



Annual Report and Accounts

2019–20

Committee on Climate Change

Annual Report and Accounts

1 April 2019 to 31 March 2020

Presented to Parliament pursuant to Paragraph 24 of
Schedule 1 of the Climate Change Act 2008

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Chairman's foreword



It is impossible to write this foreword without acknowledging the substantial social, economic, and environmental impacts of the COVID-19 pandemic. The crisis has changed our work plan for the forthcoming year significantly given that in some ways the context has changed fundamentally. However, the Government has been presented with a unique opportunity to ensure the recovery from COVID-19 is a green one; one which helps rather than hinders climate action.

This opportunity is supported by last year's major shift in the climate change policy context. Governments in London and Edinburgh have now legislated to reduce greenhouse gas emissions to 'Net Zero' based on the advice of this Committee, while the Welsh Government is committed to cut carbon emissions by 95% by 2050 with the intention to go further. As I write, the Treasury is preparing a review of how the transition to a Net Zero economy by 2050 could be funded fairly – a topic about which we wrote to the Exchequer Secretary last Autumn. That pivotal review will be a key input into deliberations about future budgets and longer-term direction of Government policy to deliver Net Zero. Meanwhile policies across multiple key areas are under active development including heat, Carbon Capture and Storage and electric vehicles.

The fact remains, however, that we need a step-change in the response across Whitehall – and beyond – if the UK is to reduce emissions and adapt effectively to the impacts of climate change. We said so very strongly in our annual report to Parliament last summer. This message was reiterated in our letter to the Prime Minister after the 2019 election. In this Parliament the UK must finally get on track.

Action in all nations of the UK will ultimately determine whether the overall goals on mitigation and adaptation can be met. Our progress report on reducing emissions in Scotland – to Net Zero by 2045 – highlighted the need for a significant upgrade in ambition, along with a credible path to get there. We look forward to seeing real progress as a result of Scotland's updated Climate Change Plan.

One area where a clear opportunity exists to move forward UK-wide is on land use. In a seminal report this year, *Land use: Policies for a Net Zero UK*, we set out policy options to help drive the changes required to reduce land-based emissions of greenhouse gases. That work also considered the strategic priorities for land including food production, climate change adaptation and biodiversity. High level discussions at events in London, Edinburgh and Cardiff highlighted the CCC's unique role in bringing stakeholders together to inform the debate and drive change. Also evident was a shared willingness from farmers, land owners, NGOs and businesses to take the steps required to move towards Net Zero.

Our next major piece of advice to UK Government centres on our recommendations for the level of the Sixth Carbon Budget - the limit on UK greenhouse gas emissions from 2033-2037 - and the first time we will have set out a pathway to deliver Net Zero. The Committee and secretariat team have been working hard and we will publish this work in December 2020. In addition to the Scottish Progress Report we will also publish the first Welsh Progress Report and advice on Welsh carbon emissions targets. This will be followed by the third Climate Change Risk Assessment in 2021, setting out the risks and opportunities facing the UK from climate change.

I should like to thank the many organisations and individuals with whom we continue to work closely. We may have seen less of them in person recently but their insights remain as important as ever to our work.

I would also like to thank my fellow Committee members for their scrutiny and insight and the Secretariat team for their dedication, expert analysis and ongoing commitment, despite the changing and unfamiliar circumstances in which we have recently found ourselves.

COVID-19 has shown us all how quickly our way of life can change. But the recovery presents a unique opportunity to ensure that our economy is more resilient as we move forward.

My Committee's analysis in the coming months and years will aim to ensure that opportunity becomes a reality.

A handwritten signature in black ink, appearing to read 'Deben', with a long horizontal flourish underneath.

Lord Deben

Chairman,

Committee on Climate Change

13 July 2020

Section 1: Performance Report

1.1 Overview



1.1.1 Chief Executive's message

It has been a tumultuous 12 months. We began the period with Parliament's historic agreement to legislate for net-zero greenhouse gas emissions; we end in the grip of the COVID-19 pandemic, facing one of the deepest ever recessions.

The unscheduled general election at the end of 2019 provided a political interruption to the delivery of new climate policies, which are now so pressing. We were reminded of their importance by the UK's wettest February on record and some of the worst ever floods in the UK. This was not quite the year we had hoped for.

In these circumstances, the CCC's advice and analysis has rarely been so in demand. This year has required us to make analytical preparations for two major reports which will be published in the months ahead: our advice on the UK's Sixth Carbon Budget in December 2020, and the evidence report for UK's Third Climate Change Risk Assessment in mid-2021. We will also publish important advice to the Scottish and Welsh governments with the Scottish Progress Report and the first Welsh Progress Report. But we have not retreated from the public stage, building on the success of last year's Net Zero report with a steady diet of incisive commentary and analysis, including a landmark report on Land Use in January 2020. This filled a notable gap in CCC's policy advice, with clear, unambiguous advice on the agriculture and land use policies that will drive the UK towards a climate resilient, Net Zero use of land.

We look forward now to one of the most important years for UK climate leadership there has ever been. The COVID-19 recovery will undoubtedly provide a new context for action, but in a time of great uncertainty there is security in anchoring the UK's recovery in the outcomes that must be achieved to meet the UK's climate goals. The opportunity for Government to steer the UK towards a green and resilient recovery is a chance to substantially improve the UK's climate progress. The CCC will play its role in supporting these efforts with the highest standard of analysis and the most rigorous appraisal of government's delivery.

I look forward to reporting more rapid progress in next year's report – just as the eyes of the world fall on the UK's climate governance, as we prepare to host COP26 in Glasgow in November 2021. The strength and influence of the Committee is a key part of the UK's story on climate change. We will support the COP26 preparations as best we can.

I am profoundly proud of the superb work of the CCC secretariat under all of these pressures. They continue to be the most dedicated and remarkable of teams. It is an honour to lead them through this remarkable period.

A handwritten signature in black ink, appearing to read 'Chris Stark'. The signature is fluid and cursive, with a large initial 'C'.

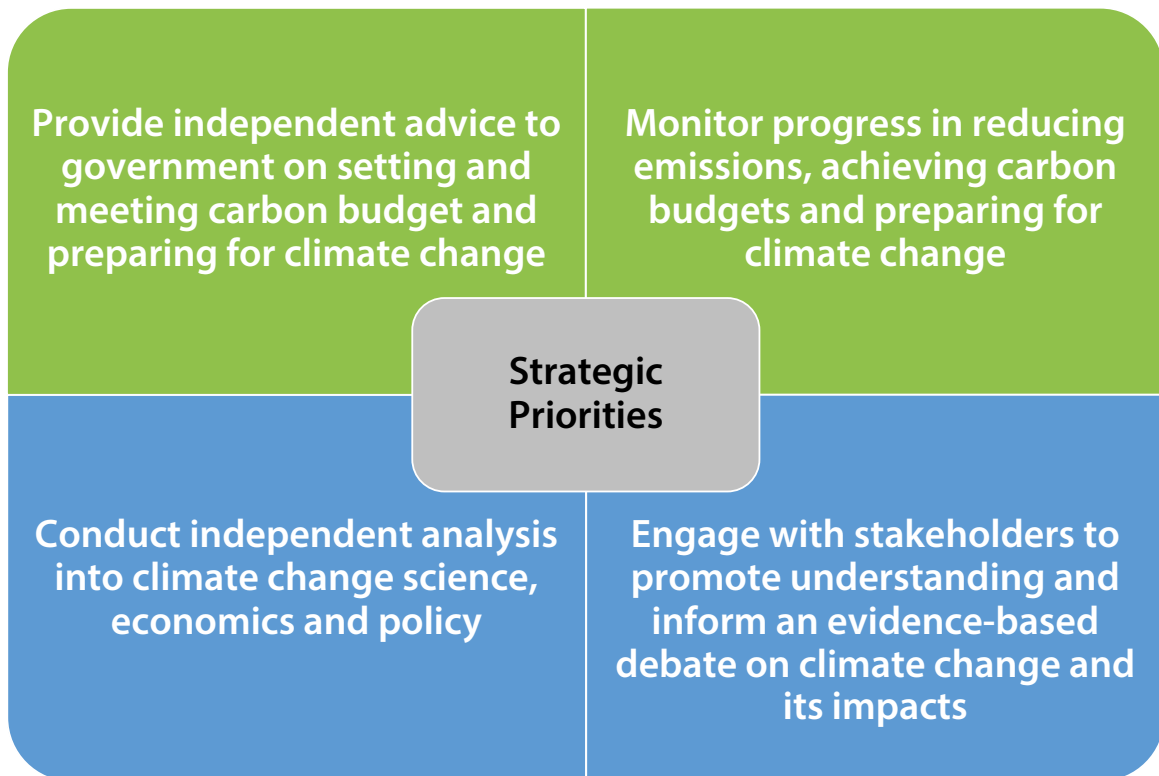
Chris Stark

Chief Executive,
Committee on Climate Change
13 July 2020

1.1.2 Committee role and structure

The Committee on Climate Change ('CCC') is an independent, statutory non-departmental public body established under the Climate Change Act 2008. Our purpose is to advise the UK government, Parliament and the devolved administrations on cutting emissions and preparing for climate change. The CCC consists of two committees: a committee ("the Committee") advising on how to reduce greenhouse gases in line with legislative requirements and an Adaptation Committee which advises on actions the UK should take to adapt to the developing risks from climate change.

