



Annual Report and Accounts

2018–19

Committee on Climate Change

Annual Report and Accounts

1 April 2018 to 31 March 2019

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

Ordered by the House of Commons to be printed 18 July 2019



© Crown copyright 2019

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/official-documents

Any enquiries regarding this publication should be sent to us at the Committee on Climate Change at our registered office: 7 Holbein Place, London, SW1W 8NR

ISBN 978-1-5286-1154-1

CCS0319885084 07/19

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the APS Group on behalf of the Controller of Her Majesty's Stationery Office

Contents

Chairman's foreword	4
<hr/>	
Section 1: Performance Report	
– 1:1 Overview	7
– 1:2 Performance analysis	9
<hr/>	
Section 2: Accountability Report	
– 2:1 Statement of Accounting Officer's responsibilities	15
– 2:2 Chief Executive's report	16
– 2:3 Governance statement	18
– 2:4 Remuneration and staff report	23
– 2:5 Audit report	31
<hr/>	
Section 3: Financial Statements	34
<hr/>	

Chairman's foreword



The importance of the work undertaken to reduce emissions and prepare for climate change could not be more pivotal this year. After marking ten years since the UK Climate Change Act last year, the issue of climate change is increasingly in the forefront of the public's, politicians' and policy makers' minds.

It has therefore been one of the most important years since the Committee was formed, with the revisiting of the long-term emissions reduction targets for the UK and Devolved administrations. The landmark report, for the first time advised a 'Net-Zero' greenhouse gas emissions target of 2050 for the UK and demonstrated it can be done within the cost envelope that Parliament has already accepted. Our recommendation emerges clearly from the extensive evidence presented here for the first time. We reviewed the latest scientific evidence on climate change, including last year's IPCC Special Report on Global Warming of 1.5°C, and considered the appropriate role of the UK in the global challenge to limit future temperature increases.

Net Zero is a more fundamental aim than previous targets. By reducing emissions produced in the UK to zero, we also end our contribution to rising global temperatures. That this outcome is now within reach is testament to the UK's progress – deploying new solutions, learning by doing, driving costs down, as required by the UK Climate Change Act. It also marks a turning point for the Committee. We will be scrutinising the UK's progress with a renewed vigour and in light of the increased ambition set out in our report.

Furthermore, our Progress Report to Parliament demonstrates the need for swift action to implement the policies needed to deliver a net-zero economy. Make no mistake, we are behind in our progress to reduce emissions and we are not ready for the risks that climate change will bring. It is no longer the case that we can hope to meet our targets, we must urgently put in place clear policies which ensure sectors, industries and government can work together to deliver change. To both reduce emissions and adapt to climate change, the UK must do more.

Our work will continue to be comprehensive and robust. The range of our analysis and advice extends beyond our annual statutory reports. Over the last year we have also published, amongst other things, reports on: 'Housing – Fit for the future report' to 'Managing the coast in a changing climate' to the 'Final assessment of Scotland's first Climate Change Adaptation Programme'. We have produced a total of 11 reports in the last year supported by many more pieces of research and detailed analysis.

We could not deliver our duties without wide input from a range of organisations and individuals, across government, Parliament, industry, business and civil society – your input, insight and interest in our work is invaluable.

It is, however, imperative that I must thank our Committee Members and our dedicated Secretariat staff for their tireless work over the last year. It is a crucial time for the Committee. As the ambitions for how we can tackle and prepare for climate change increase, the continued efforts of the Committee and the Secretariat to deliver the most thorough assessments will be vital.

Lord Deben

Chairman,
Committee on Climate Change
11 July 2019

Section 1: Performance Report

1.1 Overview



1.1.1 Chief Executive's message

The first year of the Committee's second decade has seen us break exciting new ground. This year, we have delivered some of the most important analysis we have ever produced.

Our June 2018 Progress Report set a robust tone for the year ahead. We gave a clear message to Parliament: the requirements of the UK Climate Change Act are not being met. The UK is off track for the legally-binding fourth and fifth carbon budgets - and our early assessment of the UK Government's Programme revealed a plan that fails to match the scale of challenge the UK faces in adapting to the changing climate.

This was to be the context for an eventful year. School strikes and public protests have grabbed headlines and public interest in climate change has rocketed – evidenced by a remarkable jump in the number of visits to our website.

With interest in our work at an all-time high, we have thrown light on some of the most fundamental climate issues: deep emissions reduction using hydrogen; changing land use in the UK to maximise mitigation and adaptation outcomes; the role of sustainable biomass in our low carbon future; managing coastal change; and a breakthrough assessment of UK housing, considering the integrated steps required to reduce emissions from UK homes and adapt them to the changing climate. We've worked hard to interlink these reports – part of our commitment to building an integrated view of what lies ahead.

The reports were preparation for our two main pieces of work: an extensive new programme of analysis for the third climate change risk assessment (CCRA 3), now underway and on track to deliver in 2021; and our landmark Net Zero Report, considering the UK's long term emissions targets, in light of the UK's Paris commitments.

It is difficult to understate the importance of the Net Zero Report, published at the start of May. In 2008, our first step as the newly-independent Committee on Climate Change was to advise that an 80% cut in greenhouse gas emissions was the appropriate 2050 target for the UK. Parliament agreed – and 80% has been the guiding target for all UK efforts ever since. A decade later, the IPCC's special report on 1.5° was the cue for Ministers in Holyrood, Cardiff and Westminster to request that we re-evaluate the UK's emissions targets. We did not hold back. Ten new pieces of research were commissioned and we convened three special expert groups to provide fresh insight and challenge. In one of the most comprehensive reports the Committee has ever produced, we concluded that the evidence now supports a tougher set of UK targets. A net-zero goal of 2050 is necessary, feasible and cost-effective. I'm delighted that the Government has already signalled their agreement with our recommendation. Net Zero is now the lens through which we must view all of our future work.

