HM Treasury

Treasury Minutes

Government Response to the Committee of Public Accounts on the Forty-eighth to the Fifty-fourth reports from Session 2022-23

CP 902

July 2023

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

July 2023

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Government response to the Committee of Public Accounts Session 2022-23

Report Title **Page**

Forty-eighth Report of Session 2022-23

The Ministry of Defence

MoD Equipment Plan 2022 - 2032

Introduction from the Committee

The Ministry of Defence (the Department) has published its Equipment Plan (the Plan) report each year since 2012, setting out its ten-year spending plans on equipment procurement and support projects. Its aim is to produce a reliable assessment of the affordability of its equipment programme, and to demonstrate to Parliament how it intends to manage its equipment funding. Each year the National Audit Office has published a report examining the Department's assessment of the Plan's affordability and its response to the financial challenges it faces.

The latest Plan, which is based on financial data at 31 March 2022 and was published in November 2022, covers the period from 2022 to 2032. The Department has allocated a budget of £242.3 billion to equipment procurement and support projects (46% of its entire forecast budget) and it assesses that this exceeds forecast costs by £2.6 billion (1% of the equipment budget). In total, the Plan contains forecast costs for some 1,800 equipment projects that it has chosen to fund following the 2021 Integrated Review of security, defence, development, and foreign policy. These include equipment in early-stage development, equipment that is already in use and budgets to support and maintain military capabilities.

Based on a report by the National Audit Office, the Committee took evidence on 15 December 2022 from the Ministry of Defence. The Committee published its report on 19 April 2023. This is the government's response to the Committee's report.

Relevant reports

- NAO report: The Equipment Plan 2022 to 2032 – Session 2022-23 (HC 907)
- PAC report: MoD Equipment Plan 2022 - 2032 – Session 2022-23 (HC 731)
- Defence and Security Industrial Strategy: A strategic approach to the UK's defence and security industrial sectors (CP 410) March 2021

Government response to the Committee

1. PAC conclusion: The Russian invasion of Ukraine has highlighted the need for an agile and responsive Equipment Plan process, which ensures the Department can afford and quickly develop the capabilities our Armed Forces need in a more volatile world.

1. PAC recommendation: To reassure Parliament that it is responding to changing circumstances promptly, the Department should publish a timelier Equipment Plan report alongside its annual report and accounts. The Department should also write to the Committee alongside its Treasury Minute response setting out how it has addressed our previous concerns that its system for delivering major equipment capabilities is broken and its ways of working have not helped it deliver capabilities effectively.

1.1 The government disagrees with the Committee's recommendation.

1.2 The Ministry of Defence (the department) does not plan to publish a full equipment plan as it works to adapt the plan to respond to the Integrated Review Refresh and to manage the impact of inflation on its programmes. The department is supporting the National Audit

Office to produce their annual report and will write to the Committee with an update on how it is managing its finances and responding to changing circumstances.

1.3 The equipment plan report is a retrospective review of the department's assumptions at a point in time and key elements of the report, such as the independent cost estimates and the National Audit Office investigation need to be carried out after the data is available. The department continuously considers how to adjust its spending plans through annual financial planning processes.

1.4 The government announced an additional £5 billion for defence in the remaining two years of the 2020 Spending Review settlement at this year's Spring Budget 2023, but the department still faces financial pressures and is working to adjust its plans to balance the funding available to the department with its objectives and outputs.

1.5 To build on the improvements which were already in train through the acquisition reform programme, the department has commenced a review of its wider operating model which will look at end to end acquisition processes and aim to improve delivery.

2. PAC conclusion: The refreshed Integrated Review may revise judgements about operational requirements and identify new priorities which are not currently funded in the Equipment Plan.

2. PAC recommendation: The Department should clearly set out to HM Treasury as soon as it can what capability requirements and priorities arise from the refreshed Integrated Review, the funding requirements to provide these, and the risks arising from any shortfall. We expect to see the Department reflect these decisions in the next Defence Command Paper and its 2023 Equipment Plan and will challenge the Department on the changes next year.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2023 (Defence Command Paper Update) and Winter 2023 (update to the Committee)

2.2 The department has worked with HM Treasury to set out the implications of the Defence Command Paper Refresh including any specific commitments ahead of its publication. The department will continue to work with HM Treasury as it continues to develop its plans in response to the priorities set out in the Integrated Review Refresh.

2.3 The details of the implications for the equipment plan will be explained in the next update to the committee.

3. PAC conclusion: The Department has not demonstrated the necessary urgency to deliver enhanced capabilities to deter hostile parties.

3. PAC recommendation: The Department should reconsider whether it strikes the right balance between risk and delivery speed in procurement and write to us alongside its Treasury Minute response setting out its scope to deliver programmes faster. It should also set out in next year's Equipment Plan how it will ensure that the Army fully benefits from the investment in new equipment by the timely delivery of military hardware and the technology needed to enable interoperability.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2023

3.2 The department recognises the need to balance risk with the speed of capability delivery. The experience of procuring equipment for Ukraine has shown what can be achieved with increased risk appetite and when pace is prioritised. There may be scope to take more risk to get capability into the hands of the user more quickly; however, this will not be appropriate in every case and needs to be carefully considered and the additional risk carefully managed. The department will write to the Committee with more detail on the department's approach, including the scope to increase the pace of delivery to the front line.

3.3 The department will provide the committee with an update on the implications for Army's forward equipment programme.

4. PAC conclusion: The Department's assessment of the Equipment Plan's affordability still relies on over-optimistic assumptions about the cost of programmes and the efficiencies and cost reductions it will achieve.

4. PAC recommendation: In future Equipment Plans, the Department should explain the uncertainties that exist in its assumptions. It should present the affordability position as a range, based on a full assessment of internal and external uncertainties, and candidly set out what the best- or worst-case scenarios would mean for our Armed Forces' capabilities.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2023

4.2 Forecasting across ten-years is inherently uncertain. In a complex plan with many large programmes, forecasts change as delivery schedules and cost estimates mature. Improving forecasting can help to reduce this risk, but the department's plans need to be flexible to adapt to change.

4.3 The equipment plan report includes an upper and lower cost estimate for the ten-year plan based on uncertainty in key variables such as savings and efficiencies assumptions. To inform the costing ranges, the department carries out a rigorous annual process to review and challenge delivery teams' costings through an independent assessment by the Cost Assurance and Analysis Service.

4.4 In the next update to the committee, the department will provide an assessment of the key sources of uncertainty and risk in the forward plan.

5. PAC conclusion: The Department has ignored the worsening economic environment in its latest Equipment Plan and faces significant financial pressures on its equipment programme.

5a. PAC recommendation: After the Integrated Review refresh, the Department must urgently reassess the affordability of its equipment procurement and support programmes.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: September 2023

5.2 The department continuously updates its forecast of the cost of the equipment plan and reviews its affordability through the annual financial planning process, which involves bottom-up costing by delivery agents, such as Defence Equipment & Support, through programme cost reviews.

5.3 The government announced an additional £5 billion for defence in the remaining two years of the 2020 Spending Review settlement at the 2023 Spring Budget, but the department still faces financial pressures and is working to adjust its plans to balance the department's objectives and outputs with the funding available to it.

5b. PAC recommendation: After the Integrated Review refresh, the Department must move quickly to achieve the assumed savings.

5.4 The government agrees with the Committee's recommendation.

Target implementation date: December 2023

5.5 The department reviews its savings assumptions regularly through its annual financial planning processes and has placed significant emphasis on its efficiency programme in recent years to ensure savings are delivered, and that there is a pipeline of future initiatives in place. The equipment plan report data shows the level of savings assumed in each of the ten years of the forward programme. Achieving the savings assumed against the planned schedule is important to ensure the affordability of the plan.

5c. PAC recommendation: After the Integrated Review refresh, the Department must assess the level of headroom it needs to respond promptly to changing external events.

5.6 The government agrees with the Committee's recommendation.

Target implementation date: December 2023

5.7 The department reviews its contingency funding each year through its annual financial planning process. The next update to the Committee will provide commentary on the key risks to the affordability of the plan and the approach to managing the department's contingency.

6. PAC conclusion: We are concerned that the Department has not yet developed a supply chain that can reliably and quickly deliver the capabilities and stockpiles it needs.

6. PAC recommendation: The Department should write to us alongside its Treasury Minute response setting out its progress in developing a plan with the wider defence industry to improve the scale and efficiency of its supply chain.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2023

6.2 The Covid-19 pandemic and Ukraine crisis has brought into sharp focus the increased demands upon the Defence supply chain and its ability to deliver capabilities to our Armed Forces.

6.3 Working with our industry partners, the department has adapted its supply chains and how they are managed on many critical programmes.

6.4 In tandem with programme level action, the Defence Supply Chain Strategy was published last year which focuses on reviewing and improving aspects of Defence support and logistics. The department is now implementing a range of initiatives in support of this Strategy and the and wider supply chain commitments MOD has made. These including the creation of a MOD Supply Chain Development Programme to support Mid Tiers and SMEs, a Supply Chain Contingency Fund, and beginning the implementation of a tool that enables MOD to proactively manage supply chain issues at lower tiers.

6.5 The department recognises that collaboration with the defence industry is vital for the delivery of these initiatives. The Defence Suppliers Forum, the principal mechanism for MOD-Industry engagement, continues to be fully utilised and is being refocused with support from industry to ensure that we are addressing the most important issues facing UK defence.

6.6 Although these efforts and initiatives are substantial, the scale of the supply chain challenge means that MOD is looking at where it should invest more broadly into our supply chain design and management. MOD understands the need to consider supply chain aspects right from the very early stage of capability planning and aims to improve our ability to create supply chain for future capabilities that better support resilience and other defence priorities.

