to safeguard public money. Whilst BDUK will continue to focus on improving risk and assurance processes in the year ahead as we enter an important delivery phase for our major programmes. Continuous improvement during 2025 to 2026 will enable BDUK to build upon the good progress made over the last year.



A handwritten signature in dark ink, appearing to read 'D. Creamer', written over a light blue horizontal line.

Dean Creamer CBE
Accounting Officer

Date: 16 October 2025

5. Remuneration and staff report

5.1 Remuneration Policy

The Prime Minister, following independent advice from the Senior Salaries Review Body, sets the remuneration arrangements for senior civil servants.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at: <https://www.gov.uk/government/organisations/review-body-on-senior-salaries/about>

Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit, on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at: <https://civilservicecommission.independent.gov.uk>



5.2 Remuneration for each director

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the Chief Executive Officer and directors.

Table 19: Remuneration (salary, benefits in kind and pensions – subject to audit)- Single total figure of remuneration

Executives	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1000)		Total (£'000)	
	2024 to 2025	2023 to 2024	2024 to 2025	2023 to 2024	2024 to 2025	2023 to 2024	2024 to 2025	2023 to 2024 (restated)	2024 to 2025	2023 to 2024 (restated)
Dean Creamer Chief Executive Officer from Sept 2023	130-135	70-75 (120 - 125 FTE)	0-5	-	-	-	161,000	6,000	295-300	80-85
Paul Norris Chief Executive Officer Feb 2021 to Sept 2023	-	50-55 (120-125 FTE)	-	-	-	-	-	20,000	-	70-75
Jonathan Clear Chief Financial Officer from June 2023	135-140	105-110 (125 - 130 FTE)	0-5	-	-	-	82,000	-1,000	220-225	105-110
Martyn Taylor Chief Commercial Officer	155-160	155-160	25-30	20-25	-	-	5,000	5,000	190-195	180-185

Notes:

- Paul Norris' 2023 to 2024 pension benefits are for the 5 months to September 2023 and the full year pension benefits are £47,000.
- Dean Creamer's 2023 to 2024 pension benefits are for the 7 months from September 2023 to March 2024 and the full year pension benefits are £10,000.
- Jonathan Clear's 2023 to 2024 pension benefits are for the 10 months from June 2023 to March 2024. This comparative figure has been restated as the previous year's results provided by MyCSP were incorrect.
- Martyn Taylor is a Government Commercial Office (GCO) secondee. His pension details are not held by MyCSP for BDUK. He is a member of the GCO pension scheme (Concord) which is treated as a Partnership pension scheme. The pension benefits disclosed above reflect the employer contributions paid on his behalf during the year.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the agency and thus recorded in these accounts. The directors did not receive any non-cash benefits during the current year.

Non-consolidated performance related pay awards (Bonuses)

The performance management and reward policy for all members of the Senior Civil Service (SCS), including board members, is managed within a central framework set by the Cabinet Office.

SCS non-consolidated pay is agreed each year following Senior Salaries Review Body recommendations and is expressed as a percentage of the department's total base pay for the SCS. DSIT Senior Pay Governance is responsible for assessing the relative contribution of individual SCS members and making the final pay decisions. Non-consolidated performance pay is awarded in arrears.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the agency and treated by HMRC as a taxable emolument.

Pay multiples & fair pay disclosures (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the following of the remuneration of the organisation's workforce: lower quartile, median and upper quartile.

The banded remuneration of the highest-paid director in BDUK in the financial year 2024 to 2025 was £185,000 - £190,000 (2023 to 2024: £175,000 - £180,000). This was 3.3 times (2023 to 2024: 3.3 times) the median remuneration of the workforce, which was £56,795 (2023 to 2024: £53,264).

In 2024 to 2025, zero employees received remuneration in excess of the highest-paid director. Remuneration ranged from £27,380 to £185,194 (2023 to 2024 £26,375-£179,000).

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 pension.

Percentile pay ratio

	FY 2024 to 2025	FY 2023 to 2024
Band of highest paid Director's total remuneration (£'000)	185-190	175-180
25th percentile pay ratio	4.6	4.7
50th percentile pay ratio (Median)	3.3	3.3
75th percentile pay ratio	2.9	3.0

FY 2024 to 2025 Amounts (£'000)

	25th percentile ratio	50th percentile ratio	75th percentile ratio
Total pay and benefits (£'000)	41.1	56.8	64.3
Salary and allowance component of total pay and benefits (£'000)	39.6	55.3	62.7

There has been a small decrease in the pay ratios year on year (except 50th percentile which remains equal) as the percentiles of the total pay and benefits of the workforce have seen a greater relative increase compared to the midpoint used for the highest paid director. This will be due to the implementation of the 2024 to 2025 pay award.

Annual remuneration percentage change (subject to audit)

These are percentage changes in relation to Salary and Allowances and Performance Pay and Bonuses payable for the Highest Paid Director and the Employees taken as a whole (excluding the Highest Paid Director).

Highest paid Director

	FY 2024 to 2025
Salary and Allowances	1.32%
Performance Pay and Bonuses payable	17.28%
Employees of the entity taken as a whole:	
Salary and Allowances	7.30%
Performance Pay and Bonuses payable	63.29%

Non-executive board members (subject to audit)

Non-Executives	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1000)		Total (£'000)	
	2024 to 2025	2023 to 2024	2024 to 2025	2023 to 2024	2024 to 2025	2023 to 2024	2024 to 2025	2023 to 2024	2024 to 2025	2023 to 2024
Simon Blagden , Board Chair from August 2022 to July 2024	45-50 (80-85 FYE)	80-85	-	-	-	-	-	-	45-50 (80-85 FYE)	80-85
Hazel Hobbs , non-executive board member from March 2022; interim Board Chair from September 2024	45-50	20-25	-	-	-	-	-	-	45-50	20-25
Fiona Driscoll , non-executive board member	20-25	10-15	-	-	-	-	-	-	20-25	10-15
Stephen Unger , non-executive board member	10-15	10-15	-	-	-	-	-	-	10-15	10-15

Notes:

- An overpayment was made to Simon Blagden during the financial year due to an administrative error when processing his resignation. This totalled £22,608.71 (gross). This has been included in the salary column above. The net amount paid in error has subsequently been recovered in full.
- Hazel Hobbs was the interim Chair from September 2024 until a new Board Chair was appointed from 1 July 2025.

Pension benefits – Chief Executive and board members (subject to audit)

Executives	Accrued pension at pension age as at 31 Mar 2025 (£'000)	Real increase in pension and related lump sum as at pension age (£'000)	CETV at 31 Mar 2025 (£'000)	CETV at 31 Mar 2024 (£'000) (restated)	Real increase in CETV (£'000) (restated)
Dean Creamer , Chief Executive from Sep 23	55-60	7.5-10	1001	830	131
Paul Norris , Chief Executive to Sep 23	-	-	-	493	-
Jonathan Clear from Jun 23	45-50	2.5-5	813	723	53
Martyn Taylor from Nov 2021	-	-	-	-	-

Notes:

- Martyn Taylor is a GCO secondee. His pension details are not held by MyCSP for BDUK. He is a member of the GCO pension scheme (Concord) which is treated as a Partnership pension scheme. The employer contributions paid on his behalf totalled £5,000 for the year.
- Jonathan Clear's prior year CETV figure has been restated as the previous year's results provided by MyCSP were incorrect.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension

age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below).