Our strategic priorities are:



The Committee comprises a Chairman and seven independent members. The Committee is sponsored by the Department for Business, Energy and Industrial Strategy (BEIS), the Northern Ireland Executive, the Scottish government and the Welsh government.

The Adaptation Committee, also established under the Climate Change Act, advises the UK government and devolved administrations on their assessment of the risks and opportunities from climate change. It also reports to the UK Parliament on progress in adaptation, particularly in relation to the UK government's National Adaptation Programme.

The Adaptation Committee comprises a Chairman, who also sits on the Committee, and five independent members. The Adaptation Committee is jointly sponsored by the Department for Environment, Food and Rural Affairs (Defra), the Northern Ireland Executive, the Scottish government and the Welsh government.

1.1.3 Adoption of the going concern basis

The statement of financial position at 31 March 2020 shows net liabilities of £269,662 (2018-19, net liabilities of £503,970). This reflects the inclusion of liabilities falling due in future years that may be only met by future Grants-in-Aid from BEIS, Defra and devolved administrations. The conventions applying to parliamentary control over income and expenditure require that Grants-in-Aid may not be issued in advance of need.

The future financing of the CCC (including the Adaptation Committee) is to be met by Grants-of-supply from BEIS, Defra and the devolved administrations as well as the application of future income, both of which are approved on an annual basis by Parliament. Funding provided by devolved administrations is approved by their respective Parliaments. Grants-of-supply for 2019-20 have already been given and there is no reason to believe that future approvals will not be forthcoming. The Government Financial Reporting Manual (FRM) states that for non-trading entities the anticipated continuation of the provision for that service is normally sufficient evidence of going concern. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

1.2 Performance Analysis

1.2.1 Key performance indicators for 2019-20

Key performance indicator 1

Fulfilling our statutory duties as set out in the Climate Change Act 2008, including reporting on progress made on meeting carbon budgets, and reporting on preparedness to adapt to climate change

Actions:

Providing advice on the UK's long-term climate change targets by considering how and by when the UK can effectively eliminate carbon emissions from its economy;

Completing the Committee's Progress Report which details the UK's progress in reducing greenhouse gas emissions and meeting carbon budgets;

Publishing sector specific reports with policy recommendations; and

Responding to advice requests from the devolved administrations.

Key performance indicator 2

Ensuring that the Committee's governance arrangements are fit for purpose, meeting statutory and other requirements, and that it continues to operate as a responsible and effective NDPB

Actions:

Ensuring adequate financial reporting and accounting arrangements are in place;

Maintaining an appropriate internal control and governance framework;

Implementing corporate and human resources policies which facilitate the hiring, retention and development of a skilled and motivated team; and

Maintaining a security policy, business continuity plan and risk management plan.

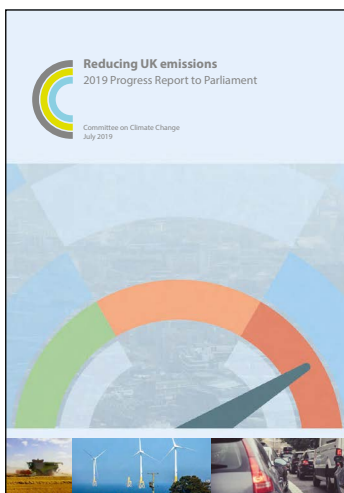
An assessment of the key risks and issues faced by the CCC is provided in the Governance Statement which is shown in the Performance report in section 2:3.

1.2.2 Analysis of our performance in 2019-20

Progress towards reducing emissions

In May 2019 our response to a request from the Governments of the UK, Wales and Scotland, to reassess the UK's long-term emissions targets was published. Our report, **Net Zero – The UK's contribution to stopping global warming**, drew on the outputs of ten new research projects, three expert advisory groups and review of the work of the Independent Panel on Climate Change ('IPCC') and others.

The CCC recommended that a new emissions target should be set for the UK of net-zero greenhouse gases by 2050. In Scotland, we recommended a net-zero date of 2045, reflecting Scotland's greater relative capacity to remove emissions than the UK as a whole. In Wales, we recommended a 95% reduction in greenhouse gases by 2050.



The net-zero GHG target for 2050 is assessed as achievable with known technologies, alongside improvements in people's lives, and within the expected economic cost that Parliament accepted when it legislated the existing 2050 target for an 80% reduction from 1990.

In June 2019, the updated target was legislated by the UK Government.

Our Statutory Progress Report, **Reducing UK emissions**, was published in July 2019. The report recommended that:

- Net-zero policy is embedded across all levels and departments of Government
- Government policies to reduce UK emissions to net zero are business-friendly
- The public are fully engaged in the UK's net-zero transition
- The UK strongly leads international action to tackle climate change

In January 2020 a report **Land Use: policies for a Net Zero UK** was published. This was the CCC's first ever in-depth advice on UK agricultural and land use policies the way we use our land today. The report provided a detailed range of options to drive emissions reductions in England, Scotland, Wales and Northern Ireland which include:

- Increasing tree planting
- Encouraging low-carbon farming practices
- Restoring peatlands
- Encouraging bioenergy crops
- Reducing food waste and consumption of the most carbon-intensive foods



The Committee also published the **2019 Progress Report to the Scottish Government Progress to Reduce emissions in Scotland**. Overall, greenhouse gas emissions reduced by 3% in 2017, compared to a 10% fall in 2016. The reduction was again led by the power sector, due in large part to Scotland's first full year of coal-free electricity generation. Recent performance in other sectors shows only incremental improvement at best and, unless emissions reductions are delivered economy-wide, Scotland is at risk of missing its new interim target of a 56% reduction in emissions by 2020.

Managing and adapting to climate change risks

In July 2019 the Adaptation Committee presented their assessment of progress in preparing for climate change in England. Additionally the report provided a first evaluation of the Government's second National Adaptation Programme.

The report identified that the priority given to adaptation has eroded over the past ten years. England is not prepared for even a 2°C rise in global temperature. The report called for the UK Government to raise the profile, and strengthen the governance, of preparations for the impacts of climate change.

Financial performance and governance arrangements

Analysis of the CCC's financial performance can be found in section 2:2 of the Accountability Report. This together with information provided in the Governance Statement, section 2:3 of the Accountability Report, provides information on our performance against our second Key Performance Indicator, which is to ensure the CCC's governance arrangements are fit for purpose, meet statutory and other requirements, and that it continues to operate as a responsible and effective NDPB.

1.2.3 Sustainability report

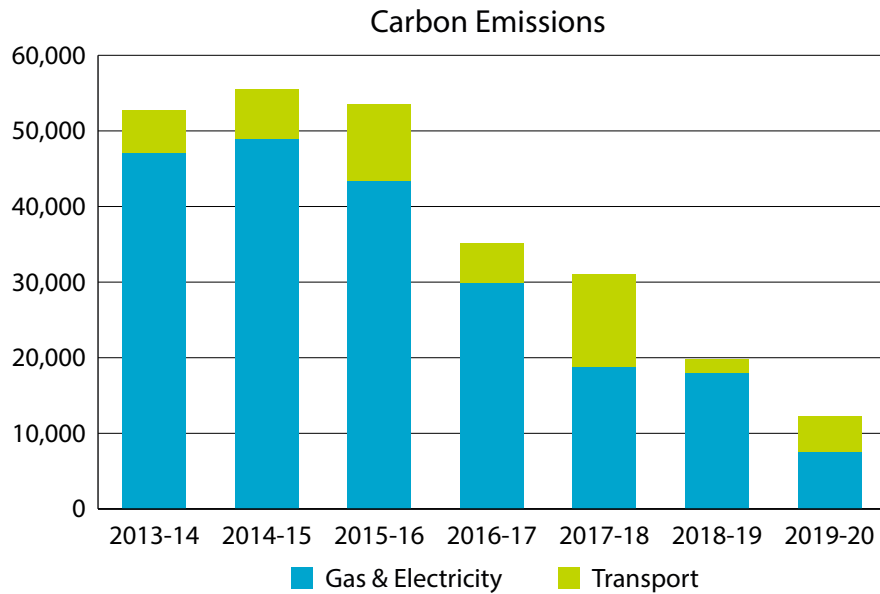
Our environmental impact – holding government to account

Our objective and policies are designed to ensure our organisation is managed in the most environmentally responsible way possible. Our direct impact on the environment includes the greenhouse gas emissions associated with business travel and the energy use, water use, paper consumption and waste generated from our office. We seek to minimise those emissions wherever possible and off-set our emissions each year in order to reach a net zero position.