All of this has been made possible by the dedication of a remarkable team in the Committee's Secretariat. They have delivered analytical work of outstanding quality. The strength and influence of the Committee rests on the reputation of its members and the quality of the analysis undertaken by its staff. It is an honour to lead the team.

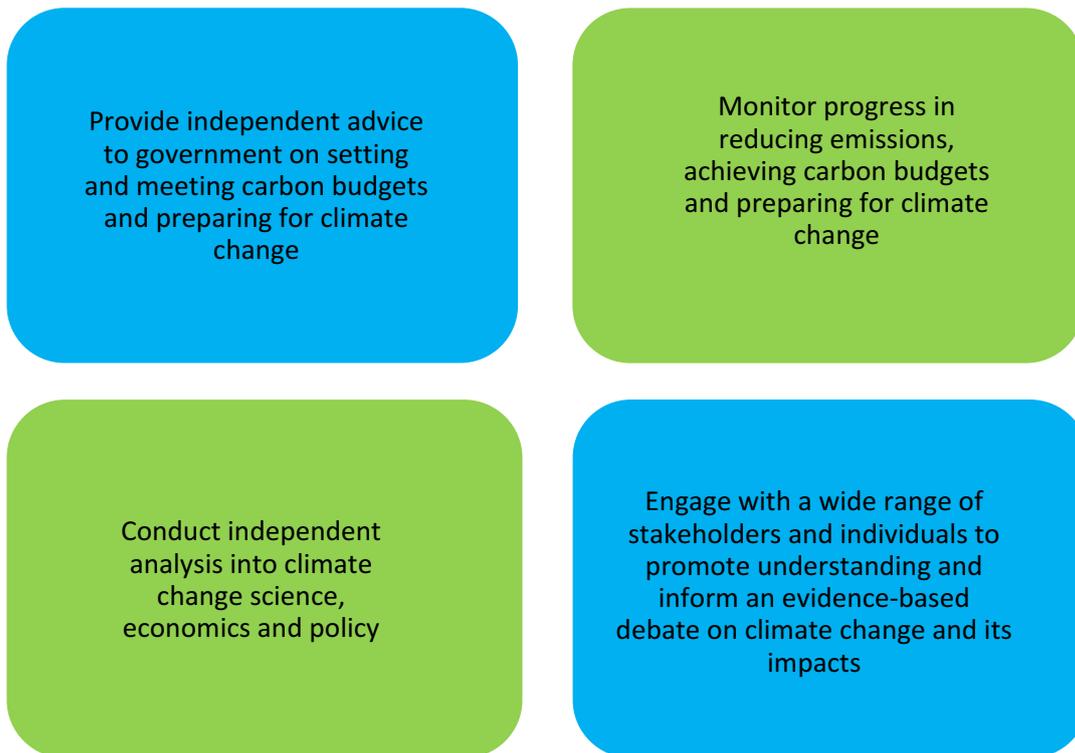
Chris Stark

Chief Executive,
Committee on Climate Change
11 July 2019

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 eight 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 which is primarily for England as well as covering UK reserved matters.

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 2019 shows net liabilities of £503,970 (2017-18, net liabilities of £359,256). 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. IAS 10 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 2018-19

Key Performance Indicator 1

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

- Completing the Committee's Joint Progress Report which details the UK's progress in reducing greenhouse gas emissions and meeting carbon budgets and the ASC's second biannual assessment of the National Adaptation Programme;
- Providing an independent assessment of the UK government's Clean Growth Strategy;
- Publishing a report on the quantification of the UK's greenhouse gas emissions;
- 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

- 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;
- Maintaining a security policy, business continuity plan and risk management plan;
- Engaging with key stakeholders, through a range of communications channels, to ensure the effective delivery of our message.

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

1.2.2 Analysis of our performance in 2018-19

Progress towards reducing emissions

The **2018 Progress Report** provided the Committee's tenth annual assessment of UK progress in reducing emissions and meeting carbon budgets. The report found that UK emissions are down 43% overall compared to the 1990 baseline while the economy has grown significantly over the same period. The majority of the reduction has been driven by excellent progress in reducing emissions from electricity generation but reductions in other sectors have stalled.

The Committee set out four key messages to put emissions reductions on track:

- support the simple, low-cost options
- commit to effective regulation and strict enforcement
- end the chopping and changing of policy
- act now to keep long-term options open



In November 2018 the Committee published a report on **Biomass** which assessed the role of wood, plants and organic waste in the global strategy to tackle climate change. The Committee found that biomass can play an important role in meeting the UK's long-term (2050) emissions targets, and moving towards net-zero emissions, but only with stricter governance to ensure sustainable supplies.

The key recommendations of the report were:

- the UK should aim to increase the volume of carbon stored in our forests and land
 - food and biodegradable waste must be collected separately from other refuse in all areas across the UK
 - rules governing the supply of sustainable sources of biomass for energy need to be improved
- biomass must be used in the most effective way. Uses that enable long-term carbon storage should be prioritised

Also in November 2018, the Committee published a report on **Hydrogen in a low carbon economy** which assessed the potential role of hydrogen in the UK's low-carbon economy. The Committee found that whilst hydrogen is a credible option to help decarbonise the UK energy system its role depends on early government commitment and improved support to develop the UK's industrial strategy.