All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two

Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha.

Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

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

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

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

The cash equivalent transfer value (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/loss of office

No board members or executives left under agreed terms or were paid compensation for loss of office in 2024 to 2025.

Payments to past directors

No payments were made to past directors.

5.3 Staff report

Number of Senior Civil Service staff (or equivalent, broken down by band)

The staff report provides required disclosures on staff activity, staff numbers and expenditure.

Table 20: The number of senior civil servants by £5,000 pay bands (including contract, agency staff and secondments)

Payband	Number of Staff (SCS) Headcount 31 Mar 2025	Number of Staff (SCS) Headcount 31 Mar 2024 (Restated)
£80,000 - £84,999	0	3
£85,000 - £89,999	3	2
£90,000 - £94,999	2	1
£95,000 - £99,999	0	1
£100,000-£104,999	1	0
£105,000 - £109,999	0	1
£110,000-£114,999	1	1
£115,000 - £119,999	1	0
£120,000 - £124,999	0	1
£125,000 - £129,999	0	1
£130,000 - £134,999	1	0
£135,000 - £139,999	1	0
£155,000 - £159,999	0	1
£160,000 - £164,999	1	0
Total	11	12

- The prior year headcount disclosure has been restated to include three SCS GCO secondees who were previously not included in the comparative figures. This has increased the count from nil to one in the £105,000 - £109,999, £110,000 - £114,999 and £155,000 - £159,999 pay bands.



Table 21: Number of civil service staff (or equivalent but including contract and agency staff) by band

The grading structure of the department based on full time equivalent (FTE) staff in post. (Also includes GCO, fast streamers and Contingent labour).

Grade	FTE payroll staff at 31 Mar 2025	FTE payroll staff at 31 Mar 2024 (Restated)
Senior Civil Service pay band 3	0.0	0.0
Senior Civil Service pay band 2	3.0	3.0
Senior Civil Service pay band 1	7.8	9.0
Grade A (Upper) (Grade 6)	37.6	35.8
Grade A (Grade 7)	115.2	117.0
Grade B (HEO/SEO)	126.4	120.0
Grade C (EO)	12.0	15.0
Grade D (AO/AA)	1.0	1.0
Other	14.0	16.0
Total	317.0	316.8

- The prior year FTE payroll staff numbers have been restated to remove one individual from the SCS pay band 1 category. This individual was employed by the Cabinet Office and working in a consultancy capacity with BDUK as at 31st March 2024 and therefore should not be included in the FTE payroll staff numbers.

Table 22: Staff composition (totals subject to audit)

The number of civil service staff (excluding GCO, Fast streamers, agency and contractors) that BDUK pay for is expressed as both headcount and full time equivalent of the core department, split between male and female as of 31 March 2025.

Headcount				FTE		
Grade	Female	Male	Total	Female	Male	Total
Exec Team	0.0	2.0	2.0	0.0	2.0	2.0
Other SCS	1.0	5.0	6.0	1.0	4.8	5.8
Grade A (Upper) (Grade 6)	14.0	16.0	30.0	13.8	15.9	29.7
Grade A (Grade 7)	47.0	52.0	99.0	45.6	51.6	97.2
Grade B (HEO/SEO)	47.0	64.0	111.0	45.4	64.0	109.4
Grade C (EO)	6.0	6.0	12.0	6.0	6.0	12.0
Grade D (AO/AA)	1.0	0.0	1.0	1.0	0.0	1.0
Total	116.0	145.0	261.0	112.8	144.3	257.1

Staff loans

The agency utilised a total of 13 staff from other government departments during the year.

Table 23: Number of Loans

The grading structure of all loans in and out as at 31st March 2025:

Grade	Loan In		Loan Out	
	Six months or less	Over six months	Six months or less	Over six months
Senior Civil Service Pay Band 3	-	-	-	-
Senior Civil Service Pay Band 2	-	-	-	-
Senior Civil Service Pay Band 1	-	1	-	-
Grade A (Upper) (Grade 6)	-	-	-	-
Grade A (Grade 7)	-	1	-	1
Grade B (HEO/SEO)	1	-	-	-
Grade C (EO)	-	-	-	-
Total	1	2	0	1

Table 24: Staff numbers and related costs (subject to audit)

Staff costs of full-time equivalent persons employed during the year, comprise:

	2024 to 2025				2023 to 2024
	Permanently employed staff £'000	Others £'000	Contract and agency staff £'000	Total £'000	Total £'000
Wages & salaries	14,169	4,113	1,312	19,594	18,897
Social security costs	1,593	-	-	1,593	1,415
Pension costs	3,833	-	-	3,833	3,222
Total costs	19,595	4,113	1,312	25,020	23,534
Less: Recoveries in respect of outward secondments	-	-	-	-	-
Total net costs	19,595	4,113	1,312	25,020	23,534

- In addition to staff costs above, £nil was charged to capital
- Staff costs include an accrual for holiday pay in accordance with IAS 19 Employee Benefits. The 'Others' category predominantly relates to pay costs for inward secondees from the GCO

Table 25: Average number of persons employed (Subject to Audit)

The average number of whole-time equivalent persons employed during the year was as follows:

	2024 to 2025 FTE	2023 to 2024 FTE
Directly employed	241	242
Other	76	52
Staff engaged on capital projects	-	-
Total	317	294

Principal Civil Service Pension Scheme (PCSPS)

'The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as "Alpha" – are unfunded multi-employer defined benefit schemes, but the agency is unable to identify its share of the underlying assets and liabilities.

The scheme actuary valued the PCSPS as at 31 March 2020. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation.

For 2024 to 2025, employers' contributions of £3,833,016.30 were payable to the PCSPS at 28.97% of pensionable earnings. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during FY 2024 to 2025 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £16,418.90 were paid. From 1 April 2025 there were five rates of employer contributions ranging from 8% to 14.75% depending upon the employee's age.

In addition, employer contributions of £1k representing 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

No individuals retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to zero for the agency.

Staff receivables

As at 31 March 2025, 1 individual held amounts which are repayable to the employer, totalling £11,472.14.

Sickness absence data

Average working days lost for BDUK staff during 2024 to 2025 was 7.4 (2023 to 24, 6.9).

Staff turnover percentage

The average turnover for 2024 to 2025 was 11.2%

The staff turnover figure is calculated as the number of leavers within the financial year divided by the average of staff in post over the financial year. Leavers reported are aligned to Cabinet Office guidelines, therefore include retirements and resignations, but do not include transfer to another department.

