



Treasury Minutes on the Forty First to the Forty Fourth, the Forty Sixth, the Forty Ninth to the Fiftieth, and the Fifty Fourth Reports from the Committee of Public Accounts Session 2008-09

**Presented to Parliament by the Exchequer Secretary to the Treasury
by Command of Her Majesty
December 2009**



Treasury Minutes on the Forty First to the Forty Fourth, the Forty Sixth, the Forty Ninth to the Fiftieth, and the Fifty Fourth Reports from the Committee of Public Accounts Session 2008-09

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TREASURY MINUTES DATED 15 DECEMBER 2009 ON THE FORTY FIRST TO THE FORTY FOURTH, THE FORTY SIXTH, THE FORTY NINTH TO THE FIFTIETH, AND THE FIFTY FOURTH REPORTS FROM THE COMMITTEE OF PUBLIC ACCOUNTS SESSION 2008-09

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Forty First Report

Ministry of Defence (MOD)

Service Families Accommodation

1. The Ministry of Defence (the Department) has around 50,000 properties in the UK, providing accommodation for 42,000 Service personnel and their families. It manages some 20,000 family moves a year. Around half of Service families surveyed by the National Audit Office (NAO) considered the condition of their property was good, but, disappointingly, a third said it was poor. Around 90% of the Department's housing stock is within the top two of its four condition standards, which meet or exceed the Government's Decent Homes Standard. Emerging findings from the Department's recent condition survey, however, show there are now fewer properties at Condition 1 (35%) and more at Condition 2 (59%) than previously recorded.

2. The Department's system for allocating property is complex, and results in limited choice for families. Families receive minimal information about the properties to which they are allocated and in many cases they only see the house for the first time when they arrive to move in. Too many families are moving into properties which are not properly cleaned. There are a number of simple improvements the Department can make to its processes, which will improve the experiences of families moving in to properties and enhance how it captures occupants' concerns and complaints.

3. The Committee of Public Accounts (PAC) examined the Department on the condition and management of the housing stock, the process for allocating accommodation and moving Service families, the maintenance service and on encouraging home ownership.

PAC Conclusion (1): Almost a third of Service families surveyed by the National Audit Office describe the condition of their house as poor. The Department plans to upgrade 2,300 of its houses in the lowest Conditions 3 and 4 to the best Condition 1 by 2012, and do the same for the remaining stock within the next 20 years. The Department should use its new condition standards data to assess which properties meet the Government's Decent Homes Standard and targets for energy efficiency, and quickly tackle the problems in those that do not. The Department should also further analyse properties rated Condition 2 so it can prioritise upgrade work in this broad band towards those most in need of improvements.

4. The Department partially agrees with this conclusion. It will use the results of the current Condition survey to target and prioritise housing for upgrade programmes to meet Standard 1 and 2 for Condition, which are judged to meet or exceed the Government's Decent Homes Standard. *The Defence Accommodation Management Strategy*, published in August 2009, sets out our intention to have all UK homes in the top two Standards for Condition by March 2013. From 2013, the Department will switch focus to bringing Standard 2 houses up to Standard 1.

5. The intent is that all Service Family Accommodation (SFA) will have modern showers and that further energy measures will be undertaken such as roof insulation. This will be specifically targeted over the next five years in areas where existing insulation does not meet Government requirements. This will contribute to the Department's Sustainability targets as well as meeting the Government's 2020 housing targets.

PAC Conclusion (2): The Department was wrong to release new data on the condition of its housing stock the day before publication of the Comptroller and Auditor General's Report, particularly as it contained known errors, and neither the survey nor the analysis were complete. The Department must complete the survey, validation and analysis to its planned timescale so it can identify all the properties needing an upgrade using reliable data. It should update Parliament on the condition of the housing stock once its survey work is complete. In future, Departments should make the National Audit Office fully aware of relevant data they intend to release at, or around, the time of the publication of a report by the Comptroller and Auditor General and only release information that is sufficiently reliable.

6. The Department agrees with this conclusion. The survey in England and Wales will be complete by April 2010. Scotland and Northern Ireland will be completed by April 2011. Data is reported on a quarterly basis to Parliament using the most up to date data available.

7. The Department will amend its guidance to emphasise the need to work closely with the NAO throughout the preparation and publication period of any report.

PAC Conclusion (3): Currently around 17% of properties sit empty, at significant cost, well above the Department's target of 10%. Each percentage point reduction in empty properties reduces costs and frees resources by over £2 million. To reach its target more quickly, the Department should speed up the process by which it makes strategic decisions on the location and make up of its housing stock. Where it has identified that empty stock needs to be retained for future basing requirements, it should explore alternative uses for the houses during the interim period, for example, leasing appropriate blocks to other housing providers.

8. The Department agrees with this conclusion. The proportion of void (empty) properties has already reduced to 15.9% and is intended to be at or below 15% by the end of this financial year. The Department aims to reduce the level of the Management Margin to 10% by 2012. A base level of voids has to be maintained in order to provide the flexibility needed to support the number of family moves (around 20,000) undertaken each year. Voids also occur when properties are under repair or refurbishment and the nature of the work would be too disruptive for the property to be occupied.

9. In addition, there are some voids that are being held for future requirements, such as Service personnel returning from Germany. In those areas where SFA is held pending a planned unit move, the Department is actively seeking sublet arrangements with Local Authorities and private landlords. To date, a number of initiatives have already been put in place for the temporary sub letting of SFA. For example, arrangements are in place for some 100 properties at Innsworth, Brize Norton and Woodbridge with further properties identified at nine other locations, including Woolwich, for letting to local authorities, housing associations and private landlords.

10. Since 2008, a Void Surge Programme has brought 1,600 houses back on-line for allocation, with a further 900 planned during financial year 2009-10. This should see the number of voids dropping to around 7,000 by April 2010. The programme has been effective through better identification of properties for disposal (some 2,650 properties have been disposed of over the last three years with 765 identified for release by end of this financial year) and by subletting where there is a long term requirement. Progress has also been made with the contractor by speeding up repairs, fitting new carpets, and through a 48 hour hand back process to housing staff for checking completion of repairs and cleanliness standards prior to letting.

PAC Conclusion (4): The Department's entitlement system is complex, and Service personnel have limited ability to request a property outside their strict entitlement. The Department is constrained by its existing housing stock, but it should review the scope to simplify the number of property types it offers when providing new stock. It should also increase the flexibility around the margins of the system, for example, in reviewing the scope for using properties designated for Officers for larger Other Ranks families where there is a shortage of appropriate stock.

11. The Department partially agrees with this conclusion. An internal review has found that high levels of housing delivery staff turnover has reduced the number of experienced staff, who can use, to maximum effect, the flexibility inherent in the current policies. Training programmes have been introduced to address this shortfall.

12. Current policy allows re-typing of patches of Officers' housing stock for use by larger Other Ranks families. How this is implemented is being revisited in consultation with relevant chains of command. Area Accommodation Plans, which will reflect these agreements at local level, will be rolled out across all regions by 2010.

13. The Department acknowledges that for future new builds, a standard approach to three and four bedroom properties to simplify variations in types would ease some of the complications of having the right type of housing in a location to meet different manning profiles and family constructs. This is currently being investigated to determine if it is sufficiently financially viable to be taken forward.

PAC Conclusion (5): Families receive very limited information about the properties which they are allocated and in many cases only see the house for the first time when they arrive to move in. The Department should introduce estate agent style details for occupants including photos, information on layout and floor plans. It could make use of data collected during the recent condition survey where feasible, and should build the generation of estate agent details into the data collection plans for its survey of the remainder of the housing stock.

14. The Department agrees with this conclusion. The Department intends to use the new condition data to inform and contribute towards estate agent-type information to be sent to Service personnel and families. These will be available by post on offer of SFA and will include details of address, pictures, rooms, garden and availability of parking facilities. A trial is going on in the UK, with intention of a full roll out in Spring 2010.

15. A training programme has been introduced for the housing staff to improve their knowledge of the housing stock for which they are responsible. By improving awareness, staff should be able better to allocate housing to match occupants' aspirations against available stock, noting that availability of stock will be a limiting factor around that flexibility.

PAC Conclusion (6): Over a third of those surveyed by the National Audit Office were dissatisfied with the cleanliness of their property on moving in. The Department should either undertake to clean all properties before a family moves in, or strengthen expectations that families leave them clean by inspecting properties and completing minor repairs before another family moves in. The Department should also:

- (a) make permanent the process being trialled in England and Wales whereby staff “take back” properties from the contractor two days before a new family arrives (particularly after repair work, or if the house has been empty) to allow for attention to unsatisfactory repairs or cleaning;**
- (b) introduce a deposit, from which the Department can deduct cleaning charges for properties not left in a satisfactory state;**
- (c) create a record of tenants who abuse their accommodation so incidents can be taken up with their military units and involve the Services on a more systematic basis, and**
- (d) make more rigorous the collection of charges levied on moving out, and return the charges collected to the local area so that costs incurred do not reduce funding for other maintenance work.**

16. The Department partially agrees with the Committee’s recommendations. All families should move into a clean house without outstanding repairs. Following a successful roll out across Scotland, housing staff in England and Wales have started a programme of ensuring that properties are fit for occupation and meet the required cleanliness standards by getting them handed back from the contractor and checking them 48 hours in advance of families moving in. Staff annual performance objectives, have from October 2009, been more clearly defined, so that the staff measure delivery/acceptance of the required standards.

17. The Department has developed training programmes for housing staff to improve their understanding of the required cleanliness standards. The Department therefore, considers there is no need to implement a deposit scheme. Reference houses are in place across the UK estate to show examples of the required standards for housing staff, contractors, chains of command and families to view.

18. The Department has introduced a pre-payment cleaning scheme pilot to an approved cleanliness standard. This has proved successful and is now being rolled out across the UK estate. The scheme, together with better advice, will go some way to reducing the number of occupants who struggle to meet the standard. In those instances where occupants continue to fail, the chain of command is made aware and will assist with educating Service personnel in the standards that are expected.

19. The Department has a net budget, which assumes a certain level of receipts and these are recycled into expenditure. However, where it is appropriate to do so, Barrack Damage charges levied on occupants can be recycled back to the area in which they were incurred.

PAC Conclusion (7): Although some of the problems with the maintenance contract have been overcome, the level of first time repairs is too low, communication of progress to occupants is often poor and the contract excludes some important items. The Department should benchmark the maintenance system with other housing providers and manage the contract to ensure that the contractor meets meaningful key performance targets. In particular, it should work with the contractor to improve the actual rate of first time repairs. The contract excludes important items such as carpets. The Department should seek to extend the existing contract to include them, and should build currently omitted items into any new contract it agrees. It should also prepare the market so there is sufficient competition for the incumbent provider.

20. The Department partially agrees with this conclusion. The Department accepts that there are benefits to be gained from understanding contrasts with other housing providers and has joined Housemark, a professional body that measures performance of Housing Associations and Local Authorities. Membership of this organisation represents an opportunity for identifying best practice. However, the Department has to manage high mobility of its occupants, not normally replicated in the private sector, which makes it difficult when making meaningful comparisons of key performances.

21. As the contract with Modern Housing Solutions (MHS) has progressed, the relationship between the contractor and the Department has matured. The contractor is continuing to address concerns over standards and has introduced PDAs (Personal Digital Assistants) to enhance performance. These allow visiting technicians' immediate access to information about the maintenance history of a property, for comprehensive records of types of assets installed to be accessed; as well as providing better information on the task in hand. While it is too early for conclusive data to be available, the initial assessment is that it has started to make a positive difference on the ground.

22. The contract has been amended to include some items originally excluded. These include common areas such as hallways in blocks of flats, as well as areas contained within the footprint of the housing estates, such as the maintenance of garage blocks, grounds maintenance and pavement repairs.

23. However, the wholesale inclusion of carpets into the contract is not affordable at present. It therefore makes better use of resources to maintain the current arrangements. Future contract arrangements will be examined in the light of the Department's *'Next Generation of Estate Contracts'* project, which is looking at how estate services might be procured in the future as existing contracts approach their end dates.