The report's key recommendations are:

- Government must commit to developing a low-carbon heat strategy within the next three years
- Significant volumes of low-carbon hydrogen should be produced in a carbon capture and storage (CCS) 'cluster' by 2030 to help the industry grow
- Government must support the early demonstration of the everyday uses of hydrogen in order to establish the practicality of switching from natural gas to hydrogen
- There is low awareness amongst the general public of reasons to move away from natural gas heating to low-carbon alternatives
- A strategy should be developed for low-carbon heavy goods vehicles (HGVs) which encourages a move away from fossil fuels and biofuels to zero-emission solutions by 2050



Joint Committee work

In November 2018, the first of two reports on how to improve **Land Use** to meet climate change mitigation and adaptation objectives was published. The report found that fundamental reform is required to ensure land becomes a more effective carbon store, whilst early action is needed to maximise the benefits from changing how land is used.

The report's key recommendations are:

- New land use policy should promote transformational land uses and reward land owners for public goods that deliver climate mitigation and adaptation objectives. New policies should also reflect better the value of the goods and services that land provides.
- Support should be provided to help land managers transition to alternative land uses.

In February 2019 a report to assess whether **the UK's housing stock is adequately prepared for the challenges of climate change** was published. This was assessed in terms of reducing emissions from UK homes and ensuring homes are adequately prepared for the impacts of climate change.

The report's key findings were that:

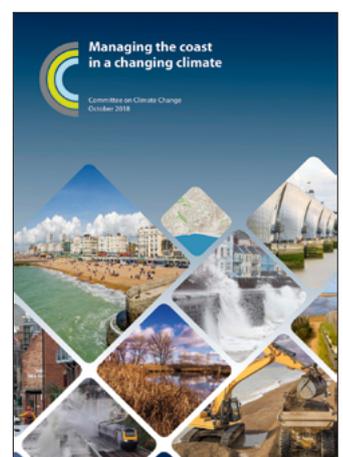
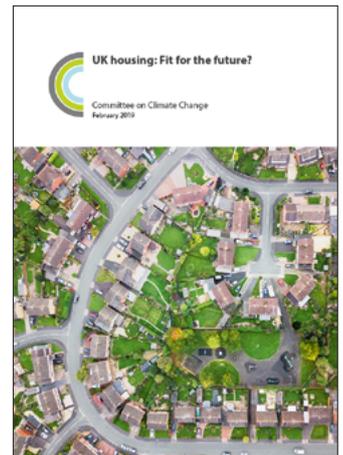
- the UK's legally-binding climate change targets will not be met without the near-complete elimination of greenhouse gas emissions from UK buildings.
- emissions reductions from the UK's 29 million homes have stalled, while energy use in homes – which accounts for 14% of total UK emissions – increased between 2016 and 2017.
- efforts to adapt the UK's housing stock to the impacts of the changing climate: for higher average temperatures, flooding and water scarcity, are lagging far behind what is needed to keep us safe and comfortable, even as these climate change risks grow.

Managing and adapting to climate change risks

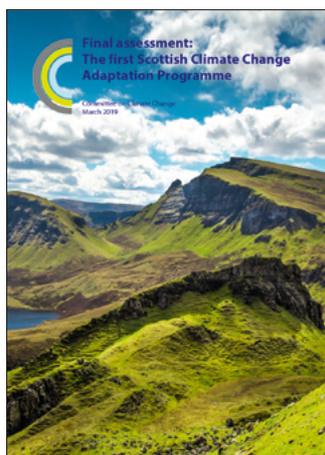
The Adaptation Committee investigated the long-term challenges of managing England's coastline against the backdrop of a changing climate in the report **Managing the Coast in a Changing Climate**. The Committee concluded that the current approach to coastal management in England is unsustainable in the face of climate change.

The key findings from the report were:

- Coastal communities, infrastructure and landscapes already face threats from flooding and coastal erosion. These threats will increase in the future.
- In the future, some coastal communities and infrastructure are likely to be unviable in their current form. This problem is not being confronted with the required urgency or openness.
- Sustainable coastal adaptation is possible and could deliver multiple benefits. However, it requires a long term commitment and proactive steps to inform and facilitate change in social attitudes.



The Committee and Adaptation Committee have also published the following advice reports to the Devolved administrations:



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 Non-Departmental Public Body ('NDPB').

1.2.3 Sustainability report

Our environmental impact – holding government to account

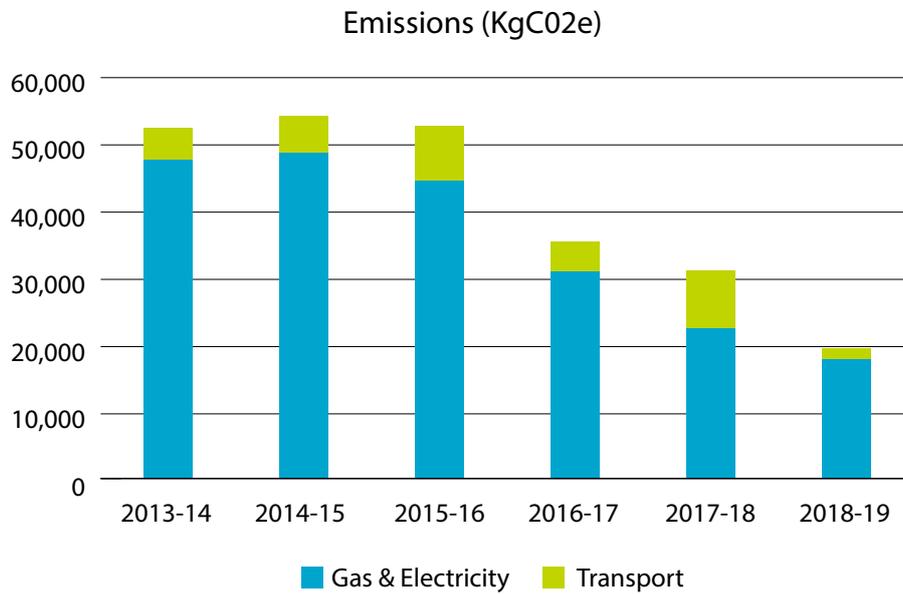
Our greatest environmental impact arises from our role in advising the UK government, Parliament and the Devolved administrations on the reduction of carbon emissions. The successful performance of our statutory duties forms a critical role in the UK government's and Devolved administrations' commitments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