Staff engagement

Employee engagement is a measure of employee commitment and motivation. It is measured through the annual Civil Service People Survey, resulting in census data for a large number of employees, and is published on GOV.UK. BDUK had a high response rate of 97% which was one of the highest of the participating organisations across the Civil Service for the second year running. The BDUK engagement score was 65% (a slight decrease of 3%) which compares well to others across the Civil Service and continues to be strong when considering the challenging year BDUK faced running up to the survey. Data from the survey is analysed and this informs actions and initiatives at both a departmental and functional team level to make BDUK a great place to work.

Looking at the key themes coming through in our results, there has been a significant increase in improvement in pay and benefits and an increase in resources and workload. Further increases have been identified in the number of people of having a clear understanding of the organisational objectives and feel BDUK motivates them to help achieve its objectives.

BDUK have invested in, and focused on, building capability across the organisation. In particular, the focus has been on a new Learning and Development offer, which included improving processes and communication and the launch of a new talent programme for junior grades. We have refreshed our Diversity and Inclusion (D&I) Strategy and introduced Senior Leadership D&I champions to continue to raise awareness and improve the lived experience of staff and decision making in BDUK. We will continue to build on our successes and aim to improve in areas to ensure that BDUK builds on its strengths.

Disabled Staff policies applied during the financial year

A summary of DCMS policies regarding disabled staff is outlined below. BDUK have adopted these policies however these will transition to DSIT policies following a review.

As part of the wider Diversity and Inclusion strategy DCMS have reviewed their recruitment approach to improve attraction and selection for disabled colleagues and taken steps to improve their experience of working at DCMS. All staff have access to a minimum of 5 days learning and development and are able to undertake training that will help to progress in their career. Line managers are provided with line management training and supported to ensure that they are making reasonable adjustments for individuals.

BDUK abide by the Civil Service Commission Recruitment Principles which are:

fair – there should be no bias in the assessment of candidates. Selection processes must be objective, impartial and applied consistently.

open – job opportunities must be advertised publicly, and potential candidates given reasonable access to information about the job and its requirements, and about the selection process that will be used

merit – the candidate assessed as being the most able through the recruitment process (indicated by having the highest score) should be offered the role

Additionally, we operate blind sifting, training for panel members, and ensure that applicants applying under the disability confidence scheme are awarded an interview if they meet the minimum criteria for the job as well as applying reasonable adjustments required to the interview process.

Bullying Harassment and Discrimination

BDUK has a zero-tolerance policy towards bullying, harassment and discrimination. DCMS policies on bullying, harassment and discrimination have been adopted by BDUK however these will transition to

DSIT policies following a review. The agency has an ongoing commitment to ensure that staff are treated with dignity and respect and any concerns raised by staff are listened to and dealt with appropriately. There is an active Fair Treatment Ambassadors network and until the transition to DSIT policies, DCMS policies and guidance related to bullying, harassment and discrimination are published on the DCMS intranet which are accessible to all BDUK staff.

Trade union activity

BDUK regularly engages, negotiates and consults with national and staff trade union representatives for the Public and Commercial Services (PCS) and FDA unions formerly through DCMS and now through DSIT, in areas of policy, in line with our partnership agreement and actively maintains good and effective industrial relations with them. The DCMS facility time agreement, which remains in force until superseded by DSIT agreement, currently states that representatives should spend at least 70% of their time delivering their Civil Service role and any requests for paid facility time must be agreed with the representative's line manager. All Trade Unions duties are recorded by the representatives and shared with the DCMS Pay, Reward and Employee Relations Team.

DSIT has three staff union officials for PCS, two staff union representatives for FDA, and is also supported by a Prospect National Officer.

There were no trade union representatives assigned to BDUK in 2024 to 2025.

Percentage of working hours spent on facility time duties by Trade Union representatives

There were no BDUK trade union representatives assigned in 2024 to 2025.

Percentage of pay bill spent on facility time duties

As there were no BDUK trade union representatives assigned in 2024 to 2025, the percentage of pay bill spent on facility time duties is nil.

Off Payroll engagements

Table 26: Off-payroll engagements, for more than £245 per day and that last longer than 6 months

The following table summarises the situation on off-payroll engagements as at 31 March 2025 and 2024

	31 Mar 2025	31 Mar 2024
Number of existing arrangements	7	10
Number that has existed for less than one year at time of reporting	1	5

All existing off-payroll engagements, outlined above, have been subject to a risk-based assessment. This is to determine whether assurance is required that the individual is paying the right amount of tax and that assurance has been sought.

Table 27: All highly paid off-payroll workers engaged at any point during the year ended 31 March 2025, earning £245 per day or greater

	31 Mar 2025	31 Mar 2024
Number of temporary off-payroll workers engaged during the year.	3	25
Of which:		
Not subject to off-payroll legislation*	-	-
Subject to off-payroll legislation and determined as in-scope of IR35	2	23
Subject to off-payroll legislation and determined as out-of-scope of IR35	1	2
Number of engagements reassessed for compliance or assurance purposes during the year.	1	-
Of which:		
Number of engagements that saw a change to IR35 status following review	1	-

*Contingent labour workers employed by an umbrella company (as defined by HMT guidance) are automatically out of scope of IR35 and are therefore not subject to the off-payroll legislation

Table 28: Off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April and 31 March

	FY 2024 to 2025	FY 2023 to 2024
Number of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year.	-	0
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.	7	6

Exit Packages (subject to audit)

The number of Special Severance Payments made by BDUK in 2024 to 2025 is nil (2023 to 2024: nil).

Civil Service Compensation Scheme

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme; a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the agency has agreed early retirements, the additional costs are met by the group and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Business Appointment Rules

In compliance with Business Appointment rules, the department is transparent in the advice given to individual applications for senior staff, including special advisers. Advice regarding specific business appointments has been published on GOV.UK here.

In 2024 to 2025 there was 0 exits at SCS from the civil service. There were no BARs applications where conditions were set, no applications that were found to be unsuitable for the applicant to take up, and no breaches of the Rules in the preceding year.

5.4 Diversity and inclusion

As a public sector employer, BDUK is bound by the Equality Act 2010. BDUK supports the government's desire to have a truly diverse workforce, and a culture of openness and inclusivity, as a means of delivering better outcomes to the citizens we serve.

Fundamental to BDUK is a focus on improving the diversity of our organisation with an inclusive workplace, aligning to our sponsor department and Civil Service targets for representation. (BDUK) strives to attract, recruit and retain the best talent to help us reach challenging targets and to become a world class delivery organisation.

We recognise that in order to do this it is essential that our workforce is a true reflection of the society we serve. Having a diverse organisation will give us access to a greater range of talent, providing different perspectives which better reflect the communities we deliver to.

In April 2025 BDUK refreshed our diversity and inclusion strategy. The strategy considers examples of excellent practice in the field and seek to better understand and improve our diversity data and reporting.

This Strategy aligns to the People Strategy, which focuses on three main priorities and objectives: Leadership & Engagement; Capability & Capacity; and Cultures, Values and Diversity & Inclusion. We engaged with staff to agree priorities and measures of success to ensure we have leading practices to recruit, retain and increase representation from an even broader range of talent.