Our direct impact

The CCC has continued to decrease its carbon emissions, reducing emissions by almost 40% in 2019-20 compared to 2018-19. The year on year reduction in carbon emissions is shown in the table below:



Emissions from gas and electricity have fallen substantially during 2019-20. This is due to the lower emissions generated by the new office space the CCC moved to in August 2019.

However, emissions from travel have increased compared to the previous year. We have set a target to reduce travel emissions in 2020-21 by 20% and will monitor progress against this target.

Our environmental impact – holding government to account

Our greatest environmental impact however, arises from our role in advising the UK government, Parliament and the devolved administrations on the reduction of carbon emissions. The successful performance of our statutory duties forms a critical role in the government’s commitment to reduce carbon emissions whilst growing the UK economy.

The advice and recommendations of the Committee CCC are frequently referenced in the UK and devolved Parliaments and assemblies, media reports, at industry events and by the wider public. We engage widely, through hundreds of meetings and speaking events each year and are always open to reviewing new evidence.

Chris Stark
Accounting Officer
13 July 2020

Section 2: Accountability Report

2.1 Corporate Governance Report

2.1.1 Statement of Accounting Officer's responsibilities

Under schedule 1, Section 24 (2) of the Climate Change Act 2008, the Secretary of State for Business, Energy and Industrial Strategy has directed the CCC to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the CCC and its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the government Financial Reporting manual and in particular to:

- Observe the Accounts Direction issued by the Treasury, including the relevant accounting and disclosures requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the government Financial Reporting manual have been followed, and disclose and explain any material departures in the accounts; and
- Prepare the accounts on a going concern basis.

The Sponsoring Accounting Officer of BEIS has designated the Chief Executive as Accounting Officer of the CCC. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the CCC's assets, are set out in Managing Public Money published by the HM Treasury.

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

I confirm that the Annual Report and Accounts as a whole gives a fair, balanced and understandable view of the CCC's activities for the year ended 31 March 2020 and its financial position as at 31 March 2020.

I confirm also that I am personally responsible for this Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

2.2 Chief Executive's report

2.2.1 Financial position

a) An overview of our expenditure

The CCC received a resource allocation of £5,086,146 (2018-19: £4,618,204) and a capital allocation of £300,000 in 2019-20 (2018-19: £nil), which was wholly funded by BEIS, Defra and the devolved administrations. The Grant-in-Aid funding drawn down during the year was £5,354,002 (2018-19: £4,525,508).

The CCC's net operating cost for the year were £5,119,694 (2018-19: £4,670,222). The increase in the CCC's net operating cost in 2019-20 compared to 2018-19 was mainly attributable to costs incurred to relocate the CCC to new office accommodation following the exercise of a lease break clause by our previous landlord.

b) Financial position

The accounts show a Statement of Comprehensive Net Expenditure of £5,119,694 for the year ended 31 March 2020 and net liabilities of £269,662 on the Statement of Financial Position principally driven by our trade and other payables, which include liabilities falling due in futures years that may only be met by future grants-in-aid.

The CCC has non-current assets of £225,270 at 31 March 2020 (£8,863 at 31 March 2019).

c) Going concern

Our funding for 2020-21 has been agreed with BEIS and set out in the Main Supply Estimate 2020-21. On this basis we consider it appropriate to prepare these financial statements on a going concern basis. The funding for 2020-21 covers the reported liabilities as at 31 March 2020 of £269,662.

d) Events since the end of the financial year

No events have occurred since the end of the financial year which would materially affect the contents of these financial statements.

The Annual Report and Accounts were authorised for issue by the Accounting Officer on 13 July 2020.

Service arrangements

The CCC has procured the following service arrangements for its operations:

- Payroll, procurement, accounting and human resources through Shared Services Connected Limited (SSCL).
- IT infrastructure and services through the Defra's E-nabling Agreement with IBM; and
- Accommodation on the first floor of Holbein Place leased from the Heritage Lottery Fund (HLF). This arrangement ceased on 28 September 2020.
- Accommodation on the first floor of 151 Buckingham Palace Road leased from the Government Property Agency.

Priorities for accommodation, IT and shared services delivery are kept under review to ensure they remain efficient, effective and provide value for money.

Prompt payment

The CCC uses SSCL to administer payments to suppliers on its behalf. The standard terms of payment for all contracts is 30 days from receipt of a valid invoice. SSCL is committed to the government's prompt payment target to pay valid invoices within 5 days of receipt.

According to the statistics provided by SSCL 88.83% of valid invoices received between 1 April 2019 and 31 March 2020 by the CCC were paid within the 5-day target (88.78% in 2018-19).

Regularity of expenditure (This section has been subject to audit)

There were no losses or special payments made by the CCC in the financial year.

Remote contingent liabilities (This section has been subject to audit)

The Committee on Climate Change does not have any Remote Contingent Liabilities in 2019-20 (2018-19, none).

2.3 Governance statement

Introduction

This Governance Statement sets out the governance, risk management and internal control arrangements for the CCC, in accordance with HM Treasury guidance. It applies to the financial year 1 April 2019 to 31 March 2020 and up to the date of approval of the Annual Report and Accounts.

The Chief Executive of the CCC is nominated to be the Accounting Officer for the CCC. As Accounting Officer, I have responsibility for maintaining and reviewing the effectiveness of our governance arrangements, risk management and internal control arrangements. I am personally responsible for safeguarding the public funds in my charge and for ensuring propriety and regularity in the handling of those funds.

Specifically, I am tasked with ensuring that the CCC:

- Operates within the requirements of the Climate Change Act (2008) and the Concordat and Framework Agreements agreed jointly by the UK government and devolved administrations.
- Is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in HM Treasury's 'Managing Public Money'.
- Operates in line with the requirements of the Freedom of Information Act 2000 and complies with Data Protection legislation.

Our governance structure

The CCC's corporate governance structure is framed by the requirements of the Climate Change Act, which sets out both the legal duties of the CCC and the functions and broad governance structure of the organisation. This primary legislation is supported by the CCC's Framework Document (available from our website) which describes how we are accountable to BEIS, Defra and the devolved administrations, our governance arrangements, and our management and budgeting processes.

The vision and strategic direction for the organisation is set by the Committee, which is responsible for the delivery of independent, evidence-based advice on reducing carbon emissions. Similarly, the Adaptation Committee is responsible for the delivery of advice on the UK's preparedness for climate change.

The Committee and Adaptation Committee each agree an annual work programme and meet regularly to review progress against it. Agendas, minutes of previous meetings and supporting evidence are sent to members in advance. Members of the secretariat attend committee meetings to hear relevant discussions, present evidence and answer questions.

The Audit Committee (AC) is responsible, on behalf of the Committee, for advising me as Accounting Officer on the adequacy of our internal control and risk management framework and the governance of the internal and external audit processes. The AC also provides assurance on the quality of the CCC's Financial Statements.

The AC met four times during 2019-20 with representatives from the National Audit Office (NAO), Internal Audit (Government Internal Audit Agency) and the departmental Sponsor Group also attending.

The Chief Executive leads the Senior Management Team, which has responsibility of the overall management of the CCC. It is responsible for making any necessary and appropriate decisions relating to the day-to-day performance of the CCC's business, and for the effective management of our staff.

The table below shows attendance at meetings held by the Committee, Adaptation Committee and the AC during 2019-20. Committee members also spend time working directly with the Secretariat on particular pieces of analysis and thinking.