The advice and recommendations of the Committee 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.

The CCC continues to work on an international basis providing advice to governments in the process of establishing similar advisory bodies and working with our international counterparts.

Our direct impact

The Committee also has a direct impact on greenhouse emissions associated with our business travel and energy use. The progress made to reduce our carbon emissions is shown in the chart below:



Sustainable development

We seek to reduce waste where possible and continually assess the environmental impact of our activities. This includes assessing our contractors' environmental credentials, ensuring that goods are purchased from sustainable sources and that unnecessary packaging is kept to a minimum.

Waste and recycling

We continue to use resources efficiently so that we produce less waste, and to reduce the amount of waste sent to landfill through increased recycling. Where IT hardware is no longer required our strategic supplier reuses the hardware where possible. Items that cannot be reused are collected for reuse by schools and charities and recycling of components and materials. Items are sent for incineration only as a last resort.

Chris Stark

Accounting Officer

11 July 2019

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 2019 and its financial position as at 31 March 2019.

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 £4,618,204 (2017-18: £3,475,099) and no capital allocation in 2018-19 (2017-18: £13,000), which was wholly funded by BEIS, Defra and the Devolved administrations. The Grant-in-Aid funding drawn down during the year was £4,525,508 (2017-18: £3,447,093).

The CCC's net operating cost for the year were £4,670,222 (2017-18: £3,442,852). The increase in the CCC's net operating cost in 2018-19 compared to 2017-18 is due to the significant work programme undertaken to deliver the Long Term Targets report, published in May 2019, and the research work programme which is underway to support the third Climate Change Risk Assessment, due to be published in 2021.

b) Financial position

The accounts show a Statement of Comprehensive Net Expenditure of £4,670,222 for the year ended 31 March 2019 and net liabilities of £503,970 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 £8,863 at 31 March 2019 (£100,924 at 31 March 2018). Following confirmation in May 2019 of the new office premises which the Committee will move to later in 2019, it was confirmed that the existing furniture and fittings cannot be transferred and therefore an accelerated depreciation charge has been made, resulting in the reduction in the value of non-current assets held. This accounting adjustment increased the net operating cost by a further £89,587.

c) Going concern

Our funding for 2019-20 has been agreed with BEIS and set out in the Main Supply Estimate 2019-20. On this basis we consider it appropriate to prepare these financial statements on a going concern basis. The funding for 2019-20 covers the reported liabilities as at 31 March 2019 of £503,970.

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 11 July 2019.

e) 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).

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

f) 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 88.78% of valid invoices received between 1 April 2018 and 31 March 2019 by the CCC were paid within the 5-day target (83.76% in 2017-18).

g) 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.

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

The Committee on Climate Change does not have any Remote Contingent Liabilities in 2018-19 (2017-18, 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 2018 to 31 March 2019 and up to the date of approval of the Annual Report and Accounts.

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).
- 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 (AC)** is responsible for the delivery of advice on the UK's preparedness for climate change.

The Committee and AC 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** 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 Audit Committee also provides assurance on the quality of the CCC's Financial Statements.

The Audit Committee met two times during 2018–19 with representatives from the National Audit Office (NAO), Internal Audit (Government Internal Audit Agency) and the departmental Sponsor Group also attending. The Audit Committee normally meets three times each year; the third meeting this year took place in April 2019 after the financial year end.

The Chief Executive leads the **Senior Management Team**, which includes the Head of Corporate Services and other senior members of staff as appropriate. The Senior Management Team 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 Audit Committee during 2018–19. Committee members also spend time working directly with the Secretariat on particular pieces of analysis and thinking.

	Committee	Adaptation	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 12		
Baroness Brown of Cambridge	12 out of 12	11 out of 11	
Professor Nick Chater	9 out of 12		1 out of 2
Sir Brian Hoskins	2 out of 4		
Dr Rebecca Heaton	12 out of 12		
Paul Johnson	8 out of 12		
Professor Corinne Le Quéré	12 out of 12		1 out of 2
Professor Jim Skea	7 out of 9		
Professor Piers Forster	6 out of 6		
Professor Jim Hall		7 out of 9	
Professor Michael Davies		11 out of 11	
Professor Georgina Mace		8 out of 11	
Ece Ozdemiroglu		11 out of 11	
Rosalyn Schofield		10 out of 11	2 out of 2
Professor Richard Dawson		2 out of 2	

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, non-ministerial departments, 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.

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 Audit Committee.

The Head of 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 Audit Committee 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, with the Head of Corporate Services, for ensuring risk mitigation strategies are implemented.

