



HM Treasury

# Treasury Minutes

**Government Response to the Committee of Public Accounts on the Forty-Third to the Forty-Eighth report from Session 2021-22**





# Treasury Minutes

Government Response to the Committee of Public Accounts on the Forty-Third to the Forty-Eighth reports from Session 2021-22

Presented to Parliament  
by the Exchequer Secretary to the Treasury  
by Command of Her Majesty

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## Government Response to the Committee of Public Accounts Session 2021-22

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# Forty-Third Report of Session 2021-22

## Ministry of Justice

### Reducing the backlog in criminal courts

#### Introduction from the Committee

The Ministry of Justice (the Department) is headed by the Lord Chancellor and is accountable to Parliament overall for the effective functioning of the court system. Her Majesty's Courts & Tribunals Service (HMCTS), an agency of the Department, provides the system of support, including infrastructure and resources, for administering criminal, civil and family courts and tribunals in England and Wales and non-devolved tribunals in Scotland and Northern Ireland. The judiciary, headed by the Lord Chief Justice, is constitutionally independent from government. In the year to 30 June 2021 the criminal courts dealt with 1.24 million cases, including more than 90,000 in the Crown Court where the most serious cases are heard. Cases enter the system when a defendant is charged with an offence and are allocated a court date through a process called 'listing', which is a judicial function. The Department and HMCTS cannot intervene in the progress of an individual case.

Based on a report by the National Audit Office, the Committee took evidence on Monday 13 December 2021 from the Ministry of Justice and Her Majesty's Courts and Tribunals Service. The Committee published its report on 9 March 2022. This is the government's response to the Committee's report.

#### Relevant reports

- NAO report: [Reducing the backlog in criminal courts](#) - Session 2021-22 (HC 732)
- PAC report: [Reducing the backlog in criminal courts](#) - Session 2021-22 (HC 643)

#### Government response to the Committee

***1: PAC conclusion: Unacceptable delays to justice for victims, witnesses, and defendants is unlikely to be addressed by the Department's meagre ambition to reduce the Crown Court backlog by less than 8,000 cases by March 2025.***

***1: PAC recommendation: The Department should fully explore with the judiciary what reasonable expectations can be set around how long it should take for a case to be completed in the Crown Court and write to us with its findings within the next six months.***

1.1 The government agrees with the Committee's recommendation.

#### Target implementation date: September 2022

1.2 The criminal justice system is complex with many moving parts, and delays can be caused by any of the parties involved. There are processes in place which must be followed to ensure a fair trial for all. The Ministry of Justice (the department) has published criminal justice scorecards which will allow it to increase transparency across the system and is working with the judiciary and partners across the criminal justice system to improve timeliness. The judicially-led Crown Court Improvement Group is reinvigorating Better Case Management (BCM), and the department is proceeding with the Court Reform programme to make court processes more efficient. The department is working to reduce demand in the Crown Court and improving the wider system capacity, for example, extending magistrates' sentencing powers. More widely, the Spending Review provides an extra £477 million for the Criminal

Justice System as a starting point to help to improve waiting times for victims of crime and reduce the Crown Court backlog to an estimated 53,000 cases by March 2025.

1.3 The department has previously worked with the judiciary to explore the issue of reasonable expectations for case completion times in the Crown Court. This was set out in [Better Case Management](#), a judicially-led initiative introduced in 2016, under which timeframes are set out for each stage of the process regarding preparation for trial. BCM outlines that cases are expected to take 182 days from receipt at Crown Court to start of trial (assuming a non-guilty plea), providing all parties undertake their obligations.

1.4 The department believes the timeframes set out in BCM remain a reasonable expectation, subject to there being sufficient capacity to reduce outstanding cases, and it will discuss this with the judiciary as part of the work set out above to improve timeliness.

1.5 The department will write to the Committee by October 2022 to update on progress.

**2: PAC conclusion: Victims of rape and serious sexual offences are facing unacceptable delays to justice that compound and extend their suffering and lead to too many cases collapsing.**

**2: PAC recommendation: In its Treasury Minute response, the Department should set out its plan to assess the impact of its measures to support victims of rape and serious sexual offences and its progress on recruiting ISVAs.**

2.1 The government agrees with the Committee's recommendation.

#### **Target implementation date: Summer 2024**

2.2 Since publishing the [End-to-End Rape Review Report on Findings and Actions](#) in June 2021, the government has made significant progress in delivering actions to support victims of rape and serious sexual offences. In December 2021, the government published the [first progress report](#) and ['scorecard'](#) on adult rape cases. The progress report sets out the progress made since publication and includes [key actions for the next six months](#).

2.3 On 25 March 2022, the government published the first local scorecards which will allow monitoring of both local and regional progress, generate insights into local disparities, and enable the sharing of best practice to help local criminal justice agencies drive improvement. The government will continue to use the scorecard and progress report to increase public transparency, support local collaboration and monitor progress on the ambition to more than double the number of adult rape cases reaching court by the end of this parliament.

2.4 In addition, following the commitment to increase the number of Independent Sexual and Domestic Violence Advisers funded by the Ministry of Justice from 700 to 1,000 by 2024-25, the department has started the recruitment process for these additional posts. To date, this includes working with Police and Crime Commissioners to establish an up-to-date picture of local need. The department will continue to report its progress on recruiting Independent Sexual and Domestic Violence Advisers through the Rape Review Progress Updates. The department has also recently [consulted](#) on the Victim's Bill, including reviewing what more can be done to strengthen victim advocate roles such as Independent Sexual and Domestic Violence Advisers, reviewing join-up across agencies, standards, guidance and frameworks.

**3: PAC conclusion: We are not convinced that the Department can recruit enough judges to deliver on its ambition to reduce the Crown Court backlog.**

**3: PAC recommendation: in its Treasury Minute response, the Department should set out what specific actions it will be taking to ramp up recruitment while improving diversity in the judiciary.**

3.1 The government agrees with the Committee's recommendation.

**Target implementation date: March 2024** (end of the spending review period)

3.2 Since 2017, the pool of fee paid judges in the courts has increased by 12% and the cadre of Deputy District Judges is 27% larger as laid out in the [judicial diversity statistics 2017](#) and the 2021 [statistics published on Gov.UK](#).

3.3 Recorder recruitment has met or exceeded the original vacancy request in each of the last three years and there are 30 more Deputy High Court Judges than in 2017. The healthier fee-paid pool is key to meeting the need for salaried roles (for which previous judicial experience is a requirement).

3.4 Recruiting sufficient salaried judges has been challenging. Action has been taken on remuneration: the pension reforms from April 2022 resulting in a 17% uplift in remuneration for District and 20% for Circuit Judges; and the Department has adjusted its recruitment approach (for example, reducing from 30 to 15 days the sitting experience required for those applying to be a District Judge). The increase in the judicial retirement age in March 2022 to 75 years will also enable the retention of additional judges. Alongside this, the Department and Judicial Diversity Forum will continue its action to improve judicial diversity as set out in the [Judicial Diversity Action plan](#).

3.5 To meet the needs of court recovery, recruitment for 70 Circuit Judges and 125 Recorders commences in 2022. Should there be shortfalls, these will be mitigated by:

- increasing Recorder recruitment where there are higher numbers of appointable candidates and increasing Recorder sittings. All crime Recorders can sit 80 days in 2022-2023 (rather than usual maximum of 30) and where there is a business justification, the maximum has been raised to 180 days;
- approval of District Judges (Magistrates Court) to sit in the Crown Court; and
- approving Circuit Judges to sit in retirement.

**4: PAC conclusion: We remain unconvinced that the prison system will cope with the likely increase in prisoners given the planned increase in police officers and the Department's work to reduce the backlog in criminal courts.**

**4: PAC recommendation: In its Treasury Minute response, the Department should set out how it is building resilience across the criminal justice system and, crucially, how it will ensure there are enough prison places to meet the expected demand from increased police recruitment and faster recovery in criminal courts.**

4.1 The government agrees with the Committee's recommendation.

**Recommendation implemented**

4.2 The government is committed to building as many prison places as are needed and is currently undertaking the largest prison build programme in a century - investing £3.8 billion to deliver 20,000 modern prison places by the mid-2020s. Her Majesty's Prison and Probation Service (HMPPS) has already delivered around 2,700 of these through a combination of refurbishments, installing temporary accommodation, repurposing the Morton Hall Immigration Removal Centre back into a prison and the opening of HM Prison Five Wells.



4.3 The government continues to invest in critical maintenance projects to ensure as many prison places as possible are kept online and prisoners and staff live and work in a safe environment, as well as recruiting sufficient staff to manage the increase in prison population. Prison demand is sensitive to police activity, including police recruitment, charge volumes and the overall case mix, as well as the rate of recovery in the criminal courts. MoJ continues to monitor court activity and regularly updates its modelling of court recovery to ensure planning is based on the most up-to-date picture of likely demand.

4.4 In December 2021, the department published the [Prisons Strategy White Paper](#), which sets out an ambitious vision for the prison system - one which protects the public by keeping serious offenders in a custodial setting and which also works to tackle the underlying causes of reoffending.

**5: PAC conclusion: Vulnerable users and people from ethnic minority backgrounds are potentially impacted disproportionately by efforts to tackle the Crown Court backlog, which the Department and HMCTS have not done enough to understand.**

**5: PAC recommendation: In its Treasury Minute response the Department and HMCTS should set out their plans to specifically evaluate the experience of victims, witnesses and defendants—particularly those deemed vulnerable and from ethnic minority backgrounds—in criminal courts.**

5.1 The government agrees with the Committee's recommendation.

**Target implementation date: Autumn 2024**

5.2 As part of the evaluation of HM Courts & Tribunals Service (HMCTS) reform, HMCTS will consider the experience of criminal court users. Field work is due to commence in line with implementation stages of the Common Platform, as it seeks to understand how reform is affecting users. Findings from the study are anticipated in Autumn 2024.

5.3 Data on criminal court users' ethnicity and vulnerability (a subset of protected characteristic data) is primarily collected by the police which is the point of entry into the criminal justice system. HMCTS now receives a regular data feed from the police with case information and some protected characteristic data that has been completed by police officers. However, the approach to data collection varies across police force areas and does not align with the most recent harmonised standards for protected characteristics which means the department currently has a partial data set by which to identify these users and evaluate their experience.

5.4 The department is reviewing the current data it receives from the police to establish and document current gaps in the data and understand what improvements and analysis can be undertaken. Any programme to improve data standards and modelling will require a cross system mobilisation involving the Home Office and the police.

5.5 The department will be working with partners across the criminal justice system including the Home Office and the CPS on a programme of work to improve data and will consider how to incorporate recommendations on vulnerabilities and ethnic minorities as part of this wider strategy. The MOJ is also a lead partner in the Better Outcomes through Linked Data (BOLD) programme, which is looking to tackle some of the most complex criminal justice system issues by linking data held across multiple government departments and agencies.