	Committee	ASC	Audit Committee
	Meetings attended out of those eligible	Meetings attended out of those eligible	Meetings attended out of those eligible
Lord Deben	11 out of 11		
Baroness Brown of Cambridge	9 out of 11	10 out of 10	
Professor Keith Bell	10 out of 11		
Professor Nick Chater	9 out of 11		4 out of 4
Professor Piers Forster	11 out of 11		
Dr Rebecca Heaton	11 out of 11		
Paul Johnson	3 out of 11		
Professor Corinne Le Quéré	11 out of 11		3 out of 4
Professor Richard Dawson		9 out of 10	
Professor Michael Davies		10 out of 10	
Professor Georgina Mace		9 out of 10	
Ece Ozdemiroglu		10 out of 10	
Rosalyn Schofield		10 out of 10	4 out of 4

Compliance with the Corporate Governance Code

Our governance structure has been designed, where relevant, to be consistent with the principles of the Corporate Governance Code of Good Practice for Central Government Departments, published by HM Treasury. Smaller organisations such as the CCC, are encouraged, as far as is possible, to adopt the practices set out in the Code or to explain non-compliance under the ‘comply or explain’ principle. My assessment is that the CCC has complied with the requirements of the Code and there are no instances of non-compliance which would be required to be explained in this Governance Statement.

Approach to risk management





The CCC has a risk identification, management and escalation framework within the organisation’s Risk Management Strategy. Risk management and internal control processes are embedded within the business. As a small organisation, our approach to risk management is closely integrated with the day-to-day management of the CCC as well as our long term strategic planning.

The Assurance Framework, which focuses on the strategic and key process risks faced by the organisation and documents the sources of assurance which are in place to manage those risks, is regularly reviewed by the Accounting Officer and the AC.

The Deputy Director, Finance & Corporate Services, is responsible for compiling and maintaining a register of the key risks facing the CCC. All members of staff are engaged in identifying these risks. The risk register is reviewed and discussed regularly at Senior Management Team and AC meetings, with escalation to the Committee as necessary. This review process supports informed decision making within the CCC and ensures that changes in risk to our corporate objectives and work programmes are identified at an early stage. I am responsible for ensuring risk mitigation strategies are implemented.

Principle risks and uncertainties

The principal risks, in order of importance, that the CCC has managed throughout the year are described in the following table:

Risk	Risk trend	Mitigating activity
<p>New office accommodation</p> <p>The CCC moved office in August 2019. Delays in the approvals process reduced the amount of time available to plan the move and also resulted in the CCC committing to fit out works and lease costs at financial risk.</p>		<p>Additional funding and support has now been received. We are working with our Sponsor Departments to ensure risks requiring support across a range of functions within Sponsor Departments and across other government agencies are escalated to the appropriate level.</p>
<p>Independence</p> <p>The Committee's ability to act independently and credibly is affected by real or perceived conflicts of interest.</p>		<p>A clear policy with guidance on managing interests for both members and staff is in place. Recommendations following a review of the processes to record and manage interest have been implemented.</p>
<p>Delivery of the work programme</p> <p>The work programme for 2019-20 included a number of resource intensive reviews with tight timetables for delivery.</p> <p>This resulted in significant workload pressure for both staff and Committee Members.</p>		<p>Ensure proposed work programmes are achievable and if additional resources are needed clearly quantify those resources. Clearly establish the direct and indirect costs resulting from additional requests received from our Sponsor Organisations to ensure the sufficiency of any additional funding requests.</p> <p>Work with Sponsor Departments to ensure Committee Member recruitment processes start early and proceed within the agreed timelines.</p>
<p>Reputation</p> <p>The heightened focus on climate change increases the risk of legal challenge and increased scrutiny and interaction with the media and public diverting resource from delivery of the CCC's statutory duties.</p>		<p>Develop and implement strong stakeholder engagement strategies to manage engagement with key stakeholders, media and the public. Ensure the CCC is sufficiently resourced to deliver its statutory duties and that advice is clear and supported by robust analysis.</p>

Other governance activity

Shared Service Assurance

The CCC has a contract with Shared Services Connect Ltd (SSCL), a joint venture between Sopra Steria (a private sector company) and the Cabinet Office, to provide the majority of the CCC's financial systems, procurement and human resource processes. The CCC has received assurance from the Cabinet Office over the processes and controls operated by SSCL, including the results of the annual ISAE3402 report. No significant risks have been identified which would require disclosure in the statement following the assurance work completed by PricewaterhouseCoopers LLP.

Quality assurance modelling

To deliver our objectives it is critical that the CCC's advice is supported by robust analysis and based upon sound assumptions. Quality Assurance (QA) is therefore embedded in all our analytical work. All projects and business critical models are allocated a Senior Responsible Owner, who is accountable for quality of data and analysis. All analysis undergoes challenge from individuals outside the immediate project team and, where appropriate, outside the organisation. There is a requirement for senior analytical clearance of work prior to presentation and a responsibility for risks and uncertainties, data limitations and any limitations in the QA process to be drawn to the attention of the CCC.

Consultants contracted to provide work for the CCC are expected to meet QA requirements, as set out in Invitations to Tender, which includes senior review and sign-off.

The CCC has reviewed the recommendations arising from the MacPherson Review of Quality Assurance and is compliant with the recommendations made.

Information and cyber security

Our IT support is provided through Defra's IT contracts.

No reportable data loss incidents occurred during 2019-20 and the CCC continues to take a proportionate approach to the management of security risks in line with the low volume of sensitive and personal information handled.

Whistleblowing

The CCC operates a whistleblowing policy which complies with the key elements of the Civil Service Employee Policy Whistleblowing and Raising a Concern. No reports under the whistleblowing policy have been made by employees during the year ended 31 March 2020.

Conflicts of interest

Committee Members and staff at the CCC work closely with a wide range of organisations and stakeholders. This is necessary to ensure the CCC has access to the expertise needed to effectively deliver the organisation's statutory duties. The relationships which follow from these connections have many benefits but also create a risk that conflicts of interest may arise.

The CCC has a clear policy on managing potential conflicts which all Committee Members and staff are required to follow. Committee Members and staff must disclose activities which might give rise to actual or perceived conflicts of interest. The register of interest for Committee Members and the Chief Executive is published in the Transparency section of the CCC website.

Fraud awareness

We revised our Fraud Policy and Response Plan during 2019-20 to ensure our approach to managing fraud risk remains in line with best practice recommended across central government. Our employees have been required to complete fraud training to raise their awareness of fraud risks and the updated policy during the year.

Managing the impact of COVID-19

Following the outbreak of COVID-19 the decision was taken on 16th March 2020 that all staff should work remotely with all stakeholder events and Committee meetings being held via video conferencing. Whilst the change to working practices was significant and rapid our organisation has continued to deliver its statutory duties as normal, maintaining our planned work programme.

Internal audit review

The GIA has provided an annual opinion on the adequacy and effectiveness of the CCC's framework for governance, risk management and control to me, as Accounting Officer, and the AC. The audit opinion was that the framework of governance, risk management and control provides moderate assurance.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the National Audit Office and the senior management team of the CCC. On this basis, I consider the CCC's governance arrangements to be effective.

I can confirm that the CCC has not had any significant control issues during 2019–20 and no significant weaknesses to address.



Chief Executive
Committee on Climate Change
13 July 2020

2.4 Remuneration and staff report

2.4.1 Service Contracts

Staff

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/>

Chief Executive

The Chief Executive is on a permanent contract that may be terminated by the CCC or the Chief Executive by giving three months' notice, unless agreed otherwise by both parties.

Committee Members

All appointments to the Committee are made jointly by the Secretary of State for Business, Energy and Industrial Strategy and Ministers in the devolved administrations. Appointments to the Adaptation Committee are made jointly by the Secretary of State for Environment, Food and Rural Affairs and Ministers in the devolved administrations. These appointments are made in accordance with the Code of Practice for Ministerial Appointments to Public Bodies issued by the Office of the Commissioner for Public Appointments.

Chairs and committee members are normally appointed for a fixed period up to five years. Either party may terminate an appointment for any reason upon giving three months' notice in writing or the appointment may be terminated immediately by mutual consent. The Departments (BEIS or Defra) may also terminate an appointment immediately should the member be guilty of any conduct that, in the opinion of the Department, renders them unsuitable to continue.

The remuneration for the Committee on Climate Change is determined jointly by all funders. In 2019-20, the Chairman of the Committee on Climate Change was paid £1,000 per day with an average time commitment of three days per month. Committee members were paid £800 per day with an estimated time commitment of two days per month.

The remuneration for the Adaptation Committee is made jointly by all funders. In 2019-20, the Chairman of the Adaptation Sub-Committee was paid £650 per day with an average time commitment of five days per month. Committee members were paid £550 per day, with an estimated time commitment of two or three days per month.