Forty-ninth Report of Session 2022-23

HM Revenue and Customs

Managing tax compliance following the Pandemic

Introduction from the Committee

HMRC administers the UK's tax system and seeks to collect the right tax, to make it easy to get tax right and hard to bend or break the rules, and to maintain taxpayers' consent by treating them fairly. Before the pandemic, HMRC's strategy increasingly focused on prompting taxpayers to get their taxes right first time, for example by helping them understand tax rules or closing loopholes. HMRC also uses compliance enquiries and investigations to identify and respond to non-compliance, including more severe forms such as tax evasion and other criminal activity, and to provide a strong deterrent effect to encourage other taxpayers to take compliance seriously.

The COVID-19 pandemic changed HMRC's priorities. It had to quickly implement new COVID-19 support schemes such as furlough, and to provide additional support to taxpayers. This meant redeploying staff from across the department, including compliance staff. Lockdowns and social distancing also affected its ability to conduct investigations in person. Since then, the cost-of-living crisis has further affected taxpayers' ability to pay their tax, with debt to HMRC rising steadily.

Based on a report by the National Audit Office, the Committee took evidence on Thursday 26 January 2023 from HM Revenue and Customs. The Committee published its report on 3 May 2023. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Managing tax compliance following the Pandemic – Session 2022-23 (HC 957)
- PAC report: Managing tax compliance following the Pandemic – Session 2022-23 (HC 739)

Government response to the Committee

1: PAC conclusion: HMRC's reprioritisation of staff for the pandemic response inevitably led to less tax compliance activity.

1: PAC recommendation: HMRC should learn from the experience of staffing challenges in the pandemic and specify how it can respond more quickly where it looks likely compliance work will not keep pace with levels of non-compliance.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2024

1.2 His Majesty's Revenue & Customs (HMRC or the department) already undertakes a thorough process to agree how best to deploy its compliance resources against the full range of compliance risks, both new and historical, in order to deliver the best outcomes. HMRC's robust risking processes allows it to identify any changes in compliance risk and to respond quickly if risks change in between annual planning cycles. This response can either involve redeployment of experienced compliance professionals or undertaking other activity that can mitigate the risk eg. communication campaigns, process changes.

1.3 HMRC published the 2023 edition of Measuring Tax Gaps on 22 June 2023, which shows that the tax compliance gap remained low in the pandemic years, 2020-21 and 2021-22, in line with pre-pandemic years.

2: PAC conclusion: HMRC does not expect to prosecute as many people for tax evasion as it did before the pandemic.

2: PAC recommendation: HMRC should develop a better understanding of the deterrent effect of its compliance work, for example by monitoring the future revenue benefit of prosecutions compared to those it decides not to prosecute. It should utilise the expertise of academics, if necessary, for example using the HMRC Datalab.

2.1 The government agrees with the Committee's recommendation

Target implementation date: June 2024

2.2 Tax crime prosecutions are expected to increase in future years with a focus on the highest-harm and most serious cases of fraud**.** HMRC will commence new work in the 2023-24 financial year to understand the deterrent effect of the department's criminal investigations resulting in prosecutions. The exact timeframe and scope of this work (including the methodological approach required) will be informed by an initial internal analysis and is dependent on the availability of appropriate data.

3: PAC conclusion: Compliance yield fell during the pandemic, and HMRC does not know what level it should be targeting with its current resources

3: PAC recommendation: HMRC should set a clear target of the compliance yield required to make up the shortfall during the pandemic, and specify a rolling target for compliance yield as a percentage of tax revenues.

3.1 The government disagrees with the Committee's recommendation**.**

3.2 In accordance with an agreed methodology between HMRC, HM Treasury (HMT) and Office for Budget Responsibility (OBR), HMRC sets compliance yield targets at a level that meets the OBR expectation for maintaining a stable tax gap and delivering additional revenues from fiscal event measures. In turn, the OBR's fiscal forecasts assume that HMRC's baseline compliance work maintains the tax gap at a stable level.

3.3 In any year, HMRC will decide how best to deploy its compliance resources against compliance risks in order to deliver the best outcomes. Compliance risks that were identified but not addressed during the COVID-19 pandemic period can still be acted on. HMRC constantly assesses the full range of risks that are present, both new and historical, when deciding how best to deploy its resources. Where the planning work indicates it is suitable to do so, HMRC will work newer, higher priority or higher value risks instead of acting on older risks.

3.4 The resource available for HMRC and its compliance work is agreed with ministers at spending reviews and fiscal events. The agreed level is shaped by economic factors and enables HMRC to carry out the compliance activity required to maintain a stable tax gap over the medium term.

3.5 HMRC published the 2023 edition of Measuring Tax Gaps on 22 June 2023, which shows that the tax compliance gap remained low in the pandemic years, 2020-21 and 2021-22, in line with pre-pandemic years.

4. PAC conclusion: HMRC is not doing enough to help those who want to pay their taxes correctly.

4: PAC recommendation: HMRC should ensure it is providing sufficient support to taxpayers, big and small, who want to pay their tax. It should look at whether the additional staff it has secured for debt recovery work are sufficient, given it is struggling to keep up with demand even with better productivity.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 The department has a strong track record in providing flexible repayment practices to support people and businesses in temporary financial difficulty and will continue to do so. At the end of December 2022, around 731,000 taxpayers had around £4.8 billion worth of debt in Time to Pay (TTP) instalment arrangements.

4.3 At Spring Budget 2023, the government announced funding for improvements to the department's online TTP service. HMRC has already extended this service to PAYE and most recently VAT. The Spring Budget funding will allow for increased functionality to allow more taxpayers to arrange their own flexible repayment plans at a time convenient for them.

4.4 The department constantly monitors whether it has sufficient resources for debt recovery work. The resource available for HMRC for its compliance work is agreed with ministers at spending reviews. The agreed level is shaped by economic factors and enables HMRC to carry out the compliance activity required to maintain a stable tax gap over the medium term.

4.5 At the Spring Statement 2022, the government provided funding for an additional 500 staff over three years for debt management activity. The recruitment process is complete, and the staff are in place supporting people and businesses to pay their tax debts.

4.6 In addition, the government provided £20 million for the years 2023-24 and 2024-25 to place additional debt with private sector debt collection agencies. This will further help to address the increase in debt levels and provide additional and flexible debt collection capacity.

5: PAC conclusion: We are concerned that HMRC may be overstating the impact of its compliance work, and that it is overcharging some taxpayers.

5a: PAC recommendation: HMRC should develop statistically robust estimates of the level of error in its compliance yield measure, and how far taxpayers are overcharged.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: June 2024

5.2 HMRC has robust processes in place to record yield. HMRC conducts an annual review which evaluates the quality of its compliance casework – the Tax Settlement Assurance Programme (TSAP) and which also provides assurance over yield recording. Where this identifies measurement issues on cases tested these are corrected. HMRC considers whether or not these errors might have a wider impact on the yield total, and adjust if needed. While HMRC considers the current approach provides an appropriate view of the impact of its compliance work, HMRC accepts it could do more to enhance our sample selection to further improve our measurement assurance. HMRC will design a sampling approach that allows for extrapolation of errors from cases reviewed as part of the TSAP to the annual estimate of compliance yield. HMRC will consider how best to do this, taking a proportionate approach, which will involve considering the merits of different options such as the following:

- moving TSAP annual reporting to financial year reporting;
- better aligning TSAP sampling to reflect the value profile of compliance yield; and/or
- continue with the current approach to sample selection, and where a large compliance yield error is found, test further cases in that stratum to determine the extent of likely error.

5.3 TSAP is an annual review programme and it will take at least a transition year to fully incorporate any changes. Once an appropriate sampling framework has been established HMRC will develop a mechanism for estimating the impact of official error on taxpayers.

5b: PAC recommendation: HMRC should demonstrate it has taken all proportionate steps to identify and correct overcharges. It should make clear what compensation is available if taxpayers are overcharged.

5.4 The government agrees with the Committee's recommendation**.**

Target implementation date: March 2024

5.5 HMRC carefully considers the relevant information available and will always aim to work with the customer to identify their correct tax position. Any changes in liability are calculated and quality assured. This quality assurance can include manager/technical specialist reviews and/or spot-checks to prevent and correct under/ overcharging.

5.6 Tax decisions can be appealed and when a compliance check is settled HMRC writes to taxpayers to explain any change in liability and the appeal process. When taxpayers appeal, they can also ask for a review of the case by HMRC before it proceeds to the Tax Tribunal. Reviews are undertaken by someone independent of the original decision maker.

5.7 Taxpayers can appoint a representative to act on their behalf. Where needed, HMRC will also provide extra support in helping them meet their compliance obligations.

5.8 Where taxpayers feel that HMRC has not met the standards of the HMRC Charter they can make a complaint. HMRC will reimburse reasonable costs directly caused by any departmental mistake/ delay. Costs can include postage, phone charges and professional fees. If taxpayers are not satisfied with the outcome of their complaint, they can ask for this to be reviewed a second time, by a different person. Taxpayers who disagree with the second complaint review outcome can ask the independent Adjudicator to review their complaint. Taxpayers who disagree with the review outcome can also ask their Member of Parliament to refer the complaint to the Parliamentary and Health Service Ombudsman.

5.9 HMRC will pay interest on overpayments of tax.

6: PAC recommendation: There are signs that the tax gap may grow, and that HMRC does not have the operational resilience needed to deal with this.

6a: PAC recommendation: HMRC needs to build in more resilience to the tax system, with the tax gap at risk of growing and high returns available from compliance work there is a strong value for money case for increasing resources.

6.1 The government disagrees with the Committee's recommendation**.**

6.2 HMRC's funding levels are a decision for Treasury ministers based on advice from HMRC and HMT officials. The government remains committed to ensuring HMRC has sufficient funding to enable it to maintain its compliance performance over time, while continuing to make efficiencies, both in this and future Spending Review periods. The government also has a track record of investing additional funds in HMRC's compliance work to generate additional revenue. For example, at Autumn Statement 2022 the government announced a further £79 million over the next five years to enable HMRC to allocate additional staff to tackle more cases of serious tax fraud and address tax compliance risks among wealthy taxpayers. This investment is forecast to bring in £725 million of additional tax revenues over the next five years.