5.6 As referenced in the response to recommendation 6, the local criminal justice system scorecards for all crime and adult rape contain metrics which reflect the government's priorities for the Criminal Justice System. One of these outcomes is increasing victim

engagement and the department will monitor the relevant metrics, including exploring additional ones, to better understand the experience of victims from all backgrounds.

**6: PAC conclusion: We recognise the long overdue move towards bringing data on the criminal justice system together, although it is not clear how the Department will use this to improve performance.**

**6: PAC recommendation: In its Treasury Minute response, the Department should set out how the data it has developed and published will lead to improvements in performance and victims' experiences.**

6.1 The government agrees with the Committee's recommendation.

### **Target implementation date: Summer 2023**

6.2 The first local criminal justice system scorecards for all crime and adult rape were published in March 2022, bringing together data from across the system for the first time. The scorecards will be published on a quarterly basis to increase transparency, increase understanding of the system, and support collaboration particularly at a local level.

6.3 As part of the wider programme of work on the criminal justice system, the department has recently overhauled its governance structures to increase accountability and drive forward progress in priority areas. These groups will be responsible for ensuring the scorecard is a valuable tool which will facilitate a shared cross-system understanding of progress across the system, and support collaboration both at a national and local level.

6.4 In collecting and presenting this data in one place, the government fully recognises the operational independence of those organisations which have provided data. The transparency that the scorecards offer enables collaboration by providing a cross-system view of progress, including measures that matter to victims, such as how long it takes cases to progress.

6.5 Metrics in the scorecard are grouped in priority areas aligning with the outcomes the government commits to achieve, in partnership with criminal justice system agencies: improving timeliness, increasing victim engagement and improving quality.

6.6 The department hopes to improve victim experience and reduce the number of victims dropping out of the system. The scorecards will measure, for example, the percentage of investigations that are closed because a victim withdraws support before an investigation is completed. This will allow the department to ensure that victims are supported in the best possible way whilst they engage with the criminal justice system.

6.7 The department will use the data in the scorecard to identify and understand disparities across local and regional areas, enabling the sharing of best practice to help local criminal justice agencies drive improvements.

6.8 The scorecards represent a transformative change to the way data is used to ensure a common understanding of the criminal justice system. The department has ambitious plans to significantly improve the quality of data, and is currently developing better metrics to measure progress, especially around victim experience. The scorecards are iterative and will be improved as further insights are gained on the indicators which best reflect the whole system.

# Forty-Fourth Report of Session 2021-22

## Department of Health and Social Care

### NHS Backlogs and Waiting Times in England

#### Introduction from the Committee

Elective care is typically provided to people who require specialist assessment or treatment by a hospital doctor following a GP referral. Common elective treatments include operations such as hip and knee replacements and cataract surgery. The legal standard for elective care exists to ensure timely treatment and states that 92% of people on the waiting list should be seen within 18 weeks. Before the pandemic only 83% were being seen within 18 weeks and this was 64% in December 2021. Of the 6 million patients waiting for elective care, 311,000 have now been waiting for more than a year. NHSE&I intended to publish an elective recovery plan by the end of November 2021 but only did so in February 2022.

Because of the importance of early diagnosis and treatment, there are more performance standards for cancer and more points in the patient pathway where waiting times are measured. One of the most important relates to the proportion of urgent GP referrals for suspected cancer seen within two weeks: the operational standard is 85% but performance in 2019–20 was 77% and this had dropped to 67% in December 2021.

Based on a report by the National Audit Office, the Committee took evidence on 15 December 2021 from Department of Health and Social Care and NHS England. The Committee published its report on 16 March 2022. This is the government's response to the Committee's report.

#### Relevant reports

- NAO report: [NHS backlogs and waiting times in England](#) – Session 2021-22 (HC 859)
- PAC report: [NHS Backlogs and waiting times](#) Session 2021-22 (HC 747)
- NHS Report: [Core20PLUS5](#)

#### Government response to the Committee

**1: PAC conclusion: The Department has overseen years of decline in the NHS's cancer and elective care waiting time performance and, even before the pandemic, did not increase capacity sufficiently to meet growing demand**

**1: PAC recommendation: The Department must strengthen its arrangements for holding NHSE&I to account for its performance against waiting times standards for elective and cancer care. This should include specific expectations for improving waiting time performance in 2022–23. The Department should write to us alongside its Treasury Minute response to set out the specific and measurable performance indicators for elective and cancer care it has put in its 2022–23 mandate to NHSE&I.**

1.1 The government agrees with the Committee's recommendation.

#### Target implementation date: Spring 2023

1.2 The mandate to NHS England sets out the strategic goals that the government has set for NHS England in the year ahead. The [2022-23 mandate](#) was published on 31 March 2022. It includes objectives on recovery of wider NHS services impacted by the pandemic, and on further delivery of the NHS Long Term Plan and related wider government commitments.

Further information on the performance indicators is set out in the department's accompanying letter.

1.3 The objective on recovery reinforces the targets set for recovery of elective and cancer waiting times standards in the [NHS Delivery Plan for tackling the COVID-19 backlog of elective care](#) (the 'Elective Recovery Plan') (see also the response to recommendation 2). This includes ensuring that no one (aside from a small number of specific specialties or due to patient choice) waits longer than two years for elective care by July 2022, and that by March 2024 75% of patients urgently referred by their GP for suspected cancer are diagnosed or have cancer ruled out within 28 days.

1.4 The Secretary of State will keep NHS England's progress against the overall mandate under review throughout the year and will lay in Parliament and publish an assessment of NHS England's performance in 2022-23, including in respect of the mandate, after the end of the financial year.

**2: PAC conclusion: At our evidence session the Department and NHSE&I appeared unwilling to make measurable commitments about what new funding for elective recovery would achieve in terms of additional NHS capacity and reduced patient waiting times.**

**2: PAC recommendation: In implementing its elective recovery plan, NHSE&I should set out clearly:**

- **timeframes, costs and outputs of the components of the recovery plan covering elective care and cancer care to 2024–25;**
- **the longer-term investments and plans that are being made now to improve the resilience of elective care and cancer care beyond 2024–25; and,**
- **the national performance levels expected in each year between now and 2024–25**

2.1 The government agrees with the Committee's recommendation.

### **Target implementation date: Spring 2023**

2.2 The government published the Elective Recovery Plan which set out the goals for tackling the elective care and cancer backlogs over the course of the next 3 years. These goals include that waits of longer than a year for elective care are eliminated by March 2025 (aside from specific specialties or due to patient choice) and that 95% of patients needing a diagnostic test receive it within six weeks by March 2025. On cancer, local systems have also been asked to return the number of people waiting more than 62 days from an urgent referral back to pre-pandemic levels by March 2023. The plan is backed by a funding settlement including multi-year capital investment in diagnostics, elective capacity and technology. The investment in diagnostics, elective capacity and technology will all help improve resilience in the longer term. Community Diagnostic Centres (CDCs) will deliver additional, digitally connected, diagnostic capacity in England, providing patients with a coordinated set of diagnostic tests in the community in as few visits as possible, enabling an accurate and fast diagnosis on a range of a clinical pathways. NHSE will deliver up to 100 more community diagnostic centres across the country by 2025. Further detail on this will be set out as plans are finalised and approved, cross-government where appropriate.

2.3 In addition, the published NHS operational planning guidance gives further detail on the deployment of resource in support of these plans. The proposed update to the LTP and the subsequent NHS planning guidance for 2023-24 and 2024-25 will set out further detail when they are published.

**3: PAC conclusion: The NHS will be less able to deal with backlogs if it does not address longstanding workforce issues and ensure the existing workforce, including in urgent and emergency care and general practice, is well supported.**

**3: PAC recommendation: In implementing its recovery plan NHSE&I's should publish its assessment of how the size of the NHS workforce (GPs, hospital doctors and nurses) will change over the next three years, so that there is transparency about the human resources that the NHS has available to deal with backlogs.**

3.1 The government agrees with the Committee's recommendation.

#### **Target implementation date: Spring 2023**

3.2 Ensuring that the NHS has a workforce in the right numbers and with the right skills to deliver service commitments to patients is crucial. The government is already expanding the size of the workforce, aligning workforce planning with service and financial planning and looking at the long-term strategic drivers of workforce demand and supply.

3.3 Following on from expansion over the last decade, growth of the NHS workforce continues to be a priority for this government, alongside supporting the existing workforce to ensure the NHS meets the rise in demand for health and care services. Ensuring the NHS is well staffed, with colleagues well looked after, is a key focus. An example of this, as demonstrated by the manifesto commitment, is to deliver 50,000 more nurses.

3.4 On longer-term workforce planning, in July 2021 the government commissioned Health Education England to work with partners and review long term strategic trends for the health and regulated social care workforce. This will review and renew the long-term strategic framework for the health workforce, to help ensure the NHS has the right numbers, skills, values and behaviours to deliver world leading clinical services and continued high standards of patient care. For the first time ever, the framework will also include regulated professionals working in social care, like nurses and occupational therapists.

3.5 Building on this work the department of Health and Social Care has recently commissioned NHS England and Improvement and HEE to develop a Long-Term Workforce Plan and key conclusions from this work will be published in due course.

**4: PAC conclusion: It will be very challenging for the NHS to focus sufficiently on the needs of patients when it comes to dealing with backlogs, both patients already on waiting lists and those who have avoided seeking or been unable to obtain healthcare in the pandemic.**

**4: PAC recommendation: The Department and NHSE&I must ensure there is a strong focus on patient needs in all their recovery planning, including:**

- **measuring the success of all initiatives to encourage patients to return to the NHS for diagnosis and treatment;**
- **creating guidance and tools, and setting aside resources, for meaningful communication with patients who are waiting; and,**
- **supporting NHS trusts through planning guidance and other means to prioritise patients fairly, so they are able to strike an appropriate balance between clinical urgency and absolute waiting time.**

4.1 The government agrees with the Committee's recommendation.

### Target implementation date Spring 2023

4.2 Delivery of the Elective Recovery Plan, and the initiatives deployed to achieve it, will be closely monitored by both the department and NHSE&I. Please also refer to response to recommendation 1.

4.3 Better information and support for patients is a key part of the Elective Recovery Plan. Providing people and their carers with information and personalised support is central to that ambition and the overall recovery plan. The department and NHSE&I aim to enable people to make informed decisions and be more in control of managing their own care, to reduce the impact of waiting for treatment and supporting recovery after treatment.

4.4 In February 2022, NHSE&I launched the *My Planned Care platform*. This platform allows patients and their carers to access information ahead of their planned appointment, operation, or treatment. The platform will be expanded in the coming months to include personalised information and support for patients on the waiting list to help them stay well while they wait, including advice on how best to manage symptoms.

4.5 On prioritisation, the NHS is prioritising diagnosis and treatment according to clinical urgency and is working to reduce the longest waits as part of the Elective Recovery Plan.