Principle risks and uncertainties

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

Risk	Risk trend	Mitigating activity
<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. A review of the processes to record and manage interest has been undertaken by GIAA in May 2019.</p> <p>The report identified areas of good practice as well as two recommendations, which will be implemented, to improve staff awareness and to better ensure the completeness of interests declared by staff.</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. The time taken to recruit new Committee Members exacerbated capacity issues within the Committee.</p> <p>Whilst specific funding was agreed for certain projects, additional support was available to enable the underlying structures of the organisation to cope with the increase in operating activity.</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>

Risk	Risk trend	Mitigating activity
<p>Turnover of staff An acute shortage of analytical skills combined with limited promotion opportunities, a constrained remuneration offer and an ambitious work schedule increases the risk of significant staff turnover and creates a potential delivery risk to the forward work programme.</p>		<p>Approval to align CCC pay scales more closely to those available in other government departments and external organisations has been obtained.</p> <p>Regular Development Review sessions have been implemented to aid effective succession planning to ensure staff receive opportunities to develop their skills and experience even where, due to the size of the organisation, promotion opportunities may be limited.</p> <p>The forward work programme will be regularly reviewed to ensure to workload remains manageable.</p> <p>Recruitment activity to take place early with careful consideration of the most effective way to attract high quality candidates.</p>
<p>New office accommodation The CCC will relocate from its current office accommodation during 2019-20 and must therefore obtain affordable, high quality accommodation in a suitable location.</p>		<p>Work with the Estates team at BEIS and the Government Property Agency to secure new office accommodation.</p> <p>New office accommodation has subsequently been secured.</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 service auditor's report. No significant risks have been identified which would require disclosure in the statement following the assurance work completed by Pricewaterhouse Coopers 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.

General Data Protection Regulation

A programme of work was completed during 2018-19 to train staff and implement new processes required to enable the CCC to comply with the General Data Protection Regulation (GDPR) which came into force in May 2018. A review of our preparedness and compliance was completed by Internal Audit during the year.

Information and cyber security

Our IT support is provided through Defra's E-enabling Agreement with IBM. Following the formation of the central Government Security Clusters and of the National Cyber Security Centre, Defra has developed contacts to support the continuation of central government support on Information Security and Assurance matters.

No reportable data loss incidents occurred during 2018-19 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. The policy is available in the Transparency section of the CCC website. No reports under the whistleblowing policy have been made by employees during the year ended 31 March 2019.

Conflicts of interest

Committee Members and staff at the CCC collaborate and 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 of staff 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.

To ensure the quality and robustness of the processes to manage actual and potential conflicts of interest I have requested that the Government Internal Audit Agency (GIAA) undertakes a review of those processes.

Internal audit review

The GIAA 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 Audit Committee. 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 2018-19 and no significant weaknesses to address.

Chief Executive

Committee on Climate Change

11 July 2019

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 www.civilservicecommission.org.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 2018-19, the Chairman of the Committee of 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 2018-19, 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 4% 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 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	–	190,000	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	0 – 5	–	–	–	0 – 5
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)
Professor Keith Bell (appointed 1 April 2019)	–	–	–	–	–
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.

Table 2: Remuneration payments to Committee members during 2017-18

	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)	75 – 80 (full year equivalent 105 – 110)	0 – 5	–	124,000 (full year equivalent £185,000)	200 – 205 (full year equivalent 290 – 295)
Matthew Bell (resigned 14 July 2017)	40 – 45 (full year equivalent 135 – 140)	0 – 5	–	–	40 – 45 (full year equivalent 140 – 145)
Committee on Climate Change					
Committee Chair					
Lord Deben	35 – 40	–	3,100	–	35 – 40
Committee Members					
Baroness Brown of Cambridge**	20 – 25	–	1,000	–	20 – 25
Professor Nick Chater	15 – 20	–	2,600	–	20 – 25
Dr Rebecca Heaton	10 – 15	–	300	–	10 – 15
Sir Brian Hoskins	5 – 10	–	100	–	5 – 10
Paul Johnson	5 – 10	–	–	–	5 – 10
Professor Corinne Le Quéré	10 – 15	–	2,000	–	10 – 15
Professor Jim Skea	10 – 15	–	–	–	10 – 15
Adaptation Sub-Committee					
Committee Chair					
Baroness Brown of Cambridge*	20 – 25	–	1,600	–	20 – 25
Lord Krebs (resigned 31 January 2017)	–	–	300	–	0 – 5
Committee Members					
Professor Michael Davies (appointed 31 January 2018)	0 – 5 (full year equivalent 5 – 10)	–	–	–	0 – 5 (full year equivalent 5 – 10)
Professor Jim Hall	10 – 15	–	1,700	–	10 – 15
Professor Dame Anne Johnson (resigned 31 January 2018)	5 – 10 (full year equivalent 5 – 10)	–	–	–	5 – 10 (full year equivalent 5 – 10)
Professor Georgina Mace (appointed 31 January 2018)	0 – 5 (full year equivalent 5 – 10)	–	–	–	0 – 5 (full year equivalent 5 – 10)
Ece Ozdemiroglu	5 – 10	–	–	–	5 – 10
Rosalyn Schofield	5 – 10	–	–	–	5 – 10
Sir Graham Wynne (resigned 31 January 2018)	5 – 10 (full year equivalent 5 – 10)	–	100	–	5 – 10 (full year equivalent 5 – 10)

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

Salary

'Salary' includes gross salary; overtime, reserved rights to London weighting or London allowances; recruitment and retention allowances; private office 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 2018-19 relate to performance in 2018-19 and the comparative bonuses reported for 2017-18 related to performance in 2017-18.

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.