PAC Conclusion (8): The Department needs to develop better mechanisms for communicating with occupants and for recording their experiences and complaints. The Department should use the results of its planned survey of Service families to inform its priorities for improving customer service. It should also consult more widely with occupants on their priorities when determining what upgrade work to carry out. It should introduce a more rigorous system for recording and monitoring occupants' complaints to quickly identify recurrent problems and take prompt action to address them.

24. The Department agrees with this conclusion that communication with families could be better. All occupants of SFA will be included in a survey programmed for early 2010 to follow up the one undertaken by the National Audit Office during 2008. The data generated by that survey, will be used to help inform upgrade programmes, as well as to give the Department valuable feedback on the overall service.

25. The Department agrees that the monitoring and processing of complaints could be improved. A recent review identified a number of issues relating to governance, audit trails, responsibility and accountability between stakeholders. A more rigorous system for management and monitoring complaints is under development, starting to provide greater ownership of complaints at all levels, for all stages of the process.

PAC Conclusion (9): The Department is improving the way in which it delivers housing services, but could do more to follow good practice. To improve its own performance further, the Department should benchmark its performance and practices against other housing providers such as Housing Associations and Local Authorities, and draw on good practice in these sectors to develop a greater customer focus.

26. The Department agrees with the Committee's recommendation. The Department will use membership of Housemark as an opportunity to draw on good practice, which has been developed by Housing Associations and Local Authorities for improving customer focus, and to apply it to the Defence Estate.

PAC Conclusion (10): It is more difficult for Service personnel to be home owners than the civilian population because they are required to move frequently. The Department assists with home ownership and plans to pilot a shared equity scheme where it would acquire a share of the property bought by Service personnel. The Department should undertake an early evaluation of the pilot shared equity scheme to assess the likely take-up from lower income Service families, as well as the potential risks it may be taking in committing to long-term equity shares in private housing.

27. The Department accepts this conclusion. The pilot *Armed Forces Home Ownership* scheme is still expected to be announced by the New Year. It is aimed at lower income personnel who are in the early stages of their career (in the four to six years bracket). Evaluation is planned quarterly between the service deliverer, the Department, and Homes and Communities Agency. Annual strategic assessment to evaluate the scheme will inform any extension. Personnel will be encouraged to take independent financial counselling before embarking on the scheme. A specialist service deliverer will undertake affordability checks and will also facilitate access to debt counselling services in the event of the purchaser facing difficulties.

28. The Department continues to deliver with Government Departments and the devolved administrations the commitments set out in the 2008 *'The Nations Commitment: Cross Government Support to our Armed Forces, their Families and Veterans'* in order to remove disadvantage for the Armed Forces. Improvements to Government-run affordable housing schemes across the UK include agreement to subletting arrangements and extending the priority status to the Armed Forces for a further 12 months after their career ends.

Forty Second Report

Department for Work and Pensions (DWP)

Supporting carers to care

1. There are an estimated six million unpaid carers in the United Kingdom looking after family or friends who are sick or disabled. The Department for Work and Pensions (the Department) provides two main forms of support to carers – paying carers' benefits and providing employment support – at an estimated cost of up to £2 billion a year.
2. The main benefit available to carers is Carer's Allowance, which is payable to those who give up the opportunity of full-time work to provide care. Carers may also be eligible for Additional Amounts and Carer's Premiums on top of other benefits such as the State Pension. At November 2008, 900,000 carers met the entitlement rules and the value of the social care they provided has been estimated by the National Audit Office at £23 billion a year. The Department is unable to assess the effectiveness of its work to reach eligible carers and to specific groups such as ethnic minorities as it does not know the benefit take-up rate.
3. Carers who wish to combine caring responsibilities with paid work do not receive employment support tailored sufficiently to their circumstances. Part-time work is often the most practical option, but the Jobcentre Plus target regime does not provide sufficient incentives for Personal Advisers to help customers find part-time work. In its 2008 National Strategy for Carers, the Department committed to spend 'up to £38 million' on support for carers. Some £25 million of the funding has already been committed, but the remaining £13 million may be diverted elsewhere as demand for other Jobcentre Plus services increases at a time of rising unemployment.
4. The Committee for Public Accounts (PAC) examined the Department on the steps it has taken to improve the delivery of benefits to carers and the support it provides to help them find employment.

PAC Conclusion (1): Carers provide a very valuable service to society but the Department's approach to providing carers' benefits is complex, making it difficult for carers to access financial and other support. Currently, for example, carers in receipt of other benefits such as the State Pension, have to apply for Carer's Allowance even though they are not eligible for it, in order to receive top up allowances on existing benefits. The Department should make it possible for those carers only eligible for top up payments such as Carer's Premium or the Additional Amount to apply directly for those benefits.

5. The Department accepts that the current system of benefits is complex and has gradually grown over time. The Department is committed to taking a fundamental look at carer benefits within the context of its ambitions for longer term benefit reform and the current review of the Care and Support system. It would not be sensible to examine carers' benefits in isolation. Many of the difficulties that carers experience arise from the complex interactions between Carer's Allowance and other benefits, and between different parts of the wider welfare system.
6. New letters have been produced for both pension age and working age customers to help explain the concept of underlying entitlement to Carer's Allowance. A pilot to test the effectiveness of the new letters started on 8 June 2009. The evaluation has been completed and the results are being assessed. A decision about national roll out will be made following this assessment.
7. The Department will explore options to streamline the Pension Credit application process for carers where receipt of state pension excludes them from receiving payment of Carer's Allowance.

PAC Conclusion (2): Despite past recommendations from the Committee, the Department's communications can be lengthy, incomprehensible and confusing for carers. The Department should assess the effectiveness of its communications with carers by monitoring common enquiries and contact made by customers in order to identify letters and guidance which may need revision, and should act quickly to simplify them, using its customer groups, such as the Pensions, Disability and Carers Service Advisory Forum, to test simplified communications.

8. The Department agrees that in the past there were some issues with its communications with carers. However, it has taken action to resolve this, for example: by introducing a shortened claim form for pension age customers. In April 2009, the Carer's Allowance Unit was awarded the Clear English Standard (CES) accreditation from the Plain Language Commission for the main clerical claim pack (DS700). Claims can also be made by phone and on-line, and can be accepted by organisations such as Age Concern and Citizens Advice, as well as the Departments offices.

9. In addition, information is available online via Directgov¹, which includes a bespoke section with tailored information for carers. There is a significant advertising campaign throughout 2009, raising awareness of Directgov as a portal for all information for citizens.

10. The Pensions Disability and Carer's Service (PDCS) have already consulted their Advisory Forum on the new Carer's Allowance leaflet, which was published in May 2009. PDCS will also be seeking their views on what more is needed to improve communications with customers and their carer networks.

PAC Conclusion (3): The Department has no reliable estimate of the take up rate for Carer's Allowance and so cannot be confident it is reaching the eligible population. In taking forward its planned research into the take up rate, the Department should assess how well its publicity for the benefit reaches particular groups such as ethnic minorities, different age groups or people in different regions of the country so that communications strategies can be revised as appropriate.

11. The Department accepts that it does not currently have a reliable estimate of the take up rate for Carer's Allowance. Currently, there is no reliable or cost effective way of calculating the eligible population who, if they made a claim, would be entitled to Carer's Allowance. Therefore, the Department has asked the Institute of Social and Economic Research at the University of Essex to investigate the feasibility of calculating the take-up of Carer's Allowance.

PAC Conclusion (4): The Department's employment support is not well suited to helping carers find work because of insufficient understanding of carers' needs amongst Jobcentre Plus staff and no means to identify vacancies most suited to carers' circumstances. The Department should assess the effectiveness of its actions to enhance Personal Advisers' skills and understanding, and to improve information about flexible job vacancies by seeking early feedback from Advisers and carers on job outcomes and staff and customer satisfaction.

12. The Department agrees that previous employment support may not have been totally suited to assisting carers. However, a number of improvements have been made to address this issue, for example: the Carer Portal was introduced on the Departmental Intranet in July 2008. It has been updated regularly to provide Jobcentre Plus advisers with a wide range of information about carers and their needs. It was developed in consultation with key stakeholders.

¹ <http://www.direct.gov.uk/en/CaringForSomeone/index.htm>

13. Jobcentre Plus has introduced a Care Partnership Manager in each district to support advisers and ensure that local support for carers is effective, consistent, and best practice is identified and adopted. Care Partnership Managers work with learning and development colleagues to ensure advisers are equipped with the skills and knowledge to support carers. They also work with partner organisations, such as local authorities, health services and third sector carer support organisations, with the aim to raise the profile of carer employment issues and make them aware of Jobcentre Plus services, and to improve adviser knowledge and awareness of the support available to carers.

14. Jobcentre Plus has provided enhanced specialist training for Care Partnership Managers and is now extending this to key advisers between October 2009 and June 2010. To supplement personal adviser learning, Jobcentre Plus intends to commission production of a video featuring carers talking about their experiences and the challenges of combining care with paid employment for use from early 2010. Jobcentre Plus will formally evaluate this learning with the staff undertaking it. Jobcentre Plus also intends to evaluate the wider impacts on carer customers as part of its customer satisfaction surveys from 2010.

15. From October 2009, flexibilities in hours and working patterns are displayed on the vacancy (within the vacancy bank) as part of the job description. Vacancy Bank is the term used to describe the vacancies held by Jobcentre Plus which are accessible through: Jobcentre Plus' own Labour Market System; self service Jobpoints; Directgov²; and the Jobcentre Plus website³. Care Partnership Managers are working with employer engagement teams to identify local employers who offer flexible working conditions and pass information to personal advisers.

PAC Conclusion (5): There is insufficient incentive for Jobcentre Plus Advisers to help carers seeking part-time work as a successful outcome may not be included against the Jobcentre Plus performance targets. Performance against Jobcentre Plus' job outcome targets is based on data received from Her Majesty's Revenue and Customs, which requires the newly placed employee to receive a salary in excess of the tax threshold. Jobcentre Plus should incentivise Personal Advisers to find employment for carers by including all part-time job outcomes in personal performance targets.

16. The Department disagrees with this conclusion. Jobcentre Plus's job outcome target is designed to capture all job outcomes (irrespective of the hours worked) from carers who leave a taxable benefit in order to take-up employment, irrespective of the wage earned. This is because employers are required by law to forward an employee's P45 to HM Revenue and Customs in all cases where one is presented to them, and carers in receipt of benefits such as Jobseekers Allowance, Employment and Support Allowance or Carer's Allowance will receive a P45 from Jobcentre Plus in the event that they cease claiming.

17. Jobcentre Plus personal advisers do not have individual targets for job outcomes. Job outcomes cannot be linked to specific actions recorded by advisers and therefore cannot be attributed to specific individuals. The activities undertaken by individual advisers are measured, including submitting customers for a particular vacancy, but this is credited regardless of whether the customer is applying for full or part-time work.

18. Jobcentre Plus does incentivise activity moving carers into work by recognising carers on benefits, such as Income Support and Carers Allowance, as priority customers for the purposes of the job outcome target. Part-time work has been widely promoted as a valuable and realistic job goal for carers through Care Partnership Managers, the Carer Portal and as part of specialist adviser learning.

² www.direct.gov.uk/en/Employment/Jobseekers/LookingForWork/DG_10030134

³ www.jobcentreplus.gov.uk/Internet/setLocale.do?country=GB&language=en&page=/initialise.do

PAC Conclusion (6): Carers' needs can be reduced if the needs of the person being cared for are met, which requires effective co-ordination of services provided by the Department and by other central and local government bodies and third sector organisations. The Department should share good practice across its new Care Partnership Managers, whose role is to strengthen links with other organisations and assist Personal Advisers in referring carers to appropriate support.

19. The Department agrees that good practice should be shared. Care Partnership Managers are working with partner organisations, such as local authorities, health services and third sector carer support organisations, to raise the profile of carer employment issues and make them aware of Jobcentre Plus services. They also share intelligence with local advisers to improve knowledge and awareness of the support available to carers.

20. Regional network groups of Care Partnership Managers have been established to share experience and good practice. This is being supported nationally through the Carer Portal, which contains a dedicated discussion group and acts as a central focal point for identifying and disseminating good practice.