We have a dedicated D&I cross-functional working group. The working group evaluates our people data and engages with stakeholders across the organisation and beyond. In BDUK D&I is fundamental who we are and how we succeed. This includes better decisions

and stronger outcomes, retaining talent through programme deliver and fostering an inclusive culture.

The principal executive sponsor is Jonathan Clear, and our Non-Executive Director sponsor is Hazel Hobbs.

Our key priorities for delivering the diversity and inclusion part of our strategy are:

1. Promote and connect to our values and behaviours. We will implement policies and practices, promoted and role-modelled by our leadership, that support a culture of inclusion. We aim to build on our values, ensuring new initiatives have inclusion at their heart.
2. Staff must understand their role in identifying differences in employee experience and values. We will build our understanding and challenge our biases and embed diversity and inclusion in our teams by investing in training and leadership capability. Support for all staff through wellbeing ambassadors. Staff volunteers contribute massively to the diversity and inclusion agenda, and we will support the passionate and dedicated colleagues who make this valuable contribution to BDUK.
3. Respecting differences in an inclusive environment. We will cultivate an environment of respect where people can bring their whole selves to work with a zero-tolerance policy for bullying, harassment and discrimination.

Parliamentary Accountability and Audit Report

Losses and Special Payments

Regularity of expenditure (this section is subject to audit)

Table 29: Losses

	2024 to 2025		2023 to 2024	
	Cases	Amount £'000	Cases	Amount £'000
Claims abandoned	3	1,001	1	45
Fruitless payment	-	-	2	169

There was one individual loss in excess of £300,000 for FY 2024 to 2025. This was in relation to a write-off of a debt (£955,000) where the agency was looking to recover amounts paid to a supplier under the Gigabit voucher scheme. It was concluded that the supplier had installed non-compliant equipment that was not permissible under the scheme and therefore the amounts were repayable. BDUK undertook an exhaustive process to recover the funds but concluded during the financial year that recoverability was extremely unlikely and therefore the debt was written off.

Special and other payments

There were no special or other payments made in 2024 to 2025 (2023 to 2024: nil).

Gifts

During 2024 to 2025, the agency did not give any reportable gifts above £300,000.

Fees and charges

In 2024 to 2025, the agency collected £4k of fee income from project application fees to the Gigabit Broadband

Voucher scheme (2023 to 2024: £3k) and £48k of fee income from reimbursement of cost audits performed on behalf of the devolved administrations (2023 to 2024: £48k). The agency did not provide any other services for which it charges fees to the general public.

Remote contingent liabilities

Remote contingent liabilities arising through financial guarantees, indemnities and letters of comfort – Quantifiable.

Details of contingent liabilities as defined by IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' are included in the financial accounts (see note 11).

In addition, the Agency has entered into the following quantifiable indemnity. It is not a contingent liability within the meaning of IAS 37 since the likelihood of a transfer of economic benefit in settlement is too remote.

Managing Public Money requires that the full potential costs of such contracts be reported to Parliament, details of these costs are reproduced in the table below.

	1 Apr 2024	Increase/ (Decrease in year	Liabilities crystallised in year	Obligation expired in year	31 Mar 2025	Amount reported to Parliament by Departmental Minute
	£'000	£'000	£'000	£'000	£'000	£'000
Shared Rural Network Indemnity	15,200	(6,300)	-	-	8,900	15,200

Indemnities

The Shared Rural Network indemnity results from a legally binding agreement to indemnify mobile network operators (MNO), via their subsidiary, Mova, in respect of costs that may arise if there is a change in the operator of the Emergency Services Network (ESN). A new agreement was signed during 2024 to 2025 extending the agreement for the current operator to 2031 (with the option of extending for an additional year). This has resulted in a decrease to the remote contingent liability in recent months to a total of £8.9m in potential future liability.

The probability of crystallisation occurring is very low and the liability will cease to exist in 2041 which marks the end of the Programme.

Regularity of expenditure

The agency's fraud and error audit measurement methodology and results for 2024 to 2025 have been disclosed in the Governance Statement. Compliance with functional standards is also reported within the Governance Statement.



Dean Creamer CBE
BDUK Chief Executive Officer

Date: 16 October 2025

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I certify that I have audited the financial statements of Building Digital UK for the year ended 31 March 2025 under the Government Resources and Accounts Act 2000.

The financial statements comprise Building Digital UK's:

- 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 Building Digital UK's affairs as at 31 March 2025 and its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the 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 Building Digital UK 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 Building Digital UK'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 Building Digital UK's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

The going concern basis of accounting for Building Digital UK is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

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 Resources and Accounts Act 2000.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of Building Digital UK and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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

- adequate accounting records have not been kept by Building Digital UK 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 Building Digital UK from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing Building Digital UK's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Building Digital UK will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of Building Digital UK's accounting policies.
- inquired of management, Building Digital UK's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Building Digital UK's policies and procedures on:
 - o identifying, evaluating and complying with laws and regulations;
 - o detecting and responding to the risks of fraud; and
 - o the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including Building Digital UK's controls relating to Building Digital UK's compliance with the Government Resources and Accounts Act 2000 and Managing Public Money;
- inquired of management, Building Digital UK's head of internal audit and those charged with governance whether:
 - o they were aware of any instances of non-compliance with laws and regulations;
 - o 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 Building Digital UK for fraud and identified the greatest potential for fraud in the following areas: 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 Building Digital UK's framework of authority and other legal and regulatory frameworks in which Building Digital UK operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of Building Digital UK. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2024, employment law and tax legislation.

Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk 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 including 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

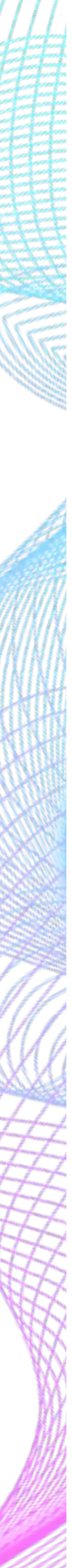
I have no observations to make on these financial statements.



Gareth Davies
Comptroller and Auditor General

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

Date: 20 October 2025



BDUK Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2025

	Note	2024 to 2025	2023 to 2024
		£'000	£'000
Income from contracts with customers	5.1	(36)	(53)
Grant income	5.2	(1,167)	(5,055)
Total operating income		(1,203)	(5,108)
Staff costs	3	25,020	23,534
Grants	4.1	88,296	64,480
GIS programme costs	4.2	180,472	32,169
Purchase of goods and services	4.3	15,173	14,368
Amortisation and expected credit loss adjustments	4.4	1,250	1,153
Finance cost	4.5	17	3
Other operating expenditure	4.5	3,000	982
Total operating expenditure		313,228	136,689
Net operating expenditure		312,025	131,581
Non operating expenditure		-	-
Net expenditure for the year		312,025	131,581
Total comprehensive expenditure for the year		312,025	131,581

All operations relate to continuing activities.

The notes on pages 85 to 98 form part of these accounts.