6.3 HMRC published the 2023 edition of Measuring Tax Gaps on 22 June 2023, which shows that the tax compliance gap has fallen from 7.5% in 2005-06 to a low of 4.8% in 2020-21 and has remained low and broadly stable since 2017-18.

6b: PAC recommendation: At a minimum, HMRC should specify a contingency plan for bringing in additional compliance capacity to ensure increased levels of non-compliance can be tackled quickly, and before the window closes for investigating cases it did not pursue during the pandemic.

6.4 The government disagrees with the Committee's recommendation.

6.5 The government did not set performance targets for HMRC during the pandemic (2020-21 and 2021-22). Some of the reduction in yield over the pandemic period is due to the deployment of experienced staff to the Taxpayer Protection Taskforce (TPT) to recover grants that were incorrectly claimed under the COVID-19 support schemes. The backfilling of these posts with new recruits means that the opportunity cost of that deployment will be mitigated – but over a longer time period as it takes time for new recruits to be trained. Over the COVID-19 pandemic period the closure of some large cases has been delayed but this yield will be recovered in future years. Much of this is part of the normal variation of HMRC's compliance work from one year to the next. Compliance yield performance and the tax compliance gap should always be considered on a multi-year basis.

6.6 In any year, HMRC decides how best to deploy compliance resources against compliance risks in order to deliver the best outcomes. Compliance risks that were not addressed during the COVID-19 pandemic period can still be acted on. HMRC constantly assesses the full range of risks that are present, both new and historical, when deciding how best to deploy its resources.

Fiftieth Report of Session 2022-23

Cabinet Office

Government Shared Services

Introduction from the Committee

All government departments need a range of corporate functions to support their operations and people, including human resources, finance, procurement and payroll. For at least the last two decades, central government has been trying to achieve more sharing of these 'back-office' services across Whitehall departments to cut costs and improve efficiency. This work has been led by the Cabinet Office.

We have previously reported on government shared services in 2008, 2012 and 2016. In 2012, we highlighted that the Cabinet Office needed to learn from past mistakes, show strong leadership and get buy-in from departments. Four years later, government was still failing for much the same reasons: an absence of governance and leadership by the Cabinet Office; departments acting independently rather than collaboratively; the lack of a realistic business case; and a failure to develop standardised processes.

In 2018, the Cabinet Office published a new 10-year Shared Services Strategy with three objectives: delivering value and efficiency by moving to cloud-based technology by 2025, standardising processes and data across government, and meeting end-user needs. It delegated responsibility to government departments to deliver these objectives. After slow progress, the Cabinet Office revised its approach in 2021, concluding that allowing departments to work independently would not deliver its objectives. Instead, it grouped departments into five delivery "clusters" of varying size. Its revised approach aims to ensure that all departments are on cloud-based technology by 2028 at the latest, and to deliver savings of 10% to 15% in operating costs by 2028. In 2020–21, the approximate cost of providing back-office functions across major government departments was £525 million a year.

Based on a report by the National Audit Office, the Committee took evidence on Monday 16 January from the Cabinet Office. The Committee published its report on 5 May 2023. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Government Shared Services: Cabinet Office – Session 2022-23 (HC 921)
- PAC report: Government Shared Services – Session 2022-23 (HC 734)

Government response to the Committee

1. PAC conclusion: The Cabinet Office does not have any contingency plans should the current strategy encounter problems.

1. PAC recommendation: The Cabinet Office should develop a set of contingency plans for implementation should the current strategy encounter problems. It should report back to us in six months setting out what these plans are.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: November 2023

1.2 Existing contingency planning has been undertaken through the intensive cluster shortlisting of options and counterfactuals.

1.3 As part of this recommendation central teams will assess the feasibility of delivering the Shared Services Strategy for Government (SSfG) within a number of different funding or political scenarios.

1.4 This work will then be used as a tool to assess the feasibility of the future business cases submitted by the Clusters.

1.5 Regarding ageing systems becoming unsupported, in April 2023, an extension with Shared Services Connected Ltd (SSCL) was negotiated on the Integrated Shared Service Centre 2 (ISSC2) contract which will ensure service continuity.

1.6 Integrated Shared Service Centre 2 (ISSC2) customer departments (covering around 200,000 full-time equivalents) require an extension with SSCL to bridge the gap between the current contract end date and the date they have new service arrangements in place.

1.7 The extension negotiated is limited to two years that is business as is, with no significant changes. This will see affected departments - the Department for Work and Pensions (DWP), the Department for Environment Food and Rural Affairs (DEFRA), Environment Agency (EA), the Cabinet Office (CO), the Office for Nuclear Regulation (ONR), the Health and Safety Executive (HSE), Home Office (HO) and the Ministry of Justice (MOJ) having their service extended to October 2025.

2. PAC conclusion: The Cabinet Office did not produce an overarching business case for the Shared Services Strategy, which has hindered progress.

2. PAC recommendation: The Cabinet Office should revisit its "Case for Change" and revise it in line with HM Treasury's Guide to developing the project business case, reporting progress to us in its six-month update. In future, the Cabinet Office should always complete a business case for projects, programmes and strategies of this scale.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: May 2024 (following Full Business Cases from Clusters)

2.2 Upon Strategy launch, pace of delivery was prioritised, therefore business case development was led at the cluster level.

2.3 Practical implication of a full business case is a centrally delivered programme, which was avoided as having the clusters act as one would have meant that the 'convoy' would have only been moving at the rate of the slowest cluster. Additionally, the Strategy is not a centrally funded programme, there are five individual programmes of work seeking funding and approval to be considered on their own merit by HM Treasury and Cabinet Office.

2.4 A full business case would have added an additional layer of bureaucracy and gone against government norms. Guidance on the use of business cases is set out in the Government Functional Standard 002; they apply to Programmes & Projects (as defined in the same standard) and the HMT Green Book. As outlined in Annex A of the Green Book, Strategy teams, and the Portfolios that manage programmes and projects do not normally have business cases, they are set budgets based on spending reviews and business planning processes.

2.5 As part of this recommendation a hybrid business case/updated case for change will be developed. This takes the key areas of a green book programme business case, that are relevant, and embeds them in our case for change, to cover all areas whilst not confusing it with the cluster business cases. This will be assured by the Infrastructure and Projects Authority (IPA). The National Audit Office (NAO) have agreed this is an acceptable approach.

3. PAC conclusion: Departments do not have the funding they need to deliver on their Shared Services Strategy.

3. PAC recommendation: In its six-month update, the Cabinet Office should set out what action has been taken to resolve both the short- and long-term funding uncertainties outlined above.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: November 2023

3.2 Communication is constant with HM Treasury in regard to how funding can be ensured in the 2024 Spending Review (SR24).

3.3 There is knowledge and experience within the funding space. Previously, for SR21 an extensive bidding process was completed with three clusters (Synergy, Matrix and Unity) which resulted in the programme being granted £300 million in reserve funding. Work then began on initial business cases which resulted in approval and each cluster being granted initial funding of £126.58 million which will allow the clusters to proceed through the final business case (FBC) stage.

3.4 Vitally, FBC's will contain Strategy whole life costs; this will be beneficial in formulating SR24 bids.

3.5 Additionally, ongoing work on a benefits framework will enable us to qualify the full value for money that the Strategy will deliver which will assist in formulating SR24 bids.

4. PAC conclusion: The benefits of the strategy have not been properly quantified.

4. PAC recommendation: The Cabinet Office should develop a complete and consistent picture of the costs and benefits of the strategy. It should report progress to us in its six-month update, providing quantified potential efficiency savings.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: September 2023

4.2 In Outline Business Cases clusters calculated benefits in different ways, this made comparisons between them tricky as they had been calculated over different timeframes, differing cashable and non-cashable benefits and different benefit categories.

4.3 Work is being carried out at pace on developing a full cross-Strategy picture of benefits. There are 4 main objectives within this work:

- Consistency: Ensure that benefits are identified and defined clearly and are aligned to strategic objectives.

- Accountability: Ensure that cluster and programme areas take ownership of and are committed to the identified benefits and their realisation.
- Strategic fit: Ensure that programme/project activity and outputs are aligned to support the delivery of benefits.
- Monitor: Ensure that benefits are tracked and recorded, that accountability for delivery is clear, and achievements are reported and recognised.

4.4 In order to facilitate this, work is ongoing with Ernst & Young (EY) to produce a framework to ensure common understanding and classification of benefits as well as investigating expected benefits across the Strategy and where to go further in the future. A draft report from EY has been produced, a detailed feedback exercise on the report is currently being carried out by the team.

5. PAC conclusion: The Cabinet Office has yet to start monitoring overall progress of the government's Shared Services Strategy.

5. PAC recommendation: When the Cabinet Office writes to us in six months, it should include an update about the methods it has developed to track the overall progress of the Shared Services Strategy, including how it is tracking clusters' progress towards milestones.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: September 2023

5.2 Strategy success measures have been delivery oriented to date. There has been recognition that these measures need to evolve as the Strategy is implemented.

5.3 At the time of the NAO report, the focus on performance and quality was baselining current performance across back-office systems and ensuring continuity of quality as change was introduced.

5.4 In the last few months a new set of performance metrics have begun to be developed to monitor progress in terms of implementation of new systems but also show improvement in service.

5.5 This includes taking a portfolio light approach to monitoring progress, by sourcing the top-line information from across government, both from Clusters and Supporting Programmes such as Interoperability, to provide a single perspective across government on progress against the Strategy. Against this are the products that strategy directorate are providing to underpin the Strategy, and using this to gauge future capability and capacity needs.

6. PAC conclusion: here are lessons to be learned from this strategy that will be applicable to future government projects.

6. PAC recommendation: The Cabinet Office should disseminate both positive and negative lessons learned from designing and implementing this strategy for other future cross-government projects to build on.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: June 2025 (following completion of procurements)

6.2 This is mainly being progressed through the relationship management function.

6.3 In the last few months, there have been a number of lessons learned events with clusters as they reach different milestones in their implementations. There is now a stock of lessons learned documents and tools for clusters to use.

