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Contract

Cabinet Office Call Off from Independent Shared Service Centre 2 (ISSC2 Framework)

Cabinet Office

F20: Modification notice

Notice identifier: 2025/S 000-051686

Procurement identifier (OCID): ocds-h6vhtk-058eca

Published 27 August 2025, 4:00pm

Section I: Contracting authority/entity

I.1) Name and addresses

Cabinet Office

70 Whitehall

London

SW1A2AS

Email

commercial@cabinetoffice.gov.uk

Country

United Kingdom

Region code

UKI32 - Westminster

Justification for not providing organisation identifier

Not on any register

Internet address(es)

Main address

<https://www.gov.uk/government/organisations/cabinet-office>

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Cabinet Office Call Off from Independent Shared Service Centre 2 (ISSC2 Framework)

II.1.2) Main CPV code

- 79400000 - Business and management consultancy and related services

II.1.3) Type of contract

Services

II.2) Description

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement at the time of conclusion of the contract:

In December 2012, HM Government published 'Next Generation Shared Services: The Strategic Plan' which set out its proposals for the consolidation, standardisation and simplification of Back Office Transactional Services between and across Central Government to facilitate improvements in the delivery and reduction in the costs of such services, in support of the Government's cost reduction targets.

On 29 March 2013, the Cabinet Office as Framework Authority advertised a notice in the Official Journal of the European Union (2013/S 063-105796 - the 'original framework notice'), its intention to establish a single supplier framework. Pursuant to the advertised notice, and in accordance with the Public Contract Regulations (PCR) 2015, the ISSC2 Framework Agreement was awarded to Shared Services Connect Ltd (SSCL) as the

single Contractor to provide shared business support services including human resources, finance and accounts, payroll and procurement to Crown and other public sector bodies.

This ISSC2 Framework Agreement, therefore, established the basis on which Crown and other public sector bodies were able, during the Call-Off Period, to enter into Call-Off Agreements (called Call Off Order Forms or 'COOFs') with the SSCL for the provision of the shared business support services. ISSC2 Framework Agreement provided the terms and conditions pursuant to which shared business support services were to be provided.

Cabinet Office (the 'Authority') Call Off Order Form (COOF) sourced the provision of shared business support services from ISSC2 Framework Agreement originally commencing from 01/11/2013 to 31/10/2020. The Authority exercised an option to extend the term of the COOF, provided for in the original procurement documents, to 31st October 2023 . It subsequently extended the COOF term for an additional period of 2 years so as to expire on 31st October 2025 .

II.2.7) Duration of the contract, framework agreement, dynamic purchasing system or concession

End date

31 October 2025

In the case of framework agreements, provide justification for any duration exceeding 4 years

The original COOF was awarded for an initial period of 7 years from 01/11/2013 ending 31/10/2020 and, in accordance with the original procurement documents relating to the advertised notice for the ISSC2 Framework, contained an option to extend the COOF term by 3 years up to 31/10/2023. In 2023 the COOF was extended for a further 2 years from 01/11/2023.

Section IV. Procedure

IV.2) Administrative information

IV.2.1) Contract award notice concerning this contract

Notice number: [2013/S 063-105796](#)

Section V. Award of contract/concession

Contract No

C0019

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract/concession award decision:

1 November 2013

V.2.2) Information about tenders

The contract/concession has been awarded to a group of economic operators: No

V.2.3) Name and address of the contractor/concessionaire

Shared Services Connected Limited

Three Cherry Trees Lane

Hemel Hempstead

Country

United Kingdom

NUTS code

- UK - United Kingdom

Justification for not providing organisation identifier

Partnership

The contractor/concessionaire is an SME

No

V.2.4) Information on value of the contract/lot/concession (at the time of conclusion of the contract;excluding VAT)

Total value of the procurement: £100,000,000

Section VI. Complementary information

VI.3) Additional information

<https://www.contractsfinder.service.gov.uk/Notice/6aa0cac9-3256-437a-8c38-a265e38d070b>

VI.4) Procedures for review

VI.4.1) Review body

Cabinet Office

London

Email

commercial@cabinetoffice.gov.uk

Country

United Kingdom

Section VII: Modifications to the contract/concession

VII.1) Description of the procurement after the modifications

VII.1.1) Main CPV code

- 79400000 - Business and management consultancy and related services

VII.1.3) Place of performance

NUTS code

- UK - United Kingdom

VII.1.4) Description of the procurement:

Provision of:

1. shared critical business support services including human resources, finance and accounts, payroll and procurement to Crown and other public sector bodies

2. 'Transition Services' to support the exit from SSCL to the new providers.

