



**CABINET OFFICE AND
DEPARTMENT FOR SCIENCE, INNOVATION AND TECHNOLOGY**

Catherine Little CB
Civil Service Chief Operating Officer
and Cabinet Office Permanent Secretary

Emran Mian
Permanent Secretary of the
Department for Science, Innovation and Technology (DSIT)

18 May 2026

Dear Sir Geoffrey,

We are writing to update the committee on the following recommendations from the ‘Government’s relationship with Digital Technology Suppliers’ report alongside our response to the recent Treasury Minute Progress report. Since the Committee session on 6 June 2025, there has been considerable change in the digital and commercial functions within government. In response, and to maximise opportunities for rapid learning and iterative deployments to demonstrate early proof of value, we have made deliberate choices about prioritisation.

The Digital Commercial Centre of Excellence (DCCoE), as part of the Blueprint for Modern Digital Government, was set up to reform digital procurement practices and policies to support growth and innovation. It has worked closely with relevant teams across the Government Commercial Function (GCF) to drive forward the implementation of some of the recommendations and reprioritised others where direction of travel has now shifted or where more ambitious resourcing needs to be pursued. We write to you now with an update on those closed recommendations and those which we feel require more time to implement now there is a finalised organisational structure across both digital and commercial functions.

In January, a focused sprint was commissioned to evaluate the strategy, priorities, organisational design, and governance of the DCCoE, to allow us to focus on the most valuable deliverables. The National Cloud Infrastructure Procurement, buy once for the government, is now a key priority, as is the Digital Partnerships activity, with a strong focus on the SME market. A permanent Director of DCCoE started on the 5th May. A commercial deputy director has also been appointed and is leading the National Cloud Infrastructure Procurement, and a new deputy director has been appointed leading on Policy and Delivery.

PAC recommendation 1b: The Cabinet Office and DSIT should, as part of the Treasury Minute response, set out how they will ensure that GCF and the Government Digital Service (GDS) operate on digital commercial matters both individually and jointly, and provide clarity on who leads on relationship management with digital suppliers.

We have revised the status of this recommendation to closed. GCF and GDS have agreed how they will operate on digital commercial matters both individually and jointly. GCF are responsible for delivering the commercial outcomes for these recommendations, GDS via the DCCoE in each of these interventions, is accountable for developing the technical standards, specification, outcome statements and requirements in partnership with GCA, GCF and Departments. This is working in practise via programmes such as the National Cloud Infrastructure Procurement, where commercial and digital resource is also provided directly into the programme team funded by the respective organisation. The process for the strategic management of tier one, tier two and emerging suppliers has been agreed. Cross-government strategic supplier (tier 1) relationships will be led by the GCF, with both the Markets, Sourcing and Suppliers team and customer experience team working closely to coordinate supplier strategies with input from digital and commercial teams across government. Relationships with other significant (tier 2) cross-government digital suppliers with significant use of GCF frameworks will be managed by the GCF supplier management function. DCCoE will lead on engagement with digital Scale-Ups, Emergent, and Small and Medium-sized Enterprises (SME). This will support the UK Business growth agenda through initiatives to drive concept-to-scale for these markets. Where digital suppliers provide key services to one, rather than many departments, these suppliers would be managed by that specific authority (e.g. Ministry of Defence), in line with the Supplier Relationship Management (SRM) programme developed by the MSS team, to ensure consistency.

PAC recommendation 2: The Cabinet Office and DSIT should, in line with their Treasury Minute response, set out: what the Digital Commercial Centre of Excellence is going to do to address the problems with digital commercial activity as well as its published aims for SMEs and startups; and how it will balance its resources and time between activity facing government and suppliers respectively.

In January, a focused sprint was commissioned to evaluate the strategy, priorities, organisational design, and governance of the DCCoE, to allow us to focus on the most valuable deliverables. Responsibility for supplier relationship management has now been clarified, and an approach is being developed to establish a DSIT UK SME and Emerging Technology Engagement Model that supports the business growth agenda. This will set out how the government engages with, supports and signals demand to the UK Emergent, Scale-ups, and SME market in a clear and structured way and will partner with the GCF including the SME Crown Representative. We are prioritising the National Cloud Infrastructure Procurement which will be a key opportunity for us to test this model and develop learnings in real time ready for implementation, further details about this are available at recommendation 6. To date, this has taken some time to navigate due to the scale and ambition of this programme, against the backdrop of the formation of the GCF and DSIT leadership restructure. The programme now has key leadership, commercial, technical and delivery resources in place and so we are requesting an updated implementation date from December 2025 to December 2026 which aligns with our timescales for contract award and will allow us to develop this in real time.

PAC recommendation 3a: The Cabinet Office and DSIT should develop a comprehensive plan for securing the digital commercial skills that government needs, drawing together assessments of priority capability needs, existing capability and skills gaps.

GCF Capability team have agreed a strategic approach and baselined current capability levels and identified available current training provision that will raise capability for those GCF individuals who are not currently at the expert level. We have therefore revised the status of this recommendation to closed. As noted in August's Treasury Minute, GCF Capability identified a three-phased approach to systematically raise the overall capability. Over 5000 colleagues in GCF have completed either phase one or phase two training. The DCCoE is also leading the development of a category-based structure to unify digital skills and capabilities with commercial technical skills, the proof of concept has been tested through a project to centrally buy End User Devices, the learnings from which will continue to be iterated on future projects. The next phase of capability uplift is planned with a governance board implemented to support with giving expert views on these plans. Please see further detail in response 4b below.