Statement of Financial Position as at 31 March 2025

	Note	31 March 2025	31 March 2024
		£'000	£'000
Non-current assets			
Intangible assets	6	3,733	4,873
Total non-current assets		3,733	4,873
Current assets			
Trade and other receivables	8	25,252	29,651
Cash and cash equivalents	9	13,656	15,738
Total current assets		38,908	45,389
Total assets		42,641	50,262
Current liabilities			
Trade and other payables	10	(105,602)	(55,248)
Total current liabilities		(105,602)	(55,248)
Total assets plus/less net current assets/liabilities		(62,961)	(4,986)
Non-current liabilities			
Trade and other payables	10	(18,084)	-
Total non-current liabilities		(18,084)	-
Total assets less liabilities		(81,045)	(4,986)
Taxpayers' equity and other reserves			
Taxpayers' funds			
General fund	SoCTE	(81,045)	(4,986)
Total taxpayers' equity	SoCTE	(81,045)	(4,986)

The notes on pages 85 to 98 form part of these accounts.



Dean Creamer CBE
(Accounting Officer)

Date: 16 October 2025

Statement of Cash Flows for the year ended 31 March 2025

	Note	2024 to 2025	2023 to 2024
		£'000	£'000
Cash flows from operating activities			
Net operating expenditure	SoCNE	(312,025)	(131,581)
Adjustments for non-cash expenditure - purchase of goods and services	4.3	131	100
Adjustments for non-cash expenditure - amortisation and expected credit loss adjustments	4.4	1,250	1,153
(Increase)/decrease in trade and other receivables	8	4,407	(17,233)
Increase/(decrease) in trade payables	10	68,438	33,430
Net cash outflow from operating activities		(237,799)	(114,131)
Cash flows from investing activities			
Purchase of intangible assets	6	(118)	(1,115)
Net cash inflow/(outflow) from investing activities		(118)	(1,115)
Cash flows from financing activities			
DSIT Supply funding received in year	SoCTE	235,835	107,010
Net cash inflow from financing activities		235,835	107,010
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(2,082)	(8,236)
Cash flow from non-financing activities			
Receipts due to the Consolidated Fund which are outside the scope of the agency's activities	5.3	34,584	30,046
Payments of amounts to the Consolidated Fund	5.3	(34,584)	(30,046)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(2,082)	(8,236)
Cash and cash equivalents at the beginning of the period	9	15,738	23,974
Cash and cash equivalents at the end of the period	9	13,656	15,738

The notes on pages 85 to 98 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2025

	Note	General fund	Total taxpayers' equity
		£'000	£'000
Balance at 1 April 2023		(19,485)	(19,485)
DSIT Supply Funding		(107,010)	(107,010)
Net expenditure for the year	SoCNE	131,581	131,581
Non-cash adjustments:		-	-
Auditors' remuneration	4.3	(100)	(100)
Balance at 1 April 2024		4,986	4,986
DSIT Supply funding		(235,835)	(235,835)
Net expenditure for the year	SoCNE	312,025	312,025
Non-cash adjustments:			
Auditors' remuneration	4.3	(131)	(131)
Balance at 31 March 2025		81,045	81,045

The notes on pages 85 to 98 form part of these accounts.



Notes

1. Statement of accounting policies

1.1 Basis of Preparation

These accounts have been prepared in accordance with the 2024 to 2025 Government Financial Reporting Manual (FReM) and Accounts Direction 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 our business account for the purpose of giving a true and fair view has been selected. The particular policies adopted by the agency are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.2 Accounting Convention

These accounts have been prepared on an accruals basis under the historical cost convention. The financial statements have been prepared in accordance with the revised Accounts Direction issued by HM Treasury on 19 December 2024.

1.3 Going concern

Building Digital UK existed as an executive agency up until 1st November 2025 when it ceased to exist. On 13th October 2025, the Secretary of State for Science, Innovation and Technology announced that Building Digital UK (BDUK) will be integrated into the Department for Science, Innovation and Technology (DSIT). BDUK is currently an executive agency of the department and will become a directorate within the Digital Technologies and Infrastructure group.

The FReM provides that for non-trading entities, the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern. As all of the functions are continuing and have been included in the Main Estimates for 2025 to 2026, the accounts have been produced on a going concern basis.

1.4 Grants

Grants payable or receivable by the agency are accounted for on an accruals basis. Specific accounting treatment for the material programmes during the year are listed below:

1. *Superfast/Gigabit Vouchers/Gigabit Hubs*

Grant/voucher expenditure to suppliers is recognised when the beneficiary verifies that a connection has been made to their premises, as the supplier will have fully complied with the terms of the grant/voucher scheme at this point.

2. *Shared Rural Network*

"Eligible Expenditure" (i.e. expenditure incurred in accordance with the grant agreement) incurred by the grant recipient by the accounting reference date are accrued in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', as the agency is contractually obliged to reimburse such costs. Whilst the trigger for payment is the submission of a formal claim, monthly communication with the grant recipient allows the agency to accrue costs in the interim.

1.5 GIS (Gigabit Infrastructure Subsidy) programme costs

Programme costs incurred under GIS contracts fall into different categories.

Cost incurred by suppliers during Stage 1 relate to network detailed design and due diligence work (such as planning permission) and are recognised by BDUK based on the timing of when the underlying works was undertaken.

Costs incurred during Stage 2 relate to infrastructure builds and premises connections to gigabit infrastructure and are recognised at the point premises are connected and ready for service (RFS). Costs recognised are determined by a unit rate per premise which is established in the underlying contract in place with each supplier.

1.6 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the agency or passed legislation. By their nature they are items that ideally should not arise. These are reported in the parliamentary accountability and audit report section of the annual report and accounts.

1.7 Operating income and revenue from contracts with customers

Operating income relates to the operating activities of the agency and includes both budgetary and non-budgetary income. It is recognised in accordance with the FReM and IFRS 15 Revenue from contracts with customers.

Operating income is stated net of VAT.

Grant funding, in respect of capital expenditure, is credited to the Statement of Comprehensive Net Expenditure (SoCNE) in the year in which the entitlement to the monies arise in accordance with the application of IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance' recommended by the FReM. This represents top-up funding received from local authorities in respect of the Gigabit voucher scheme.

1.8 Consolidated Fund Income

These amounts represent claw-backs of grants under the terms of the grant programme, where the amounts paid out have been found to have been in excess of need either due to cost savings in the implementation of the scheme or installations have proved to be more commercially viable than originally anticipated.

Once the installations have completed and within the time-frames permitted by the programme, reconciliations are performed with the local authorities/devolved authorities to confirm the amounts repayable and are invoiced. These amounts are then repaid to HMT under the terms of these programmes and represent non-budgetary income.

Although the cash payment may be in the following accounting year, the underlying economic activity will be in the present year. The agency prepares its accounts on an accruals basis, per the IASB's "Conceptual Framework for Financial Reporting" and the FReM 2024 to 2025, the agency must account for both the receipt and the subsequent payment to HM Treasury in this year's financial accounts.