2.4.2 Remuneration policy

The Chief Executive's remuneration is determined by the Committee. This is on the basis of a performance evaluation by the Chair of the Committee and with regard to recommendations by the Senior Salaries Review Body regarding senior civil service pay.

Up to 6% of the Chief Executive's remuneration is subject to meeting agreed performance criteria measured against delivery of objectives set by the Committee at the beginning of the year and is only triggered if all the main performance targets are exceeded.

None of the remuneration of any Committee Member is subject to performance conditions.

2.4.3 Remuneration (including salary) and pension entitlements (This section has been subject to audit)

The following sections provide details of the remuneration and pension interest of the Chief Executive and the Committee Members.

Table 1: Remuneration payments to Committee members during 2019-20

	Salary (£'000)	Bonus payments (£'000)	Benefit in kind (to nearest £100)	Pension Benefits (to nearest £1000)	Total (£'000)
Chief Executive					
Chris Stark	135 – 140	5 – 10	–	56,000	200 – 205
Committee on Climate Change					
Committee Chair					
Lord Deben	30 – 35	–	–	–	30 – 35
Committee Members					
Baroness Brown of Cambridge*	20 – 25	–	300	–	20 – 25
Professor Nick Chater	15 – 20	–	1,500	–	15 – 25
Dr Rebecca Heaton	15 – 20	–	100	–	15 – 20
Paul Johnson	0 – 5	–	–	–	0 – 5
Professor Corinne Le Quéré	10 – 15	–	2,400	–	10 – 15
Professor Piers Forster	15 – 20	–	6,400	–	20 – 25
Professor Keith Bell (appointed 1 April 2019)	10 – 15	–	2,400	–	15 – 20
Adaptation Sub-Committee					
Committee Chair					
Baroness Brown of Cambridge*	15 – 20	–	–	–	15 – 20
Committee Members					
Professor Michael Davies	10 – 15	–	400	–	10 – 15
Professor Georgina Mace	15 – 20	–	–	–	15 – 20
Ece Ozdemiroglu	10 – 15	–	–	–	10 – 15
Rosalyn Schofield	5 – 10	–	–	–	5 – 10
Professor Richard Dawson	15 – 20	–	3,600	–	15 – 20

* Baroness Brown is a member of the Committee on Climate Change and the Adaptation Sub-Committee. She received separate remuneration for both committees.

Table 2: Remuneration payments to Committee members during 2018-19

	Salary (£'000)	Bonus payments (£'000)	Benefit in kind (to nearest £100)	Pension Benefits (to nearest £1000)	Total (£'000)
Chief Executive					
Adrian Gault (from 15 July 2017 to 15 April 2018)	0 – 5 (full year equivalent 105-110)	–	–	11,000 (full year equivalent 185,000)	10 – 15 (full year equivalent 290 – 295)
Chris Stark** (from 16 April 2018)	125 – 130 (full year equivalent 135 – 140)	0 – 5	–	191,000	320 – 325 (full year equivalent 330 – 335)
Committee on Climate Change					
Committee Chair					
Lord Deben	25 – 30	–	2,000	–	30 – 35
Committee Members					
Baroness Brown of Cambridge*	15 – 20	–	1,300	–	15 – 20
Professor Nick Chater	15 – 20	–	1,500	–	15 – 20
Dr Rebecca Heaton	10 – 15	–	200	–	10 – 15
Sir Brian Hoskins (resigned 30 June 2018)	0 – 5 (full year equivalent 10 – 15)	–	–	–	0 – 5 (full year equivalent 10 – 15)
Paul Johnson	5 - 10	–	–	–	5 – 10
Professor Corinne Le Quéré	15 - 20	–	3,400	–	20 – 25
Professor Jim Skea (resigned 31 December 2018)	5 – 10 (full year equivalent 10 – 15)	–	200	–	5 – 10 (full year equivalent 10 – 15)
Professor Piers Forster (appointed 26 November 2018)	5 – 10 (full year equivalent 15 -20)	–	800	–	5 – 10 (full year equivalent 15 -20)
Adaptation Sub-Committee					
Committee Chair					
Baroness Brown of Cambridge*	15 - 20	–	300	–	15 – 20
Committee Members					
Professor Michael Davies	10 – 15	–	900	–	10 – 15
Professor Jim Hall (resigned 31 January 2019)	5 – 10 (full year equivalent 10 – 15)	–	1,800	–	10 – 15 (full year equivalent 10 – 15)
Professor Georgina Mace	15 – 20	–	–	–	15 – 20
Ece Ozdemiroglu	10 – 15	–	–	–	10 – 15
Rosalyn Schofield	5 – 10	–	–	–	5 – 10
Professor Richard Dawson (appointed 31 January 2019)	0 – 5 (full year equivalent 10 – 15)	–	–	–	0 – 5 (full year equivalent 10 – 15)

* Baroness Brown is a member of the Committee on Climate Change and the Adaptation Sub-Committee. She received separate remuneration for both committees.

** Chris Stark pension benefits for 2018-19 recalculated from £190k to £191k.

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 Committee and thus recorded in these accounts.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2019-20 relate to performance in 2019-20 and the comparative bonuses reported for 2018-19 related to performance in 2018-19.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. The Committee members were reimbursed for travel and subsistence costs incurred whilst attending committee meetings, on which the CCC also paid the tax due. The accounting of the CCC's benefits in kind reimbursed during the year is done on a cash basis.

Pay multiples (This section has been subject to audit)

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

	2019-20 £	2018-19 £
Highest paid Director's Total Remuneration	145k – 150k	140k – 145k (full time equivalent)
Median Total Remuneration	52,075	52,681
Ratio	2.7	2.7

The banded salary of the highest paid director in the CCC in the financial year 2019-20 was £145k-£150k (2018-19, £140k-£145k). This was 2.7 times (2018-19, 2.7) the median salary of the workforce, which was £52,075 (2018-19, £52,681). Remuneration in 2019-20 ranged from the following bands £20,000 -£25,000 to £145,000 to £150,000 (2018-19: £25,000-£30,000 to £140,000 - £145,000).

In 2019-20 no employees (2018-19, 0) received remuneration in excess of the highest-paid director.

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

Pension benefits (This section has been subject to audit)

	Accrued pension at pension as at 31/3/20 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/3/20 £'000	CETV 31/3/19 £'000	Real increase in CETV £'000	Employer contribution to partnership pension account Nearest £100
Chief Executive						
Chris Stark	30 - 35 plus a lump sum of 60 - 65	2.5 – 5 plus a lumps sum of 0 – 2.5	452	404	22	–

Committee members are not members of any pension scheme and no contributions are paid towards an individual's personal pension plan.

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 Other Pension Scheme (CSOPS), 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 provide benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one provides 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 annual in line with Pension 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. 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 show pension earned in PCSPS or alpha as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a '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 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 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 basis contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. 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).

Employers' contributions to all pension schemes in 2020-21 is expected to be in the region of £481,222.

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 over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha.

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

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 CCC is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation at www.civilservicepensionscheme.org.uk/about-us/resource-accounts/

For 2019-20, employers' contributions of £453,277 were payable to the PCSPS (2018-19, £340,144) at one of four rates in the range 26.6% to 30.3% (2018-19, 20.0% to 24.5%) of pensionable earnings, based on salary bands. 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 2019-20 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 £11,048 (2018-19, £8,341) were paid to the appointed stakeholder pension provider. Employer contributions are age-related and ranged from 8% to 14.75%. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £401 (2018-19, £298), 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £2,821 (2018-19, £695). Contributions prepaid at that date were £0 (2018-19, £0)

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value for 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 with the members leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown related 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 the disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangements with the member transfers 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 into account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in 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.

2.4.4 Staff report

The CCC is committed to the Civil Service Recruitment principles of fair and open competition and selection on merit. Our staff have been recruited externally as well as from within the civil service. We promote equality of opportunity for all staff irrespective of their race, sex, disability, age, sexual orientation or religion.

a) Staff Costs (This section has been subject to audit)

	2019-20 Total £	2019-20 Permanent Staff* £	2019-20 Other £	2019-20 Committee Members £	Year to 31 March 2019 Total £
Committee Members' remuneration**	231,116	–	–	231,116	210,418
Wages and salaries***	1,762,615	1,480,884	281,731	–	1,862,420
Social security costs	221,837	168,356	27,397	26,084	214,519
Other pension costs	465,714	399,059	66,655	–	347,591
Sub total	2,681,282	2,048,299	375,783	257,200	2,634,948
Less recoveries for secondments	–	–	–	–	(6,250)
Total net costs	2,681,282	2,048,299	375,783	257,200	2,628,698

* 'Permanent' comprises staff employed on a permanent basis on the Committee's terms and conditions. 'Other' comprises staff either employed by other government departments or agencies, whether recharged or not, inclusive of VAT where applicable or employed directly on a short/ fixed term basis by the CCC. This also includes temporary staff.