PAC recommendation 3b: The Cabinet Office and DSIT should, within 3 months, set out how they will ensure that the playbook is pitched at a sufficient level of detail to be of practical help and cover the whole commercial lifecycle, and who will be responsible for updating it regularly.

We have revised the status of this recommendation to closed. The Market Sourcing and Suppliers Team within the GCF is responsible for the playbook, bringing it up to date with current practices and for adoption across all relevant procurement activities, in line with their regular playbook development. The Digital Suppliers Playbook has been produced and the MSS team is working closely with DSIT to launch the publication.

PAC recommendation 4a: The Cabinet Office and DSIT should, within 6 months, set out how it will ensure that departments have the digital commercial skills and expertise they need, including training, awareness, and whether senior digital commercial specialists are needed in each department.

As noted in August's Treasury Minute, GCF Capability identified a three-phased approach to systematically raise the overall capability and this is now being implemented. We have therefore revised the status of this recommendation to closed. Over 5000 colleagues in GCF have completed either phase one or phase two training and implementation of phase 3 is under way. There has also been a variation to the original phase 3 approach, which is more ambitious than the original remit. We have established the Commercial Digital Capability Board (CDCB)– comprising a subset of commercial directors whose departments have significant digital procurement capability. The board is chaired by the Director for Commercial Capability (GCF) and will provide the lived experience and direction to determine what additional digital procurement capability is needed. The board membership is agreed and the first meeting takes place on 27 May 2026. It will also include a systemic organisational design approach to attract and retain the right digital capability in departments and establish a digital community of practice (COP) to share best practices across the civil service using the proven Transforming Public Procurement COP model.

PAC recommendation 4b: The Cabinet Office and DSIT should, in setting out their response above, explicitly state how they will overhaul the ratio of digital commercial experts relative to the wider commercial function and ensure that the views of digital experts are given due prominence and properly considered throughout the lifecycle of contracting for digital technology.

We have revised the status of this recommendation to closed. Over 5000 colleagues in GCF have completed either phase one or phase two of digital training and we are launching the Commercial Digital Capability Board (CDCB) in May 2026. The DCCoE is working closely with the Technical Design Authority and the Digital Commercial Working Group across government, to ensure the views of digital experts are properly

considered throughout the lifecycle of contracting for digital technology. The National Cloud Infrastructure Procurement is a key example of this, whereby digital and commercial leaders across government have been engaged from the outset and via a joint programme team. This will inform learnings for future large scale digital transformation programmes.

PAC recommendation 5: The Cabinet Office and DSIT should, by Autumn 2025, set out how it will ensure that it has the data and the capability (systems, processes, people) it needs to make more informed decisions about where and how government spends with technology suppliers. This should include data on spending and on the pipeline of supply and demand, to help the centre of government build a more strategic approach to working with technology suppliers.

We have revised the status of this recommendation to closed. The Central Digital Platform (CDP) is improving pipeline data, which supports strategic engagement with suppliers. As of March 2026, there are nearly 3,500 contracting authorities and over 74,000 suppliers registered, as well as 478 registered consortia. Over 66,000 notices have been published in total, with new notices (such as pipeline and transparency notices) providing better foresight and public accountability than previously available. An Observability team has been stood up within DSIT, with responsibility for working with departments, the GCF and suppliers to capture data and generate insights on how much we spend today with technology suppliers.

PAC recommendation 6: The Cabinet Office and DSIT should design a suitable commercial construct moving from the current conceptual level to a more detailed explanation of how things should work, recognising that this is a new cross-government approach with new processes.

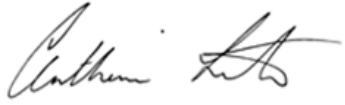
DSIT and GCF piloted a successful central buy concept with an aggregation of End User Devices, which resulted in an 11% cost saving versus the previous best price for similar laptops. This exercise included standardising specifications alongside technical experts and customers, consolidating demand, and shaping our approach to the market, calling on resources and insights from across the government. While this work is no longer the main focus, the demonstration of what is possible was a key learning experience on how to leverage government's buying power and convene a multi-functional team for delivery.

During 2026 we will continue to prove our ability to drive better deals, including a central buy for cloud infrastructure services, via the National Cloud Infrastructure Procurement (NCIP) which will soon be announced. NCIP is being developed as a new, strategic approach to coordinating cloud and infrastructure demand across the public sector. NCIP could underpin £10-40bn of contracts over a 10-year period, giving the government a materially stronger position from which to influence supplier behaviour and investment. We also plan to use this as an opportunity to grow our sovereign cloud and AI infrastructure base. Through coordinating demand across the public sector, government can also expect to drive UK growth by incentivising supplier investment

We would like to request a target implementation date from December 2025 to April 2027 for this work, to allow NCIP to conclude and best practise from this to inform the commercial construct.

We will continue to work together to implement the recommendations of this report, benefiting from our new organisational structures and clear sharing of responsibilities. We look forward to writing to you with another update that will further demonstrate how the digital and commercial professions work together to improve the way the government works with digital technology suppliers for the benefit of the government and the public.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Catherine Little'.

Catherine Little CB

Civil Service Chief Operating Officer & Cabinet
Office Permanent Secretary

A handwritten signature in black ink, appearing to read 'Emran Mian'.

Emran Mian

Permanent Secretary of the Department for
Science, Innovation and Technology (DSIT)