	2018-19 £	2017-18 £
Highest paid Director's Total Remuneration	140k – 145k (full time equivalent)	140k – 145k
Median Total Remuneration	52,681	51,554
Ratio	2.7	2.8

The banded salary of the highest paid director in the CCC in the financial year 2018-19 was £140k-£145k (2017-18, £140k-£145k). This was 2.7 times (2017-18, 2.8) the median salary of the workforce, which was £52,681 (2017-18, £51,554). Remuneration in 2018-19 ranged from the following bands £25,000-£30,000 to £140,000-£145,000 (2017-18: £125,000-£130,000).

In 2018-19 no employees (2017-18, 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 31/3/19 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/3/19 £'000	CETV 31/3/18 £'000	Real increase in CETV £'000	Employer contribution to partnership pension account Nearest £100
Chief Executive						
Adrian Gault (from 1 April 2018 to 15 April 2018)	45 – 50 plus a lump sum of 140 - 145	0 – 2.5 plus a lump sum of 0 – 2.5	1,063	1,051	11	–
Chris Stark (from 16 April 2018)	25 – 30 plus a lump sum of 60 - 65	7.5 – 10 plus a lump sum of 17.5 to 20	404	241	113	–

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 2019-20 is expected to be in the region of £403,194.

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 2018-19, employers' contributions of £340,144 were payable to the PCSPS (2017-18, £283,405) at one of four rates in the range 20.0% to 24.5% (2017-18, 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 2018-19 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 £8,341 (2017-18, £19,589) were paid to one or more of the panel of three appointed stakeholder pension providers. 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 £298 (2017-18, £495), 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 £695 (2017-18, £621). Contributions prepaid at that date were £0 (2017-18, £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)

	2018-19 Total £	2018-19 Permanent Staff* £	2018-19 Other £	2018-19 Committee Members £	Year to 31 March 2018 Total £
Committee Members' remuneration**	210,418	–	–	210,418	203,905
Wages and salaries***	1,862,420	1,490,182	372,238	–	1,434,037
Social security costs	214,519	160,667	27,768	26,084	196,182
Other pension costs	347,591	299,215	48,376	–	296,806
Sub total	2,634,948	1,950,064	448,382	236,502	2,130,930
Less recoveries for secondments	(6,250)	(6,250)	–	–	(6,250)
Total net costs	2,628,698	1,943,814	448,382	236,502	2,124,680

* '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 2018 to 31 March 2019.

*** Wages and salaries include an accrual of £39,721 for total performance bonuses related to the 2018-19 financial year (2017-18, £34,494). Further it also includes a movement of £28,929 in staff leave accrual (2017-18, £4,688).

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

No severance payments were made in the financial year (2017-18, £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 (2017-18, £nil).

e) Expenditure on consultancy

The CCC's spend on consultancy during the financial year 2018-19 is £nil (2017-18, £9,000, implementation of GDPR).

f) Health, safety and wellbeing

During the period ended 31 March 2019 the average number of working days lost due to sickness absence was 4.67 days per full time equivalent (2017-18, 2.05 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 2019 (2017-18, nil).

i) Health and safety incidents

There were no health and safety incidents for the year ended 31 March 2019 (2017-18, nil).

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

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

	2018-19 Total	2018-19 Permanent staff	2018-19 Others	2017-18 Total	2017-18 Permanent staff	2017-18 Others
Chief Executive Office	2.0	2.0	–	2.0	2.0	–
Adaptation Committee	5.6	3.7	1.9	4.1	3.5	0.6
Committee	20.0	15.5	4.5	15.7	12.9	2.8
Corporate Team	4.9	4.0	0.9	5.0	3.0	2.0
Total	32.5	25.2	7.3	26.8	21.4	5.4

k) Staff composition (This section has been subject to audit)

The composition of staff as at 31 March 2019 is shown below:

	Female	Male
Directors – Chief Executive and Committee Members	6	10
Senior Civil Servants (pay band 1)	1	2
Secretariat	20	15
Corporate Team	3	4
Total	30	31

Chris Stark

Accounting Officer

11 July 2019

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 2019 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 2019 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 am required to 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 for a period of at least twelve months from the date of approval of the financial statements. 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. I have nothing to report in these respects.

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.
- 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.

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

12 July 2019

Section 3: Financial Statements

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2019

	Note	2018-19 £	2017-18 £
Income			
Other income	5	–	(147,919)
Total income		–	(147,919)
Expenditure			
Staff costs	3	2,628,698	2,124,680
Depreciation and amortisation	6, 7	92,061	25,767
Other expenditure	4	1,949,463	1,440,324
Total expenditure		4,670,222	3,590,771
Net expenditure		4,670,222	3,442,852
Interest payable / receivable		–	–
Net expenditure after interest		4,670,222	3,442,852

Other Comprehensive Expenditure

	Note	2018-19 £	2017-18 £
Other Comprehensive Expenditure		–	–
Total Comprehensive Expenditure		4,670,222	3,442,852

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 – 52 form part of these accounts.

Statement of Financial Position

As at 31 March 2019

	Note	31 March 2019		31 March 2018	
		£	£	£	£
Non-current assets					
Property, plant & equipment	6	–		89,587	
Intangible assets	7	8,863		11,337	
Total non-current assets			8,863		100,924
Current assets					
Trade and other receivables	9	8,403		122,603	
Cash and cash equivalents	10	619,803		320,921	
Total current assets			628,206		443,524
Total assets			637,069		544,448
Current liabilities					
Trade and other payables	11	(1,069,939)		(832,604)	
Total current liabilities			(1,069,939)		(832,604)
Net current (liabilities)			(432,870)		(288,156)
Non-current liabilities					
Provisions	12	(71,100)		(71,100)	
Other payables	11	–	(71,100)	–	
					(71,100)
Assets less liabilities			(503,970)		(359,256)
Taxpayers' equity					
General reserve			(503,970)		(359,256)
			(503,970)		(359,256)

The financial statements on pages 35 to 38 were approved by the Committee on 11 July 2019 and signed on its behalf by:

Chris Stark

Accounting Officer

11 July 2018

The notes on pages 39 – 52 form part of these accounts.