Forty Third Report

Department for Business, Innovation and Skills (BIS)

Learning and Innovation in Government

1. To find more efficient and effective ways of delivering services with reduced resources, Government need to learn from past experiences, and identify and implement innovative ways of tackling problems. This is particularly important in the current economic climate. Numerous reports by the Comptroller and Auditor General (C&AG) and the Committee of Public Accounts (PAC) has highlighted that the Government repeats the same mistakes and fails to learn from the past. However, there have been successful projects such as the roll out of the Jobcentre Plus network and the ePassport, which demonstrated good learning from piloting and past experience respectively.

2. Innovation involves trying new things, some of which ultimately will not work. So experimentation is necessary. But with public money at stake, the Government needs to be able to halt ineffective activities quickly and learn lessons from them. Ways of capturing lessons have been introduced, such as the OGC's Gateway Reviews, but some of the projects subject to them have still experienced problems. The Government has paid insufficient attention to analysing the lessons from the reviews. A lack of good management information is still a hindrance in some cases, and inhibits understanding the impact of innovation. There are a number of barriers to change in Government, with initiatives introduced to tackle these.

3. The complexity of central Government means responsibility for cross-cutting issues will inevitably be distributed across different bodies. The Treasury and Cabinet Office have tried to present a more coherent and consistent message to manage the risk of giving conflicting advice, but Departments are not always clear which part of the centre is responsible for what. In 2008, the central Departments established a cross-Government working Compact setting out how the centre will work with Departments.

4. The Committee examined the Department for Innovation, Universities and Skills (the Department – since replaced by the Department for Business, Innovation and Skills), the Cabinet Office, the Office of Government Commerce (OGC) and the National School of Government on learning from success and failure, the barriers to learning and innovation, sharing ideas and knowledge, and the role of the centre in promoting this agenda.

PAC Conclusion (1): Learning and innovation in government require the right balance of incentives and rewards, well informed understanding of risk, and determined leadership. To be more effective at learning and innovation requires a change in the culture of central government organisations. In particular, organisations need to strike a new balance between thoroughly considering the risks associated with change, and not unnecessarily delaying the 'time to market' for new initiatives through over-caution. They should also spread risks by trialling different solutions to problems. In the attached Annex we recommend some key principles which public organisations should follow to help strike that balance.

5. The Department accepts this recommendation that to be more effective at learning and innovation requires change in the culture of central Government organisations. There are many examples of large scale innovation across government, including the Open University, Directgov, Jobcentre Plus and the ePassport. Working with the Cabinet Office, the Department has been expanding its network of partners and is working with them to trial new approaches to innovation, as well as brokering links between them and departments in order to build the skills and understanding necessary to support public sector innovation.

6. The Department is further developing a package of measures to support innovation across central Government. A number of programmes have already been established to help build a culture of innovation and to support departments to work more openly and collaboratively in generating, testing and implementing new ideas. These include:

- The Design Council's Public Services by Design programme, which focuses on the use of design techniques to help public sector organisations transform service delivery.
- The National Endowment for Science, Technology and the Arts (NESTA) Public Services Innovation Laboratory develops new methods for uncovering, developing, and testing new ideas and innovations.
- HMRC's Angels and Dragons initiative is an example of a well resourced approach, which helps staff take forward suggestions with strong senior management backing.

7. More widely, communities of practice of people with specialist knowledge – for example, the Chief Technology Officers Council and the Change Directors' Network – are considered by departments as the most useful ways of spreading learning. In addition, the National School for Government has launched a Whitehall Hub for Innovation, funded by the Department, to connect networks for knowledge exchange, build skills and contribute to thought leadership. It has produced a paper: *'The Leadership of Innovation'* which outlines the role of the strategic leader in managing the process of cultural change.

8. Given that the work on public sector innovation is closely linked to the *'Excellence and Fairness'* programme on public service reform, the Department is working closely with the Cabinet Office.

PAC Conclusion (2): Innovation cannot be driven from the centre of government but central bodies have an important role to play in spreading knowledge of what works. Departments find the support and guidance from the centre helpful but can be confused by the range of organisations providing support and the amount of guidance. The centre should encourage learning and innovation, set priorities and measure progress. To avoid moving resources away from the frontline, the centre should be streamlined, able to justify its activities on business grounds and organised so it can demonstrate the added value it provides. The support and guidance it provides should take explicit account of what departments say they find most useful and effective.

9. The Department accepts that central bodies have an important role to play in spreading knowledge of what works well, and learning the lessons of what does not. However, the centre has an important role to play when setting the context in which innovation operates. The Cabinet Secretary has recently announced that the next round of Capability Reviews will include an additional indicator on innovation. This demonstrates how determined the Government is to making departments more strategic and effective in the delivery of public services.

10. The Department has established The Public Sector Innovation Unit to promote innovation across Whitehall, working alongside partners like the National School of Government on the Public Service Leadership programme and the Cabinet Office on the Innovators Council. The Unit will play an in-government consultancy role by helping departments to develop activities based on needs, drawing upon the broader network of organisations with expertise on innovation.

PAC Conclusion (3): Performance monitoring is likely to be most effective where there is transparency around the results. Gateway reviews are an important tool, but could be made more effective at encouraging learning and innovation. This Committee has previously argued for increased transparency in respect of the Gateway reviews. The reviews will be more effective if they are published and their conclusions shared across government, in keeping with the spirit of the United States Government's ExpectMore.gov website. OGC should also analyse systematically the available data from previously completed reviews, in order to identify systemic lessons which should be shared more widely.

11. The Office of Government Commerce (OGC) partially agrees with the recommendation. OGC is committed to transparency and public accountability, which is evident in the emphasis placed on publishing the results of

a wide range of OGC activities, such as the Procurement Capability Reviews and delivery plans on sustainable procurement and operations on the Government estate.

12. Gateway reviews are conducted on a confidential basis for the senior responsible owner and relevant department, which are accountable for the implementation of the recommended remedial action. This confidentiality allows interviewees to speak frankly and openly to reviewers about any problems facing the project or programme. It is felt that general disclosure or publication of key Gateway information would undermine the effectiveness of the Gateway review process.

13. This approach is supported by the Ministry of Justice's Working Assumption, developed specifically for the application to FOI requests for Gateway information, and looks to balance the interests of transparency with safeguarding the integrity of the process. At an Information Tribunal hearing earlier this year, which considered such an FOI request, the Tribunal stated that neither they nor the Information Commissioner believe all Gateway reviews should be disclosed.

14. However, the OGC does believe that there is value in the wider distribution of Gateway information within the department and across Government where appropriate and has issued guidance to that effect. The OGC also periodically publishes '*lessons learned*' information, which is compiled from the whole suite of assurance mechanisms that the OGC operates, including Gateway reviews. Through these initiatives, the OGC has both increased the transparency of Gateway information and continued to ensure that the Gateway process remains an extremely effective assurance tool.

PAC Conclusion (4): The civil service's need to develop a more open culture which encourages learning and innovation could be encouraged further via the capability review process. The annex to these recommendations summarises how we think the culture can be changed. The capability reviews consider issues relevant to innovation and learning under their headings of leadership, strategy and delivery. As part of the changes to the review process recommended in our report *Assessment of the Capability Review programme*, the reviews should bring this evidence together to make an explicit assessment of the capability of departments to learn and innovate.

15. The Cabinet Office accepts this recommendation. The revised model of capability, announced by the Cabinet Secretary, Sir Gus O'Donnell in July 2009, includes a new element – '*Innovate and Improve Delivery*'. This is to ensure that departments are fostering a culture in which innovation can flourish, and where learning from good practice and the front line, and better expertise leads to better delivery outcomes.

PAC Conclusion (5): Assessing the success of innovation by government is crucial for making the case for change but is hindered by measurement difficulties. Developing good data would support innovation by:

- (a) identifying where it is needed;**
- (b) demonstrating that innovative solutions are worth investing in;**
- (c) helping measure progress in developing innovation capability, and**
- (d) assessing whether an innovative activity is working or should be stopped.**

The work on the measurement of innovation commissioned by the Department for Business, Innovation and Skills and the National Endowment for Science, Technology and the Arts needs to meet these objectives. This means at an organisational level, using measures developed from the NAO's survey work to track departmental progress. For individual initiatives, indicators need to be based on clear objectives for the project and allow progress to be measured early enough to make quick decisions.

16. The Department accepts the Committee's recommendation. Better measurement will help assess Government innovation. Over the next year, the National Endowment for Science, Technology and the Arts (NESTA) is designing an Innovation Index for the public sector that aims to measure innovation at an organisational level and provide a means to assess the performance of individual initiatives. NESTA is working closely with the National Audit Office (NAO) to ensure that lessons from the NAO's work on innovation in the public sector are incorporated. The Department expects the results of NESTA's pilot project by Autumn 2010.

PAC Conclusion (6): Bringing people with private sector experience into government can promote innovation and improve performance, but some struggle to adapt and leave. An increasing number of officials have come from the private sector, bringing with them necessary skills and experience. Some have found it hard to get used to, or influence, the ways of working in government and leave. To counter this, departments and the centre should enhance the induction and support for new people, making use for example, of the professional networks which are in place across government.

17. The Cabinet Office accepts the Committee's recommendation. It acknowledges that those entering the Civil Service from the private sector can, and do have a role to play in promoting innovation. At the same time, the Civil Service does have a history of innovation and service improvement, in particular coming from those on the front line. The Cabinet Office's recent report on *Excellence and Fairness*, and its response to the Sunningdale Institute 2009 study, *Engagement and Aspiration: Reconnecting policy making with front line professionals*, highlights the importance that the Government puts on innovation from the front line and its commitment to supporting and developing this culture of innovation.

18. The Cabinet Office recognises that external recruits usually require more comprehensive induction and support, when making the transition from other sectors to the public sector, and understanding how the Civil Service operates. As a result, the Cabinet Office has put in place a number of methods to assist those joining the Service. These include a mentoring scheme to provide an invaluable insight into how Whitehall works and be a source of practical advice and support; Base Camp, a development programme for all new starters to the Senior Civil Service (SCS); and corporate induction for all new members of the 'Top 200' (civil servants at Director General level and above).

19. This focus on SCS induction sits alongside the professional networks that provide additional support to new starters from colleagues in similar roles. For example, new members of the HR community at Director General or Director level have an introductory meeting with the Cabinet Office on appointment. They are also invited to join the HR Leaders' Council and asked to join one of the Council's working groups to make immediate use of their skills and experience.

Forty Forth Report

Department for Transport (DfT)

The Maritime and Coastguard Agency's response to growth in the UK merchant fleet

1. The Maritime and Coastguard Agency (the Agency) of the Department for Transport (the Department) is responsible for regulating and monitoring the safety of the United Kingdom's merchant shipping fleet. Until the late 1990s, the UK merchant fleet was in long term decline. After the introduction of tonnage tax in 2000, the UK merchant trading fleet grew by over 50% from 417 vessels to 646 in 2007. The growth continued in 2008. It is therefore disappointing that the Agency is not sticking to its 2007 target to increase the fleet by 7% each year, particularly when other States have clear strategies to encourage greater use of their fleets. As the Agency's workload has increased it has coped by being flexible and adaptable, and by delegating more survey work to classification societies.
2. It is confident that it has the resources to continue to police the fleet adequately in the future but has a significant number of surveyor vacancies and an ageing surveyor workforce. In 2002, we warned the Agency about these issues. We are, therefore, very concerned that it has shown no evidence of a robust and proactive strategy to recruit and retain the staff that it needs. It claims that it can cope with its current programme of surveys and inspections, but the evidence is confusing, with some targets missed and others exceeded. The UK continues to have a high standing internationally for quality but the Agency must guard against complacency. Other States are improving the quality of their fleets and inspections by other States of UK flagged vessels visiting their ports are revealing more shortcomings compared to international standards.
3. The Committee of Public Accounts (PAC) examined the Agency's handling of growth in the UK registered fleet and its work to maintain and improve the quality of the UK flagged vessels.

PAC Conclusion (1): The Agency has coped with the extra work arising from the continued growth of the UK Merchant fleet by being flexible and adaptable, but it is worrying that it is reactive and resistant to change, even when that change is positive. The continued growth in the fleet is welcome, particularly in the current economic climate. The Agency should produce a business plan that will maximise the opportunities from the growth in the fleet.