1.9 Intangible non-current assets

In accordance with the FReM, all intangible assets are carried at current value in existing use. The assets in BDUK represent the development and use of products to help deliver and administer the grant and contract programmes run by the agency.

Intangible assets are amortised using the straight-line method over their expected useful life which ranges between 2 to 5 years for internally generated assets; the licence period for purchased licences; or the period of expected income streams for income generating assets.

The agency's capitalisation threshold is £2,000.

1.10 Impairment of non-current assets

Impairment losses that result from a clear consumption of economic benefit are taken directly to the SoCNE.

All non-current assets are reviewed for impairment if circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

1.11 Research and development

Development expenditure relating to the creation of assets to enhance and further the agency's ability to deliver its corporate objectives is capitalised as per IAS 38 'Intangible Assets' if the following criteria are met:

- it is technically feasible to complete the intangible item so that it will be available for use
- the agency intends to complete the intangible item and use it
- there is an ability to use the intangible item
- it can be demonstrated how the development expenditure will generate future service potential
- adequate technical, financial and other resources to complete the development and to use the intangible item are available
- the expenditure attributable to the intangible item during its development can be reliably measured.

Other development expenditure that does not meet these criteria is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent year.

Expenditure on research activities is recognised in the SoCNE in the period in which it is incurred.

1.12 Cash and cash equivalents

Cash and cash equivalents comprise cash balances in non-interest-bearing accounts. We do not have any bank overdrafts.

1.13 Financial instruments

In line with the government Financial Reporting Manual adaptation of IAS 32 'Financial Instruments: Presentation' and IFRS 9 'Financial Instruments', we recognise financial assets and liabilities when we become party to the contracts or legislation that give rise to them. For financial assets, this includes grant overpayments.

Financial assets

Financial assets comprise trade and other receivables and cash equivalents. We initially recognise these assets on the date that they are originated and de-recognise them when the contractual rights to the cash flows from the asset, expire.

Trade and other receivables are recognised initially at fair value on the date they originated. Fair value is usually at the original invoiced amount. Subsequent to initial recognition they are measured at amortised cost using the effective interest method less any impairment losses.

Included within trade receivables are recoveries of grant overpayments. As part of assessing and paying grants, entities can be paid more than they are contractually entitled to under the relevant terms of the grant schemes either due to fraud or error or as a result of not needing all of the grant awarded. Where overpayments to entities are identified, and the Agency has a legal right to recover the excess amount paid, the amount owed is recognised as a trade receivable.

We hold all grant overpayments to collect the cash flows due. Grant overpayments are not quoted on any active market and do not carry interest. Cash flows consist of the repayment of principal only. They are therefore measured at amortised cost, less recoveries to date, and subject to impairment for expected credit losses.

In addition to the above, there are grant overpayment balances under investigation where a receivable cannot be recognised as an identified overpayment, as it has not been properly referred for collection or the referred overpayment has not been processed and communicated to the supplier. These overpayments are excluded from the financial statements because the relevant processes to establish the underlying rights for the receivable are incomplete under IFRS 15 and therefore, an asset cannot be recognised.

Financial liabilities

Non-derivative financial liabilities comprise trade and other payables. We recognise these liabilities initially on the trade date at which we become a party to the contractual provisions of the instrument and de-recognise when our contractual obligations are discharged or cancelled or expired.

Trade and other payables are recognised initially at fair value. Fair value is usually at the original invoiced amount. Subsequently to initial recognition, they are measured at amortised cost.

1.14 Employee Benefits

In accordance with IAS 19 'Employee Benefits', the agency is required to recognise short term employee benefits when an employee has rendered service in exchange for those benefits. Included in the accounts is an accrual for the outstanding employee paid holiday entitlement at the period end date.

1.15 Taxation

Value Added Tax (VAT)

VAT is paid or received in accordance with the prevalent tax rules. In general, most of the activities of the agency are outside the scope of VAT and output tax does not normally apply. Input tax is also recoverable on certain contracted-out services.

Irrecoverable VAT is charged to the relevant expenditure category or, if appropriate, capitalised with additions to non-current assets.

1.16 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the agency.

A contingent liability can also include an amount where a present obligation arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Where the time value of money is material, contingent liabilities are stated at discounted amounts.

1.17 Accounting estimates and judgements

Critical accounting estimates and judgements

The preparation of the agency's accounts requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenditure. The resulting accounting estimates will, by definition, seldom equal the related actual results. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Valuation of non-current assets

The value of the agency's intangibles is estimated based on the period over which the assets are expected to be available for use. Such estimation is based on experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence or legal or other limits on the use of an asset.

Expected credit loss

The forward-looking impairment assessment model includes some estimates and judgements on the likelihood of default on our amortised cost assets.

1.18 Reporting standards issued but not yet effective

IFRS17 (Insurance Contracts)

IFRS 17: Insurance Contracts replaces IFRS 4: Insurance Contracts and is to be included in the FReM for mandatory implementation from 2025 to 2026. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this Standard.

Whilst the agency has undertaken preparatory work ahead of implementation, the financial impact of applying IFRS17 has not yet been estimated. It is expected that the new standard will have an immaterial impact on the agency's financial statements.

2. Statement of Operating Expenditure by Operating Segment

The nature of the agency's activities and how they are administered means that it is not possible to provide this disclosure in accordance with IFRS 8. Its activities are almost entirely funded by supply funding from DSIT to meet its objectives and to meet the Government's pledges on broadband and digital connectivity. This is used in the most effective manner to achieve that

aim and as a result, the agency is effectively a single operating segment.

BDUK's board reviews capital expenditure by programme area and all other costs between pay and non-pay. These do not represent operating segments per IFRS 8 and hence have not been disclosed.



3. Staff costs

	2024-to 20 25				2023 to 2024
	Permanently employed staff £'000	Others £'000	Contract and agency staff £'000	Total £'000	Total £'000
Wages & salaries	14,169	4,113	1,312	19,594	18,897
Social security costs	1,593	-	-	1,593	1,415
Pension costs	3,833	-	-	3,833	3,222
Total costs	19,595	4,113	1,312	25,020	23,534
Less: Recoveries in respect of outward secondments	-	-	-	-	-
Total net costs	19,595	4,113	1,312	25,020	23,534

4. Expenditure

4.1 Grants

4.1.1 2024 to 2025

	2024 to 2025					
	Superfast contracts £'000	Gigabit Contracts £'000	Gigabit Hubs £'000	Gigabit Broadband Voucher Scheme £'000	Shared Rural Network £'000	Total £'000
Capital grants	1,247	1,024	-	72,254	13,771	88,296
Total: Grants	1,247	1,024	-	72,254	13,771	88,296

4.1.2 2023 to 2024

	2023 to 2024					
	Superfast contracts £'000	Gigabit Contracts £'000	Gigabit Hubs £'000	Gigabit Broadband Voucher Scheme £'000	Shared Rural Network £'000	Total £'000
Capital grants	1,632	234	2,524	56,777	3,313	64,480
Total: Grants	1,632	234	2,524	56,777	3,313	64,480

The table above shows a breakdown of the grants paid out during the year of the main programmes run by the agency. Superfast contract spend relates to residual expenditure incurred under this legacy programme. Gigabit contract spend relates to Superfast Extension costs.