6.4 Examples include:

- meetings have taken place with the Canadian Government to gain insight into their implementation of their ERP (Enterprise Resource Planning) system.
- lessons from programmes such as Home Office Metis (Cloud ERP) programme have been incorporated into Cluster Business Cases.
- within the Defence cluster, there is the civilian HR system 'MyHR' which went live in February 2022. A lessons learned was completed, with reports of a positive impact on user experience overall.
- Project Adopt is the business adoption of cloud services including interoperability, it learns from previous programmes and industry best practices, to aid the adoption of best practice cloud services within government.
- OneGov cloud contains a lessons learned toolkit which is easily accessible.
- The Shared Services Strategy team facilitates numerous working groups which act as communities of best practice intended to support clusters with implementation of the Strategy.

6.5 Additionally, Overseas have committed to share their lessons learnt in the next 4 months.

6.6 Throughout Strategy development and implementation there has been a seeking out and sharing of insights from other GMPP projects, industry and other states/governments on similar journeys. The Shared Services Strategy team through IPA will offer briefings to other GMPP programmes as necessary.

Fifty-first Report of Session 2022-23

Department of Environment, Farming and Rural Affairs

Tackling Defra's ageing digital services

Introduction from the Committee

Government as a whole faces a significant challenge from ageing IT systems, known as legacy IT. These systems are costly to maintain and have a large impact on services, with real-life consequences for people who use and rely on them. The Department for Environment, Food & Rural Affairs (Defra) is a complex organisation: as well as the main department, it comprises a range of arm's-length bodies (ALBs) and other bodies of varying size that make up the Defra Group. It provides services ranging from permits to move animals to monitoring air quality to paying grants, but many of the IT systems it uses are outdated.

In 2020, Defra estimated it needed to spend £726 million on modernising legacy services between 2021 and 2025, the second largest legacy spend requirement in government after the Home Office. Many of its 365 main applications use software that is now outdated: 30% of them are no longer supported by their supplier and 50% are in extended support, where Defra may have to pay additional charges for updates. Defra does not expect to resolve all its legacy issues until 2030. In the 2021 Spending Review, Defra received £871 million over three years for digital investment. This included £366 million for addressing legacy issues and bringing systems up to the necessary standard. The settlement was 58% of Defra's bid to HM Treasury.

The Central Data and Digital Office (CDDO) is part of the Cabinet Office. It leads the digital, data and technology function for government and is responsible for strategy, standards, and capability development. In June 2022, CDDO set out the government's latest approach to improving the conditions for digital transformation in *Transforming for a digital future: 2022 to 2025 roadmap for digital and data.*

Based on a report by the National Audit Office, the Committee took evidence on Thursday 19 January 2023 from the Department for Environment, Food and Rural Affairs and Central Digital and Data Office. The Committee published its report on 10 May 2023. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Modernising ageing digital services – Session 2022-23 (HC 948)
- PAC report: Tackling Defra's ageing digital services – Session 2022-23 (HC 737)

Government response to the Committee

1. PAC conclusion: Defra has made good progress in tackling its most urgent legacy issues, though the majority of its applications are still not fully supported.

1. PAC recommendation: Defra should, within six months, identify the success factors behind the progress it has made in addressing issues within its legacy IT, and share lessons with CDDO and other departments.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: November 2023

1.2 The Department for Environment, Farming & Rural Affairs (Defra) will share the key lessons and success factors behind the progress it has made in addressing legacy IT (for example, through its Legacy Applications Programme, as well as in its infrastructure estate and as part of Major Programme deliveries). Work on a report is underway and is part of Defra's ongoing approach to continuous improvement, built into delivery of the relevant programmes.

1.3 Defra will share this document with the Central Digital and Data Office (CDDO), who will arrange for it to be disseminated with other departments. Defra's technology team will offer a knowledge sharing session to discuss these further with CDDO and other departments. Progress will also be tracked via Defra's Quarterly Business Reviews with CDDO and HM Treasury, and best practice will be shared across government through the Chief Technology Officer Council.

1.4 Defra will provide evidence of the above documentation and discussions to demonstrate closure of this recommendation by November 2023.

2. PAC conclusion: Defra does not have a strategy or vision needed for its long-term digital transformation.

2a. PAC recommendation: Defra should develop its longer-term digital and data strategy and ensure that this reflects the digital needs of organisations across the Defra Group.

2.1 The government agrees with the Committee's recommendation**.**

Target implementation date: March 2024

2.2 Defra's Executive Committee (ExCo) approved a long-term approach to digital and data for Defra and its biggest arm's length bodies in June 2023, reflecting the digital needs of organisations across the group.

2.3 Defra's Digital Data and Technology strategy aligns with the six missions in the Central Digital and Data Office Roadmap to 2025, was developed with support from our Arm's Length Bodies and will be refined during the summer of 2023.

2.4 Defra's ExCo has already agreed an initial plan of action covering priority areas such as digital service transformation and continuing Defra's move from legacy data centres to modern infrastructure and cloud environments. Defra's ambition and principles for digital will be reflected in its planning for future spending review settlements and will be used to shape wider strategy and decision-making across Defra group.

2.5 Defra intends to publish this strategy and high-level plan by the end of March 2024.

2b. PAC recommendation: Defra should write to the Committee by the end of March 2024, outlining details of the actions planned in its strategy, including the measures it will use to monitor performance and how it will establish and implement Group-wide standards for technology and architecture.

2.6 The government agrees with the Committee's recommendation**.**

Target implementation date: March 2024

2.7 Many of the items in the strategy are already well underway – including migration from from Defra's legacy data centres. We expect to have migrated from 3 of Defra's legacy data centres during the summer of 2023. Defra has also approved a further £43 million of investment to improve, replace or decommission outdated applications during 2023-24. Defra has also started a full re-fresh of Defra Group architectural policies and standards which will complete in 2023-24.

2.8 Defra will write to the Committee by the end of March 2024 with the further detail on the actions planned in its strategy (including measures for monitoring performance and how it will continue to establish and implement Group-wide standards for technology and architecture).

2.9 Defra is considering these questions as part of the development of the strategy referred to above, to ensure that the strategy itself can be monitored and supported by appropriate group-wide standards.

3. PAC conclusion: Defra has not given enough attention to the impact of its poor digital services on its users.

3. PAC recommendation: In its Treasury Minute response, Defra should set out how it will identify the problems and costs faced by its service users as a result of unmodernised services, and how it is going to address each of them.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 Defra is modernising its services and putting users at the heart of developing service improvements. Defra will use best practice techniques such as user research, business process mapping, service baselines and service assessments to identify problems and costs faced by users of its services (aligning with the methodology used by CDDO to assess the standard of digital services).

3.3 These will inform agreed roadmaps for Defra's services, which will set out planned service improvements from user, accessibility, and efficiency perspectives.

3.4 Defra will focus initially on the nine Defra services in the CDDO's Top 75 transactional digital services list, with the aim of getting these a 'great' standard by 2025 (in line with the corresponding commitment in the CDDO Roadmap).

3.5 Defra will ensure that its next Spending Review bid continues to prioritise improvement of its digital services – both in continued development of existing priority services and in addressing other services not yet prioritised for improvement.

3.6 Defra will continue to make sure that all services have clear service ownership, with service owners having appropriate training.

4. PAC conclusion: Defra is at risk of wasting money on digital services because it has not yet taken decisions on business transformation.

4. PAC recommendation: As part of the Treasury Minute response, Defra should set out how it will ensure that investment and new digital systems put in place before it has made key decisions about the future shape, structure, and digital needs of the Defra Group, will not need not to be rebuilt.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 The majority of Defra's investment in new digital systems is overseen by Defra's ExCo, Delivery Committee and Investment Committee. Smaller projects are part of a wider portfolio overseen by a cross Defra and arm's length body prioritisation group. All that work is consistent with the digital approach approved by ExCo and is being developed as an integrated part of the overall Defra transformation.

4.3 All digital projects in Defra and its biggest arm's length bodies are governed by a single Portfolio Approval Board and a single Technical Design Authority. These ensure that projects meet common Defra standards on digital, data, technology, security, sustainability, and resilience.

4.4 All digital delivery is carried out by the Digital Data and Technology Services (DDTS) function or by suppliers managed by DDTS. These groups ensure that Defra's systems comply with CDDO and Defra data and architecture standards, guardrails. Defra's Investment Committee, including the Chief Digital and Information Officer, provides oversight of all major investments to ensure projects and programmes meet the needs of Defra Group, not just project requirements.

4.5 This ensures that Defra's new digital systems are designed on a modern, composable architecture which will deliver common technology capabilities, platforms and components that maximise reusability. For example, they will make full use of modern cloud-based technologies, a common delivery platform and other design features which will allow the future reconfiguration of services.

4.6 Digital transformation is a core component of Defra's wider transformation programme and currently identifying cross-cutting business activities that occur across the group. This will enable more consistent delivery models and processes, for areas such as delivering grants and licensing and permitting services. Defra has also started a full re-fresh of Defra Group Architectural Policies and Standards which will complete in 2023.

5. PAC conclusion: Defra is over-reliant on contractors because it struggles to recruit and retain the people with the digital skills it needs.

5. PAC recommendation: As part of the Treasury Minute response, Defra should:

a) explain what new approaches it will adopt to recruit staff and reduce its reliance on contractors and temporary staff to provide digital skills;

b) specify what target it is working towards for the appropriate level of contractors and temporary staff and when it expects to achieve it.

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 The government's commitment to build digital skills at scale and reducing reliance on contingent labour, is set out in the 2025 Roadmap for Digital and Data. Across government, CDDO is leading a number of initiatives to reduce the overall digital skills gap. CDDO is enabling departments to reform pay via the Digital, Data and Technology (DDaT) Pay Framework, with 32 organisations already signed up and able to recycle funds that would have been used for contractors into funding for capability-based pay progression.

5.3 CDDO has also facilitated bulk and brigaded recruitment campaigns across government and is working in partnership with Government People Group as part of their broader work to improve recruitment across the civil service.