**5. PAC conclusion: *Waiting times for elective and cancer treatment are too dependent on where people live and there is no national plan to address this postcode lottery.***

**5: PAC recommendation: *NHSE&I should investigate the causes of variations between its 42 geographic areas and provide additional support for recovery in those that face the biggest challenges. NHSE&I should write to us in December 2022 on the actions it has taken to address geographical disparities in waiting times for cancer and elective care and include a summary of any analysis it has done on differences in health outcomes for elective and cancer care in different parts of the country since the start of the pandemic.***

5.1 The government agrees with the Committee's recommendation.

### Target implementation date: Spring 2023

5.2 Future demand for elective services has been significantly affected by the pandemic and the government has done extensive work to model a range of scenarios to better understand the levels of 'bounce-back' demand. Modelling estimates that there could be over 7 million patients who did not come forward for treatment so far during the pandemic, a significant proportion of whom may do so in the coming years.

5.3 A number of tools have been made available to regions and systems to support the development of robust activity plans for the remainder of this year, as part of the formal activity planning process for the period. Since September 2020, NHSE&I have published analysis on the recovery of urgent cancer referrals and first treatments by age, sex, ethnicity, and deprivation.

5.4 Support has been provided to address variation in a number of areas such as establishing regional and national cancer teams, collaborative work with Getting It Right First Time (GIRFT), a national programme designed to improve the treatment and care of patients through in-depth review of services, benchmarking, and presenting a data-driven evidence base to support change. Improvements across the NHS in planning and delivery of all services, such as addressing the 104+ week waiters are a key priority along with minimising urgent cancer backlogs.

**6: PAC conclusion: For the next few years it is likely that waiting time performance for cancer and elective care will remain poor and the waiting list for elective care will continue to grow.**

**6a: PAC recommendation: The Department and NHSE&I must be realistic and transparent about what the NHS can achieve with the resources it has and the trade-offs that are needed to reduce waiting lists. In implementing its elective recovery plan, NHSE&I should set out clearly what patients can realistically expect in terms of waiting times for elective and cancer treatment.**

6.1 The government agrees with the Committee's recommendation.

**Target implementation date: Spring 2023**

6.2 The government has been clear that the overall NHS waiting list is likely to worsen prior to improvements and service recovery.

6.3 As set out in the response to recommendation 2, NHS England also published the Elective Recovery Plan in February 2022. This plan sets out a clear vision for how the NHS will recover and expand elective and cancer services over the next three years, and what patients can expect. There are also clear goals and objectives set on prioritisation within the Recovery Plan. This allows better understanding of future demand, with further updates to be provided later in the year.

6.4 All of the above however, is subject to demand and capacity levels similar to pre-covid, whilst also maintaining low levels of Covid across the NHS.

**6b: PAC recommendation: By the time of the next Spending Review at the latest, the Department and NHSE&I should have a fully costed plan to enable legally binding elective and cancer care performance standards to be met once more.**

6.5 The government agrees with the Committee's recommendation.

**Target implementation date: Autumn 2024**

6.6 The Elective Recovery Plan sets out goals for this Spending Review period to use the current funding settlement to maximise elective performance.

6.7 However, as referenced in the response to recommendation 2, there remains both short-term and long-term uncertainty around capacity and demand because of the pandemic and its impact. Ahead of the next Spending Review settlement process, the department will work closely with NHSE&I and other stakeholders to develop funding proposals for the next SR period to be submitted to HM Treasury, using the latest data available at the time.

# Forty-Fifth Report of Session 2021-22

## Department for International Trade

### Progress with trade negotiations

#### Introduction from the Committee

Following the UK's exit from the EU, the UK became responsible for its own international trade policy for the first time in almost 50 years and must now build new trade and investment relationships with global partners. This has included negotiating new free trade agreements (FTAs) which aim to make trade easier between two or more countries by removing or reducing existing barriers to trade and negotiating the roll-over of 33 out of 39 existing EU trade agreements with non-EU trading partners ahead of the EU transition period deadline, representing £185.3 billion of UK trade in 2020.<sup>1</sup> The Department for International Trade (the Department) has overall responsibility for convening these trade negotiations, while other departments provide expertise, lead aspects of the negotiations in their policy areas and provide diplomatic support overseas. For example, the Department for Environment, Food & Rural Affairs (Defra) leads on aspects of the negotiations covering agri-food, sanitary and phytosanitary and animal welfare. The Department is not responsible for the UK's trade negotiations with the EU which were led by the Cabinet Office until December 2021 when responsibilities transferred to the Foreign, Commonwealth and Development Office (FCDO).

Based on a report by the National Audit Office, the Committee took evidence on the 19 January 2022 from the Department for International Trade, The Department for Environment, Food and Rural Affairs and the Cabinet Office. The Committee published its report on the 18 March 2022. This is the government's response to the Committee's report.

#### Relevant reports

- NAO report: [Progress with trade negotiations](#) – Session 2021-22 (HC 862)
- PAC report: [Progress with trade negotiations](#) – Session 2021-22 (HC 993)

#### Government response to the Committee

**1: PAC conclusion: The Department for International Trade faces significant challenges in meeting its target for 80% of UK trade to be covered by FTAs by the end of 2022.**

**1: PAC recommendation: The Department should write to the Committee within 12 months to update on progress with the programme of trade negotiations, including:**

- **progress against the overall target and an updated plan for the future programme;**
- **progress in securing state level market access agreements and the potential value of these; and**
- **impact on the agriculture sector and the UK economy versus forecast from the ending of the US ban on UK beef and lamb imports.**

1.1 The government agrees with the Committee's recommendation.

#### Target implementation date: April 2023

1.2 The United Kingdom has secured trade agreements with 70 countries, partners that accounted for 64% of UK bilateral trade in 2020. The Department for International Trade (the Department or DIT) has a full and ambitious pipeline of negotiations for 2022. The department



will continue to negotiate accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), an enhanced free trade agreement (FTA) with Canada and a new FTA with India. The department aims to begin negotiating a new FTA with the Gulf Cooperation Council, and the enhancement of existing FTAs with Mexico and Israel.

1.3 The UK is ready to progress with a UK-US FTA when the US is ready. In the meantime, the department continues to work with the US on progressing state level Memoranda of Understanding (MOUs). In April 2022, the department concluded the second Joint Dialogue on the Future of Atlantic trade. The department also secured the removal of Section 232 tariffs on imports of UK steel and aluminium products, supporting around 80,000 jobs across the UK.

1.4 This is alongside the ending of the bans on UK beef and lamb exports to the US, which is estimated to be worth £66 million and £37 million of export opportunities respectively over the first five years of the bans being lifted. The department will make use of trade data, as it becomes available, to understand the export trends over time.

1.5 The department is working at pace to deliver the programme but will not sacrifice quality for speed. The department agrees with the Committee's recommendation and will update the Committee within 12 months to update on progress with the programme of trade negotiations.

**2: PAC conclusion: The Department has not set out how it will measure the benefits and outcomes of its programme of trade negotiations.**

**2a: PAC recommendation: The Department should develop a set of clear and measurable outcome-based metrics with targets for its programme of trade negotiations.**

2.1 The government disagrees with the Committee's recommendation.

2.2 However, the department publishes detailed impact assessments that set out its expectations against a wide range of criteria of what the impact of FTAs will be. In addition, the department will publish monitoring reports which will provide DIT's analytical evidence base to inform Parliament, the public and other interested stakeholders on progress and actual benefits.

2.3 DIT has committed, in its impact assessments for the UK-Japan CEPA, UK-Australia FTA, and UK-New Zealand FTA, to publishing a biennial FTA monitoring report.

2.4 DIT's Outcome Delivery Plan (ODP) includes metrics for trade negotiations. DIT will report on progress against each of the ODPs and continue to keep its ODP metrics under review.

2.5 These reports will cover outcome-based monitoring indicators where available. These include changes in trade flows and measures of the utilisation of the agreements. Where possible, they will also discuss the extent to which short term changes can be attributed to the FTA itself rather than wider factors.

**2b: PAC recommendation: The Department should commit to regular reporting of progress to Parliament, including actual benefits and value achieved versus initial forecasts.**

2.6 The government agrees with the Committee's recommendation.

**Target implementation date: From April 2023**

2.7 The department will regularly report on FTA implementation to parliament.

2.8 In DIT's impact assessments for the UK-Japan CEPA, and the UK-Australia and UK-New Zealand FTAs, the Department committed to publishing a biennial FTA monitoring report, which will provide DIT's analytical evidence base to inform Parliament, the public and other interested stakeholders on progress and actual benefits.

2.9 Publishing a biennial report every two years strikes the right balance between timeliness of reporting and allowing sufficient time to show emerging trends.

2.10 These reports will cover key monitoring indicators where available. These include changes in trade flows and measures of the utilisation of the agreements. Where possible, they will also discuss the extent to which short term changes can be attributed to the FTA itself rather than wider factors.

2.11 The department is also committed to publishing a comprehensive ex-post evaluation report for the UK-Japan CEPA, the UK-Australia FTA and UK-New Zealand FTA within 5 years of these agreements entering into force. These evaluation reports will aim to show how, why and for whom the agreements and their implementation have generated outcomes.

2.12 DIT modelling estimates in the impact assessments are not forecasts. DIT intends to deploy a mixed methods analytical approach that aims to make best use of a range of quantitative and qualitative analytical techniques for ex-post evaluation.

2.13 Recent plans, for the UK-Australia FTA, were welcomed by the independent Regulatory Policy Committee (RPC). The RPC stated that the monitoring and evaluation (M&E) proposal was of good quality and considered it critical to understanding the FTA's true long-term effects.

**3: PAC conclusion: The Department is not doing enough to help businesses, particularly SMEs, to take advantage of opportunities offered by new trade agreements.**

**3: PAC recommendation: The Department should write to the Committee within 12 months to set out how it has supported businesses, particularly SMEs, to take full advantage of existing and newly negotiated trade agreements. It should:**

- **regularly measure and report the preference utilisation rate for UK exports (the rate at which exporters use preferential tariffs) for each of its trade agreements.**
- **consider how it can reduce burden and costs for SMEs; and**
- **set out initial progress with its new export strategy.**

3.1 The government agrees with the Committee's recommendation.

### **Target implementation date: April 2023**

3.2 The department will write within 12 months on this recommendation. DIT is already helping businesses take advantage of trade agreements and market openings and is committed to further improving its offer. The department will write to set out how this is being done.

3.3 Supporting small and medium-sized enterprises (SMEs) is a key part of the refreshed Export Strategy, including supporting the department's broader efforts to remove market access barriers. The Export Support Service (ESS) provides cross-government advice and support for exporting to Europe, the Export Academy offers business-led exporting training, and UK Export Finance has expanded its range of lenders, meaning SMEs will be better served in securing new opportunities. The department estimates that of the 7,300 ESS

enquiries received by 20 March 2022, 7,000 have been from SMEs. To ensure the connection with departmental initiatives, ESS will expand globally creating an export system to support all businesses.