4.2 GIS programme costs

	2024 to 2025 £'000	2023 to 2024 £'000
GIS programme costs	180,472	32,169
Total: GIS programme costs	180,472	32,169

This table shows spend in relation to Gigabit Infrastructure Subsidy (GIS) contracts.

4.3 Purchase of goods and services

	2024 to 2025	2023 to 2024
	£'000	£'000
Professional services	5,788	7,417
Human resources	517	378
Marketing and media	6	12
Premises expenses	963	3
IT maintenance and support	7,369	6,052
Travel and subsistence	399	406
Sub-total: cash items	15,042	14,268
Non-cash items		
Auditors' remuneration	131	100
Sub-total: non-cash items	131	100
Total: Purchase of goods and services	15,173	14,368

Professional services

Included within professional services is £4,951,874 (2023 to 2024 restated: £6,808,301) of consultancy costs. The prior year comparative has been restated due to an error in the figure published in the 2023 to 2024 financial statements.

Auditors' remuneration

Notional non-cash auditors' remuneration for the cost of the audit of the agency's accounts was £131,000 (2023 to 2024: £100,000). In 2024 to 2025 the agency did not purchase any non-audit services from its auditor, the Comptroller and Auditor General (2023 to 2024: nil).

4.4 Amortisation and expected credit loss

	2024 to 2025	2023 to 2024
	£'000	£'000
Amortisation	1,258	1,188
Impairments/(write backs)	-	-
Expected credit loss	(8)	(36)
Amortisation and Expected Credit loss - non-cash total	1,250	1,152

Amortisation is on the intangible assets developed for use by BDUK (e.g. vouchers/GIS/Shared Rural Network portals).

Expected credit loss is the provision expense against voucher overpayment debtors that have been outstanding for more than 90 days and writes these down to the actual amount that BDUK expects to collect from the debtor.

4.5 Other operating expenditure

	2024 to 2025	2023 to 2024
	£'000	£'000
Research & development (capital)	1,367	319
Other expenditure	1,633	663
Sub-total: other operating expenditure	3,000	982
Finance costs	17	3
Other expenditure - cash total	3,017	985

The research and development costs shown meet the ESA10 criteria to be recognised as capital expenditure but do not meet the IAS38 'Intangible Assets' criteria to be capitalised.

5. Income

5.1 Revenue from contracts with customers

	2024 to 2025	2023 to 2024
	£'000	£'000
Rental income	(2)	2
Fees, charges and duties	38	51
Total: Income from contracts with customers	36	53

5.2 Grant income

	2024 to 2025	2023 to 2024
	£'000	£'000
Capital grant income	1,122	5,055
Other operating income	45	-
Total: Grant income	1,167	5,055

The income above is in relation to the Gigabit Voucher scheme. This represents top-up funding received from local authorities and devolved administrations in areas of the country where the terms of the gigabit voucher scheme cannot fully fund broadband installations.

5.3 Consolidated Fund Income

Income shown in notes 5.1 and 5.2 above do not include any amounts collected by the agency where it was acting as agent for the Consolidated fund rather than as principal. The amounts collected as agent for the Consolidated Fund (which are otherwise excluded from these financial statements were:

	2024 to 2025 £'000	2023 to 2024 (£'000) (Restated)
Consolidated Fund Income	34,584	30,046
Amount payable to the Consolidated Fund	0	0
Balance held at the start of the year	0	0
Payments into the Consolidated Fund (via DSIT)	34,584	30,046
Balance held on trust at the end of the year	0	0

The income above relates to take-up claw-backs under the BDUK Superfast Broadband Programme. These are recovery of grants paid to suppliers for the provision of superfast broadband in areas that were deemed, at the time, not to be commercially viable. Since installation and with the increase in uptake of broadband nationally, suppliers have made higher than originally anticipated profits in some areas. Under the terms of this grant programme, these excess profits are clawed back by the agency and repaid to HMT via DSIT.

This note has been restated this year to only disclose the cash amounts collected by the agency and remitted to DSIT during the financial year. The note disclosed in the published 2023 to 2024 financial statements was presented capturing cash and accrued amounts due under the Superfast Broadband programme however a restated note has been produced this year to more

clearly reflect the actual cash collected by BDUK as agent for the Consolidated Fund and to highlight that no balance was held on trust as at 31st March 2024 or 2025.

The restated prior year consolidated fund income total (£30,046k) represents the total amount of cash collected by BDUK during 2023 to 2024. The equivalent balance disclosed in the published 2023 to 2024 financial statements (£45,164k) captured the cash collected and the amounts payable to BDUK not yet collected.

BDUK continue to accrue for consolidated fund income where the agency has determined that claw-backs are repayable, and an equal payable and receivable for consolidated fund income is recognised (which net off to zero on the Statement of Financial Position). These are not included in the table above but noted below.

	31st Mar 2025 £'000	31st Mar 2024 £'000
Accrued or invoiced consolidated fund income	24,583	27,814

The restated prior year accrued or invoiced consolidated fund income total (£27,814k) represents the total amount payable to BDUK as at 31st March 2024. The equivalent balance disclosed in the published 2023 to 2024 financial statements (£26,633k) did not capture the amounts payable where an invoice had been issued.

6. Intangible assets

6.1 Intangible assets 2024 to 2025

	2024 to 2025				
	Licences £'000	Websites £'000	Development expenditure £'000	Assets under construction £'000	Total £'000
Cost or valuation					
At 1 April 2024	667	2,385	4,178	-	7,230
Additions	-	-	-	118	118
Disposals	(56)	(922)	-	-	(978)
Reclassifications	-	-	118	(118)	-
At 31 March 2025	611	1,463	4,296	-	6,370
Amortisation					
At 1 April 2024	179	1,156	1,023	-	2,358
Charged in year	122	299	836	-	1,257
Disposals	(56)	(922)	-	-	(978)
Impairments	-	-	-	-	-
At 31 March 2025	245	533	1,859	-	2,637
Carrying amount:					
31 March 2025	366	930	2,437	-	3,733
31 March 2024	488	1,229	3,155	-	4,873
Asset financing:					
Owned	366	930	2,437	-	3,733
Carrying amount at 31 March 2025	366	930	2,437	-	3,733

The assets above represent the development and use of products to help deliver and administer the grant and contract programmes run by the agency.