5.4 CDDO is enhancing government's early talent offer: it has delivered a Summer Diversity Intern Programme (54 interns across 16 depts); the DDaT fast stream (175 fast streamers on 2020-22 cohorts and 102 bids received for 2023's programme); Tech Smart Futures (20 students from low socio-economic backgrounds); Software Developer Graduate Programme (14 graduates finishing in Autumn 2024); DDaT Apprentices (679).

5.5 In Defra specifically, the department is adopting a range of new approaches to recruit DDaT civil servants. The key ones are:

- using digital market analysis and job text analyser tools to develop understanding of the digital recruitment market and to make job roles more accessible to a wider and more diverse audience.
- collating evidence to support business cases for higher starting salaries in Defra's priority 'hard to recruit' roles.
- working with recruitment partners to target some of the priority hard to recruit roles and building a resourcing pipeline focusing on the development of academies, recruit-train-deploy schemes, and apprenticeships.
- minimising the risk of candidates withdrawing by reducing time to hire and improving the candidate experience.
- establishing Digital Academies that focus on growing Defra's own talent to replace contractors.
- maximising its use of the DDaT Pay framework.
- having dedicated LinkedIn page for its digital team (2,500 followers currently) to post weekly jobs of the week videos, blog posts to sell benefits and what DDTS life is like for candidates to understand Defra's culture. This has seen an increase in applications from LinkedIn by 20%; and
- increasing its use of external websites for DDaT roles (Defra's analysis shows that 20% of applicants for these roles have applied via LinkedIn and 10% on Indeed).

5.6 Defra is working towards a target of 25% of headcount being contingent labour (with the remaining 75% being civil servants) for the end of 2023-24; and 12% of headcount being contingent labour (with the remaining 88% being civil servants) by the end of 2024-25.

6. PAC conclusion: Defra does not yet know how it will meet Government's ambitions for digital change within its existing resources.

6. PAC recommendation: Defra should:

a) strengthen its case for investment by developing its analysis of the efficiency savings that could be achieved through modernising its systems and processes;

b) write to the Committee within a year with the results of this analysis and what action it plans to take as a result.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: September 2024

6.2 Defra is fully supportive of the government's 2025 roadmap Transforming for a Digital Future, which was deliberately designed to be deliverable within Spending Review settlements.

6.3 CDDO undertook analysis of funded projects and potential costs and used these to set informed targets, in order to work within departmental budgets. CDDO recognises that the economic environment remains uncertain and highly challenging, putting additional pressures on departmental budgets that weren't there when the roadmap was published.

6.4 CDDO intends to publish a 1-year update outlining progress across government and providing greater clarity on delivery plans for year 2 and year 3. Following this, CDDO will support departments to prioritise effort in the areas most needed and where necessary, will flag any long-term delivery concerns as a result of tightened budgets.

6.5 As part of this process, Defra will conduct an analysis of its own service landscape, including supporting technologies, to determine priority areas for investment ahead of SR24 bidding. As far as possible, this will include efficiency savings that could be achieved through modernising its systems and processes.

6.6 Defra will write to the Committee within a year of the analysis finishing to advise on the conclusions drawn and actions being planned as a result.

7. PAC conclusion: We welcome CDDO's efforts to establish strong cross-government co-operation and collaboration to identifying and addressing legacy IT issues.

7. PAC recommendation: As part of the Treasury Minute response, CDDO should set out whether it is getting the traction needed from departments to achieve its missions, and report annually thereafter on its progress and any difficulties in working with departments.

7.1 The government agrees with the Committee's recommendation

Recommendation implemented

7.2 On 19 January 2023, CDDO updated the Committee Hearing on its progress which included establishing the legacy risk framework and rolling it out across 6 departments, assessing 105 systems. On 22 May 2023, CDDO provided a further update that it has continued rollout to 16 organisations, with 153 legacy IT assets listed in the register. Furthermore, it has kept abreast of legacy remediation programmes and has seen a number of remediation programmes reach key milestones.

7.3 The 2025 Roadmap, Transforming for a Digital Future, requires support and intervention from business leaders in departments to successfully deliver. CDDO is working closely with departments on all commitments, including that all 'red-rated' legacy systems will have agreed remediation plans in place. To date CDDO has worked successfully with more than 21 departments on this endeavour.

Fifty-second Report of Session 2022-23

House of Commons, House of Lords, the Palace of Westminster Restoration and Renewal Delivery Authority and the Palace of Westminster Restoration and Renewal Sponsor Body

Restoration & Renewal of the Palace of Westminster – 2023 Recall

Introduction from the two Accounting Officers (the Clerk of the House of Commons and Clerk of the Parliaments), the R&R Client Team and the Delivery Authority

We are writing in response to the Public Accounts Committee's report published on 17 May 2023 (HC 1021), following our appearance before the Committee on 2 February 2023. We welcome the Committee's report and the Committee's on-going and careful scrutiny of the R&R Programme. Our joint response to the report's conclusions and recommendations is provided below, taking each recommendation in turn.

Relevant reports

- NAO report: Restoration and Renewal of the Palace of Westminster: Progress update – Session 2021-22 (HC 1016)
- PAC report: Restoration & Renewal of the Palace of Westminster - 2023 Recall – Session 2022-23 (HC 1021)
- Treasury Minute July 2022 (CP 722) Response to the Committee

1. PAC conclusion: During 2022 some critical programme changes were made at pace, but significant challenges still need to be addressed for progress to be made.

1. PAC recommendation: The Clerks should:

- ***set out the interim milestones they must meet to achieve the December 2023 timeframe for presenting initial options to Parliament, and then an outline business case in 2024 or 2025, to effectively assess the risks of not meeting these dates.***
- ***ensure that ongoing maintenance works do not cross purposes with the restoration and renewal works with the full portfolio of works on the Palace representing value for money***

The Clerk of the House, Clerk of the Parliaments, Client Team and the Delivery Authority agree with the Committee's recommendations.

First bullet – interim milestones

We agree that it is critical to present a strategic case with a proposed way forward for the R&R programme this year to both Houses. Following that direction detailed costed proposals must be developed as soon as practical, allowing a decision, as set out under the R&R Act, on delivery of the programme.

The key milestones for the Programme over the next 12 months are set out below. Updates on these will be included in regular quarterly progress reports to be published by the R&R

Programme Board now that the new governance has been implemented. The first of these reports was published on 6 June and is available on the Programme Board's website.[1]

Key Programme Milestones	**Milestone Description**
Programme Delivery Agreement Agreed *December 2022 COMPLETE*	This is the formal agreement between the two Houses and the independent Delivery Authority.
Statutory Instrument in force *December 2022 COMPLETE*	The Statutory instrument to amend the Parliamentary Buildings (Restoration and Renewal) Act and bring the sponsorship of the Programme into Parliament came into force on 1 January 2023
R&R Options Assessment Complete *January 2023 COMPLETE*	A wider range of options has been developed and assessed by the Delivery Authority ready for presentation to the R&R Programme Board
2023/24 Intrusive Surveys Plan agreed *March 2023 COMPLETE*	The plan for future surveys to support R&R.
R&R Options shortlisting started with Programme Board *March 2023 COMPLETE*	The R&R Programme Board will be considering the range of R&R options and proposing a shortlist of those for endorsement by the R&R Client Board.
R&R Options Shortlist, Strategic Objectives and vision endorsed by the Client Board *July 2023 ONGOING*	This shortlist of options along with strategic objectives and a vision will be part of the strategic case brought back to the Houses at the end of 2023.
Early and enabling works design started *July 2023 ONGOING*	Developing plans and designs for early R&R works integrated with ongoing works on the estate.
Strategic case endorsed by Client Board *October 2023 NOT STARTED*	The strategic case will make recommendations to both Houses on the way ahead for R&R.

[1] Restoration and Renewal Programme Board - Publications - Committees - UK Parliament

Strategic case presented to the Houses *December 2023 NOT STARTED*	A motion will be put to both Houses to agree the way ahead for R&R based on the strategic case recommendations.
2024/25 Delivery Authority Budget Approved *March 2024 NOT STARTED*	Agreement to the future Delivery Authority budget based on the way ahead agreed by both Houses.

The options which are shortlisted this year and agreed in a strategic case in December 2023 will then be developed further in an outline business case. This outline business case will inform the detailed costed proposals for the works, as required under the Parliamentary Buildings (Restoration and Renewal) Act 2019 (the Act), Section 7, to allow the Houses to take a decision about delivering the works in Phase 2 of the Programme.

The timing of engagement around the costed proposals and a decision, as set out in the Act, in 2024 or 2025 will also need to take into account any general election period, making it hard to be definitive at this stage.

Second bullet – ongoing maintenance

Work is already happening, and must continue, across the Parliamentary estate by in-House teams to ensure the continued safety, and on-going functional working of the Palace, for those who work and visit.

Major works across the Parliamentary estate already delivered include:

- Life safety fire improvement works
- Stonework monitoring and repair
- Restoring Elizabeth Tower and Big Ben within it
- Fixing cast iron roofs across the estate
- Work to clean and repair St Stephen's Hall ceiling
- Replacing encaustic tiles throughout the Palace
- Work to partially replace outdated mechanical and electrical systems
- Work to support resilient security and digital systems that enable the continued business of Parliament

Currently there are dozens of major projects underway to repair key areas and buildings by in-House teams including Strategic Estates, Digital, and Maintenance. Projects include the Victoria Tower and Norman Shaw North. At any one time there are dozens more projects underway to improve and repair key services and keep the estate running for the 3000+ people on site each day.

A number of work streams are already in place to mitigate the risk that this work is not integrated and to support co-ordinated planning between the Business-as-Usual Teams. The joint adoption of a Parliamentary Estate Development Framework including a masterplan and design principles, shared technical standards and the work of the R&R official level governance integrating work across estate related groups, will all support this much-needed alignment. The creation of an integrated schedule is on-going and works on the ground, including surveys, are currently coordinated by the logistics team within Strategic Estates, with a number of lessons learnt and implemented following a number of surveys undertaken over recent recess periods.