3.4 Across all regions and devolved administrations, partnerships with external stakeholders will help inform businesses how to utilise FTAs and develop export plans. Supporting SMEs to understand and access the benefits of FTAs is part of the domestic facing ['Made in the UK, Sold to the World'](#) campaign, which shifts attitudes towards exporting. The Department will continue to deliver missions and events, activating a programme to encourage business-to-business collaboration and utilisation of FTA gains.

3.5 As part of this ongoing work DIT has already launched a new project which will consistently and continually evaluate and improve the department's approach to FTA utilisation. This project will inform the department's work in response to this recommendation.

***4: PAC conclusion: The farming industry has concerns about the effect of significant competition from imported Australian meat, and there is a lack of clarity on the potential environmental impacts from increased trade with Australia.***

***4a: PAC recommendation: Defra should work with the Department for International Trade to monitor the impact of free trade agreements in its policy areas.***

4.1 The government agrees with the Committee's recommendation.

**Target implementation date: From April 2023**

4.2 DIT is committed to using monitoring and evaluation (M&E) findings to ensure that the benefits for businesses, workers and consumers are maximised, and that lessons are learnt which inform the design of the department's future trade policies. DIT will do this while working closely with DEFRA and other government departments.

4.3 DIT has committed to publishing a biennial FTA monitoring report, which will provide the Department's analytical evidence base to inform and engage Parliament, the public and other interested stakeholders, including in the agriculture sector.

4.4 DIT will also work with DEFRA to support agricultural, and food and drink exports. DIT are working collaboratively with DEFRA to establish and launch the Food and Drink Export Council and are supporting DEFRA to establish and recruit a new cohort of agri-food attaches in key markets.

***4b: PAC recommendation: Defra should work with the Department for International Trade to monitor imports closely to make an ongoing assessment of the impact of the Australia FTA on beef and sheep farmers, and set out what support could be provided to those farmers whose livelihoods may be affected.***

4.5 The government agrees with the Committee's recommendation.

**Target implementation date: From April 2023**

4.6 DIT will regularly monitor the impact of the Australia FTA across a range of sectors including agriculture.

4.7 DIT's M&E activities will focus in greater depth on specific sectors notably, where ex-ante analysis or monitoring suggests that they may have been particularly affected by an agreement.

4.8 DEFRA's Future Farming and Countryside Programme offers a range of support to farmers to help them adapt to the seven-year agricultural transition period, which runs from 2021 to 2027. This includes the Farming Investment Fund, which provides grants to improve productivity and bring environmental benefits, and the Future Farming Resilience Fund, which awards grants to organisations who help farmers and land managers to understand the changes to agricultural policy and access tailored support.

**4c: PAC recommendation: Defra should work with the Department for International Trade to monitor the actual transport emissions and other environmental effects resulting from increased trade between the UK and Australia, to determine what action may be needed to ensure that the UK can still meet its climate commitments.**

4.9 The government agrees with the Committee's recommendation

**Target implementation date: From April 2023**

4.10 In line with international obligations, the government will continue to ensure a high level of protection of the environment in new trade agreements. The government shares the public's high regard for the UK's environmental protections and has made clear that it will not compromise on these.

4.11 DIT, working with other government departments including DEFRA, is fully committed to upholding the UK's high environmental standards and ensuring that trade will not come at the expense of the environment or prevent us from meeting the government's ambitious net zero by 2050 climate change target. Trade has a role in supporting these environmental commitments and the department is working bilaterally and multilaterally to achieve these aims. The impact assessments for the UK-Japan CEPA, UK-Australia FTA, and the UK-New Zealand FTA set out the environmental impacts of the agreements.

4.12 DIT will work closely with DEFRA and other government departments to monitor the impact of free trade agreements.

4.13 Along with the department's monitoring commitments, DIT has also committed to publishing a comprehensive ex-post evaluation of the UK-Australia agreement within 5 years of its entry into force. DIT will work with other government departments to assess the impact and effectiveness of the agreement and its implementation. This will cover a range of impacts, including the environment.

**4d: PAC recommendation: Defra should work with the Department for International Trade to consider what lessons can be learned for the approach to the upcoming FTA with New Zealand and other countries in due course.**

4.14 The government agrees with the Committee's recommendation

**Recommendation implemented**

4.15 DIT and DEFRA did indeed learn from the Australia FTA to inform the approach to New Zealand. DIT and DEFRA are committed to a culture and to mechanisms of continuous improvement to inform approaches going forwards and already consider lessons learned from FTA negotiations on an ongoing basis. DIT has recently strengthened its continuous improvement function to ensure that best practice is identified and that key recommendations are fed into the department's standard processes.

4.16 DIT is also committed to using M&E findings to ensure that the benefits for businesses, workers and consumers are maximised. DIT will do this while working closely with DEFRA and other government departments.

**5: PAC conclusion: Parliament and the public are not being provided with clear and transparent information to understand the impact of trade agreements.**

**5: PAC recommendation: The Department should improve transparency and communications around trade agreements and their impacts, to aid understanding and inform scrutiny. As part of this exercise, it should:**

- **explain clearly to Parliament and the public the policy trade-offs, particularly in relation to human rights and environmental priorities, in new FTAs and the potential impact for sectors, businesses and individuals; and**
- **set out clearly the factors and underlying assumptions driving any changes in the forecast benefits**

5.1 The government agrees with the Committee's recommendation.

### **Recommendation implemented**

5.2 The government is committed to a high level of transparency in relation to trade negotiations. The government publishes materials before negotiations launch and after they conclude and is highly consultative prior to and during negotiations across all aspects of interest to stakeholders. Nevertheless, the government strives for continuous improvement.

5.3 The department sets out a strategic case, objectives, and potential economic impacts for each negotiation, engages an advisory network of over 350 organisations and individuals to ensure impacts, trade-offs, and opportunities are understood. Engagement with the new Trade and Sustainable Development Domestic Advisory Group, alongside DIT's Trade Union Advisory Group and Civil Society Roundtable garners input on priorities (alongside public consultations) and trade-offs before negotiations, and supports effective implementation of climate, environment, and labour provisions. DIT's UK and global network undertakes thousands of interactions each month with stakeholders on top of communicating updates regularly during negotiations, alongside the department's already strong Parliamentary scrutiny, including through relevant committees, as referenced in Recommendation 6. Once negotiations conclude, the department explains to stakeholders what has been agreed and publishes explanatory information on the impact of agreements, e.g. macro-economic impact, sectoral impacts, impacts on UK regions and impact on the environment.

5.4 The department constantly reviews its economic analysis methodologies to reflect global best practice. The referenced GDP increase in the Australia FTA impact analysis reflects updates to the modelling methodology, clearly explained in page 25 of the published impact assessment. The changes were informed by the Modelling Review Expert Panel and the impact assessment has been scrutinised by independent experts at the Regulatory Policy Committee, who gave a green rating.

5.5 The department seeks the views of the public through tools including the [Public Attitudes to Trade Tracker](#), which is designed to be representative of the UK population. In its fourth wave 4,009 members of the UK public were interviewed. Survey findings are used to guide communication to support better understandings of trade and trade policy.

**6: PAC conclusion: The Department has not done enough to support effective Parliamentary scrutiny of trade agreements.**

**6: PAC recommendation: The Department should make further commitments that would support robust and timely Parliamentary scrutiny. These should include providing the International Trade Committee and the House of Lords International Agreement Committee with the negotiating objectives, under privileged access, at the outset of the negotiations, providing oral updates at regular points on a trusted basis, and sharing any other key information in sufficient time for scrutiny.**

6.1 The government agrees with the Committee's recommendation.

#### **Recommendation implemented**

6.2 The government publishes, and provides to the relevant select committees, its strategic approach to each new FTA at the outset of negotiations; this includes negotiation objectives. This is published alongside the response to the public call for input, and an initial scoping assessment. The government remains committed to sharing these documents with the relevant select committees in advance of publication where time allows.

6.3 Furthermore, the government provides oral updates to the relevant select committees and is happy to reiterate its offer to make Chief Negotiators available to brief the committees in private should they wish. In 2021, the department's ministers and senior officials briefed the International Trade Committee on 17 occasions, six of these times specifically focussed on Australia and New Zealand FTA negotiations. The government always endeavours to share relevant information with the Committees where possible, whilst being mindful of the need to protect UK negotiating interests and the Department's negotiating partners' legitimate expectations of confidentiality.

6.4 Nonetheless, the government will continue to review arrangements, ensuring they remain fit for purpose.

## Forty-Sixth Report of Session 2021-22

### Cabinet Office, the Department of Health and Social Care, and HM Treasury

#### Government preparedness for the COVID-19 pandemic: lessons for government on risk

##### Introduction from the Committee

The scale and nature of the COVID-19 pandemic and the government's response are without precedent in recent history. Many people have died and many lives, families and businesses have been adversely affected. The pandemic has tested the government's plans to deal with unforeseen events and shocks and demonstrated the risks to which UK citizens are exposed. The government will need to learn lessons from its preparations for, and handling of, these risks to improve the identification, assessment and response to future risks that affect the whole system.

Based on a report by the National Audit Office, the Committee took evidence on 12 January from the Cabinet Office and the Department of Health and Social Care. The Committee published its report on Wednesday 23 March 2022. This is the government's response to the Committee's report.

##### Relevant reports

- NAO report: [The Government's preparedness for the COVID-19 pandemic: lessons for government on risk management](#) – Session 2021-22 (HC 735)
- PAC report: [Government preparedness for the COVID-19 pandemic: lessons for government on risk](#) – Session 2021-22 (HC 952)

##### Government response to the Committee

**1: PAC conclusion: We are concerned that, if the government does not learn lessons on leadership and oversight for whole system risks, this may come at a high cost to individuals, the economy and society in the future.**

**1: PAC recommendation: The Cabinet Office and HM Treasury should set out how they intend to introduce robust cross-government leadership and oversight for whole-system risks. In particular, government should establish a Chief Risk Officer to consider cross-cutting risks in government and proactively manage the identification and resolution of system-wide concerns. This role should:**

- **be independent and have sufficient seniority to not only provide professional leadership and expert advice across the risk profession but also advise and constructively challenge senior leaders in government;**
- **have the authority to establish strategic direction and coordination and integration of resources to ensure government has the necessary risk management expertise, skills and capabilities to respond to system-wide risks;**
- **work cohesively with functions and departments to ensure risk management is joined-up across the functional agenda and aligns with national priorities;**
- **engage with senior leaders in the public, private sector and international community to continually improve government's approach to enterprise and system-wide risk management;**

- *be equipped with a fit-for-purpose supporting infrastructure to execute this role effectively; and*
- *operate in cross cutting Government roles akin to the model of the Chief medical and scientific officers.*

1.1 The government agrees with the Committee's recommendation.

### **Recommendation implemented**

1.2 A new Senior Civil Service role has been established as the Head of the Government Risk Profession and, following an external competition, an experienced risk professional has been appointed and will take up this position from May 2022. They will lead the implementation of the [Risk Management Strategy and Delivery Plan](#) shared with the Committee on 31 January 2022. This plan includes taking action over the next 3 years to:

- Build and embed a compelling narrative about what risk management is, and why it is important for different stakeholder groups, including the Civil Service leadership;
- Develop a learning and accreditation offer for risk professionals, and a training offer for non-risk professionals;
- Continue to improve risk reporting to the Civil Service Board;
- Identify and implement improvements to processes for departments and functions working together and sharing information as appropriate, to ensure that this work is effective, efficient and timely in identifying risks and mitigation strategies; and
- Provide expertise and resources on risk management, and embed high-quality risk management in governance, assurance, policy design and allocative processes, in departments and arm's-length bodies.