6.2 Intangible assets 2023 to 2024

	2023 to 2024				
	Licences £'000	Websites £'000	Development expenditure £'000	Assets under construction £'000	Total £'000
Cost or valuation					
At 1 April 2023	61	1,456	2,491	2,109	6,117
Additions	-	-	-	1,113	1,113
Reclassifications	606	929	1,687	(3,222)	-
At 31 March 2024	667	2,385	4,178	-	7,230
Amortisation					
At 1 April 2023	44	835	291	-	1,170
Charged in year	135	324	732	-	1,188
Impairments	-	-	-	-	-
At 31 March 2024	179	1,159	1,023	-	2,358
Carrying amount:					
31 March 2024	488	1,229	3,155	-	4,872
31 March 2023	17	621	2,200	2,109	4,947
Asset financing:					
Owned	488	1,229	3,155	-	4,872
Carrying amount at 31 March 2024	488	1,229	3,155	-	4,872

7. Financial instruments

	Note	31 Mar 2025	31 Mar 2024
		£'000	£'000
Financial assets			
<i>Amortised cost</i>			
Cash and cash equivalents	9	13,656	15,738
Trade and other receivables	8	29	2,173
Loans	8	12	(1)
		13,697	17,910
Financial liabilities			
<i>Amortised cost</i>			
Trade and other payables	10	(25,051)	(28,765)
Total net financial assets/(liabilities)		(11,354)	(10,855)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The amounts disclosed above as payables and receivables therefore exclude any assets or liabilities, which do not result from a contractual arrangement.

The agency's financial instruments comprise cash and cash equivalents and other financial assets and liabilities including trade receivables and payables, that arise directly from operations, or to partially fund future operations.

The agency has not reclassified any financial assets within the year. The agency has no financial instruments that are offset. The agency has not pledged collateral for these financial liabilities.

7.1 Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk largely arises from cash and cash equivalents and trade and other receivables. The agency's maximum exposure to credit risk is limited to the value of these assets. The credit risk management policy in relation to trade receivables involves regularly assessing the financial reliability of customers, considering their financial position and historical credit risk.

The agency assesses credit risk when setting the expected credit loss forward looking analysis which is expected to include macroeconomic assessments, historical data and liaising with the customers where required for these assets.

Most of the agency's customers and counterparties are other public sector organisations and so has assessed the level of credit risk as low for these customers. Where the invoices relate to recoveries of grant overpayments, expected credit loss provisions are made to the extent to which management believe that contractual obligations are not likely to be fulfilled in full. It expects assets to be written off when it is no longer possible to recover the asset.

7.2 Market risk (currency and other price risks)

The agency is exposed to very limited market risk. The agency has limited exposure to foreign exchange movements as the business is based in the UK. There are limited instances where it undertakes some transactions in currencies other than sterling. Due to movements in exchange rates over time, the amount the agency expects to receive or pay when it enters into a transaction may differ from the amount that it actually receives or pays when it settles the transaction. However, the impact of such transactions is not significant to the agency. In addition, cash balances are held in non-interest-bearing bank accounts.

7.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. As the agency's cash requirements are met through funds voted by Parliament, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body.

8. Trade and other receivables

	31 Mar 2025	31 Mar 2024
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	-	2,088
VAT receivables	627	845
Other receivables	29	93
Prepayments	1	1
Accrued income	24,583	26,633
Staff loans and advances	12	(1)
Total before expected credit loss	25,252	29,659
Expected credit loss	-	(8)
Total	25,252	29,651

Accrued income includes clawbacks receivable at year-end in relation to Superfast Broadband programme that had not been invoiced (see note 5.3).

9. Cash and cash equivalents

	31 Mar 2025	31 Mar 2024
	£'000	£'000
Balance at 1 April	15,738	23,974
Net change in cash and cash equivalent balances	(2,082)	(8,236)
Balance at 31 March	13,656	15,738

All cash is held in a Government Banking Service (GBS) account.

10. Trade and other payables

	31 Mar 2025	31 Mar 2024
	£'000	£'000
Amounts falling due within one year:		
Taxation and social security	435	373
Trade payables	2	258
Other payables	25,049	28,507
Accruals & deferred income	80,116	26,110
Amounts falling due after one year:		
Accruals & deferred income	18,084	-
Total	123,686	55,248

Other payables include clawbacks payable at year-end in relation to Superfast Broadband programme that have yet to be invoiced or collected (see note 5.3).

Accruals and deferred income include:

- Accrued costs in relation to the GIS programme including costs for premises that have been deemed ready for service but not yet paid at year-end
- GIS contract retention amounts that are recorded as liabilities until released to suppliers once contract milestones are met, and;
- Accrued costs in relation to the SRN programme, both for Extended Area Service (EAS) and Total Non-Spots (TNS)

The amounts falling due after one year relate to GIS contract retention balances that are not due to be released to suppliers until more than 12 months after the reporting date.

11. Contingent liabilities

European Regional Development Fund (ERDF) Superfast liability

The contingent liability for a potential clawback in relation to European Regional Development Fund (ERDF) funding for two broadband projects which were procured through change requests to existing contracts with BT remains in place.

The contracts were agreed under the 2012 State Aid National Broadband Scheme (NBS) which expired in June 2015. However, the England ERDF Operational Programme for the 2014 to 2020 period was not agreed until later in 2015 and therefore the funding was added to the contracts in 2016.

The agency believes the funding meets the ERDF criteria given that the contracts had state aid clearance and provision for the extra ERDF funding was included. However, it is possible that the ERDF auditors decide that the additional funding was not in -compliance with ERDF criteria as it was added to the contracts after the expiration of the NBS. Advice from the Ministry of Housing, Communities and Local Government (MHCLG) is that the maximum level of possible fines or penalties would be £2.5m. The outcome will not be known until the relevant audits have taken place, with the potential of an audit challenge remaining in place until 2026.

12. Commitments

12.1 Financial commitments

	31 March 2025	31 March 2024
	£'000	£'000
Not later than one year	609,717	249,966
Later than one year but not later than five years	1,395,839	995,366
Later than five years	20,222	35,486
Total	2,025,778	1,280,818

The agency's financial commitments are the contracts with suppliers under the Gigabit Infrastructure Subsidy scheme. Whilst these contracts are not considered to be "non-cancellable" as per the criteria of FReM 7.6.16, these commitments have been disclosed to provide a more complete view of BDUK's financial position given the material sums involved.

13. Related party transactions

We were sponsored by DSIT for the financial year and applied the requirements of the Financial Reporting Manual in respect of disclosure of related party transactions with Government related entities including our parent.

DSIT is regarded as a related party, and we have a significant number of material transactions with DSIT relating to supply funding. In addition, we have had a significant number of material transactions with other

government departments and central government bodies. Most of these transactions have been with the Cabinet Office and several councils and devolved administrations.

None of the Executive Team members or managerial staff or other related parties has undertaken any material transactions with the agency during the year.

The Remuneration Report (page 61) contains details of payments made to key personnel.

14. Events after the reporting period

In accordance with the requirements of IAS 10 'Events after the Reporting Period', post year end events are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

Since 31 March 2025, BDUK have entered into further contractual commitments with suppliers under the Gigabit Infrastructure Subsidy scheme that are material in value. This is a non-adjusting subsequent event and accordingly the financial statements have not been adjusted.

BDUK was disbanded as at November 2025 and the agency's functions transferred to the Department for Science, Innovation and Technology. This is additionally referred to in note 1.3 Going Concern.

14.1 Date accounts authorised for issue

BDUK's accounting officer has authorised these accounts to be issued on the same day as they were certified.



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