** Remuneration for Committee members are fees paid for attending meetings and other work performed on behalf of the Committee during the period 1 April 2019 to 31 March 2020.

*** Wages and salaries include an accrual of £41,045 for total performance bonuses related to the 2019-20 financial year (2018-19, £39,721). Further it also includes a movement of (£4,626) in staff leave accrual (2018-19, £28,929).

b) Exit packages (This section has been subject to audit)

No severance payments were made in the financial year (2018-19, £nil).

c) Compensation for loss of office (This section has been subject to audit)

No compensation payments for loss of office were made to Board members during the reporting year.

d) Off-payroll engagements

The CCC did not have any off-payroll engagements in the financial year (2018-19, £nil).

e) Expenditure on consultancy

The CCC's spend on consultancy during the financial year 2019-20 is £nil (2018-19, £nil).

f) Health, safety and wellbeing

During the period ended 31 March 2020 the average number of working days lost due to sickness absence was 0.56 days per full time equivalent (2018-19, 4.67 days). The CCC has a good record in providing a safe and supportive work environment, and there are no accidents to report in accordance with the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

The CCC provides employee assistance support services, occupational health assistance and workplace assessments to help ensure the health and wellbeing of our staff.

g) Diversity and inclusion

Inclusion is important and creating a diverse workforce is key towards ensuring a diverse, inclusive organisation. The CCC monitors staff diversity data, pay awards and promotions to assess for unconscious bias and to help ensure our organisation remains as diverse and inclusive as possible.

The CCC recognises the importance of ensuring equality of opportunity for all disabled staff. As part of the CCC's job application process candidates who have a disability who apply for a post at the CCC (under the Guaranteed Interview Scheme) will automatically be put forward to the interview stage provided they satisfy the minimum criteria. The CCC makes this clear in its job adverts and application forms.

The CCC engages with staff on key policies affecting staff, such as performance management policies.

h) Personal data related incidents

There were no personal data related incidents for the year ended 31 March 2020 (2018-19, nil).

i) Health and safety incidents

There were no health and safety incidents for the year ended 31 March 2020 (2018-19, nil).

j) Staff numbers (This section has been subject to audit)

The average number of staff during the period is shown below:

	2019-20 Total	2019-20 Permanent staff	2019-20 Others	2018-19 Total	2018-19 Permanent staff	2018-19 Others
Chief Executive Office	1.8	1.8	–	2.0	2.0	–
Adaptation Committee	4.9	3.7	1.2	5.6	3.7	1.9
Committee	19.1	14.3	4.8	20.0	15.5	4.5
Corporate Team	5.3	4.6	0.7	4.8	4.0	0.9
Total	31.1	24.4	6.7	32.4	25.2	7.3

k) Staff composition

The composition of staff as at 31 March 2020 is shown below:

	Female	Male
Directors – Chief Executive and Committee Members	6	8
Senior Civil Servants (pay bands 1 & 2)	2	3
Secretariat	15	12
Corporate Team	2	5
Total	25	28



Chris Stark

Accounting Officer

13 July 2020

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

Opinion on financial statements

I certify that I have audited the financial statements of the Committee on Climate Change for the year ended 31 March 2020 under the Climate Change Act 2008. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Committee on Climate Change's affairs as at 31 March 2020 and of net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Climate Change Act 2008 and Secretary of State 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 of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. 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 2016. I am independent of the Committee on Climate Change in accordance with the ethical requirements that are relevant to my audit and 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

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the Committee on Climate Change's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Committee on Climate Change have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Committee on Climate Change's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Committee and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Committee and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 Climate Change Act 2008.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Committee on Climate Change's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Committee on Climate Change's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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 that I identify during my audit.

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

Other Information

The Committee and the Accounting Officer are responsible for the other information. The other information comprises information included in the annual report, other than the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the

financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, 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, 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 parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Climate Change Act 2008;
- in the light of the knowledge and understanding of the Committee on Climate Change and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance Report and the Accountability Report included in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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 or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

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

16 July 2020

Section 3: Financial Statements

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2020

	Note	2019-20 £	2018-19 £
Expenditure			
Staff costs	2, 3	2,681,282	2,628,698
Depreciation and amortisation	5, 6	55,816	92,061
Non cash expenditure	4	(32,000)	–
Other expenditure	4	2,414,596	1,949,463
Total expenditure		5,119,694	4,670,222
Net expenditure		5,119,694	4,670,222
Interest payable/receivable		–	–
Net expenditure after interest		5,119,694	4,670,222

Other Comprehensive Expenditure

	Note	2019-20 £	2018-19 £
Other Comprehensive Expenditure		–	–
Total Comprehensive Expenditure		5,119,694	4,670,222

All income and expenditure is derived from continuing operations

There were no gains and losses or comprehensive expenditure other than that shown above.

The notes on pages 39 – 51 form part of these accounts.

Statement of Financial Position

As at 31 March 2020

		31 March 2020		31 March 2019	
	Note	£	£	£	£
Non-current assets					
Property, plant & equipment	5	217,024			
Intangible assets	6	8,246		8,863	
Total non-current assets			225,270	8,863	
Current assets					
Trade and other receivables	8	40,494		8,403	
Cash and cash equivalents	9	500,561		619,803	
Total current assets			541,055	628,206	
Total assets			766,325	637,069	
Current liabilities					
Trade and other payables	10	(996,887)		(1,069,939)	
Total current liabilities			(996,887)	(1,069,939)	
Total assets less current liabilities			(230,562)	(432,870)	
Non-current liabilities					
Provisions	11	(39,100)		(71,100)	
Other payables	10	–		–	
Total non-current liabilities			(39,100)	(71,100)	
Total assets less total liabilities			(269,662)	(503,970)	
Taxpayers' equity					
General fund			(269,662)	(503,970)	
Total equity			(269,662)	(503,970)	

The financial statements on pages 35 to 38 were approved by the Committee on 13 July 2020 and signed on its behalf by:



Chris Stark
Accounting Officer
13 July 2020

The notes on pages 39 – 51 form part of these accounts.

Statement of Cash Flows

For the year ended 31 March 2020

	Note	2019-20 £	2018-19 £
Cash flows from operating activities			
Net operating expenditure after interest		(5,119,694)	(4,670,222)
Adjustments for depreciation and amortisation	5, 6	55,816	92,061
Release of provision	11	(32,000)	–
(Increase)/Decrease in trade and other receivables	8	(32,091)	114,200
Increase/(Decrease) in trade and other payables	10	(73,052)	237,335
Net cash outflow from operating activities		(5,201,021)	(4,226,626)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(270,366)	–
Purchase of intangible assets	6	(1,857)	–
Net cash outflow from investing activities		(272,223)	–
Cash flows from financing activities			
Grant from sponsoring department		5,354,002	4,525,508
Net cash inflow from financing activities		5,354,002	4,525,508
Net Financing			
Net increase in cash and cash equivalents in the period		(119,242)	298,882
Cash and cash equivalents at the beginning of the period	9	619,803	320,921
Cash and cash equivalents at the end of the period	9	500,561	619,803

The notes on pages 39 – 51 form part of these accounts.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2020

	General Reserve £
Balance at 31 March 2018	(359,256)
Changes in Taxpayers' Equity 2018-19	
Grants from sponsoring department	4,525,508
Comprehensive Expenditure for the year	(4,670,222)
Balance at 31 March 2019	(503,970)
Changes in Taxpayers' Equity 2019-20	
Grants from sponsoring department	5,354,002
Comprehensive Expenditure for the year	(5,119,694)
Balance at 31 March 2020	(269,662)

The notes on pages 39 – 51 form part of these accounts.

Notes to the Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2019-20 government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the CCC for the purposes of giving a true and fair view has been selected. The particular policies adopted by the CCC are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and certain financial assets and liabilities.

The preparation of the accounts in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies.