The Head of Risk will work collaboratively across senior stakeholders to deliver the plan.

1.3 The government is committed to further improving leadership and oversight on the risks of national emergency, as described in the National Security Risk Assessment (NSRA). The forthcoming Resilience Strategy in Summer 2022 will set out the government's approach to cross-government ownership and management of civil contingency risk. Any change must strengthen and complement existing and well-tested accountability structures and avoid unintentionally diminishing the accountability of those most responsible for managing risk. The government will give further consideration to the concept of a Government Chief Adviser for civil contingency risk as part of the Resilience Strategy work.

**2: PAC conclusion: *The pandemic has demonstrated variability in departments' risk management.***

**2: PAC recommendation: *The Cabinet Office and HM Treasury should set out what they intend to do to ensure that there is sufficient uniformity in departments' high-level interpretation of and alignment to the principles of the Orange Book. As part of this, the Cabinet Office should set out how it will ensure that departments have a shared understanding of the government's tolerance for the impacts of major risks, including what levels of impact are acceptable and what levels of impact require mitigation.***

2.1 The government agrees with the Committee's recommendation.

### **Target implementation date: Spring 2022**

2.2 The government is committed to the development of a training programme for risk professionals (expected by September 2022) and non-experts (expected by Spring 2023), which will help ensure that the application of the principles in The Orange Book is well



understood across departments. In addition, the Risk Centre of Excellence has published a number of pieces of guidance to help officials apply the Orange Book in practice (for example, [guidance on risk appetite](#), published in August 2021). From April 2022 the government has revised reporting of principal risks to the Civil Service Board (CSB) to better reflect an assessment of risks outside appetite and management strategies to address them and will continue to refine this approach with the CSB and departments in each quarter. The steps set out in the Risk Management Strategy and Delivery Plan that we shared with the Committee on 31 January 2022, to better integrate risk management into wider government processes over the next 2-3 years, will also include embedding the active use of clear risk appetites.

2.3 The National Security Risk Assessment (NSRA) sets out the government's understanding of the most serious malicious and non-malicious risks facing the UK. The NSRA process involves government departments and assessment bodies, Chief Scientific Advisers, Local Resilience Forums, Devolved Administrations and a range of external experts. It identifies the common consequences of risk scenarios, and the Civil Contingencies Secretariat develops the National Resilience Planning Assumptions (NRPAs) to outline the capabilities needed to manage impacts. The NSRA and the NRPAs are shared with departments, Local Resilience Forums and Devolved Administrations to ensure a shared understanding of risks and response requirements. The 2022 NSRA is currently underway and is set to be completed in late Spring.

2.4 Responsibility for the management of resilience risks, including ministerial ownership of and input into risk tolerances, will continue to be the responsibility of departments under the Lead Government Department principle.

**3: PAC conclusion: There would be significant benefits in improving the public's awareness of the main risks facing the country and what government is doing about them.**

**3: PAC recommendation: The Cabinet Office should set out how it plans to increase public awareness of the main risks facing the UK. It should also report annually to Parliament:**

- **on what actions government has undertaken during the year to mitigate the risks covered by the catastrophic emergencies programme and provide an assessment of government's preparedness for each risk;**
- **what changes Government in making as a result of its consultations on National resilience; and**
- **what lessons Government had learnt about how to effectively communicate during the pandemic.**

3.1 The government agrees with the Committee's recommendation.

**Target implementation date: Summer 2022**

3.2 The National Risk Register (NRR) provides a public overview of the key risks that have the potential to cause significant disruption in the United Kingdom and is based on the classified NSRA. The forthcoming Resilience Strategy will set out how the government intends to build on the NRR to better communicate risk to the public, including through enhanced Parliamentary reporting and debate, and improved public access to information about risk.

3.3 With regards to lessons learned during the COVID-19 pandemic, quantitative and qualitative assessments of public awareness and attitudes, the impact of communications activity, and other insights from key audiences were continually gathered throughout the pandemic to inform and optimise the response in real time and learn lessons for the future.

3.4 For example, drawing on evaluation and audience insights, DHSC supplemented Downing Street press conferences with a range of credible clinical and scientific voices to boost public trust and support key messaging. Utilising insights from a range of sources, DHSC tailored communications campaigns to enhance engagement with youth, minority and geographically diverse communities. Insights on barriers to COVID-19 vaccine uptake also informed the rollout of resources, such as the provision of key educational and explainer content in up to 28 languages and formats.

**4: PAC conclusion: The pandemic has highlighted the critical role of international collaboration for managing the risks that the UK faces.**

**4: PAC recommendation: Government should set out how it intends to drive greater international collaboration on risks, including exchanging information on threats, promoting and integrating mutual learning and coordinating responses across borders.**

4.1 The government agrees with the Committee's recommendation.

#### **Recommendation implemented**

4.2 The government is working to build on the UK's existing international collaborations including strong bilateral and multilateral relationships, to drive greater and broader collaboration on the global stage. The UK plays an active role in multilateral fora (such as G7/G20, WHO, NATO and the UN) that exchange best practice and mutual learning on risk, and with bilateral partners. During the UK's 2021 G7 Presidency, the government secured commitments on critical global health risks and is now working closely with the German 2022 G7 Presidency including on Goal 3: enhanced preparedness for healthy lives. The government continues to support the Global Health Security Initiative (GHSI), an informal international partnership founded in 2001 to strengthen public health preparedness for a range of risks including CBRN threats.

4.3. The UK plays a global leadership role on health security and is engaging with the WHO on critical issues to support cross-border coordination, including a proposed instrument on pandemic preparedness. UKHSA provides expert input to WHO on public health and strengthening global health security architecture, including through the International Pathogen Surveillance Network. The government funds the One Health Intelligence Scoping Study, to help strengthen existing surveillance systems and harmonise information systems amongst international organisations.

4.4 The government continues to promote rapid intelligence sharing across the broadest possible range of partners, building on existing agreements such as the health security arrangements agreed as part of the Trade and Cooperation Agreement, which support effective UK-EU information sharing in the event of a serious cross-border threat to health.

**5: PAC conclusion: Government would have been better prepared for COVID-19 if it had applied learning from previous incidents and exercises.**

**5: PAC recommendation: The Cabinet Office should set up a cross-government process to capture learning for emergency preparedness and resilience from exercises and actual incidents, including COVID-19, and to allocate clear accountabilities for applying learning. It should report annually on the implementation of each learning point.**

5.1 The government agrees with the Committee's recommendation.

## Recommendation implemented

5.2 There are existing structures, platforms and processes to capture and share lessons identified from exercises and operations, notably, the Joint Organisational Learning (JOL) system, overseen by the Joint Emergency Services Principles (JESIP) team. Through JOL the Home Office and Cabinet Office collate, validate and promulgate lessons from both local and national emergencies. Additionally individual programmes, such as the Home Office Counter Terrorism (CT) Exercising Programme, performs the same function within the CT domain. This is ongoing.

5.3 The government commits to evaluate options to expedite the sharing of lessons at a suitably early stage after they are identified; achieve greater coherence between existing platforms to ensure lessons are shared across and not just within domains; and more effectively track lessons identified through into action to either make recommended changes, take other action, or formally determine that no action will be taken. The extent to which the detail of lessons can be shared publicly will depend on the sensitivity of the risk, but the Resilience Strategy will include proposals to improve both the public reporting on risks and the actions being taken to mitigate them.

5.4 Prior to COVID-19, the government had applied learning from a range of incidents and exercises, which increased our preparedness for the current pandemic in many areas. Exercises at both the national and local levels continue to form an essential element of developing and assuring our preparedness plans and policies.

5.5 The cross-government Pandemic Diseases Capabilities Board is actively reviewing the capabilities built for the acute phase of the COVID-19 pandemic response, to ensure that relevant capabilities can be prepared for future deployment, building upon the legacy and lessons of the COVID-19 pandemic response and in line with our new strategic approach to pandemic preparedness.

5.6 The UK COVID-19 Inquiry has been set up to examine the UK's preparedness and response to the COVID-19 pandemic, and to learn lessons for the future. The inquiry will be chaired by Baroness Hallett and draft [Terms of Reference](#) were published on 10 March 2022.

**6: PAC conclusion: Government's slow progress in improving data quality and completeness has hampered its preparedness for this and future pandemics.**

**6: PAC recommendation: The Cabinet Office should set out its assessment of the areas in which the data collected by the National Situation Centre are in greatest need of improvement and what it plans to do to implement those improvements. As part of this response, government should set out how it plans to retain access to the social care data required to respond to future pandemics.**

6.1 The government agrees with the Committee's recommendation.

### Target implementation date: Autumn 2022

6.2 The newly established National Situation Centre (SitCen) became operational on 30 September 2021 bringing together data and expertise from across government, and externally where appropriate. The National Strategic Risk Assessment (NSRA) is the framework which SitCen uses for identifying, acquiring and prioritising data. The 2022 NSRA refresh is the first to take place since SitCen's establishment. It will be used to broaden and deepen the government's crisis-related data holdings and analytical expertise.

6.3 Strengthening government's crisis-related data holdings is a standing, permanent objective for SitCen. SitCen has made significant progress since its operational launch, and that trend should continue. Its officials will work with their counterparts in risk-owning

departments to ensure data, analysis and expertise required for crisis response is strengthened across government as a whole. This will include data required to respond to future pandemics.

6.4 SitCen has established relationships with data, analytical and topic experts in DHSC, the UK Health Security Agency and the Office for National Statistics to provide insight across a range of health and social care risks and impacts, including those from future pandemics. It is expected that access to the social care data which was collected to monitor COVID-19 impacts will continue for as long as these data collections remain in place. The SitCen will be given access to relevant monitoring data if future circumstances require.