4. The Agency partially agrees with the Committee's conclusion. The Government is committed to seeing a vibrant, safe UK shipping industry that contributes to wider economic well being. Business planning in the Department and the Agency includes consideration of the needs of a growing UK Ship Register as the natural choice for quality shipping with the highest safety standards. The Government believes that the emphasis on quality, rather than quantity, is of paramount importance.
5. The bespoke branding and launch of the UK Ship Register with designated Customer Account Managers are examples of how the Agency has both accepted change in the shipping industry and initiated considerable change in the way it goes about managing its work to achieve this objective.

PAC Conclusion (2): The Agency contends that it is not facing a staffing crisis and can cope with further growth in the UK fleet. This confidence is surprising given that it is carrying staff vacancies and has an ageing surveyor workforce. In light of this the Agency should provide the evidence to support its view which the NAO can examine and if appropriate report back to us.

PAC Conclusion (3): In 2002 we warned the Agency of the need to address the problems of recruiting and retaining marine surveyors but it still does not have a robust strategy for doing this. The Agency must address this issue urgently to ensure that it has enough surveyors to deliver its inspection programme and to perform those surveys which are most critical to maintaining the quality of the UK flag.

6. The Agency agrees with the Committee's conclusions. The Agency reviewed how it recruits operational marine surveyors and launched an open recruitment campaign in December 2008. Vacancies were advertised on its website and in specialist media. The open campaign means that vacancies are advertised collectively and continuously on the Agency website, rather than as stand-alone campaigns. Southampton Marine office also holds open days to encourage applications. Since the start of the open campaign, 143 applications have been received. 34 interviews have been held, six surveyors have started work, and six more interviews are pending for November 2009. In the last 12 months from October 2008, 11 surveyors have started work in the Agency's Marine Offices around the UK. Three more are awaiting start dates.

7. If recruitment assessment days result in more candidates than the Agency currently has vacancies for, then the surplus candidates are placed in a pool for six months. They will be offered any new vacancies, without having to go through a further assessment process. Since April 2009, the Agency has placed five successful candidates in the pool while awaiting a suitable geographic vacancy.

8. The Agency has carried out six operational surveyor vacancies since 30 October 2009. Three of these were in Aberdeen and proved difficult to fill, because of the dominance of the oil and gas industry as an employer in the area, and the stiff competition for candidates from the limited local talent pool. As a result of two unsuccessful attempts to fill these vacancies, a separate campaign dedicated to recruiting surveyors for Aberdeen is currently underway. Interviews for Aberdeen and the open campaign are being held during November 2009. The other three vacancies arose during October 2009, as a result of a promotion, a lateral move and a retirement.

9. Over the last 12 months, the Agency has launched a trainee graduate surveyor recruitment scheme for four graduates/internships. The Agency has worked closely with universities running relevant degree courses. 25 candidates applied, of which 11 were invited for assessment. The four successful candidates are undergoing an intensive training programme to attain a solid grounding in the work of a marine surveyor. The Agency plans to recruit two more graduates to this programme in 2009.

PAC Conclusion (4): The Agency cannot say whether it will achieve its target, set in 2007, of an increase in the UK registered fleet by 7% each year between 2008 and 2012. The Agency should be proactive in achieving that target and then set targets for the size and composition of the UK fleet over a rolling five year period.

10. The Department partially agrees with the Committee's conclusion. The 7% growth target was always a challenging aspirational goal in the original marketing and growth strategy '*Growing the Flag*', produced by the Agency when the United Kingdom Ship Register (UKSR) was re-launched in 2007. It was always intended as a guide, to be adjusted in the light of prevailing economic conditions and the need to maintain a quality UK Register.

11. In the financial year 2007-08, the size of the UK Ship Register increased by 4.4% in numbers of vessels and 11.6% in gross tonnage. During the financial year 2008-09, it increased by 3.1% in numbers of vessels

and 15.4% in gross tonnage. The more important objective is to ensure that the UK retains its reputation for quality, as that is its strongest selling point. It has always been the objective that there should not be a compromise on quality to achieve quantity. During this period, the UK Ship Register remained in the top five of the Paris Memorandum of Understanding on Port State Control (Paris MOU) flag states, and is currently third in the table based on a three year rolling average.

PAC Conclusion (5): It is laudable for the Agency to aim to have a quality register, but unlike other Flag States it does not have a clear marketing strategy for the UK fleet. The Agency should develop a clear marketing strategy that will demonstrate how it will attract quality ships to operate under the UK flag.

12. The Agency partially agrees with the Committee's conclusion. The Agency's marketing strategy is under continuous review. The aim remains to maintain a high quality UK Register of Ships. The Agency is currently refining its policy, and consequently its marketing strategy, regarding the assessment of quality of companies and ships joining the Agency's United Kingdom Shipping Register (UKSR). The current strategy is to maintain a small, but sustainable growth, though present market conditions mean that, in the short term, the Agency may have to accept a reduction in the size of the register, due to the condition of global shipping.

13. The UKSR has to work within public spending restraints, and therefore it is necessary to retain flexibility on the marketing and growth strategy. The UKSR attends at least one major international shipping show each year. In order to build on previous overseas marketing initiatives the Agency maintains contact with clients in Europe and further a field.

PAC Conclusion (6): The UK flag maintains a high international standing but there are signs that the quality advantage it has held compared to the rest of the world is narrowing. The Agency should establish the reasons for this decline and develop a plan to reduce deficiencies and to restore its previous standing.

14. The Agency disagrees with the Committee's conclusion. The UK has consistently been in the top five of the Paris Memorandum of Understanding *White List* (an internationally acknowledged published list which ranks, in terms of quality, the best shipping registers which is derived from number of ship detentions and deficiencies on each flag).

15. The Agency ensures the quality of the ships coming on to the UK register through an internal flag in panel, which uses a matrix of safety indicators, which must be satisfied. Existing ships are monitored through inspections during surveys of ships not calling at UK ports. Whilst this loses the surprise element, there is a resource issue in sending surveyors overseas at taxpayers' expense for targeted inspections, when there is no evidence of a need to do so.

16. The quality of other registers is continuing to improve and though the gap is narrowing between the UK and other Flag State performance, this is a sign of improving international quality, not a decline in the quality of the UK Ship Register. In common with the administrations of other leading Flag States, the UK has played a part in improving international standards, by contributing advice and expertise in training programmes and seminars, and by sharing best practice with other maritime administrations. It is in the interests of the UK, to ensure that international shipping standards are as high as possible. The UK's geographical position, adjacent to one of the most heavily used shipping lanes in the world, means that it is especially vulnerable to the risks posed by sub-standard vessels passing near the UK coast.

PAC Conclusion (7): The Agency carries out most inspections of UK merchant vessels in conjunction with a survey and its targeted inspections are largely reactive. The Agency should conduct more surprise inspections of high risk UK registered vessels to ensure that its resources are focused on preventing shortcomings rather than responding to them.

17. The Agency partially agrees with the Committee's conclusion. The Agency's strategy is to inspect ships it is surveying, and to target ships that are not performing. This approach is supported by evidence from Port State Control inspections. Ships are targeted for additional International Safety Management Code and follow up inspections within six weeks, if the ship has been detained. The success of this strategy can be demonstrated by the UK's consistently high position on the White List of Flag State performance. However, in the interests of continuous improvement, the Agency will continue to be proactive in looking for ways to maximise the deployment of available resources to target high risk ships.

PAC Conclusion (8): The Agency's evidence about its capacity to cope with its survey and inspection programme was at times confusing; it has missed some targets but exceeded others. To demonstrate to us that the Agency has capacity to carry out its survey and inspection programme it should produce an analysis of surveys and inspections for 2008-09 which the NAO can examine and report on to us if appropriate.

18. The Agency accepts the Committee's recommendation. The Agency has supplied the NAO with a full breakdown of the final figures for survey and inspections in 2008-09.

19. The Agency exceeded its Ministerial target for inspections of foreign ships visiting UK ports, but did fall short of its internal targets for inspection of small passenger ships. However, it should be noted that the inspection of passenger ships is demand led (i.e. will depend on the number of such ships currently in service). The word 'target' is misleading, as the intention is to inspect all such vessels. The figure is therefore an 'estimate' of the planned activity for the coming year. The numbers of inspections of small fishing vessels exceeded the target (by 15%) with an 8% shortfall for the larger vessels (those over 24 metres in length). The Agency needs to be able to adjust the planned target in the year to ensure that inspections are carried out on higher risk vessels

PAC Conclusion (9): The Agency's targets for some inspections do not appear to reflect the number of ships in operation. The Agency set some targets 18 months ahead but the actual number of inspections carried out reflected the number of ships operating. The targets are therefore meaningless and the Agency should review and improve its procedure.

20. The Agency partially agrees with the Committee's conclusion. For planning purposes, the Agency sets out an expectation of the number of inspections it might carry out for each ship type, based on empirical evidence and professional experience. However, the ebb and flow of trading patterns means the actual number of inspections may prove to be different from this expectation.

21. The numerical expectations about vessels available for inspection are set to achieve a balance between meeting legal obligations, need to take account of statistics about deaths and accidents, and available resources. During the operational year, expectations may be adjusted to meet additional demands or the need to redirect the Agency's efforts, but only in the knowledge that maritime safety is not compromised. The Agency should not be constrained by rigid targets, when more up to date information may indicate that resources need to be redirected.

Forty Sixth Report

Home Office

Financial Management in the Home Office

1. The Home Office (the Department) has made significant improvements to its financial management capacity, capability, processes and procedures and has taken positive steps in response to the constructive criticism offered by the Committee three years ago. Over the last three years the Department has undergone major changes. Its policy responsibilities have been rationalised and it has responded constructively to the Capability Review Assessment in 2006. The Department is confident of its ability to identify its priorities and respond appropriately to changes in them. It recognises, however that it still has more to do.
2. To drive financial skills into its core business, the Department must go beyond its commitment to press on with its programme of continuous improvement and to refresh its financial improvement strategy. Only by putting in place sound financial management in all business units and raising the level of financial awareness of its staff can the Department truly embed the skills it needs to manage its business well and respond effectively to changes in its business environment.
3. The Committee of the Public Accounts (PAC) examined the Department on its newly developed financial management capability and capacity, and on the challenges it faces to embed sound financial control at all levels across its business.

PAC Conclusion (1): Having considerably improved its financial management in recent years, the Home Office needs to sustain momentum by incorporating strong financial management as standard across its business. The Department has made substantial progress in response to our recommendations in July 2006 to improve its basic financial systems and processes. We note that the Home Office is held up by the Cabinet Office as a good example of financial management in the Civil Service, and we look to the Home Office to continue to target financial management improvement, maintaining and building on its improved position.

PAC Conclusion (2): The Department is confident that sound financial management is now routine but recognises the need for further improvement. The next step should be to refresh the Department's strategy for finance improvement, focusing particularly on driving greater financial awareness to staff at all levels and in all aspects of the business, and to report its progress to them in its Departmental Annual Report.

4. The Department accepts the Committee's recommendations. The Department's strategy for finance improvement has been refreshed to focus on four key goals: matching resources to priorities, improving data quality, developing financial capability and skills, and embedding shared corporate financial values and behaviours. The strategy will deliver a range of projects over 2009-10 and 2010-11, overseen by the Home Office Finance Directors' Working Group. The Department is aware of the need to embed these improvements as standard across the business.
5. Increasing financial management skills and awareness is a key deliverable of the finance improvement strategy. For 2009-10, the Department has added courses on Systems Thinking, Regularity and Propriety and Working Effectively with Commercial Suppliers to its range of well received financial management workshops for the Senior Civil Service, as well as broadening the range of financial management training offered to middle managers. An analysis of the training needs of junior finance staff has been undertaken and new training will be commissioned for 2010-11, in response to priorities identified. The Department will monitor the effectiveness of the Financial Improvement Strategy by a further self-assessment against the standards of the Chartered Institute of Public Finance and Accountancy (CIPFA) Model.