1.2 Changes in accounting policy and disclosures

a) Changes in accounting policies

There were no changes in accounting policies during the year.

b) Applicable accounting standards issued but not yet adopted and FReM changes for 2020-21

IFRS 16 provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset is of low value. The IFRS is effective in the public sector for accounting periods commencing on or after 1 January 2021. The future impact of the adoption of IFRS 16 will depend on decisions around future office accommodation

The Committee only has one lease, the rental of the premises at 151 Buckingham Palace Road, which expires on 31 March 2021. Therefore, the Committee has assessed that the implementation of IFRS16 has no

impact in 2019-20 as the remaining lease is no longer than 12 months.

IFRS 17 Insurance Contracts requires a discounted cash flow approach to accounting for insurance contracts. Subject to EU adoption, it may come into effect for accounting periods commencing on, or after, 1 January 2021 and should be included in the 2021-22 FReM at the earliest. To assess the impact of the standard, the Committee will be reviewing contracts which meet the definition of insurance contracts.

1.3 Property, plant and equipment

Assets are capitalised as property, plant and equipment if they are intended for use on a continuing basis and their original purchase cost, on an individual or group basis, is £2,000 or more, including VAT. These assets are reported at fair value.

The CCC does not hold any financial interest in land or buildings. During the period covered by these financial statements, the CCC rented premises from the Government Property Agency (GPA).

The FReM states that all non-current assets should be valued using the revaluation model as prescribed in IAS 16.

In accordance with the FReM, the CCC has opted to value the remaining non-property assets on a depreciated historical cost (DHC) basis, as a proxy for fair value as these assets have short useful lives or are of low value or both.

Internally developed property, plant and equipment are recognised as assets under construction (AUC) and treated as capital expenditure but not depreciated until the completed asset is brought into service. AUC are not revalued.

1.4 Depreciation

Property, plant and equipment assets are depreciated at rates calculated to write them down to their estimated residual value on a straight line basis over their estimated useful lives. Depreciation is not charged on assets under construction. Assets are normally depreciated over the following periods:

- Furniture and fittings: 18 months for fixed furniture and fittings and up to 5 years for moveable furniture and fittings
- Information technology: 3–5 years

A full month's depreciation is charged to the net expenditure account in the month following acquisition and in the month of disposal.

Management reviews the residual values and estimated lives of property, plant and equipment at least annually at each reporting date.

1.5 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and net of accumulated impairment losses as a proxy for fair value. The cost of intangible assets comprises the purchase cost and any directly attributable costs incidental to their acquisition. Intangible assets are capitalised where expenditure of £2,000 or more is incurred.

Intangible assets are amortised over the shorter of their useful economic life or five years. Amortisation of intangible assets is charged to the Statement of Comprehensive Net Expenditure on a straight-line basis when the assets are available for use so as to allocate the carrying amounts of the intangible assets over their estimated useful economic lives.

1.6 Financial instruments

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. Financial assets and financial liabilities are recognised in the Statement of Financial Position when the CCC becomes a party to the contractual provisions of an instrument.

The CCC has no borrowings and relies primarily on Grant-in-Aid from BEIS, Defra and the devolved administrations for its cash requirements and is therefore not exposed to liquidity risks. All material assets and liabilities are denominated in sterling therefore it is not exposed to currency risk.

1.7 Grant-in-aid

Grant-in-Aid which is used to finance activities and expenditure supporting the statutory and other objectives of CCC is regarded as a contribution from a controlling party, treated as financing and credited directly to the General Reserve.

1.8 Income

Operating income relates directly to the operating activities of the CCC and is measured at the fair value of consideration received or receivable. Operating income is recognised when the CCC has performed its contractual obligations, the income can be measured reliably and it is probable that the economic benefits will flow to the CCC.

1.9 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 Other Pension Scheme (CSOPS), 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 provide benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one provides benefits on a whole career basis (nuvos) with a normal pension age of 65.

PCSPS disclosures are set out in full in the Remuneration report.

1.10 Employee Benefits

Short term benefits such as salaries and wages or post-employment benefits resulting from employment and long-term benefits such as long service awards and pension benefits are recognised at the cost of providing the benefit in the period in which it is earned by the employee, rather than when it is paid or becomes payable.

IAS 19 ('Employee Benefits') requires the CCC to recognise the expected cost of the annual leave entitlement of its employees that is accrued at the end of each financial year. The CCC estimates this accrual by calculating using average employee salary cost based on a working year of 260 days.

1.11 Value added tax (VAT)

The CCC is not registered for VAT purposes and therefore all expenditure is shown including the irrecoverable VAT.

1.12 Leases

Leases are classified as either finance leases or operating leases based on the substance of the arrangement. The lease of land and buildings is split at inception of the lease into a separate lease of land and a lease of buildings.

Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments are made under operating leases (net of any incentives received from the lessor) are charged to the SoCNE expenditure on a straight-line basis over the period of the lease. Any up-front payments for a leasehold interest classified as an operating lease are recognised as a lease prepayment in the SoFP and amortised over the lease term.

2. Analysis of net expenditure by segment

	Committee on Climate Change 2019–20 £	Adaptation Committee 2019–20 £	Total 2019–20 £	
Staff Costs				
Committee members	140,694	90,422	231,116	
Staff	1,930,122	520,044	2,450,166	
Total Staff Costs	2,070,816	610,466	2,681,282	
Other Costs				
Research	654,610	960,804	1,615,414	
Rentals under operating leases	327,925	48,873	376,798	
Occupancy	60,040	15,006	75,046	
Shared services	49,546	13,211	62,757	
IT service costs	69,881	17,499	87,380	
Printing and publications	36,064	12,546	48,610	
Travel and subsistence	11,018	4,966	15,984	
Corporate services	62,253	13,115	75,368	
Learning and development	20,697	1,452	22,149	
Telephony	4,584	792	5,376	
Web development and hosting	4,032	1,008	5,040	
Conferences and events	930	400	1,330	
Auditor's remuneration	14,800	3,700	18,500	
Other	–	4,844	4,844	
Total	1,316,380	1,098,216	2,414,596	
Non-Cash Items				
Depreciation and amortisation	Notes 5 and 6	55,816	–	55,816
Increase/(decrease) in provision	Note 11	(32,000)	–	(32,000)
Total Other Costs		1,340,196	1,098,216	2,438,412
Total Net Operating Costs		3,411,012	1,708,682	5,119,694

The split between the Committee and Adaptation Sub-Committee is based on actual figures, where available. For elements where the cost is shared it has been apportioned on the basis of headcount. All assets and liabilities are held centrally by the CCC and therefore not appropriate to apportion.

	Committee on Climate Change 2018-19 £	Adaptation Committee 2018-19 £	Total 2018-19 £
Staff Costs			
Committee members	128,882	81,535	210,417
Staff	1,876,966	541,315	2,418,281
Total Staff Costs	2,005,848	622,850	2,628,698
Other Costs			
Research	698,535	664,907	1,363,442
Rentals under operating leases	60,010	15,003	75,013
Occupancy	68,197	15,202	83,399
Shared services	36,642	3,080	39,722
IT service costs	98,074	24,190	122,264
Printing and publications	49,375	11,993	61,368
Travel and subsistence	15,207	5,949	21,156
Corporate services	117,610	11,224	128,834
Learning and development	18,495	3,956	22,451
Telephony	2,837	148	2,985
Web development and hosting	4,624	1,045	5,669
Conferences and events	3,946	171	4,117
Auditor's remuneration	14,000	3,500	17,500
Other	1,425	118	1,543
Total	1,188,977	760,486	1,949,463
Non-Cash Items			
Depreciation	89,587	–	89,587
Amortisation	2,474	–	2,474
Total Other Costs	1,281,038	760,486	2,041,524
Total Net Operating Costs	3,286,886	1,383,336	4,670,222

3. Staff numbers and related costs

Information on staff numbers and related costs are disclosed in section 2:4:4 of the Remuneration Report.

Information on the pension costs of staff is disclosed in section 2:4:3 of the Remuneration Report.