# Forty-Seventh Report of Session 2021-22

## Department for Education

### Academies Sector Annual Report and Accounts 2019/20

#### Introduction from the Committee

The Academy Sector Annual Report and Accounts (SARA) presents the consolidated financial results of academy trusts, of which there were 2,743 open at 31 August 2020. Academy trusts may be formed of one or more academy school. Academy trusts are charitable bodies and have more freedoms and responsibilities than local authority maintained schools. For example, they are responsible for setting staff pay and conditions, determining their own curriculum, and are directly responsible for their financial and educational performance. Academy trusts are required to produce a set of accounts annually that are subject to external audit. Academy trusts are directly funded, and accountable to, the Department for Education via the Education and Skills Funding Agency. The sector reported £31.3 billion of income during 2019/20, including £26.8 billion of grants from the Department.

The Department aims for all schools to be part of a family of academy trusts. The academies sector continues to expand, with 9,200 academy schools open during the year to 31 July 2020, compared with 8,728 in the previous year. More of these schools are joining other academies to form multi-academy trusts. The average number of academies in a multi-academy trust was six during 2019/20. The biggest multi-academy, the United Learning Trust, now stands at 76 schools. The COVID-19 pandemic has slowed growth in the sector, which is taking longer for maintained schools to convert to academies.

The 2019/20 SARA is the fifth set of sector accounts. The Comptroller and Auditor General has qualified their opinion of previous accounts due to uncertainty over the valuation of land and buildings within the academy estate. The Department has since introduced its own programme of revaluations using qualified surveyors, which has addressed these historic issues and ensured the accuracy of the £56.3 billion value of land and buildings held within the academy estate.

Based on a report by the National Audit Office, the Committee took evidence on 25 January 2022 from the Department for Education and the Education and Skills Funding Agency. The Committee published its report on 25 March 2022. This is the government's response to the Committee's report.

#### Relevant reports

- DfE report: [Academy schools sector in England: consolidated annual report and accounts, 2019/20](#) which includes the Parliamentary Accountability and NAO Audit Report – Session 2021-22 (HC 851)
- PAC report: [Academies Sector Annual Report and Accounts 2019/20](#) – Session 2021-22 (HC 994)

#### Government response to the Committee

**1: PAC conclusion: The Department for Education has not yet set out how it will deliver its ambition to establish a fully academised school sector that best supports pupils.**

**1: PAC recommendation: When the Department publishes its Schools White Paper it should be clear about its plan for full academisation. The plan should clearly set out the Department's overall timetable, milestones and measures of success for academisation, and how the Department will:**

- **Ensure academisation achieves the intended outcomes for all pupils across all regions;**
- **Have a plan to support schools that may be less attractive to sponsors; and**
- **Ensure clear and effective due diligence prior to a maintained school converting to an academy, that takes into account geographic variations and access to learning provision.**

1.1 The government agrees with the Committee's recommendation.

**Target implementation date: Summer 2022**

1.2 The Department for Education (the department) published the Schools White Paper, [Opportunity for all](#), on 28 March 2022. The fourth chapter sets out a clear timeframe to achieve a fully trust-led system, with all schools to be in or joining a strong multi-academy trust (MAT) by 2030.

1.3 This will be achieved through growth of strong trusts and the establishment of new ones, including trusts established by local authorities (LAs). The department will take a single regulatory approach, launching a regulatory review in May 2022 and, for the first time, setting out the definition of a strong trust. The success of MATs in delivering against the definition of a strong trust as set out in the Schools White Paper will be the basis for transparent assessments of their potential for growth.

1.4 The department will set out plans which will provide further detail on the pathway to a fully trust-led system, after further engagement with the sector.

1.5 The department is working with Falcon Education Academies Trust and St Joseph's Catholic MAT to pilot a new approach for schools that, for various reasons, cannot be placed with a strong MAT sponsor. The White Paper sets out policies to remove barriers that are preventing schools from benefiting from the support of a strong trust. LAs will be able to establish new strong trusts, and church and faith schools will have their unique ethos protected as they join or form trusts. Regional Directors will engage local partners to determine the best way to develop a strong trust landscape that suits their area – investing up to £86 million over the next three areas in building trust capacity, focused particularly in Education Investment Areas.

**2: PAC conclusion: The Department does not fully understand the causes of variability within the financial performance of academy schools, and consequently may not know how to best protect the education for pupils taught in financially struggling academies.**

**2: PAC recommendation: The Department should systematically investigate, and better disclose within the next Academy Sector Annual Reports and Accounts, the underlying reason for the variation in the financial health of academies.**

**It should, within six months write to us to explain how it will improve its understanding of the variation in the financial health of academy schools and determine whether further interventions are required to support the financial sustainability of academy schools.**

2.1 The government disagrees with the Committee's recommendation.

2.2 The national funding formula, introduced in 2018-19, distributes funding to schools fairly, regardless of geographical location. The formula does not discriminate between maintained schools and academies. The formula is updated annually based on schools' and pupils' characteristics.

2.3 The primary responsibility for the financial management of academy schools rests with their academy trust, with a clear framework set out in academy trusts' Funding Agreements, the Academy Trust Handbook and Academies Accounts Direction. Academy trusts' accountability is rigorous, with trusts' audited accounts providing information on the financial health of the trust and individual academy costs.

2.4 The department is not able to introduce significant new analysis into the 2021-22 Academies Sector Annual Report and Accounts (SARA), as its contents are already being finalised. The department has committed to undertake research into the impact of financial pressures on schools, in its response to recommendation 3 of the [Committee's Forty-Second report on the Financial Sustainability of Schools in England](#). The 2022-23 SARA will include the outcomes of this research.

2.5 The department already has an effective assurance programme for academy trusts: trusts must submit their audited accounts and auditor reports, three-year budget forecasts, information about related party transactions and new trusts financial management and governance self-assessments.

2.6 The department uses this information, along with other local intelligence to monitor academy trusts' overall financial health. Given the complexity of these factors, this is undertaken on an individual basis. In each case, the department takes a risk-based approach, working with the individual academy trusts to support and intervene proportionately on the rare occasions when needed.

**3: PAC conclusion: The Department still does not understand well enough the conditions of the school estate, meaning it does not know whether pupils have access to the learning facilities they need.**

**3: PAC recommendation: The Department should, within the next year, collect and publish data on pupils' access to learning facilities, and the condition of such amenities, for example IT provision, science and technology labs, arts facilities and associated equipment. The Department should report how much capital investment is required to provide all pupils with access to such core facilities.**

3.1 The government disagrees with the Committee's recommendation.

3.2 The department has noted the Committee's recommendation. The department recently piloted central delivery of Net Capacity Assessments (NCA), which assess the teaching space (size, type and use of rooms) in individual schools. It is developing plans to roll-out centralised delivery of NCA across secondary and special schools from 2023. As well as providing a more up-to-date and accurate picture of capacity, there will be opportunities to explore joining-up NCA and condition data to improve the department's intelligence on the quality of provision across the estate.

3.3 All new buildings delivered by the department provide suitable accommodation built to high standards. The department recognises that the suitability of buildings can be a particular challenge for pupils with special educational needs and disabilities (SEND). £2.6 billion has been committed over the next three years to provide new places and make existing provision suitable and accessible for children and young people with SEND or who require alternative provision.

3.4 The department, however, continues to prioritise ensuring sufficient school places and that the estate remains in a safe, operational condition. That is why both departmental and local authority resources are focused on collecting essential data to support these priorities. In addition to collecting annual school capacity data, the department has significantly improved its understanding of the condition of the school estate, collecting consistent, comparable data through the Property Data Survey (2012-2014) and the Condition Data Collection (2017-19). The department has published summary findings from these surveys and shared detailed reports with schools and their responsible bodies. The Condition Data Collection 2 is collecting updated data through to 2026.

**4: PAC conclusion: We continue to be concerned about the Department's understanding of asbestos within the school estate.**

**4: PAC recommendation: The Department should urgently chase the remaining 7% of schools who are yet to respond to the asbestos management survey. The Department should write to the Committee within six months setting out its full understanding of asbestos across the estate, detailing the asbestos risk arising from the non-responders, along with its plans to manage the asbestos risk in schools.**

4.1 The government agrees with the Committee's recommendation.

**Target implementation date: September 2022**

4.2 The asbestos management survey (AMAP) was a voluntary survey launched in 2018. The vast majority of schools chose to participate in the process. The department followed up several times throughout the process with those who had not responded. It published a report of overall findings in 2019 which did not identify any systemic issues with the management of asbestos across the estate. In July 2021, the department wrote again to the remaining non-responders, and AMAP closed in November 2021. The department is sharing details of remaining non-responders with its regional teams and the Health and Safety Executive (HSE) to inform their risk-based approach to compliance, including their future programme of inspections.

4.3 In addition, all schools in England are currently being visited through the second Condition Data Collection programme (CDC2), which includes a preliminary meeting to check whether schools are complying with the Control of Asbestos Regulations 2012. A comprehensive picture of this information across all schools in England will be available when final CDC2 data is published. In the meantime, the department will give a progress update to the Committee in September 2022.

**5: PAC conclusion: We are concerned that the Education and Skills Funding Agency's decision to use public money to prop up trusts in difficulty fails to address poor financial management within academy trusts.**

**5: PAC recommendation: The Education and Skills Funding Agency should within the Treasury Minute response, set out the criteria it uses to determine whether it is appropriate to provide additional funding to academy trusts in difficulty, or to write-off an academy's debt.**

5.1 The government agrees with the Committee's recommendation.



## Recommendation implemented

5.2 Local authorities provide a support mechanism for maintained schools in financial difficulty, while the department is responsible for supporting academies in financial difficulty.

5.3 Academy trusts are responsible for managing their own finances and should have the leadership and management capability to resolve any issues themselves. The Education and Skills Funding Agency (ESFA) works closely with academy trusts and will support and challenge them to find the best outcome. Before any additional support is provided, the department expects academy trusts to make use of all support and tools and have a plan to address financial concerns.

5.4 In the most serious cases, and as a last resort, the ESFA may provide additional funding to preserve education provision. Academy trusts are expected to repay any additional funding once they have reached a stable financial position, and non-repayable funding is only used where there is no other means to protect pupils' interests.

5.5 Provision of additional financial support is transparent. A [framework for receiving additional financial support](#) was published in November 2019. This framework sets out the different types of financial support available to academy trusts and for each type:

- the eligibility criteria;
- the potential conditions of funding; and
- how the conditions of funding may vary depending on the value of funding.

5.6 Annual data on the provision of financial support, against this framework, is published alongside the Academy Sector Annual Report and Accounts, with further details set out in the ESFA annual accounts.

**6: PAC conclusion: We are concerned that the Department's approach to monitoring the skills and experience of academy leaders, and the lack of remedial action for leaders of failing academies, risks further failures across the sector.**

**6.: PAC recommendation: The Department should write to the Committee within six months detailing how it will better identify and address cases of failed leadership within academies. This should include how it will ensure the necessary lessons are learned to avoid similar incidents from occurring in future elsewhere in the sector.**

6.1 The government agrees with the Committee's recommendation.

### Target implementation date: September 2022

6.2 There is already a robust regime in place for prohibiting unsuitable individuals from participating in the management of independent schools, including academies. The government will also be making regulations under section 19(7)(c) of the [Skills and Post-16 Education Act 2022](#) to prevent trust leaders judged to be unfit from moving to elsewhere in the education system. Where an individual is currently subject to a direction prohibiting them from participating in the management of an independent school they are also excluded from accessing a range of ESFA funding in accordance with the published [Funding higher risk organisations and subcontractors policy](#).