PAC Conclusion (3): The Department faces increasing demands on limited resources and needs a greater understanding of the value gained from expenditure in every area of its business. Operating Reviews have the potential to be an effective mechanism to hold all areas of the business, including arm's length bodies, to account for their use of resources, management of risk and the outcomes achieved. The Department should continue to refine and strengthen the Operational Review process, including by developing enhanced profiling and modelling tools.

6. The Department accepts the Committee's recommendation. The Department will ensure that Operating Reviews continue to be a key tool. All areas of the business will be held to account on the delivery of objectives and the effective use of resources.

7. The Department has a robust Value for Money (VfM) programme, with a strong track record of delivery, overseen by its VfM Board that includes the Permanent Secretary and other top officials. With increasing pressure for resources, the Department is strengthening its programme further, weaving it into the centre of policy-making, resource allocation and management processes within the Departmental boundary and in the Police Service. That includes bringing sharp focus to VfM in the delivery of Public Service Agreements, helping Ministers and officials to optimise the impact of expenditure choices in systems that span organisational boundaries.

PAC Conclusion (4): The substantial improvements the Department has made to its financial management since 2006 stand it in good stead to respond appropriately to changes in its responsibilities and priorities. The Department assured us that it considered itself to be 'ready for anything'. To sustain and consolidate the improvements it has made to its financial management, the Department should build in the flexibility, capability and capacity to respond to new challenges, while at the same time honouring the assurances already given to us in respect of the other parts of its business, such as immigration and asylum.

8. The Department accepts the Committee's recommendation. The Department has put in place the refreshed finance improvement strategy to enable the Department to sustain and consolidate the improvements it has already achieved in financial management. This is supported by the work of the Finance Careers Development Group and on the specific recommendations made by the Committee on asylum and the immigration system; plans are in place and actions underway.

9. The Department continues with a demanding improvement agenda, and focus is maintained on the business planning and monitoring processes. Operating Reviews address direction setting and prioritisation at senior management level, and the contribution that staff can make in developing options and informing decisions. The Department has taken a pro-active approach in Matching Resources to Priorities. This has given a clear focus on the Department's current and future key priorities, and a basis for reacting quickly and flexibly to changes in those priorities to meet Ministerial requirements, or in response to economic or social change.

10. The Department is achieving Value for Money and this culture is firmly embedded across its business areas. This, together with economists' increasing emphasis on evidence based policy making, embedded economists in business areas and an improved performance on Better Regulation (including Impact Assessments for the public sector), combines to put the Department in a stronger position to make the right decisions about its future direction.

11. The Department is able to demonstrate sustained progress in embedding strong risk management capability across all of its business areas. A comprehensive process, endorsed by objective audit examination, has been established to ensure the full range of risks faced, both corporately and operationally are identified, and a well developed process is in place to manage, mitigate and escalate them.

PAC Conclusion (5): The Department has found it challenging to set fees for services accurately enough to cover costs without creating a deficit or a surplus. Legislation requires the Department to set fees at levels that cover the costs of the services it provides to UK citizens, although exceptionally the Treasury can approve a higher fee to offset an earlier deficit or to fund a capital investment programme. When setting fee rates for 2010 and beyond, the Department should model costs, fees and demand against a revised range of assumptions and identify the best options at the fee setting stage for managing fees within these assumptions.

12. The Department accepts the Committee's recommendation. The Department is carrying out further analysis of forecast demand and costs to strengthen existing complex models and share best practice. Significant uncertainties will nevertheless remain, in particular around demand levels, which are likely to be more profound in the current economic climate. However, lessons have been learned from reviewing the results of previous modelling methodologies against actual outcomes and refinements made to modelling assumptions.

PAC Conclusion (6): The Department is addressing over-optimism in timetabling the delivery of its capital projects. The Department has improved its forecasting of capital expenditure such that capital expenditure for 2008-09 is expected to come within 97% of its budget. It is planning its capital budgets with a greater sense of realism, and is learning from its past performance. To sustain the momentum of change, capital budgets should better reflect the likelihood of delivery and there should be greater use of the Operating Review process to identify slippage and release funds for the use elsewhere in the same timescale.

13. The Department accepts the Committee's recommendation. The Department has a number of large, complex projects, operating at the cutting edge of technology. These projects take time to deliver. End of year flexibility was introduced to allow the Department to plan spending programmes over the medium term to take account of these changes and avoid wasteful spending. Changes may occur for a number of reasons including: changing priorities, adjustments in strategy, a shortage of skilled resources and delays caused by external factors. The Department follows best practice in project and programme management and has produced comprehensive guidance aligned with recognised industry good practice including Office of Government Commerce (OGC) tools.

14. The Department's financial approvals process provides challenge, and exercises discipline over project investment decisions. This takes projects through a structured development of the business case, and challenges assumptions that are being made. Early intervention processes (a workshop aimed at facilitating the effective transition from policy to delivery and OGC's Starting Gate) ensure that sufficient thought is given to identifying issues during the early stages of projects and programmes. The Department has also invested heavily in building programme and project management skills, through both training and recruitment.

15. Assessment of the Departments capital programmes against the guidance set out in the 'Green Book' is a fundamental part of the development of Business cases, which are put forward for approval by the Group Investment Board (GIB) at key points. Business cases are assessed by experts in a number of fields including finance, economic, commercial, HR, information and project management to provide briefing to the GIB. The GIB sets an "Approvals Envelope" with parameters of output, cost and time. Where any changes would take the project outside that envelope, or where circumstances have changed substantially, the impact on the business case is assessed and this is re-submitted to the GIB to ensure the investment remains best value for the taxpayer.

16. The Department monitors directorate capital expenditure through a number of different fora: the monthly Finance Performance Review meeting with Business Area Finance Directors, which holds managers to account for their forecasts and outturn; the monthly finance report summarising the Department's overall

finance position in relation to its control totals, highlighting key risks to the Board; the Operating Review process, where risks are highlighted on an exception basis to the Permanent Secretary; and, through bilateral meetings at Director General and Finance Director level. Through all of these fora, the Department is focused on identifying any possible slippage, at an early stage, to mitigate risks and look for reallocation possibilities where required.

17. The Department continues to look at ways to improve its performance. To strengthen and refine existing processes, the Department has recently completed a value for money study into the corporate business processes and wider information flows, which can underpin a more comprehensive approach to portfolio management, and enhanced its portfolio reporting process better to reflect Senior Responsible Owner (SRO) delivery confidence, and to enable challenge by corporate functional leads.

PAC Conclusion (7): The Home Office has only limited mechanisms available to it to hold police forces and police authorities to account for the £5 billion funding it provides for policing, its largest single area of activity. We note the newly enhanced role being developed for HM Inspectorate of Constabulary (HMIC) and look to the Department to use the inspection regimes of HMIC and the Audit Commission to strengthen the accountability exercised by local police authorities, whilst identifying poor performing forces, and to encourage them to improve.

18. HM Inspectorate of Constabulary (HMIC) *Rounded Assessments* of police forces will be published in March 2010. These will be public facing graded assessments of police forces, which will give a clear idea of how local police operate and perform. *The Policing White Paper* will reaffirm the central role of Police Authorities in holding the police to account. The inspections of police authorities, which began in September 2009, will see every authority inspected by March 2011, and will be a key element of the range of measures to improve authorities' capacity and performance. HMIC will work with the forces, supported by the National Policing Improvement Agency (NPIA) to address any actions required to ensure performance levels are in line with the standards expected.

PAC Conclusion (8): A Single National Target for Police offers scope to incentivise local police forces to meet local priorities, and yet achievement of the target is influenced by many factors and not just police activities. Time will tell whether the Single National Target in its current form is an adequate measure of police performance. The Department should use the information generated by the annual surveys that measure attainment of the target to identify regional variations in performance, and the results of HMIC's and Audit Commission's work to seek real improvements in performance, year on year.

19. The Policing Green Paper *'From the Neighbourhood to the National: Policing our Communities Together'*, published in November 2008, sets out the Government's vision for the future of policing. It announced a strengthened role for HMIC and Police Authorities in monitoring and reporting on performance.

20. The single national target for the police (60% by 2012) is to raise public confidence in both the police, and the local councils dealing with crime and anti-social behaviour. This target uses the British Crime Survey (BCS) to monitor the position and each police force (excluding City Of London) has its own individually set target, which can be monitored at police force level. Performance management arrangements have been agreed with HMIC's broader assessment to drive through improvement. Public confidence has increased from 45% in March 2008 to 50% by July 2009, placing it ahead of planned trajectory.

PAC Conclusion (9): The Home Office has traditionally had difficulty recruiting and retaining staff in middle management positions with appropriate financial skills and capacity in key business unit finance posts. The Home Office assured us that it has appropriate procedures in place to recruit, retain and train finance staff and non-financial staff with significant budgetary responsibilities, for example through the use of the in-house graduate recruitment scheme. The Department should set targets for retention and for attendance on training courses, and monitor its performance against them. It should also use its financial expertise flexibly, redeploying qualified staff as necessary, and making appropriate use of inward secondments from elsewhere in the Civil Service to meet demand.

21. The Department accepts the Committee's recommendation. The Department has established a Finance Careers Development Group to have oversight of finance staffing requirements, and to undertake succession planning for key skill areas. This group will also facilitate short term career development postings to increase the flexibility of postings for qualified staff. The Department currently has a number of secondees from other Departments and will continue to use this recruitment channel where appropriate.

22. The Department recognises the need to monitor the retention rates for trained staff and will add this task to the work plan for the Finance Careers Development Group. Targets exist for attendance at Senior Civil Service financial management workshops and are routinely monitored.

PAC Conclusion (10): Newly established bodies did not have the appropriate financial resources, processes or procedures in place at start up to enable them to function effectively. This is a recurring theme and we look to the Treasury to remind Departments to resource new organisations and business areas from start up to carry out their functions effectively.

23. The Department agrees with the Committee's recommendation. A project has been established as part of the finance improvement strategy to examine lessons learned from the Department's experience of newly established bodies. These will be used to design a support package that could be used to help new organisations with their financial management at inception. The Department will also be looking at how it can ensure operational and policy business managers take sufficient account of the need for robust financial management when new business areas are being established, and also as an integral part of the on-going lifecycle management of the bodies.

PAC Conclusion (11): The Department has a poor record of notifying Parliament in advance of accepting contingent liabilities and could not give an assurance that it would notify contingent liabilities in advance of accepting liabilities in future. Retrospective reporting is unacceptable and is tantamount to flouting Parliamentary procedure. The Home Office should conduct a review to identify any unreported liabilities and strengthen its procedures for:

- (a) identifying when a liability will be created;**
- (b) for planning submissions so as to allow Parliament the full 14 sitting days to consider the liability and comment or raise questions or objections, and**
- (c) for drafting an accurate and complete departmental Minute to make the notification.**

24. The Department accepts that retrospective reporting of contingent liabilities to Parliament is unacceptable. Procedures have now been strengthened across the Department, with guidance issued to all areas highlighting reporting requirements. New controls are in place to ensure the early identification of contingent liabilities, and the submission of high quality departmental minutes, allowing the full 14 sitting days for Parliamentary review.

Forty Ninth Report

Department for Transport (DfT)

Improving road safety for pedestrians and cyclists in Great Britain

1. Great Britain is one of the safest countries in the world in terms of road deaths and the Department for Transport (the Department) is on track to achieve its overall road safety targets for 2010. However, when compared internationally, Great Britain's record on pedestrian and, particularly, child pedestrian deaths per head of population is some way behind the best. More generally, pedestrians and pedal cyclists (cyclists) are among the most vulnerable road users. They have little or no physical protection and have a higher rate of fatality per distance travelled than for any other mode of transport except for motorcyclists. In 2007, over 30,000 pedestrians and 16,000 cyclists were injured, with 646 pedestrians and 136 cyclists killed.

2. The Department leads the promotion of road safety with a budget of £36 million in 2008-09, although most of the measures to improve road safety are carried out by local highway authorities with whom it must work closely. Other organisations can have a strong influence on road safety issues, but this may not be their prime role or priority. The Department needs to improve the way in which it disseminates information to local highway authorities and other interested groups for publication.

3. The Committee for Public Accounts (PAC) examined pedestrian and cyclist safety in Great Britain, the Department's strategy and activities, its work with other organisations and data on road casualties.