Statement of Cash Flows

For the year ended 31 March 2019

	Note	2018-19 £	2017-18 £
Cash flows from operating activities			
Net operating expenditure after interest		(4,670,222)	(3,442,852)
Adjustments for depreciation and amortisation	6, 7	92,061	25,767
Decrease in provisions	12	–	–
Decrease/(Increase) in trade and other receivables	9	114,200	(58,575)
Increase in trade and other payables	11	237,335	139,342
Decrease/Increase in payables not passing through the Net Expenditure Account	11	–	–
Net cash outflow from operating activities		(4,226,626)	(3,336,318)
Cash flows from investing activities			
Purchase of intangibles	7	–	(12,368)
			(12,368)
Cash flows from financing activities			
Grant from sponsoring department		4,525,508	3,447,093
		4,525,508	3,447,093
Net Financing			
Net increase in cash and cash equivalents in the period		298,882	98,407
Cash and cash equivalents at the beginning of the period	10	320,921	222,514
Cash and cash equivalents at the end of the period	10	619,803	320,921

The notes on pages 39 – 52 form part of these accounts.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2019

	General Reserve £
Balance at 31 March 2017	(363,497)
Changes in Taxpayers' Equity 2017-18	
Grants from sponsoring department	3,447,093
Comprehensive Expenditure for the year	(3,442,852)
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)

The notes on pages 39 – 52 form part of these accounts.

Notes to the Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2018-19 government Financial Reporting Manual (FRoM) issued by HM Treasury. The accounting policies contained in the FRoM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FRoM 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) New and amended standards adopted in the year and FRoM changes

IFRS 15 Revenue from contracts with customers and IFRS 9 Financial Instruments have been adopted by the FRoM with effect from 1 April 2018. Neither IFRS has a material impact on the Committee's accounts.

c) Applicable accounting standards issued but not yet adopted and FRoM changes for 2019-20

With the exception of IFRS 16 Leases, new standards which are not yet effective are not expected to have a material impact on the Committee's future accounts.

The Committee expects IFRS 16 will be adopted by the FRoM with effect from 1 April 2020. An initial assessment of the new standard on leases to which the Committee is a party concluded that the only potential significant leases would be those relating to the use of property by the Committee.

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 Heritage Lottery Fund (HLF).

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

In accordance with the FRoM, 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: remaining life of lease
- Information technology: 3–5 years
- Plant and machinery: remaining life of lease

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 ways 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 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

The split between the Committee and Adaptation 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 2017-18 £	Adaptation Committee 2017-18 £	Total 2017-18 £
Staff Costs			
Committee members	134,328	69,577	203,905
Staff	1,589,694	331,081	1,920,775
Total Staff Costs	1,724,022	400,658	2,124,680
Other Costs			
Research	522,030	286,186	808,216
Rentals under operating leases	61,604	15,401	77,005
Occupancy	65,570	16,392	81,962
Shared services	53,858	12,417	66,275
IT service costs	97,877	24,463	122,340
Printing and publications	61,217	16,322	77,539
Travel and subsistence	12,693	2,335	15,028
Corporate services	97,470	9,086	106,556
Learning and development	25,116	11,686	36,802
Telephony	724	181	905
Web development and hosting	12,813	3,160	15,973
Conferences and events	2,669	2,236	4,905
Consultancy	7,800	1,200	9,000
Auditor's remuneration	14,000	3,500	17,500
Other	254	64	318
Total	1,035,695	404,629	1,440,324
Non-Cash Items			
Depreciation	14,302	–	14,302
Amortisation	1,031	–	1,031
Loss on disposal of property, plant and equipment	10,434	–	10,434
Total Other Costs	1,061,462	404,629	1,466,091
Income			
Other income	(147,919)	–	(147,919)
Total income	(147,919)	–	(147,919)
Total Net Operating Costs	2,637,565	805,287	3,442,852

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

	£	2018-19 £	£	2017-18 £
Administration costs				
Research	1,363,442		808,216	
Rentals under operating leases	75,013		77,005	
Occupancy	83,399		81,962	
Shared services	39,722		66,275	
IT service costs	122,264		122,340	
Printing and publications	61,368		77,539	
Travel and subsistence	21,156		15,028	
Corporate services	128,834		106,556	
Learning and development	22,451		36,802	
Telephony	2,985		905	
Web development and hosting	5,669		15,973	
Conferences and events	4,117		4,905	
Consultancy	–		9,000	
Auditor's remuneration	17,500		17,500	
Other	1,543		318	
		1,949,463		1,440,324
Non-Cash Items				
Depreciation		89,587		14,302
Amortisation		2,474		1,031
Loss on disposal of property, plant and equipment		–		10,434
Provision written back		–		–
Total Expenditure		2,041,524		1,466,091

5. Income

	2018-19	2017-18
	£	£
Income		
Other income	–	(147,919)
Total Income	–	(147,919)

In 2018-19 income was received from the Foreign and Commonwealth Office in relation to the Development of Global Emissions and Climate Change Indicators Project. This project was a collaboration between Chinese and UK teams on developing methodologies for assessing climate risks and has now concluded.