6.3 In that document, the department has continued to improve its mechanisms for assessing the risk of trust failure. Furthermore, the Schools White Paper sets out plans for the better regulation of trusts, including a set of statutory standards underpinned by new intervention powers. The White Paper announced the launch of a regulatory review in May

2022 looking at all aspects of trust accountability and regulation. In conducting the review, the department will have regard to the issues raised by the Committee. The department will write to the Committee by September 2022 with a full response.

# Forty-Eighth Report of Session 2021-22

## HM Revenue and Customs

### HMRC's management of tax debt

#### Introduction from the Committee

HMRC collects tax on behalf of the government, including chasing payments from taxpayers who do not pay their tax on time. On 20 March 2020, the Chancellor announced that, to help support self-employed people and businesses, payments of Self Assessment Income Tax due on 31 July 2020 and VAT payments due between 20 March and 30 June 2020 would be deferred until 31 January 2021 and 31 March 2021, respectively. As the economy went into lockdown, HMRC also paused most of its debt collection activity, sending fewer letters and ceasing field collection and enforcement activity almost entirely.

The wider economic impact of the pandemic, and HMRC's decision to suspend most debt collection, has led to large increases in the amount of tax owed to HMRC. Tax debt increased from around £16 billion in January 2020 to a peak of £67 billion in August 2020, including deferred payments. This was far in excess of levels seen in the previous 10 years, although tax debt has reduced since then (to £39 billion as at 30 November 2021). Before the COVID-19 pandemic, HMRC managed around 3.8 million taxpayers in debt. But the pandemic, and associated restrictions, saw the number of tax customers in debt increase to around 6.2 million in September 2021.

Based on a report by the National Audit Office, the Committee took evidence on 17 January 2022 from HMRC. The Committee published its report on 26 March 2022. This is the government's response to the Committee's report.

#### Relevant reports

- NAO report: [Managing tax debt through the pandemic](#) - Session 2021-22 (HC799)
- PAC report: [HMRC's Management of tax debt](#) - Session 2021-22 (HC 953)

#### Government response to the Committee

**1: PAC conclusion: We are not satisfied that HMRC has a clear plan to tackle the mountain of tax debt which has built up during the pandemic.**

**1: PAC recommendation: Within the next six months, HMRC should develop, and share with the Committee, a plan to manage the increased levels of debt back down to pre-pandemic levels within a specific timeframe. The plan should include:**

- **Long-term forecasts for tax debt, including the target levels it will achieve at the end of each financial year with its planned resources.**
- **Far more transparency about the level of write-offs and remissions HMRC is providing for. In particular, in what financial year the tax debts written off and remitted in each of the past five years were incurred, and HMRC's targeted levels of write-offs and remissions over the next five years.**
- **Contingency arrangements, detailing how HMRC will manage debt levels, and write-offs and remissions, under a range of scenarios, including if further variants of COVID-19 emerge.**

1.1 The government agrees with the Committee's recommendation.

## Target implementation date: September 2022

1.2 HMRC (the department) acknowledges it needs to communicate its plan to manage the currently elevated debt balance. Its approach is to collect debts, taking into account taxpayers' circumstances and making sure repayments are affordable. HMRC's consistent message to taxpayers is simple: if you can pay your taxes, you should do so – but if you're struggling, we will listen and do our best to support you.

1.3 The government recognises that the debt balance is partly driven by broader economic factors beyond HMRC's control. Therefore, the priority is engaging with individuals and businesses and bringing as much of the debt balance as possible into a managed position, such as a Time to Pay instalment arrangement, rather than targeting a specific debt balance value.

1.4 HMRC does not target levels of write-offs or remissions. They both occur when the relevant criteria are met and are affected by broad factors outside HMRC's control, such as the level of insolvencies in the economy. However, HMRC will share its expectations of revenue losses in the coming years in its plan, which will be shared with the Committee by September 2022. More information will be published in HMRC's upcoming Annual Report and Accounts.

1.5 HMRC responded quickly to the pandemic by temporarily pausing proactive debt collection activity, changing communications to ensure they reflected the situation that taxpayers found themselves in as a result of lockdown measures, and introducing a data-led collection strategy as debt collection restarted. HMRC will set out in the plan how it would operationally respond to an emergency, including a national public health issue, that impacts taxpayers' ability to pay their liabilities on time. However, the government cannot pre-judge what policy action it would take in hypothetical scenarios.

**2: PAC conclusion: HMRC is not being ambitious enough in bringing down debt levels and securing the resources this will require.**

**2: PAC recommendation: There is a clear value for money case to increase debt management capacity. HMRC should set out how much more tax debt it can bring in with increased levels of capacity using private sector and public sector options and write to the Committee alongside its Treasury Minute response with its findings and the actions it is taking to maximise value for money.**

2.1 The government agrees with the Committee's recommendation.

### Recommendation implemented

2.2 HMRC provided evidence to the Committee on 17 January 2022. Subsequently, at Spring Statement 2022, the government announced an additional £62 million over three years to fund additional staff in HMRC to help people and businesses pay their tax debts. This will raise an additional £1.8 billion for the Exchequer between 2022-23 and 2024-25.

2.3 In total, HMRC is recruiting almost 2,000 debt collection staff in 2022-23 to fill vacancies and utilise the additional funding granted at Spring Statement 2022 and previous fiscal events.

2.4 In addition, from September 2022, there will be a new contract through which HMRC places debt with private debt collection agencies (DCAs). This will allow HMRC to increase placements with DCAs by around £1 billion a year without increasing the cost to the Exchequer.

2.5 The government believes the information here, and provided at Spring Statement 2022, is sufficient for the Committee to be reassured that HMRC is taking action to maximise value for money and that a separate letter to the Committee is no longer required.

**3: PAC conclusion: Rogue companies are exploiting the pandemic to profit at the expense of taxpayers.**

**3a: PAC recommendation: Alongside the Treasury Minute response to this report, HMRC should provide the Committee with a summary of substantive work it has undertaken to:**

- **Estimate the number of rogue companies at risk of defaulting and the value of the tax at risk.**
- **Ensure commensurate resources are in place to prevent such fraudulent activity.**

3.1 The government agrees with the Committee's recommendation.

### **Recommendation implemented**

3.2 HMRC has begun work to produce the first internal estimate of the scale and nature of risk posed by phoenixism. This is a complex piece of work because there are lots of factors that influence insolvency and determining if the insolvency is contrived or legitimate is difficult. This is expected by the end of May 2022.

3.3 This will inform improvements in the department's approach to identifying and mitigating this risk in the future, as well as aid in resourcing decisions. HMRC is fully committed to using the full range of powers at its disposal to tackle those that set out to abuse the system in this way.

3.4 HMRC is also improving its IT systems specifically aimed at managing insolvency compliance risks, including phoenixism, which will provide increased data in the future. The first release of this system is scheduled for May 2022, with further releases planned.

3.5 To strengthen HMRC's ability to tackle phoenixism, Schedule 13 and Schedule 16 of Finance Act 2020 provide enhanced powers to hold company directors liable for some debts owed to HMRC by their companies in specified circumstances. These include where there is deliberate behaviour and there has been avoidance / evasion or repeated insolvency. Schedule 16 relates specifically to HMRC Covid Schemes, where the department are recovering sums owed in respect of incorrect claims.

**3b: HMRC should be prepared to bring the full force of the law to bear on those who defraud the Exchequer, and report publicly and regularly to Parliament on the numbers prosecuted.**

3.6 The government agrees with the Committee's recommendation.

### **Target implementation date: April 2023**

3.7 The COVID support schemes have helped millions of people and businesses through the pandemic. While most people have claimed the right amount, and many overclaims are the result of error rather than fraud, HMRC are alert to the potential increase in risk due to businesses carrying relatively large levels of debt from the pandemic, so where the abuse happens the losses from each case are expected to be higher. HMRC uses specialist compliance officers to address the risk posed by insolvency as well as tackling those that set out to deliberately abuse the COVID support schemes

3.8 HMRC is always prepared to bring the full force of the law to bear where appropriate. HMRC has a policy that sets out the circumstances in which its criminal powers are deployed, but also has a wide range of civil powers to tackle deliberate non-compliance including the ability to make individual company officers responsible for corporate debts where there has been deliberate, repeated behaviour to use insolvency proceedings as a way to avoid paying money owed.

3.9 HMRC also collaborates with The Insolvency Service, ensuring a robust approach to taking action against non-compliant directors, and those who abuse the insolvency regime.

3.10 HMRC is not a prosecuting authority. It carries out criminal investigations which are passed to prosecutors (eg the Crown Prosecution Service) to decide whether or not to charge with a criminal offence.

3.11 As part of its commitment to increase transparency, HMRC will explore options to publish information about its performance on responding to those involved in phoenixism.

3.12 Alongside this Treasury Minute response, HMRC has written to the Committee providing a substantive update on recommendation 3a and 3b.

**4: PAC conclusion: HMRC is far behind where it needs to be in making good use of data to manage debt effectively.**

**4: PAC recommendation: HMRC should write to the Committee within six months, to provide an update on:**

- **How much it has spent on the single customer record so far, how much it expects to spend to complete this work, and when it expects to complete this work.**
- **The scope of its work with the rest of government to share data and take a more customer orientated approach, and the timeframe over which it expects to complete this work.**
- **The results of its pilot test using private sector data and plans for further use.**

4.1 The government agrees with the Committee's recommendation.

**Target implementation date: December 2022**

4.2 A single digital account for all taxpayers that is easily accessible and secure is a key component of a tax system fit for the 21st century. A unique customer record is needed to underpin the digital account and improve HMRC's understanding of the whole of a customer's tax affairs. Spending Review 2021 provided funding of £81.7 million for the Single Customer Account and £53.9 million for the Unique Customer Record. HMRC will write to the Committee with further information on costs and target completion dates.

4.3 HMRC will explore opportunities to share data across government to improve its understanding of taxpayers' finances. In particular, HMRC is working with the Government Data Exchange programme led by the Cabinet Office, which aims to easily, securely and responsibly share data across government. HMRC will provide more detail in its response to the Committee later this year.

4.4 HMRC is trialling the use of credit reference agency data to test whether the additional insight improves overall understanding of an individual's ability to pay their tax liabilities. The analysis of the trial will not be completed until Autumn 2022, so HMRC will respond to this recommendation in December 2022.