PAC Conclusion (1): Child pedestrians from the most deprived areas remain four times more likely to be killed or injured on the roads than those from the least deprived areas. The Department should give priority to promoting targeted road safety schemes in deprived areas that suffer most from child pedestrian casualties.

4. The Department accepts this conclusion. The number of child (age 0-15) pedestrians killed or seriously hurt on the roads in Great Britain has fallen by 57% since the mid-1990s. In 2008, there were 57 child pedestrian deaths in Great Britain and 1,727 were seriously injured. The number of casualties in disadvantaged areas has continued to fall at a faster rate than for England as a whole. The total number of child road casualties in the 88 Neighbourhood Renewal fund areas in England fell by 47% by 2008 compared to the annual average for 1999-2001, while for England as a whole casualties fell by 45% over the same period. This is the measure used for the 2002-05 PSA target to reduce casualties in disadvantaged areas.

5. The Department will continue to give this priority, putting in place a number of actions and programmes to improve road safety for all those living in disadvantaged areas. This includes the Kerbcraft child pedestrian training scheme, the Neighbourhood Road Safety Initiative, Inner City and Mixed Priority Routes demonstration projects. Disseminating good practice in road safety, and encouraging poor performing local authorities to improve, is a key theme of the Department's proposed new road safety strategy. The strategy will include; reporting on the findings of the above schemes, and encouragement to focus on local priorities, with the greatest potential for casualty reduction, which will include pedestrian casualties in disadvantaged areas.

PAC Conclusion (2): Speed is an overwhelming factor in the incidence and severity of injuries to pedestrians and cyclists, whose chances of survival diminish rapidly at speeds over 20 miles per hour. The Department should promote measures to reduce speed, including the use of speed cameras, 20 miles per hour zones and road humps, to encourage local highway authorities to adopt them and to influence the attitudes of all road users.

6. The Department accepts this conclusion. The consultation on the new Road Safety Strategy, issued in April 2009, *A Safer Way*, made clear the Department's commitment to the wider use of 20mph speed limits and zones. The Department will produce revised guidance for highways authorities to encourage the introduction, over time, of 20mph zones and limits in residential streets and for highways authorities to consider their introduction into other streets with high pedestrian and cyclist movement. Existing guidance, which has been in place since 2006, already encourages the use of 20mph zones and limits.

7. The Department is keen to ensure that highways authorities employ those road safety measures that are most appropriate to improve the safety of all road users, including the most vulnerable, in their local areas. The road safety measures include reviewing and where appropriate lowering speed limits, engineering measures and enforcement, including the use of speed cameras.

8. Successive independent evaluations of the effectiveness of the National Safety Camera Programme have shown that cameras (both fixed and mobile) make a significant and valuable contribution to the reduction of casualties at camera sites. These evaluations are of the benefits of cameras over and above the long term national trend of casualty reductions. Evidence suggests that in addition to motorists slowing down in the immediate vicinity of camera sites, they have also been slowing down in the wider area where speed cameras are located.

9. The Department's THINK! campaigns are aimed at increasing road safety by influencing road users' behaviour and attitudes, including campaigns on speed. Some local authorities also undertake local publicity campaigns, which can include speed issues. For example, the Kent Safety Camera Partnership has been running an innovative campaign to convey the message that the presence of street lights indicates a 30mph speed limit, using a group of actors dressed as street lights, backed up with posters and leaflets.

PAC Conclusion (3): Despite its leading role in the promotion of road safety the Department does not always know about successful schemes undertaken by local areas, such as the Lothian Borders, and does not engage sufficiently with practitioners. The Department should actively seek examples of successful road safety schemes run by local highway authorities and issue guidance on how these can be used more widely in ways that practitioners find easy to accommodate.

10. The Department accepts this conclusion. The Department published advice about local road safety strategies in July 2009, which included references to the importance of schemes of the very types implemented in Lothian Borders.

11. The Department frequently engages with road safety practitioners. It is represented on locally-led good practice groups in each of the nine English regions. The Department has identified successful road safety schemes. For example; earlier this year the Department approached a number of local authorities about their experiences of main road speed limit reviews; and has worked with Portsmouth City Council to evaluate and report on the wide area 20mph speed limits the council implemented. The Department also liaises with devolved administrations, including, via the road safety delivery board, about good practice in their areas.

12. The Department is represented on national safety committees and panels, which consider good practice, including those run by the Royal Society for the Prevention of Accidents, the Institution of Highways and Transportation and the County Surveyors Society. The Department is committed to doing more, including developing a strategy to manage and disseminate information, including on good practice, to local road safety practitioners more effectively.

PAC Conclusion (4): It is surprising that the Department was unaware of a strongly held perception that, through the irresponsible behaviour of some cyclists, they are a hazard to themselves and other road users. The Department should devise education, training and publicity measures to target such anti-social behaviour, particularly when it breaks traffic laws.

13. The Department partially accepts this conclusion. The Department is aware that some cyclists do not always abide by the rules of the road, which is a concern to other road users. The Department has taken steps to address this behaviour, including supporting the introduction of Fixed Penalty Notices for cycling on footways. The Department is also investing in the provision of cycle training to children to grow a new generation of cyclists with the skills and knowledge to cycle in a way that is safe for themselves and other road users. Where cyclists break the law, the Department encourages enforcement authorities to take the appropriate action.

PAC Conclusion (5): There is substantial evidence that fewer people would be killed and seriously injured on Great Britain's roads if this country were to put the clocks forward by one hour throughout the year. The Department should take the lead in re-examining the practice of changing clocks at the end of British Summer Time with other central Government departments.

14. The Department partially accepts this conclusion. The Department recognises the potential road safety implications of a change to Single Double Summer Time (SDST) i.e. putting the clocks forward by one hour throughout the year. The Department commissioned a report by the Transport Research Laboratory, which was published in 1998. An update of this research, published in April 2009, reported that, if the Department were to move to SDST, then there could be a saving of an estimated 82 fatal casualties and 212 serious casualties – at 2006 levels. These are net savings, after taking into account the increase in casualties in the mornings

15. However, a wide range of other issues would need to be considered, of which casualty savings is just one. For example, any changes to Britain's time-zone would need to have full regard to the positive and negative effects on business and transport links with other countries; leisure and tourism; health issues; and on working patterns and social community life, especially in northern Britain.

PAC Conclusion (6): The Department recognises that the police data used to measure its road safety performance consistently understate the numbers of road casualties each year and it is attempting to clarify this by matching these data with those collected by the National Health Service. When it has completed this work, planned for Summer 2009, it should devise a formula for adjusting the police data in reporting progress against its targets each year.

16. The Department partially accepts this conclusion. The Department has always known that the police statistics do not provide a complete count of non-fatal road casualties. However, very few, if any, fatal accidents are not known to the police. The Department believes that police data remains the best source of data on road casualties covering the whole of the country and is the best measure of progress towards the targets. The fact that not all injuries are reported to the police does not mean that the police data is unreliable for monitoring trends over time, provided that levels of reporting to police have not changed. There is no conclusive evidence that the proportion of seriously injured casualties reported to police has changed

17. Criticism of the police statistics is often based on flawed comparisons with hospital admissions data. Hospital data has been subject to administrative changes and is published with a warning about its reliability for monitoring trends over time. The divergence in trends in the late 1990's, in the numbers of fatalities and serious casualties, also raises questions about changes in the levels of reporting. Trends since 2003 are similar. In particular, the number of pedal cycle fatalities was 38% lower and reported serious injuries were 31% lower in 2008, compared to the baseline average for 1994-98. For pedestrians, the number of fatalities and reported serious injuries in 2008 were 43% below the baseline.

18. The first record level linkage of police and hospital data for the whole of England has now been carried out. Although not conclusive, this work provides no evidence of a systematic change in levels of reporting to police. In addition, this work relates only to road casualties reported to the police and admitted to hospital and is therefore not a suitable basis for adjusting the police data on an annual basis

19. Article 5 of *Reported Road Casualties Great Britain*, published in September 2009⁴, includes a broad estimate of total road casualties derived from the National Travel Survey. This article also contains information from hospital, survey and compensation claims datasets. However, these figures should be treated as initial estimates. It is not yet possible to produce reliable estimates on an annual basis to measures changes over time, or for particular groups of road user

PAC Conclusion (7): Road safety is not the first priority for some organisations with which the Department works, for example other central Government departments, but they can be influential. The Department should develop an explicit strategy to promote its road safety priorities more effectively among those who can influence the success of road safety measures.

20. The Department accepts this conclusion. The Department recognises the need to work with organisations, whose first priority is not road safety. For example; it is working with the Department for Children, Schools and Families (DCSF) and other Departments to take forward PSA 13 on overall child safety, including a joint Departmental review of local child accident prevention, which was published in February 2009⁵.

21. The consultation on the new national road safety strategy, *A Safer Way*, recognises the importance of improving delivery and proposes to develop an information management strategy. As part of this, the Department is considering how to develop its relationships with key stakeholders.

22. In 2008, the Department set up a Road Safety Delivery Board. The Board included representatives from other Government Departments, such as the Home Office, local authorities, the Fire Service, and the Police, to influence the implementation of the National Road Safety Strategy. The Board's remit is to improve the delivery of casualty reduction by identifying the best performers, how they achieve their results and exporting this to others; identifying problems and obstacles and driving through solutions; and making connections between agencies and fostering better partnership working. *A Safer Way* proposed that the Board will also be responsible for monitoring and implementing the new integrated National Road Safety Delivery Plan.

⁴ DfT, *Reported Road Casualties Great Britain: 2008 – Annual Report*, <http://www.dft.gov.uk/pgr/statistics/datatablespublications/accidents/casualtiesgbar/rrcgb2008>, September 2009

⁵ DCSF / DH / DfT, *Accident Prevention Amongst Children and Young People A Priority Review*, <http://publications.everychildmatters.gov.uk/eOrderingDownload/DCSF-00213-2009.pdf>, February 2009

Fiftieth Report

Department of Health (DH); Department for Work and Pensions (DWP) and Department for Children, Schools and Families (DCSF)

Supporting people with autism through adulthood

1. Autism is a lifelong developmental disorder that affects the way people interact with the world around them. The three main areas of difficulty that all people with autism share relate to social communication, social interaction and social imagination. There are around 400,000 adults with autism in England, around half of whom have a learning disability (low functioning) while half do not (high functioning autism, which includes Asperger Syndrome).

2. People with autism may require concerted, individualised support across health and social care, housing, education, and employment. However, local organisations do not currently have sufficient awareness of the number and needs of people with autism in their area, limiting their ability to plan effectively to provide services to this group. The transition of people with autism from children's to adult services is often poorly managed and requires more effective leadership and relationships between services. Poor knowledge of autism amongst health and social care staff may also impact on adults with high functioning autism when assessing their needs.

3. Despite the fact that many people with autism have skills which could be valuable to employers, only around 15% of people with autism are in full-time employment. There is a lack of awareness and knowledge of autism among potential employers and Jobcentre Plus staff, which can result in poor decision-making and job outcomes for adults with autism. The effectiveness of services for adults with autism could be improved by raising levels of knowledge and awareness amongst decision-makers and service providers. More specifically, there is scope to provide targeted services for adults with high-functioning autism, which could improve quality of life for people with autism and their carers, as well as potentially reducing costs to the public purse.

4. The Committee of Public Accounts (PAC) examined the Department of Health (the Department), the Department for Children, Schools and Families (DCSF), and the Department of Work and Pensions (DWP), on the development of a strategy for adults with autism, autism awareness and access to services, and improving the effectiveness of services of adults with autism.

PAC Conclusion (1): The Department of Health is currently developing an adult autism strategy for publication in 2010. For this strategy to be effective it should set out how each of the recommendations made in the Comptroller and Auditor General's Report will be implemented, including a specific timeframes and indicators to measure progress and performance. The National Audit Office should revisit this topic in 2011 to review progress in implementing the strategy.

5. The Department agrees with the Committee's recommendation. The Department working alongside other Government Departments leads the *Adult Autism Strategy*. It is looking at how the public sector provides the support and services, which people with autism need to live independently. The strategy will take account of responses to the recent public consultation exercise that enabled people with autism, their families, carers and professionals to present their views on the existing processes for people with autism, and how they wish to see support services developed. The strategy will be supported by an annual delivery plan, which will address the actions needed to be taken nationally, regionally and locally to secure implementation, including timelines and milestones.