Four areas of critical works have been developed collaboratively between in-House teams and the Delivery Authority, which Strategic Estates will deliver in advance of R&R:

- External fabric repairs to Victoria Tower[2]
- Flat roofs
- Mechanical, electrical and fire safety programme
- Fabric safety

The teams will continue working together to identify works which it is appropriate and necessary for the in-House teams to deliver ahead of the main R&R works.

All projects now started on the estate are subject to an 'R&R test' which assesses whether they are critical to deliver ahead of R&R and what provides the best value for money in how they are delivered. This includes assessing whether the scope of projects can be adapted given the anticipated R&R main works to ensure overall value for money.

2. PAC conclusion: There remains a lack of clarity over what a restored Palace will look like, and how it will be delivered, which makes the programme currently extremely difficult to cost with any certainty.

2. PAC recommendation: The Delivery Authority should:

- ***Present cost and time estimates in ranges, which will narrow over time as uncertainties reduced, and set out the built-in assumptions behind how estimates have been generated.***
- ***Report back on progress with the potential 'R&R pilot' and how this has impacted the assumptions underlying the programme.***

The Clerk of the House, Clerk of the Parliaments, Client Team and the Delivery Authority agree with the Committee's recommendation.

First bullet – present cost and time estimates in ranges

The R&R Client team will be presenting cost and time ranges in the strategic case and the costed proposal that will be presented to the Houses, the first of which is due to be considered by the Programme Board and Client Board in Autumn 2023.

Second bullet – potential 'R&R pilot'

A set of principles for early (or pilot) R&R projects has been agreed with the Client Board. Some potential projects have been suggested to the Client Board and feedback has been received. These potential projects will be further developed, assessed and reviewed with inhouse teams so that the early estimates of costs, timescales, and pros and cons of each can be considered by the Client Board in the autumn. Members will be kept informed through the regular R&R updates and publication of the strategic case.

3. PAC conclusion: Transparency will be critical to facilitate accountability, and for Parliament and the public to gain confidence in the programme and its leadership.

[2] Critical health and safety external fabric repairs to Victoria Tower and other works that could be meaningfully undertaken from the scaffold offering value for money.

3. PAC recommendation: The Clerks must commit to:

- ***Fulfilling commitments made to this Committee in 2022 which include publishing an annual performance report providing a timely and accurate programme overview.***
- ***Improving member engagement, which will include managing their expectations on the information that will be available to make decisions at these early programme stages.***

The Clerk of the House, Clerk of the Parliaments, and Client Team agree with the Committee's recommendations.

First bullet – annual performance report

Previous commitments made to the Committee are already being fulfilled and, specifically, the first R&R annual progress report from the House Administrations is due to be published before summer recess 2023.

In addition to the annual progress report, the Programme publishes quarterly reports providing updates on the Programme and setting out progress against key milestones. The latest quarterly report was published on the R&R Programme Board's website in June. The R&R Client and Programme Boards also publish meeting agendas, and the Formal Minutes for each meeting, on their respective websites, for transparency purposes.

The Clerk of the House and the Clerk of the Parliaments have previously committed to publishing the outcomes of any future work by the Independent Advice and Assurance Panel (IAAP) which they commission, subject to the agreement of the Commissions acting as the Client Board.

The first IAAP report was published in June 2022 as an appendix to the Joint Commissions' Report Restoration and Renewal of the Palace of Westminster – a new mandate. The latest IAAP report, undertaken in February, was published on the Programme Board's website in June 2023.

Second bullet – improving Member engagement

Improving Member, and wider internal, engagement has been a priority for the new R&R Client Team with new senior resource put in place to manage this aspect of the programme and close collaboration with in-house teams.

Since the transfer of accountability for R&R to the Clerks in January 2023, the following engagement activities have taken place:

- Domestic Committees and relevant Select Committees in both Houses were engaged on the emerging options in February
- Awareness raising stands were held in both Portcullis House and the Palace in March, April and from June to July
- House and Members' staff focus groups, and 1:1 interviews with Members, focusing on the impacts and benefits of the options, were undertaken in May
- Engagement with Party Groups is ongoing.

In line with commitments made, Members have been communicated with directly following the first meeting of the R&R Client Board, in advance of the motion to appoint the R&R Programme Board and to alert them to the engagement stands. Members were also notified directly of the publication of both the Quarterly Report for R&R and the IAAP report in June. Members will continue to be alerted to key decisions and publications in the future. A Restoration and Renewal information hub is in place on the parliamentary intranet site.

A comprehensive engagement plan, agreed by the R&R Programme Board, is also in place for the remainder of 2023 and leading up to the initial vote on a strategic case. The plan seeks to ensure regular internal engagement with Members and other passholders. A separate plan addresses external engagement. At all times Members will be made aware of the level of detail available in this phase of the Programme. Ranges, referencing current figures, will continue to be expressed to help manage expectations.

4. PAC conclusion: It is unclear how the Clerks will manage their legal responsibilities to the programme alongside those to individuals working in and visiting the Palace

4. PAC recommendation: The Clerks of the House of Commons and House of Lords need to set out the:

- ***circumstances in which they would use something akin to a ministerial direction; and***
- ***the practical process they would follow should they be asked to do something which causes a conflict between their respective legal responsibilities.***

The Clerk of the House and Clerk of the Parliaments agree with this recommendation.

The Corporate Officers acknowledge that the legal responsibility for decisions relating to the Parliamentary building works is theirs under the Parliamentary Buildings (Restoration and Renewal) Act 2019, subject to the requirements set out in the Act to consult with Members and others. They also have other statutory responsibilities, such as the responsibility for fire safety in the Palace.

The House of Commons already has a limited process equivalent to a ministerial direction, which applies only in the context of a disagreement with the Speaker or other Members about procedure. In that situation, the Clerk of the House would place a note in the Library recording the disagreement. The House of Lords has an agreed Lords governance framework which states that *"Where the Accounting Officer objects to a proposed course of action by the Commission on grounds of propriety, regularity, value for money or feasibility such that they are bound by their statutory duties to reject that course of action, they shall present a memorandum to that effect to the Commission which will be minuted."*

In this context, an equivalent of a ministerial direction would be of very limited value, as there is no-one with the authority to "direct" the Corporate Officers in relation to the building works. Therefore, in the event of a significant disagreement on appropriate schemes for the Restoration and Renewal works, the Corporate Officers would instead record their disagreement in formal Board minutes and through correspondence (which could be laid in the Libraries of both Houses). The Corporate Officers have already put on record at the R&R Programme Board on 5 June that they would be unable to support a construction scenario for the works if they felt that it presented an extraordinary level of unmitigated risk to anyone on the Estate, including staff, contractors and visitors.[3] In other statutory contexts, similar mechanisms would be used to record the Corporate Officers' disagreement with a decision taken by either House.

5. PAC conclusion: Compliance with health and safety protocols, in particular reporting asbestos incidents, remains unsatisfactory.

[3] R&R Programme Board, Formal Minutes, 5 June 2023, Item 5

5. PAC recommendation: Before embarking on the more substantial R&R works, the Clerks must set out how they will reiterate the importance to contractors of their responsibilities and contractual requirements, particularly concerning the timeliness and accuracy of reporting, and what they will do to hold them to account for meeting these responsibilities.

The Clerk of the House and Clerk of the Parliaments agree with this recommendation.

The Clerks fully recognise the need to reiterate the importance of excellent health and safety performance, including the timeliness and accuracy of reporting, to all those involved in ongoing construction activities and future R&R works. The House safety teams work closely with the supply chain and their counterparts in the R&R team to do so. As contractors engaged in the substantial R&R works will have a contractual relationship with the R&R Delivery Authority, rather than the House Authorities, the Clerks will utilise the Programme Delivery Agreement to be explicit with the high expectations they have of them in managing their supply chain and seek assurances of their mechanisms to hold poor performers to account. This agreement will also outline how both organisations will cooperate with one another on health and safety matters; and take reasonable steps to coordinate activities and inform one another where there are risks to health and safety. To supplement the agreement, the Houses have a robust framework of monitoring and assurance to ensure that responsibilities of all parties are fully discharged and any indicators of poor performance are identified early and acted upon.

In addition, the Clerks would like to note that, as outlined in their oral evidence, Parliament has always had a database of incidents, in order to discharge its obligations under health and safety and social security law. Improvements have been made to the accuracy and timeliness of incident reporting which underpins the database. The recruitment of a new Director of Parliamentary Safety remains ongoing. An interim is expected to be appointed shortly, to ensure necessary improvements to safety structures and governance are expedited.

Fifty-third Report of Session 2022-23

Cabinet Office

The performance of UK Security Vetting

Introduction from the Committee

United Kingdom Security Vetting (UKSV) is the business area within the Cabinet Office that delivers national vetting services for all government departments and a wide range of other public bodies, as well as some private sector industries such as the aviation industry, whose staff need clearance to work in airports. UKSV moved into the Cabinet Office from the Ministry of Defence in April 2020 and later that year launched the Vetting Transformation programme, aiming to overhaul the vetting system, through the introduction of new systems, processes and policies. Security vetting provides assurance on individuals working with government assets and classified information. There are several different types of vetting levels with the most common being Counter Terrorist Checks (CTC), Security Checks (SC) and Developed Vetting (DV). DV is the most complex and allows individuals access to more sensitive government information and assets.

UKSV's performance deteriorated significantly in 2021–22 as demand for vetting increased with the easing of COVID-19 restrictions. Performance against key customer service targets have not been met since July 2021 and backlogs increased significantly. In January 2022, UKSV launched a delivery stabilisation plan to try and reduce backlogs and improve turnaround times for all clearance levels. Given limited resources, it has had to effectively pause its transformation programme to focus on its recovery plan.