**5: PAC conclusion: HMRC is not using all relevant data sources to understand how the pandemic is affecting taxpayer's ability to repay.**

**5: PAC recommendation: HMRC should identify and obtain the data sources which are most relevant to understand the ongoing impact of the pandemic on businesses. As a minimum we would expect HMRC to make use of sectoral data.**

5.1 The government agrees with the Committee's recommendation.

**Target implementation date: December 2022**

5.2 HMRC recognises the importance of using relevant data about businesses to understand their ability to pay their debts and that this is important beyond the impact of the pandemic. HMRC already has access to a lot of data about businesses through their various tax returns. HMRC used changes in turnover, visible from VAT returns, and changes in the number of employees and overall pay bill, visible from PAYE returns, when assessing how businesses had been impacted by the pandemic.

5.3 HMRC will combine its response with recommendation 4 and set out what data it is using, or planning to use, to assess ability to pay and why. Acquiring, analysing and using data has financial and opportunity costs, so it is important to consider the value for money of each data source.

5.4 HMRC will re-assess the extent to which sectoral data adds value to its segmentation approach. However, previous analysis has shown that it is less effective than business-specific data as impacts within sectors can vary widely.

**6: PAC conclusion: We are concerned that HMRC is not doing enough to identify vulnerable people who need extra support with their debts.**

**6: PAC recommendation: HMRC should ensure regular and adequate training is in place for staff and it should carry out research to independently estimate how many vulnerable people are affected by tax debt and how effectively it is identifying those customers and write to us with its findings.**

6.1 The government agrees with the Committee's recommendation.

**Target implementation date: December 2022**

6.2 The government agrees it is important to provide appropriate support to people who have a physical or mental health condition or are in difficult personal circumstances. The commitment to improve the support provided to these individuals is outlined in [The HMRC Charter](#).

6.3 The majority of people who need some support or reassurance will be helped by HMRC staff without needing to be referred to the Extra Support Team. Only where HMRC staff identify the person has more complex needs will they refer them to the Extra Support Team.

6.4 HMRC will refine its mandatory training and guidance to identify people who need extra support and make prompt referrals to the Extra Support Team. All training and guidance are regularly reviewed to identify opportunities for improvement.

6.5 HMRC will continue to build its understanding and insight on people who need extra help. Working with the voluntary and community sector, HMRC is exploring opportunities to

improve identification and handling of contact from people with emotional and mental health issues.

6.6 HMRC will identify independent research which will help estimate how many people could potentially be eligible for extra support, and how they may be better identified. The insight HMRC has developed already, shows that people move in and out of vulnerable situations. They also know some people will not engage with HMRC for support for a variety of reasons.

6.7 HMRC will continue to review take-up of the Extra Support Team and improve communications to raise awareness of the service.



## Treasury Minutes Archive<sup>1</sup>

Treasury Minutes are the government's response to reports from the Committee of Public Accounts. Treasury Minutes are Command Papers laid in Parliament.

### Session 2021-22

Committee Recommendations: 329  
Recommendations agreed: 305 (93%)  
Recommendations disagreed: 24

Publication Date	PAC Reports	Ref Number
August 2021	Government response to PAC reports 1-6	CP 510
September 2021	Government response to PAC reports 8-11	CP 520
November 2021	Government response to PAC reports 7,13-16 (and TM2 BBC)	CP 550
December 2021	Government response to PAC reports 12, 17-21	CP 583
January 2022	Government response to PAC reports 22-26	CP 603
February 2022	Government response to PAC reports 27-31	CP 631
April 2022	Government response to PAC reports 32-35	CP 649
April 2022	Government response to PAC reports 36-42	CP 667

### Session 2019-21

Committee Recommendations: 233  
Recommendations agreed: 208 (89%)  
Recommendations disagreed: 25

Publication Date	PAC Reports	Ref Number
July 2020	Government responses to PAC reports 1-6	CP 270
September 2020	Government responses to PAC reports 7-13	CP 291
November 2020	Government responses to PAC reports 14-17 and 19	CP 316
January 2021	Government responses to PAC reports 18, 20-24	CP 363
February 2021	Government responses to PAC reports 25-29	CP 376
February 2021	Government responses to PAC reports 30-34	CP 389
March 2021	Government responses to PAC reports 35-39	CP 409
April 2021	Government responses to PAC reports 40- 44	CP 420
May 2021	Government responses to PAC reports 45-51	CP 434
June 2021	Government responses to PAC reports 52-56	CP 456

### Session 2019

Committee Recommendations: 11  
Recommendations agreed: 11 (100%)  
Recommendations disagreed: 0

Publication Date	PAC Reports	Ref Number
January 2020	Government response to PAC report [112-119] 1 and 2	CP 210

<sup>1</sup> List of Treasury Minutes responses for Sessions 2010-15 are annexed in the government's response to PAC Report 52

## Session 2017-19

Committee Recommendations: 747  
Recommendations agreed: 675 (90%)  
Recommendations disagreed: 72 (10%)

Publication Date	PAC Reports	Ref Number
December 2017	Government response to PAC report 1	Cm 9549
January 2018	Government responses to PAC reports 2 and 3	Cm 9565
March 2018	Government responses to PAC reports 4-11	Cm 9575
March 2018	Government responses to PAC reports 12-19	Cm 9596
May 2018	Government responses to PAC reports 20-30	Cm 9618
June 2018	Government responses to PAC reports 31-37	Cm 9643
July 2018	Government responses to PAC reports 38-42	Cm 9667
October 2018	Government responses to PAC reports 43-58	Cm 9702
December 2018	Government responses to PAC reports 59-63	Cm 9740
January 2019	Government responses to PAC reports 64-68	CP 18
March 2019	Government responses to PAC reports 69-71	CP 56
April 2019	Government responses to PAC reports 72-77	CP 79
May 2019	Government responses to PAC reports 78-81 and 83-85	CP 97
June 2019	Government responses to PAC reports 82, 86-92	CP 113
July 2019	Government responses to PAC reports 93-94 and 96-98	CP 151
October 2019	Government responses to PAC reports 95, 99-111	CP 176
January 2020	Government response to PAC reports 112-119 [1 and 2]	CP 210

## Session 2016-17

Committee Recommendations: 393  
Recommendations agreed: 356 (91%)  
Recommendations disagreed: 37 (9%)

Publication Date	PAC Reports	Ref Number
November 2016	Government responses to PAC reports 1-13	Cm 9351
December 2016	Government responses to PAC reports 14-21	Cm 9389
February 2017	Government responses to PAC reports 22-25 and 28	Cm 9413
March 2017	Government responses to PAC reports 26-27 and 29-34	Cm 9429
March 2017	Government responses to PAC reports 35-41	Cm 9433
October 2017	Government responses to PAC reports 42-44 and 46-64	Cm 9505

## Session 2015-16

Committee Recommendations: 262  
Recommendations agreed: 225 (86%)  
Recommendations disagreed: 37 (14%)

<b>Publication Date</b>	<b>PAC Reports</b>	<b>Ref Number</b>
December 2015	Government responses to PAC reports 1 to 3	Cm 9170
January 2016	Government responses to PAC reports 4 to 8	Cm 9190
March 2016	Government responses to PAC reports 9 to 14	Cm 9220
March 2016	Government responses to PAC reports 15-20	Cm 9237
April 2016	Government responses to PAC reports 21-26	Cm 9260
May 2016	Government responses to PAC reports 27-33	Cm 9270
July 2016	Government responses to PAC reports 34-36; 38; and 40-42	Cm 9323
November 2016	Government responses to PAC reports 37 and 39 (part 1)	Cm 9351
December 2016	Government response to PAC report 39 (part 2)	Cm 9389

## Treasury Minutes Progress Reports Archive

Treasury Minutes Progress Reports provide updates on the implementation of recommendations from the Committee of Public Accounts. These reports are Command Papers laid in Parliament.

Publication Date	PAC Reports	Ref Number
November 2021	Session 2013-14: updates on 1 PAC report Session 2016-17: updates on 3 PAC reports Session 2017-19: updates on 33 PAC reports Session 2019: updates on 2 PAC reports Session 2019-21: updates on 47 PAC reports Session 2021-22: updates on 5 PAC reports	CP 549
May 2021	Session 2010-12: updates on 1 PAC report Session 2013-14: updates on 1 PAC report Session 2015-16: updates on 0 PAC reports Session 2016-17: updates on 4 PAC reports Session 2017-19: updates on 47 PAC reports Session 2019: updates on 2 PAC reports Session 2019-21: updates on 28 PAC reports	CP 424
November 2020	Session 2010-12: updates on 1 PAC report Session 2013-14: updates on 1 PAC report Session 2015-16: updates on 0 PAC reports Session 2016-17: updates on 7 PAC reports Session 2017-19: updates on 73 PAC reports Session 2019: updates on 2 reports	CP 313
February 2020	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 1 PAC report Session 2015-16: updates on 3 PAC reports Session 2016-17: updates on 14 PAC reports Session 2017-19: updates on 71 PAC reports	CP 221
March 2019	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 4 PAC reports Session 2014-15: updates on 2 PAC reports Session 2015-16: updates on 7 PAC reports Session 2016-17: updates on 22 PAC reports Session 2017-19: updates on 46 PAC reports	CP 70
July 2018	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 4 PAC reports Session 2014-15: updates on 2 PAC reports Session 2015-16: updates on 9 PAC reports Session 2016-17: updates on 38 PAC reports Session 2017-19: updates on 17 PAC reports	Cm 9668
January 2018	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 5 PAC reports Session 2014-15: updates on 4 PAC reports Session 2015-16: updates on 14 PAC reports Session 2016-17: updates on 52 PAC reports	Cm 9566
October 2017	Session 2010-12: updates on 3 PAC reports Session 2013-14: updates on 7 PAC reports Session 2014-15: updates on 12 PAC reports Session 2015-16: updates on 26 PAC reports Session 2016-17: updates on 39 PAC reports	Cm 9506

<b>Publication Date</b>	<b>PAC Reports</b>	<b>Ref Number</b>
January 2017	Session 2010-12: updates on 1 PAC report Session 2013-14: updates on 5 PAC reports Session 2014-15: updates on 7 PAC reports Session 2015-16: updates on 18 PAC reports	Cm 9407
July 2016	Session 2010-12: updates on 6 PAC reports Session 2012-13: updates on 2 PAC reports Session 2013-14: updates on 15 PAC reports Session 2014-15: updates on 22 PAC reports Session 2015-16: updates on 6 PAC reports	Cm 9320
February 2016	Session 2010-12: updates on 8 PAC reports Session 2012-13: updates on 7 PAC reports Session 2013-14: updates on 22 PAC reports Session 2014-15: updates on 27 PAC reports	Cm 9202
March 2015	Session 2010-12: updates on 26 PAC reports Session 2012-13: updates on 17 PAC reports Session 2013-14: updates on 43 PAC reports	Cm 9034
July 2014	Session 2010-12: updates on 60 PAC reports Session 2012-13: updates on 37 PAC reports	Cm 8899
February 2013	Session 2010-12: updates on 31 PAC reports	Cm 8539





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