6. The Department will also lead on the consultation for statutory guidance to health and social care bodies to support the strategy delivery. The strategy will encourage joint working and understanding between Local

Government, education, health services and voluntary sector organisations to develop, deliver and monitor relevant assessment and support services for Adults with autism.

PAC Conclusion (2): Local organisations are not making effective use of existing information to plan and provide appropriate services to adults with autism and their carers. To remedy this:

- (a) NHS bodies and Local Authorities should collate local learning disability and mental health data to identify and record all adults with autism known to services**
- (b) Local organisations should use Joint Strategic Needs Assessments to identify the needs of adults with autism in their area, and make greater use of pooled budgets and joint commissioning to develop and deliver effective, integrated services, and**
- (c) Directors of Children's and Adult Services should work together, using routine Schools Census data, to identify future demand for adult services from pupils with autism and Special Educational Needs approaching school-leaving age.**

7. The Department agrees with the Committees recommendations and recognises the need to collate useful data that will enable identification of people with Autism. The NHS Information Centre published new data on 22 September 2009, from the Adult Psychiatric Morbidity Survey (APMS), on autistic spectrum conditions among adults living in households throughout England, which estimated that one in every hundred adults has the condition. Building on this work, the NHS Information Centre issued invitations to tender to short listed potential providers, to deliver much clearer information on the prevalence of autism in the population. The Department hopes to publish the findings in spring 2011.

8. In recognition of the need for NHS bodies and Local Authorities to collate and share information, especially around adults with Autism that may have other existing support requirements, the Department has commissioned the NHS Information Centre. This will work across a range of research databases and community datasets, including information from GP's, with the aim of agreeing set codes to enable aggregation of data to inform strategic commissioning and planning.

9. The Department agrees the importance Joint Strategic Needs Assessments as a key mechanism for commissioners to understand the needs of local people. New guidance on highlighting good practice should be published by December 2009. This will help assessors identify the needs of people and indicate where people, like those with autism, may be at risk of falling through the net. Pooled budgets are available through existing legislation and already happening between many local authorities and the NHS. Good practice examples were gathered during the *Adult Autism Strategy* consultation and will be disseminated as part of the delivery plan.

10. The Department of Children, Schools and Families (DCSF) agrees with the third part of this recommendation. Joint DCSF/DH guidance on transition for disabled young people, recommends that there should be strong links and sharing of data between the children and adult services, which will include data from the Schools Census. The Transition Support Programme is asking each local area to focus on key areas of work, which are all underpinned by data: joint assessment processes in child and adult services; strategic partnership working; and personalisation and education, employment and training options at 16+.

11. DCSF is consulting on draft statutory guidance on Children's Trusts and the new Children and Young People's Plan (CYPP) regulations. The new guidance sets out a clear expectation that the CYPP needs assessment should include an analysis of available data on outcomes for children with special educational needs, disabilities and looked after children. Partners on the Board should agree how databases should be established to record and share this data. It emphasises that Directors of Adult Social Services should work closely with the Directors of Children's Services to ease young people's transitions to adulthood.

PAC Conclusion (3): The transition of young people with autism from children's to adult services is currently not managed effectively. The Connexions service is supposed to support young people through transition, but as at December 2008 Connexions did not know the training, employment or education status of 31% of its clients aged 16-24 with learning difficulty or disability. The Department of Children, Schools and Families should require Connexions services to provide complete and comparable data from Client Caseload Information services (CCIS), and use this data to benchmark how well local services are supporting people with autism up to the age of 25, including those who are not in education, employment or training. The National Transition Support Team should use its local self-assessment work to identify and promote good transition planning for young people with autism.

12. DCSF agrees with the Committee's conclusion that the transition process for many young people is not always managed effectively. DCSF has a £19 million programme under *Aiming High for Disabled Children* to improve transition planning for disabled young people, including those with autism. The programme aims to ensure that all local authorities have arrangements in place to meet their duties and follow the guidance.

13. Rigorous and effective local tracking, through the Client Caseload Information System (CCIS), enables local authorities to know which young people are most at risk of disengaging, their history and to be able to contact and support them individually, including those with learning difficulties and disabilities. To strengthen this further, DCSF are introducing the post-16 progression measure, which will make information on the destinations of former pupils available to schools. In the legislation to raise the participation age, DCSF will formalise a new arrangement for notification by making it a legal duty for schools, colleges and other providers to let the system know if a young person drops out of learning.

14. DCSF does not agree that use of the CCIS is the best vehicle to provide better data on young people with autism as they enter into adulthood. Access to Connexions services is voluntary and information on young people, including information about their disabilities, is only recorded with their consent. Connexions only continues to provide support for young adults (aged 20-24) with Learning Difficulties and Disabilities (LDD), and hold information on them, if they have not made the transition to adult services.

15. Young people with LDD can only be removed from CCIS, where it is known that they have made the transition to adult services. Young people do not necessarily report this to Connexions. While it is encouraging that the number of young people, 16-19 with LDD, who are not known to the Connexions services is falling (10.4% in June 2009 compared to 13.3% at June 2008), CCIS is the wrong vehicle for providing complete and comparable data on young people with autism and Special Educational Needs (SEN).

16. *The Children and Young People's Plan (CYPP)* will cover services for young people up to the age of 25 with learning difficulties, including young people with autism. Strategic commissioning priorities for the CYPP should take into account the outcomes for this group, and identify any gaps in provision as they move from children to adult services.

17. Under the Apprenticeships, Skills, Children and Learning Act 2009, local authorities will assume responsibility for young people aged 19-24 with learning difficulties and disabilities (LDD), who have had learning difficulty assessments. These assessments are for young people, from the last year of compulsory schooling onwards with LDD who want to receive, or are already receiving, further education or training. Local authorities have a duty to arrange these assessments for young people with SEN statements and almost three quarters of children with autism identified through the SEN system have these. Both of these developments will provide better monitoring of the progress and outcomes for young people with autism.

18. The National Transition Support Team (NTST) are monitoring developments in local authority areas receiving direct funding to develop better transition support. Information is regularly uploaded to the NTST transition support programme website⁶. Examples of programmes for those on the autistic spectrum included:

- better involvement of the young person in their annual review;
- tailored preparation for work experience;
- improved pathway planning;
- brokerage support, and
- individual budgets, developing autism specific services for young adults.

PAC Conclusion (4): Staff working in health, social care, benefits and employment services do not currently have sufficient knowledge and awareness of autism. To remedy this:

- (a) Local Authorities should provide autism training to Connexions personal advisors and to all staff carrying out community care assessments**
- (b) The Department of Health should work with the Royal College of General Practitioners to develop autism content in the GP training curriculum, and provide guidance to Primary Care Trusts on how to improve knowledge of autism amongst existing GPs and primary care practitioners, and**
- (c) The Department for Work and Pensions should provide autism awareness training to all Disability Employment Advisors who have not yet received it, and make sure that all Jobcentre Plus staff are familiar with wider guidance on autism, developed in consultation with individuals and organisations with expertise in the condition.**

19. DCSF agrees with the Committee's recommendation that it is essential for any professional working with a young person with specific needs to have the knowledge and skills needed to support that young person. It is already an expectation that Connexions personal advisers be qualified to level 4 (HND/HNC/Degree/NVQ4).

20. DCSF has taken powers in the Education and Skills Act 2008 to issue directions and statutory guidance to local authorities, including on the training of Connexions personal advisers, which will take place in 2010. There is extensive guidance for local authorities on how to conduct Section 139A learning difficulty assessments and this is to be revised shortly, following a public consultation on statutory guidance. DCSF expect local authorities to ensure that those, such as Personal Advisers, carrying out assessments of young people's learning difficulties including, those with autistic spectrum conditions, do so following guidance.

21. The Department agrees with the Committee's recommendation. Professional training is a key area for development and the Department is committed to working with professional bodies to take action to address training for health and social care staff on the needs of people with autism, as an integral part of its work to develop the *Strategy on Adults with Autism*. The Royal College of General Practitioners launched an eLearning programme, on 7 July 2009 for general practices. Autism is included in the GP curriculum statements on Mental Health and Children and Young People.

22. DWP agrees with the Committee's recommendation to increase awareness of autism amongst Jobcentre Plus staff. Since November 2005, Jobcentre Plus has included autism specific content as part of its training for new Disability Employment Advisors (DEAs). DWP is considering how best to ensure that existing DEAs acquire and maintain their knowledge of conditions, including autism, to enable them to deliver the best possible service to customers.

⁶ www.transitionsupportprogramme.org.uk.

23. Jobcentre Plus personal advisors have access to online training modules covering autism, as well as the advice of DEAs on specific disabilities. Jobcentre Plus has also made it easier for DEAs to find information about autism, by putting links to various sources of advice in one place on the intranet and publicising this. Jobcentre Plus has recently taken part in a second telephone tutorial on autism, delivered by the Employers' Forum on Disability. The first tutorial proved successful and included DEAs.

PAC Conclusion (5): Adults with high-functioning autism often fail to gain access to appropriate diagnosis and support because no specialist services exist locally. The Department of Health should build on the financial modelling in the C&AG's Report to show Local authorities and NHS bodies the costs and benefits of specialist diagnostic support services for high-functioning autism.

24. The Department agrees with the Committee's recommendation and is committed to investigating the proposed financial model and test the feasibility of development. The Department will put in more work to ensure joint agreement across Government Departments, Primary Care Trusts (PCTs), and local Government pin down the details of the data and look at how to best to present the overall findings.

PAC Conclusion (6): Out-of-area placements are not always based on appropriateness of clinical need, and can divert resources which could be used to develop more cost-effective services locally. Local Authorities and NHS Bodies should review the appropriateness and cost-effectiveness of their long-term out-of-area placements of people with autism. Strategic Health Authorities should review annually the extent of out-of-area provision commissioned by local bodies, benchmarking this against other regions.

25. The Department agrees with the Committee's recommendation in that some out-of area placements in England need to improve commissioning of services for people with autism to ensure people are offered choice of services nearer to their home. The Department is committed to the publication of the *Adult Autism Strategy*, which will include recommendations on timely appropriateness of reviewing long term out of area placements for Local authorities, NHS Bodies and SHAs. Delivery of the strategy will be supported by good practice guidance in line with the *World Class Commissioning (WCC)* framework, which includes competencies on managing local health systems and making sound investments.

PAC Conclusion (7): Employment rates for people with autism are low, and existing supported employment provision does not always meet their needs. The Department for Works and Pensions should:

- (a) examine the feasibility of collecting routine data on whether applicants for Jobseeker's Allowance and Employment and Support Allowance have a diagnosis of autism;**
- (b) work with employer organisations to raise awareness of the benefits of employing people with autism, and the adjustments needed to support them, and**
- (c) in developing contractual and funding arrangements for future supported employment programmes, acknowledge the specialist knowledge, relatively long-preparation times and ongoing support required to produce successful job outcomes for people with autism.**

26. DWP agrees with the Committee's recommendation and will keep all information under review. DWP records the primary medical condition as part of an individual's benefit claim to Incapacity Benefits/Employment and Support Allowance. This is obtained and recorded by medical staff using the standard ICD-10 coding

system⁷. However, where someone has more than one diagnosis or disabling condition, only the predominant one is currently recorded. DWP is considering the feasibility and implications of recording a diagnosis of autism for Jobseeker Allowance customers. These medical conditions may also be subject to fluctuation over time.

27. DWP is working with the Employers' Forum on Disability (EFD) at national level, through the employer-led *Disability Employer Engagement Strategy* to better engage employers with the recruitment and retention of all disabled people, including autism. As part of this work, DWP is seeking to move employers away from judging people on the basis of their perception of a clinical diagnosis, or disability label, and help them to focus on people's capabilities and support needs. The *Employ Ability website*⁸, informs and advises employers on employment and disability issues.