6. Property, plant and equipment

	Furniture & Fittings	Total
	£	£
Cost		
At 1 April 2018	177,554	177,554
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	–	–
Net Book Value at 31 March 2019	–	–

Following confirmation in May 2019 of the new office premises to which the Committee will move during 2019 it has been confirmed that the existing furniture and fittings cannot be transferred and therefore an accelerated depreciation charge has been made.

Property, plant and equipment (continued)

	Furniture & Fittings £	Total Restated* £
Cost		
At 1 April 2017	196,090	196,090
Disposals	(18,536)	(18,536)
At 31 March 2018	177,554	177,554
Depreciation		
At 1 April 2017	(81,767)	(81,767)
Charged in year	(14,302)	(14,302)
Disposals	8,102	8,102
At 31 March 2018	(87,967)	(87,967)
Net Book Value at 31 March 2018	89,587	89,587
Net Book Value at 31 March 2017	114,323	114,323
Asset financing		
Owned	89,587	89,587
Finance leased	–	–
Net Book Value at 31 March 2018	89,587	89,587

Information technology' relates to assets raised to reflect the benefit the CCC derives from having access to IBM's IT infrastructure assets as part of the Defra E-enabling agreement.

7. Intangible assets

	Software Licences £	Total £
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

Intangible assets (continued)

	Software Licences £	Total £
Cost		
At 1 April 2017	-	-
Additions	12,368	12,368
At 31 March 2018	12,368	12,368
Amortisation		
At 1 April 2017	-	-
Charged in year	(1,031)	(1,031)
At 31 March 2018	(1,031)	(1,031)
Net Book Value at 31 March 2018	11,337	11,337
Net Book Value at 31 March 2017	-	-
Asset financing		
Owned	11,337	11,337
Finance leased	-	-
Net Book Value at 31 March 2018	11,337	11,337

8. 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.

9. Trade receivables and other current assets

	31 March 2019 £	31 March 2018 £
Amounts falling due within one year:		
Trade receivables	1,262	3,250
Deposits and advances	3,528	9,807
Other receivables	3,299	24,796
Prepayments and accrued income	314	84,750
Balance at 31 March	8,403	122,603

10. Cash and cash equivalents

	31 March 2019 £	31 March 2018 £
Balance at 1 April	320,921	222,514
Net change in cash and cash equivalent balances	298,882	98,407
Balance at 31 March	619,803	320,921
The following balances at 31 March were held at:		
Government banking service accounts	619,803	320,921
Balance at 31 March	619,803	320,921

11. Trade payables and other current liabilities

	31 March 2019 £	31 March 2018 £
Amounts falling due within one year		
Other taxation and social security	53,805	54,258
Trade payables	193,135	39,660
Other payables	–	35
Accruals and deferred income	696,532	644,530
Pension contributions	37,669	34,252
Staff unpaid leave accrual	88,798	59,869
	1,069,939	832,604

12. Provision for liabilities and charges

	31 March 2019 £	31 March 2018 £
Dilapidations balance:	71,100	71,100
Provision utilised	–	–
Provision written back	–	–
Provided in the year	–	–
	71,100	71,100

The dilapidation provision relates to the CCC's current premises at Holbein Place. The provision was re-valued following a reduction in the office space at 31 March 2017. This estimate is based on the initial re-valuation of the provision provided by DTZ at the first break clause in the lease at 31 March 2015 and represents the obligation to make good the condition of the premises at the next break clause in September 2019.

	31 March 2019 £	31 March 2018 £
Expected timing of cash flows:		
Not later than one year	71,100	71,100
Later than one year and not later than five years	–	–
Later than five years	–	–
	71,100	71,100

13. Capital and Other Financial commitments

	31 March 2019 £	31 March 2018 £
Other financial commitments comprise:		
Not later than one year	34,109	33,263
Later than one year and not later than five years	48,779	54,854
Later than five years	–	–
	82,888	88,117

The CCC did not commit to any capital commitments in the financial year (2017-18, 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.

Contracts were also signed by the CCC with Data Solutions 2016 Limited and British Telecommunications plc during the year for office services to September 2020 and March 2019 respectively.

The figures provided are the total payments to which the CCC is committed at 31 March 2019, analysed by the period during which the payments are made.

14. Commitments under operating leases

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

	31 March 2019		31 March 2018	
	Land & buildings £	Other £	Land & buildings £	Other £
Obligations under operating leases comprise:				
Not later than one year	55,383	–	112,013	
Later than one year and not later than five years	–	–	55,384	
Later than five years	–	–	–	
	55,383	–	167,397	

The lease payments represent the future lease commitments for Holbein Place through to the second break clause in the lease on 28 September 2019.

15. 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	
	2018-19 £	2017-18 £	2018-19 £	2017-18 £	2018-19 £	2017-18 £
Related parties:						
Department of Business, Energy and Industrial Strategy	4,525,507	3,447,093	–	–	–	513
Department for Environment, Food and Rural Affairs		–		–	122,264	121,052
Foreign and Commonwealth Office		–		147,919		–
Heritage Lottery Fund		–		–	110,162	123,812
JBA Group (JBA Consulting)		–		–	39,668	101,758
Shared Services Connected Limited	4,476	–		–	39,722	66,275

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.

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

- Professor Jim Hall: JBA Group

As at 31 March 2019 there was a balance of £4,476 owing to Shared Services Connected Limited.

BEIS has provided a consolidated Annual Report and Accounts for the reporting period 2018-19 incorporating its NDPBs within the consolidation boundary. The Committee does not form part of this consolidation due to materiality.

16. Events after the reporting period

There are no reportable events after the reporting period.