Based on a report by the National Audit Office, the Committee took evidence on Monday 6 February from the Cabinet Office. The Committee published its report on 12 May 2023. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Investigation into the performance of UK Security Vetting – Session 2022-23 (HC 1023)
- PAC report: The Performance of UK Security Vetting – Session 2022-23 (HC 994)

Government response to the Committee

1. PAC conclusion: The Cabinet Office has failed to get a grip of vetting services since it took over responsibility in 2020. It has not assessed the impact across government that delays to vetting can have when staff are unable to progress work because they do not have the appropriate level of security clearance.

1. PAC recommendation: The Cabinet Office should set out:

- ***When and how UKSV expects to clear the backlogs of CTC/SC and DV clearances, and any changes it intends to make to its working practices to avoid backlogs building up again in the future.***
- ***When it expects to meet its key performance indicators for CTC/SC and DV routine clearances and deliver the service government departments are paying for.***

1.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2024

1.2 United Kingdom Security Vetting (UKSV) has significantly enhanced productivity through the first phase of the Delivery Stabilisation Programme (DSP) which seeks to address the immediate operational performance challenge and recover vetting services. Strong progress has been made in Financial Year 2022-23 and UKSV is now completing 9.4% more Security Check (SC) / Counter Terrorist Check (CTC) and 52% more Developed Vetting (DV) cases each month on average. Completion levels for DV clearances in the DSP are the highest on record since UKSV's inception in 2017, and turnaround times for initial DV clearances (DVi) have reduced by over half. UKSV plans to meet the agreed customer key performance indicator (KPI) for DVi in June 2023 and to sustain performance thereafter.

1.3 To ensure continued progress, UKSV have mobilised a secondary phase of the DSP with a full programme wrap around in place. Ministers have agreed a significant injection of surge resources into UKSV for financial year 2023-24 including His Majesty's Revenue and Customs Surge personnel and operational staff. UKSV have set out the following milestones to fully stabilise vetting services:

a) DV Initials fully stabilised by the end of June 2023
b) SC/CTC fully stabilised by the end of September 2023
c) DV Reviews fully stabilised by the end of March 2024

1.4 UKSV will continue to focus on sustainable changes to drive productivity and efficiency in order to maintain performance levels. This will primarily be achieved through quick win process efficiencies, as well as larger automation and technological changes that will drive productivity in the existing environment but can also be repurposed as UKSV migrates to the new platform under the Vetting Transformation Programme (VTP).

2. PAC conclusion: The Cabinet Office is over reliant on customer demand forecasts and failed to predict changes in demand for security vetting.

2. PAC recommendation: The Cabinet Office should set out what steps it is taking to help its customers improve their forecasting and to make UKSV more resilient to changes in demand.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: September 2023

2.2 UKSV has faced significant challenges in helping customers accurately forecast and regulate demand levels over the last three years. While some of the factors behind the changes in demand, such as the changing security context and the COVID pandemic, have been sudden and unpredictable, the Cabinet Office recognises there is more that can be done to make UKSV more resilient to these changes.

2.3 To deliver improvements for the next financial year (2024/25), UKSV is undertaking a full review of current forecasting and demand planning processes, in collaboration with their customers, to identify areas where the process can be streamlined and simplified to help customers forecast better. UKSV is planning engagement exercises with other government departments and organisations whose business is dependent on similar kinds of forecasting and planning, in order to better understand what works and aim to align with HM Government/industry best practice. UKSV will also undertake more proactive engagement with the customers who generate the most vetting demand, so they can assist them more closely throughout the planning process.

2.4 In addition, UKSV has implemented a series of agreements with customers that set out the expectations for how UKSV handles changes in demand, as well as proposing that vetting governance mechanisms in place, which customers are part of, are empowered to make decisions and agreements on where UKSV's resources should be focussed. This builds on the progress made in recent improvements to management information (MI) that UKSV now produces, including access to customer MI which will help with customer forecasting.

3. PAC conclusion: We are concerned about the level of risk created by the Cabinet Office's decision to repeatedly defer renewals for DV clearances.

3. PAC recommendation: The Cabinet Office should develop a plan for how it intends to avoid repeatedly extending DV renewals going forward, and set out the key elements of this plan in its Treasury Minute response. The plan should include, for example:

- ***when it expects to be able to renew all DV clearances rather than automatically extending low-risk cases***
- ***how it intends to provide the additional staff resources required to renew all DV clearances***
- ***what steps it will take to ensure continuity of service on other vetting service lines whilst it tackles the backlog.***

3.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2024

3.2 UKSV is planning for the DV renewal service line to be stabilised by the end of March 2024 and performance sustained thereafter. As set out above, in response to recommendation 1, ministers have agreed a significant injection of surge resources into UKSV for this financial year including HMRC Surge personnel and operational staff. These staff will enable UKSV to address the backlog before reverting to Business-as-Usual staffing. The surge of resources, and the sequencing of efforts (as set out above) are designed to ensure continuity of service on other products while the backlog is addressed.

4. PAC conclusion: UKSV cannot deliver timely security vetting across government with its current staff levels.

4. PAC recommendation: The Cabinet Office should set out:

- ***what resourcing levels UKSV needs to make progress with its transformation programme and to achieve its service level agreements for customers' forecast demand in 2023–24***
- ***what the agreed level of resourcing is for 2023–24, and***
- ***if there is a shortfall, how UKSV is expected to close that gap***

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 UKSV has identified a requirement for a temporary surge of contingent labour and fixed term contracts for the financial year 2023-24 to support the meeting of customer demand and stabilisation of performance through clearance of the backlog of cases. Burden-share partners have agreed to fund this surge. The Cabinet Office has provided UKSV with the necessary approvals. There have been significant efforts over several months to recruit to the levels needed, and although UKSV is operating in a challenging market, good progress has been made.

4.3 In addition to recruitment, the training and deployment of staff into the vetting process is a significant undertaking and UKSV has redirected the majority of its enabling resources to support this activity. UKSV currently assesses that the funding and approvals are appropriate for the demands of the programme but will review this jointly with customers and Cabinet Office approvals teams in September 2023.

4.4 On the transformation programme, progress has been made on recruiting digital professionals to support the existing in-house IT delivery model. This remains a significant area of risk given the competitive market conditions for these skills. The outputs of the ongoing digital discovery exercise will inform the resourcing model and wider delivery approach for transformation moving forward. This approach will be set out in an Outline Business Case for consideration in October 2023.

5. PAC conclusion: The governance structure of UKSV within Cabinet Office is a barrier to transformation.

5. PAC recommendation: The Cabinet Office should urgently review UKSV's governance structures to assess whether they provide the correct balance of challenge and support to enable UKSV to achieve the much-needed security vetting transformation programme. It should summarise the findings of this review in its Treasury Minute response.

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 An independent governance review has now been completed. The review endorsed the Committee's findings, and UKSV will now implement an enhanced governance structure that addresses the observations made by the Committee, National Audit Office and the independent governance review.

5.3 This includes:

- ensuring Cabinet Office corporate functions are fully represented within the UKSV governance structures;
- ensuring UKSV customers are represented at both a senior and practitioner level within the structure;
- clear distinctions are drawn between policy approval and the management of vetting delivery performance; and
- strengthening support for oversight of vetting transformation.

5.4 Implementation commenced in June 2023 following the relevant approvals from the Government Chief Security Officer and Cabinet Office Corporate Services.

6. PAC conclusion: We are not convinced that current plans for the transformation of security vetting are any more likely to succeed than previous failed attempts.

6. PAC recommendation: The Cabinet Office should set out a clear implementation plan for vetting transformation, with interim milestones for each of the new vetting levels and a realistic completion date. It should set out the key elements of this plan in its Treasury Minute response to this report.

6.1 The government agrees with the Committee's recommendation

Target implementation date: Winter 2023

6.2 In light of the Committee's recommendations, the Cabinet Office has contracted external support for a 10-week enhanced discovery to review and advise on how best to deliver Vetting Transformation. This discovery phase will assess the technical approach and delivery models for transformation and make a series of recommendations for the Cabinet Office to consider. The outputs of this discovery phase will form the basis of an Outline Business Case which will be considered in October 2023. This Outline Business Case will include the high level implementation plan for the Cabinet Office's preferred delivery option. The Cabinet Office would be happy to share the key elements of the resulting plan in due course.

Fifty-fourth Report of Session 2022-23

Department of Health and Social Care

Alcohol treatment services

Introduction from the Committee

The safe level of alcohol consumption continues to be the subject of research and policy debate worldwide, but excessive drinking can have costs for both society and individuals. An estimated 10 million people in England regularly exceed the Chief Medical Officers' low-risk drinking guidelines, including 1.7 million who drink at higher risk and around 600,000 who are dependent on alcohol. While most adults do not regularly drink to excess, according to the Health Survey for England 2021, an estimated 21% drink in a way that could risk their long-term health. Of the minority that are dependent on alcohol or are drinking at higher-risk levels, some seek support through alcohol treatment services.

The Department for Health and Social Care (the Department) is responsible for setting strategy on public health which includes setting national strategy and policy on tackling alcohol and drug misuse. The Office for Health Improvement and Disparities (OHID), part of the Department, is responsible for tackling preventable risks to health, improving the public's health and narrowing health disparities. Its responsibilities include providing data, guidance tools and support to help local authorities commission effective drug and alcohol treatment. Since 2012, local authorities have been responsible for commissioning drug and alcohol treatment services. In most cases, treatment provision has moved from separate alcohol and drug services to one integrated service. Local authorities receive an annual ring-fenced grant from the Department of Health and Social Care to help fund public health services. As a condition of the grant, government expects local authorities to improve take-up of, and outcomes from, their drug and alcohol treatment services. In December 2021, in response to Dame Carol Black's independent review on drugs, the government published a 10-year drug strategy which committed a further £533 million over three years on top of the public health grant to substance misuse treatment services. In 2021–22, local authorities reported spending £637 million on alcohol and drug services, a real term fall in spending of 27% compared with 2014–15.