4. Other expenditure

	£	2019-20 £	£	2018-19 £
Administration costs				
Research	1,615,414		1,363,442	
Rentals under operating leases	376,798		75,013	
Occupancy	75,046		83,399	
Shared services	62,757		39,722	
IT service costs	87,380		122,264	
Printing and publications	48,610		61,368	
Travel and subsistence	15,984		21,156	
Corporate services	75,368		128,834	
Learning and development	22,149		22,451	
Telephony	5,376		2,985	
Web development and hosting	5,040		5,669	
Conferences and events	1,330		4,117	
Auditor's remuneration	18,500		17,500	
Other	4,844		1,543	
		2,414,596		1,949,463
Non-Cash Items				
Depreciation		53,342		89,587
Amortisation		2,474		2,474
Provision written back		(32,000)		–
Total Expenditure		2,438,412		2,041,524

5. Property, plant and equipment

	Furniture & Fittings £	Technology £	Total £
Cost			
At 1 April 2019	177,554	–	177,554
Additions	258,949	11,417	270,366
Disposals	(177,554)	–	(177,554)
At 31 March 2020	258,949	11,417	270,366
Depreciation			
At 1 April 2019	(177,554)	–	(177,554)
Charged in year	(52,448)	(894)	(53,342)
Disposals	177,554	–	177,554
At 31 March 2020	(52,448)	(894)	(53,342)
Net Book Value at 31 March 2020	206,501	10,523	217,024
Net Book Value at 31 March 2019	–	–	–
Asset financing			
Owned	206,501	10,523	217,024
Net Book Value at 31 March 2020	206,501	10,523	217,024
Cost			
At 1 April 2018	177,554	–	177,554
Additions	–	–	–
Disposals	–	–	–
At 31 March 2019	177,554	–	177,554
Depreciation			
At 1 April 2018	(87,967)	–	(87,967)
Charged in year	(89,587)	–	(89,587)
Disposals	–	–	–
At 31 March 2019	(177,554)	–	(177,554)
Net Book Value at 31 March 2019	–	–	–
Net Book Value at 31 March 2018	89,587	–	89,587
Asset financing			
Owned	–	–	–
Finance leased	–	–	–
Net Book Value at 31 March 2019	–	–	–

6. Intangible assets

	Software Licences £	Total £
Cost		
At 1 April 2019	12,368	12,368
Additions	1,857	1,857
At 31 March 2020	14,225	14,225
Amortisation		
At 1 April 2019	(3,505)	(3,505)
Charged in year	(2,474)	(2,474)
At 31 March 2020	(5,979)	(5,979)
Net Book Value at 31 March 2020	8,246	8,246
Net Book Value at 31 March 2019	8,863	8,863
Asset financing		
Owned	8,246	8,246
Finance leased	–	–
Net Book Value at 31 March 2020	8,246	8,246
Cost		
At 1 April 2018	12,368	12,368
Additions	–	–
At 31 March 2019	12,368	12,368
Amortisation		
At 1 April 2018	(1,031)	(1,031)
Charged in year	(2,474)	(2,474)
At 31 March 2019	(3,505)	(3,505)
Net Book Value at 31 March 2019	8,863	8,863
Net Book Value at 31 March 2018	11,337	11,337
Asset financing		
Owned	8,863	8,863
Finance leased	–	–
Net Book Value at 31 March 2019	8,863	8,863

7. Financial Instruments

As the cash requirements of CCC are met through Grant-in-Aid provided by BEIS, Defra and devolved administrations, financial instruments play a more limited role in creating and managing risks than would apply to a non-public sector body.

The majority of financial instruments relate to contracts to buy non-financial items in line with the CCC's expected purchase and usage requirements and the CCC is therefore exposed to little credit, liquidity or market risk.

In general, financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the CCC in undertaking its activities.

8. Trade receivables and other current assets

	31 March 2020 £	31 March 2019 £
Amounts falling due within one year:		
Trade receivables and other receivables	13,429	4,561
Deposits and advances	13,590	3,528
Prepayments and accrued income	13,475	314
Balance at 31 March	40,494	8,403

9. Cash and cash equivalents

	31 March 2020 £	31 March 2019 £
Balance at 1 April	619,803	320,921
Net change in cash and cash equivalent balances	(119,242)	298,882
Balance at 31 March	500,561	619,803
The following balances at 31 March were held at:		
Government banking service accounts	500,561	619,803
Balance at 31 March	500,561	619,803

10. Trade payables and other current liabilities

	31 March 2020 £	31 March 2019 £
Amounts falling due within one year		
Other taxation and social security	70,971	53,805
Trade payables	53,741	193,135
Capital creditors and accruals	15,312	–
Accruals and deferred income	719,723	696,532
Pension contributions	52,968	37,669
Staff unpaid leave accrual	84,172	88,798
Balance at 31 March	996,887	1,069,939

11. Provision for liabilities and charges

	31 March 2020 £	31 March 2019 £
Dilapidations balance:	71,100	71,100
Provision utilised	–	–
Provision written back	(32,000)	–
Provided in the year	–	–
Balance at 31 March	39,100	71,100

The dilapidation provision relates to the CCC's previous premises at Holbein Place. The provision was re-assessed during 2019-20 following the vacation of the premises by building consultants CBRE Ltd and represents the obligation to make good the condition of the premises.

	31 March 2020 £	31 March 2019 £
Expected timing of cash flows:		
Not later than one year	39,100	71,100
Later than one year and not later than five years	–	–
Later than five years	–	–
Balance at 31 March	39,100	71,100

12. Capital and Other Financial commitments

	31 March 2020 £	31 March 2019 £
Other financial commitments comprise:		
Not later than one year	42,385	34,109
Later than one year and not later than five years	22,097	48,779
Later than five years	–	–
Balance at 31 March	64,482	82,888

The CCC did not commit to any capital commitments in the financial year (2018-19, Nil).

The CCC has entered into a non-cancellable contract (which is not a lease or PFI contract) with Shared Services Connected Limited (SSCL) to cover the provision of HR, finance and procurement transactional services. The contract was signed on 1 November 2013 and will cover a period of seven years.

The CCC has entered into a non-cancellable contract with SSCL to cover the charge for Oracle licences and services. The contract was signed on 20 February 2018 to cover a period of three years.

The CCC has entered in a contract with Templo Ltd to cover the charge of the CCC's rebranding exercise, due to be completed in 2020-21.

The figures provided are the total payments to which the CCC is committed at 31 March 2020, analysed by the period during which the payments are made.

13. Commitments under operating leases

Total future minimum lease payments under operating leases are given in the table below:

	31 March 2020		31 March 2019	
	Land & buildings £	Other £	Land & buildings £	Other £
Obligations under operating leases comprise:				
Not later than one year	589,140	–	55,383	–
Later than one year and not later than five years	–	–	–	–
Later than five years	–	–	–	–
Balance at 31 March	589,140	–	55,383	–

The lease payments represent the future lease commitments for 151 Buckingham Palace Road through to the end of the lease on 31 March 2021.

14. Related-party transactions

The Committee on Climate Change is a non-departmental public body of BEIS and receives its Grant-in-Aid funding from BEIS, on behalf of BEIS, Defra and the devolved administrations comprising the Scottish government, the Welsh government and the Northern Ireland Executive.

These bodies are regarded as related parties with which the NDPB has had various material transactions during the year. In addition, the NDPB has had a small number of transactions with other government departments and other central government bodies.

The quantum of the transactions between the CCC and these bodies was as follows:

	Grant-in-aid		Project Funding		Purchased Services	
	2019-20 £	2018-19 £	2019-20 £	2018-19 £	2019-20 £	2018-19 £
Related parties:						
Department of Business, Energy and Industrial Strategy	5,354,002	4,525,508	–	–	–	–
Department for Environment, Food and Rural Affairs	–	–	–	–	87,380	122,264
Government Property Agency	–	–	–	–	378,502	–
Carbon Trust Limited	–	–	–	–	3,600	–
University College London	–	–	–	–	37,620	–
University of Leeds	–	–	–	–	(7,500)	–
Heritage Lottery Fund	–	–	–	–	53,090	110,162
JBA Group (JBA Consulting)	–	–	–	–	–	39,668
Shared Services Connected Limited	1,030	4,476	–	–	62,757	39,722

No Committee member, key manager or other related parties not already disclosed above or in the Remuneration Report has undertaken any material transactions with the NDPB during the year.

As at 31 March 2020 there was a balance of £1,030 owing to Shared Services Connected Limited.

The following Committee members have an interest in the bodies noted above:

- Baroness Brown of Cambridge: Carbon Trust Limited
- Prof Georgina Mace: University College London
- Prof Michael Davies: University College London
- Piers Forster: University of Leeds

JBA Group (JBA Consulting) was a related party in 2018-19 for Professor Jim Hall, who resigned from the committee during 2018-19.

BEIS has provided a consolidated Annual Report and Accounts for the reporting period 2019-20 incorporating its NDPBs within the consolidation boundary. The Committee does not form part of this consolidation due to materiality.

15. Events after the reporting period

There are no reportable events after the reporting period.

The Accounting Officer authorised these financial statements on the date of the Comptroller and Auditor General's signature.



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