VII.1.5) Duration of the contract, framework agreement, dynamic purchasing system or concession

Start date

1 November 2025

End date

30 April 2027

VII.1.6) Information on value of the contract/lot/concession (excluding VAT)

Total value of the contract/lot/concession:

£16,827,000

VII.1.7) Name and address of the contractor/concessionaire

Shared Services Connected Ltd

Three Cherry Trees Lane

Hemel Hempstead

Country

United Kingdom

NUTS code

- UK - United Kingdom

Justification for not providing organisation identifier

Partnership

The contractor/concessionaire is an SME

No

VII.2) Information about modifications

VII.2.1) Description of the modifications

Nature and extent of the modifications (with indication of possible earlier changes to the contract):

The COOF has been modified pursuant to regulation 72(1)(b) of the Public Contracts Regulations 2015 ("PCR 2015") and this notice is published for transparency purposes.

The current COOF with SSCL is due to expire by 31 October 2025 which means business critical services including the capacity to make payments to employees (i.e. payroll) and suppliers would cease. i.e. the business as usual shared business support services unless continued provision could be secured.

The term of the COOF is therefore being extended by a period of up to 18 months to 30 April 2027 to enable exit from the current solution and transition to the new arrangements.

In addition to the modification to the COOF term, the following modifications have been made:

- Revisions to the Exit Schedule to accommodate the approach to exit and transition to the replacement solution.
- Reductions to Unit Prices, fixed indexation, streamlined volume banding and changes to the manner in which minimum purchase volumes will be calculated;
- Enhanced financial transparency obligations;
- An agile change management process to facilitate commissioning of minor changes;
- Provision for payment of certain stranded costs.

VII.2.2) Reasons for modification

Need for additional works, services or supplies by the original contractor/concessionaire.

Description of the economic or technical reasons and the inconvenience or duplication of cost preventing a change of contractor:

In accordance with the published Shared Services for Government (SSfG) Strategy, the Authority is part of the Matrix Cluster. This SSfG Strategy has been progressing as planned since its launch in 2021. Due to collaborative working across the Civil Service, 17 departments and over 100 arms-length bodies have grouped together in 5 clusters, including the Matrix Cluster, to transform the back-office functions of Government. The SSfG will reform and modernise services leading to smarter, cheaper, faster systems across the 5 clusters. As part of the strategy the technology and business process service

elements will be split, in contrast to the current single supplier solution.

The complexity of the implementation of the Matrix Cluster arrangements across multiple departments and the Authority's exit from the incumbent solution provided by SSCL to align to the cluster and split technology and business service approach, means that new shared service systems and solutions will not be fully implemented before the Authority's COOF with SSCL expire in 31 October 2025. Procurements for the replacement ERP and SI have already taken place, and business services will be brought in house.

An extension is required to the existing arrangements because a change of contractor cannot be made for economic or technical reasons and any change would cause significant inconvenience or duplication of costs for a duration of 18 months. The increase in price does not exceed 50% of the original contract value.

The business critical services currently provided by SSCL are dependent on a bespoke operating platform, which incorporates proprietary material and interfaces with numerous other systems. This would need to be re-procured/ replicated in any interim solution and which would necessitate at least some continued reliance on the incumbent supplier, SSCL. The time taken to procure an interim, temporary solution would result in significant duplicative and nugatory cost. There would be insufficient time to exit the SSCL solution, move to the new interim solution and then transition to the solution of the new providers where procurement has already concluded.

A change in supplier without the lengthy handover period would risk the failure in the delivery of the shared business support services which provide payments to employees (i.e. payroll) and suppliers.

Therefore, an extension to the COOF is essential for safeguarding the uninterrupted continuation of the shared business support services and critical operational arrangements, whilst providing the foundation for a safe transition to new and improved shared services under the Matrix Cluster for the Authority.

VII.2.3) Increase in price

Updated total contract value before the modifications (taking into account possible earlier contract modifications, price adaptations and average inflation)

Value excluding VAT: £100,000,000

Total contract value after the modifications

Value excluding VAT: £116,827,000