Based on a report by the National Audit Office, the Committee took evidence on Thursday 2 March 2023 from the Department of Health and Social Care. The Committee published its report on Wednesday 24 May 2023. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Alcohol treatment services – Session 2022-23 (HC 1129)
- PAC report: Alcohol treatment services – Session 2022-23 (HC 1001)

Government response to the Committee

1. PAC conclusion: We are concerned that the Department is not taking alcohol harm sufficiently seriously.

1a. PAC recommendation: In the absence of a formal strategy, the Department should:

- ***set out how it will tackle the significant costs to the NHS and society of alcohol harm, with targets and performance measures.***

1.1 The government agrees with the Committee’s recommendation.

Recommendation implemented

1.2 The government and NHS England have already set out measures to tackle the costs associated with alcohol harm through the NHS Long Term Plan, the 10-year drug strategy, From Harm to Hope, and the green paper, Advancing our health: prevention in the 2020s. The Department of Health and Social care (the department) does not believe a further publication is required at this point in time.

1.3 The department has worked to ensure that the Public Health Grant provides local authorities with real terms funding protection for the next two years. £3.529 billion will be given to local authorities in 2023-24, rising to £3.575 billion in 2024-25. Drug and alcohol misuse treatment and recovery is the second largest spend area of the Public Health Grant. The government already monitors trends in public health and outcomes delivered through the Public Health Grant against a number of indicators, including indicators of alcohol harm, through the Public Health Outcomes Framework.

1.4 In addition, the government has provided additional funding for substance misuse services through its cross-government drug strategy. This supplemental funding has enabled local authorities to set a target of providing alcohol treatment to 92,000 people in 2023-24 – an increase of 8,000 on 2021-22. Local authorities have indicated that this will rise to over 100,000 people in 2024-25.

1.5 NHS England has worked to reduce alcohol-related ill health by targeting the secondary care inpatient population through a number of measures. This includes funding the development of specialist alcohol care teams in 25% of non-specialist acute hospitals by end 2023-24.

1b. PAC recommendation: In the absence of a formal strategy, the Department should:

- ***publish its assessment of the available evidence of effective strategies to tackle alcohol harm.***

1.6 The government agrees with the Committee’s recommendation.

Recommendation implemented

1.7 The government has already published a comprehensive assessment of effective and cost-effective strategies to tackle alcohol harm in England through the former Public Health England. This included a review of the evidence on the public health burden of alcohol in England and policy responses to reduce health, social, and economic alcohol harm.

1.8 The department continues to monitor the evidence base, including outputs from Public Health Scotland’s Monitoring and Evaluating Scotland's Alcohol Strategy (MESAS) programme.

2. PAC conclusion: The Department for Health and Social Care, as the lead department, does not have sufficient understanding of total cost of alcohol harm.

2. PAC recommendation: The Department should undertake the work necessary to improve its understanding of the up-to-date costs of alcohol harm to the NHS and wider society.

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 The annual cost of alcohol to society was estimated to be £21 billion in 2012. The department has updated this estimate to reflect inflation. In 2021 prices, the cost of alcohol to society is estimated at £25 billion.

2.3 The department has initiated an additional, longer-term piece of work to update the estimate of the cost of alcohol to society. The department has begun a review of existing evidence, starting with costs to the NHS and labour market productivity.

3. PAC conclusion: Delays by the Department in finalising the allocation of the Public Health Grant, coupled with short-term funding and reductions to the public health grant, make it difficult for local authorities to plan and commission alcohol treatment services effectively.

3. PAC recommendation: To improve certainty around funding for drug and alcohol treatment services, the Department should:

- ***commit to an earlier date by which it will confirm allocations of the Public Health Grant for 2024-25 and subsequent financial years: and***
- ***explain how it can provide greater longer-term certainty to local authorities so they can plan and deliver the right investments to make a difference in their areas.***

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 The government is committed to improving certainty around funding for drug and alcohol treatment services to local authorities and agrees that this is important to enable local authorities to effectively plan and commission services, and deliver the right investments.

3.3 The department is committed to giving as much notice as is feasible of Public Health Grant allocations and any additional funding for drug and alcohol treatment services for future years. For example, the department has already published indicative Public Health Grant and drug strategy allocations for 2024-25 in order to support systems to plan ahead and will aim to publish 2024-25 allocations before the end of 2023.

4. PAC conclusion: We are concerned that a high proportion of people with alcohol dependency are not in treatment and that there are unnecessary barriers to people in need of treatment.

4. PAC recommendation: The Department should set out:

- ***how it is working with local authorities to address the barriers to people with alcohol dependency from getting the treatment they need: and***
- ***what it is doing to help improve integrated care for people with co-occurring alcohol and mental health problems and to ensure that they receive the support that they need.***

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2025

4.2 Increasing the numbers of dependent alcohol and drug users in treatment is a key aim of the additional drug strategy investment.

4.3 The department is providing a range of support to all local authorities for identifying and addressing barriers to engagement with treatment, including interpretation of local data, advice on specific treatment pathways, troubleshooting and sharing of best practice. Further targeted support is also provided to high priority areas for service improvement.

4.4 The department, in partnership with the devolved administrations, is developing the first UK-wide clinical guidelines on alcohol treatment, which include guidance for commissioners and services on addressing barriers to treatment. The guidelines will go out for public consultation in Summer 2023 and final guidelines will be published later in the year.

4.5 The department and NHS England are developing a joint action plan to address co-occurring mental health and drug/alcohol-related conditions. This programme of work will improve access to mental health services for people with drug and alcohol misuse conditions, as well as improve the links between mental health and substance misuse services.

4.6 The department already published the Commissioning Quality Standard for drug and alcohol treatment services in August 2022. This includes requirements for local authorities to engage with other local services, such as mental health providers, to provide coordinated packages of care that support recovery, including for people with co-occurring mental health conditions.

5. PAC conclusion: There is concerning local variation in reported spending on, and outcomes from, alcohol treatment.

5a. PAC recommendation: Working with local and national partners, the Department should:

- ***identify ways to increase uptake of treatment services in areas where the proportion of alcohol dependent people in treatment is lower.***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2023

5.2 Although the number of people in alcohol treatment is currently increasing nationally, the department recognises the requirement to provide targeted support to local authorities where an area is not achieving its planned trajectories for increasing numbers in treatment.

5.3 The department will be releasing a toolkit in Summer 2023 which will help each local authority to compare treatment numbers to their estimated dependent populations and identify whether specific referral pathways need strengthening. The toolkit will also contain guidance on good practice to reduce the level on unmet need and target priority or under-served groups.

5b. PAC recommendation: Working with local and national partners, the Department should:

- ***seek to understand why success rates are particularly low or high in some areas and to identify opportunities to share best practice.***

5.4 The government agrees with the Committee's recommendation.

Recommendation implemented

5.5 On 20 April 2023, the department released a Local Outcomes Framework dashboard to local authorities covering a range of outcomes, including rates of progress in treatment, completions of treatment, and deaths in treatment.

5.6 All the data presented in the dashboard will be benchmarked to enable national and regional comparisons. All outcomes framework measures will be analysed and interpreted alongside each other by the department to improve understanding nationally and locally of variation in performance between areas.

5.7 Using data in the Local Outcomes Framework dashboard and the unmet need toolkit the department will support local areas to understand their data and support them to take appropriate action, prioritising areas where success rates are particularly low, connecting them where appropriate to areas with better success rates to share good practice.

6. PAC conclusion: There has been a marked reduction in the size of treatment workforce, in particular, of addiction psychiatrists.

6. PAC recommendation: The Department should update us on how it is progressing with the implementation of its substance misuse workforce strategy as set out in the 10 -year drug strategy.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2023

6.2 The department is working with NHS Workforce Transformation and Education (NHS WT&E) to develop a substance misuse workforce strategic plan, with a target publication date of Autumn 2023. The department and NHS WT&E are also developing phase 1 of the national drug and alcohol treatment and recovery capability framework and a workforce calculator, both of which will be published in Autumn 2023.

6.3 The department continues to support local authorities to improve the capacity and quality of their workforce, including the provision of workforce planning guidance in March 2023, as well as detailed workforce analysis, to ensure their plans meet the ambitions of the drug strategy.

Treasury Minutes Archive[4]

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

Session 2022-23

Committee Recommendations:	364	
Recommendations agreed:	327	(90%)
Recommendations disagreed:	37	

Publication Date	PAC Reports	Ref Number
July 2022	Government response to PAC reports 1, 3 & 10	CP 722
August 2022	Government response to PAC reports 2, 4-8	CP 708
September 2022	Government response to PAC reports 9, 13-16	CP 745
November 2022	Government response to PAC reports 11, 12, 17	CP 755
December 2022	Government response to PAC reports 18-22	CP 774
January 2023	Government response to PAC reports 23-26	CP 781
February 2023	Government response to PAC reports 27-31	CP 802
March 2023	Government response to PAC reports 32-36	CP 828
May 2023	Government response to PAC reports 37-41	CP 845
June 2023	Government response to PAC reports 42-47	CP 847
July 2023	Government response to PAC reports 48-54	CP 902

Session 2021-22

Committee Recommendations:	362	
Recommendations agreed:	333	(92%)
Recommendations disagreed:	29	

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
July 2022	Government response to PAC reports 49-52	CP 722

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

[4] List of Treasury Minutes responses for Sessions 2010-15 are annexed in the government's response to PAC Report 52

Publication Date	PAC Reports	Ref Number
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

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%)

Publication Date	PAC Reports	Ref Number
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
June 2023	Session 2013-14: updates on 1 PAC report Session 2017-19: updates on 11 PAC reports Session 2019-21: updates on 5 PAC reports Session 2021-22: updates on 29 PAC reports Session 2022-23: updates on 27 PAC reports	CP 847
December 2022	Session 2013-14: updates on 1 PAC report Session 2017-19: updates on 16 PAC reports Session 2019-21: updates on 14 PAC reports Session 2021-22: updates on 38 PAC reports Session 2022-23: updates on 8 PAC reports	CP 765
June 2022	Session 2013-14: updates on 1 PAC report Session 2017-19: updates on 27 PAC reports Session 2019-21: updates on 34 PAC reports Session 2021-22: updates on 30 PAC reports	CP 691
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
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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