28. *Work Choice*, a pan-disability programme to begin in October 2010, has been designed to help customers whose disability may result in them facing serious, and often complex barriers to finding and keeping a paid job or progressing whilst in work. The new programme will provide specialist support where mainstream provision may not be appropriate, or does not meet the particular needs of the individual. A new funding model for *Work Choice* will encourage increased progressions into work by being more outcome driven, whilst also providing an appropriate level of funding to enable a quality service, and support for those customers where progression maybe a more unrealistic goal. The incentives to help people into jobs and sustainable work, applies across a range of impairments, including autism.

29. *Access to Work* provides personalised support to disabled people, including those with autism, to take up and retain work. DWP is doubling the budget on *Access to Work* to £138 million by 2014. This will be a major expansion of the support that can be offered to disabled people to help them obtain and sustain employment. DWP will expand the programme, to reassure employers, benefits claimants, and people seeking help to retain their jobs, that support will be available to all those that need it.

30. DWP is working closely with the PSA16 Central Delivery Team for Learning Disabilities to support the identification of effective approaches and delivery strategies, which focus on the needs of people with learning disabilities and autism. DWP also published, in June 2009, *The Valuing Employment Now*, which is a cross-government employment strategy for people with learning disabilities.

PAC Conclusion (8): University students with autism may need to use Disabled Students Allowances (DSAs) to fund social, rather than course related, support. The Department for Business, Innovation and Skills should make it clear to SDA assessors and higher education disability advisors that support packages for students with autism can legitimately include social mentoring as well as course-related support.

31. The Department accepts the Committee's recommendation and will take steps to clarify the types of support that students with autism can pay for with their Disabled Students' Allowances (DSAs).

PAC Conclusion (9): The C&AG's Report has identified the need for government departments to work together when supporting groups with specialised or complex needs. The NAO should carry out a further working more wide-ranging study to identify where barriers exist to closer joint working, at national and local level, to deliver services for such groups, for example where costs are borne by one department but benefits fall elsewhere.

⁷ The ICD (International Disease Classification) is the international standard diagnostic classification for all general epidemiological, many health management purposes, and clinical use. It is endorsed by the World Health Organisation. It is used to classify diseases and other health problems recorded on many types of health and vital records including death certificates and health records.

⁸ www.employ-ability.org.uk

32. While it is for the Comptroller and Auditor General to determine his future study programme, the Department welcomes the Committee's recommendation and would support work by the National Audit Office in this area.

Fifty Fourth Report

Ministry of Defence (MoD)

Support for High Intensity Operations

1. The United Kingdom (UK) has deployed forces in Iraq since 2003. On 30 April 2009, the Government announced the end of the UK combat mission in Iraq and withdrew all combat forces before the end of July as previously agreed with the Government of Iraq. Around 100 Royal Navy personnel have since returned to conduct training of the Iraqi Navy and Marines under a new bilateral Defence Training and Maritime Support Agreement. UK Forces have been deployed to Afghanistan since 2002. The Ministry of Defence (The Department) currently has around 9,000 personnel deployed predominantly in the Helmand province of Southern Afghanistan. Both these theatres have presented considerable operational challenges for the Department in supporting UK Forces.

2. The combination of long distances between both Iraq and Afghanistan and the UK, as well as the lack of direct maritime access to Afghanistan, complicate the transporting of personnel and equipment. Undertaking operations in these countries means coping with difficult environmental conditions, including harsh and varied terrain, extreme temperatures and dust. In Afghanistan, the pace and intensity of operations continues to be high against a significant and determined enemy threat.

3. The support the Department provides to forces deployed on operations is crucial in enabling military capability. The provision of medical support, including life-saving treatment at the front line, has been a particular success. Pre-deployment training is responsive to changing operations in Iraq and Afghanistan and theatre commanders are confident of its quality. But it is constrained by a number of factors, particularly the shortage of appropriate equipment to train with, and delays in, replicating Middle Eastern environments. The majority of equipment procured as Urgent Operational Requirements has performed well in both Iraq and Afghanistan. However, there have been shortages of spare parts, for both vehicles and helicopters. The Department has not met its supply chain targets for the delivery of stock to Iraq and Afghanistan, but it has put in place measures to improve this performance.

4. The Committee of Public Accounts (PAC) examined the availability of equipment and spares, the re-supply of troops in Iraq and Afghanistan, the training of Service personnel for operations and support to Service personnel in theatre.

PAC Conclusion (1): The Department has been highly reliant on the Urgent Operational Requirements process to deliver new or enhanced capability for current operations, raising a question about the balance of its existing equipment programme. The Urgent Operational Requirements process clearly has its place in enabling the Department to respond to rapidly evolving threats. Nonetheless, as part of the Government's forthcoming defence review, the Department should fundamentally re-examine whether the equipment programme is delivering the right balance between those capabilities relevant to current operations and those for the future.

5. The Department agrees with the Committee's conclusion. The forthcoming Defence Review will re-examine whether the equipment programme is delivering the right balance between those capabilities relevant to current operations and those for the future. Through the Urgent Operational Requirements (UOR) process, the Department has delivered around £5.2 billion worth of equipment to operations. All of this expenditure is in addition to the money spent from the Departments core budget.

6. The Department has used a number of exercises, including the 'Equipment Examination' and its routine planning round, to ensure that support to current operations continues, as far as possible, to be prioritised within its equipment programme. As well as delivering equipment designed to meet the specific needs of today's

war, the Departments core budget needs also to deliver capabilities which can counter the unpredictable security challenges of the future.

7. However, there is not necessarily a zero sum choice to be made here. High end capabilities such as Tornado and Warrior were designed with very different threats in mind. Modified through the UOR process, they are proving their worth on operations in Afghanistan today. There are also other programmes, such as the Vallon metal detector, or the programme to upgrade the Chinook fleet's engines, which have a clear relevance to current operations.

PAC Conclusion (2): The Department has delivered important new equipment quickly through its Urgent Operational Requirements process in order to address evolving threats, but the consequence has sometimes been inadequate initial support or a time limited capability. The Mastiff vehicle has performed well but suffered spares shortages, whereas the Vector vehicle proved to have low reliability and is now being replaced by an upgraded version of the Snatch vehicle it was intended to replace. There have also been shortages of equipment for pre deployment training. The Department should:

- (a) analyse a range of possible scenarios in which the equipment may be used beyond those initially envisaged, and model the resulting support and spares requirements;**
- (b) prioritise the security of supply of spares, for example, by arranging for an alternative supplier from the outset where a manufacturer's capacity to deliver spares is constrained;**
- (c) introduce a rigorous but streamlined process for the testing and evaluation of equipment before it is deployed in order to identify any reliability issues, and**
- (d) consider procuring additional training solutions, such as simulators, where it judges that the initial delivery of new equipment needs to be prioritised for deployment rather than the training pool.**

8. The Department partially agrees with the Committee's conclusion. The consequence of introducing vehicles quickly by the UOR process will sometimes mean that the initial support for these vehicles is less than optimal. However, it should be remembered that fielding the equipment as rapidly as possible, particularly where lives are at stake, must be the absolute priority.

9. Once the initial capability has been fielded to theatre and to the training pool, an analysis of a wider range of possible scenarios, in which the equipment may be used in theatre, will be undertaken in future. However, to undertake the additional analysis and modelling of scenarios at an earlier stage would lengthen the UOR process and delay the fielding of the capability to theatre. An initial 12 month support solution is approved before the UOR vehicles are procured, which gives the Department time to negotiate a more comprehensive solution based on the actual usage of the vehicle, without impacting detrimentally on the time taken to deliver the capability.

10. Training, spares, and attrition requirements are taken into account in the UOR process when selecting a solution. This includes, where possible, making arrangements from the outset to obtain spares from alternative sources where it has been determined that a manufacturer's capacity to deliver spares may be constrained.

11. The Department does have a trial and evaluation process for the introduction of equipment, although this process is compressed when seeking to deliver the capability to theatre. The Department will apply a more rigorous process when there is not genuine confidence in the reliability of the equipment.

12. The Department accepts in part the recommendation that additional training solutions, such as simulators, should be considered when the initial delivery of equipment is prioritised for deployment, rather than training. For a simulator to be procured at the same time as the UOR equipment, the equipment would need to be an off the shelf procurement. If a simulator does not exist, there would be a requirement to design, trial, and

manufacture one. If the equipment being purchased were currently supported by a simulator, additional mission and operational specific software would still be required. The time taken to design, trial and manufacture the simulator, and the mission and operation specific software, would lengthen the process and unduly delay the fielding of the capability to theatre.

PAC Conclusion (3): The Department has failed to meet consistently its own supply chain targets for both Iraq and Afghanistan, although the average length of time a unit waits for a particular demand has reduced. Inadequate logistic information prevents the Department from identifying stocks that could be routinely delivered to theatre using surface transport, in turn placing more pressure on the air-bridge. The Department's key priority is to improve the visibility it has of stocks in theatre and supplies in transit. Although progress has been made in the last few years, the Department still has not achieved a total visibility system for the tracking of assets deployed on operations. Nor does it yet have an integrated inventory management system. The Department should, within the next two years, address the deficiencies in its logistics information systems, so that it can see the stock available at any location in theatre or elsewhere in the Department's inventory, and fully track items as they move through the supply chain.

13. The Department agrees in large part with the Committee's conclusion. The supply chain statistics examined are based on very stringent Departmental delivery targets, and represent deliveries, which arrive at the exact scheduled time. They do not take account of deliveries delayed by only a matter of hours. Where a delay could have significant impact on operational capability, high priority items are closely managed to ensure timely delivery.

14. Measures are already in hand to review the balance of stocks held in operational theatres. Improvements to the logistics systems continue to be implemented. Consignment Visibility (CONVIS) has been delivering staged improvements since 2006. *The Management of Material in Transit* project has improved visibility of materiel being delivered to operational units. It can be better managed as it moves through the Purple Gate (the name used to describe the system of moving materiel through the Defence supply chain) and on into theatre and, importantly, back again through the reverse supply chain. Further improvements this year will enable this information to be shared more widely and will provide a capability to identify patterns of activity to assist in improving demand trends.

15. Plans are in place for further improvements through the introduction of the Management of the Joint Deployed Inventory (MJDI), and logistics programmes such as the Joint Asset Management Engineering Solutions (JAMES). The improvements being delivered by MJDI, including improved visibility of stocks in theatre, will also help to smooth demands from theatre. MJDI has now been fully funded, without the need for the Deputy Chief of the Defence Staff (Equipment Capability), to levy a charge during the first three years of the programme, on all of the Department's equipment approvals. It is estimated that full roll out of improved logistics systems will be complete by 2014.

16. Progress is also being made towards the integration of logistic information systems but this is a highly complex process. The construction of a virtual Enterprise Data Warehouse, coupled with the completion of initial business process models for elements of the Joint Support Chain, has been a good start. A programme of further advance integration is being pursued within the sources available.

PAC Conclusion (4): Helicopters are a key operational capability but in addition to its own fleets the Department has been reliant on significant contracted helicopter support and on coalition helicopters. Commanders say they have enough helicopters to undertake their key tasks but that greater availability would give them more flexibility in planning offensive operations. The Department is looking to increase helicopter availability, for example, through the re-deployment of Merlin helicopters from Iraq. The Department needs to ensure that its Lynx upgrade programme, due to deliver the first enhanced helicopter at the end of the year, delivers aircraft to theatre in time to free up other helicopter types to support troops directly over the summer months. The Department should also ensure that the Chinook Mark 3 reversion programme, due for completion by May 2010, is delivered on time.

17. The Department agrees with the Committee's conclusion. However, the delivery of the Chinook Mk3 into service is currently forecast to be completed in late 2010. The timetable will be advanced if possible. The first of these aircraft will be available to the Front line Command by the end of this year. The availability of helicopters on operations, and the number of helicopter flying hours, has increased significantly. Since November 2006, the number of UK battlefield helicopters available to commanders in Afghanistan has increased by 79%; over the same period, the number of helicopter flying hours increased by 95%. By January 2010, the number of flying hours will have increased by more than 130% compared to November 2006.

18. Improvements are being made as quickly as practicable and in a sustainable way. Investment has been made in recruiting, training, and retaining Merlin and Apache crews to fly and maintain the additional helicopters, and on increasing spares to improve availability. It must be ensured that any aircraft sent to Afghanistan is suitable for the job required of them. Aircrafts must be safe, airworthy, and have sufficient appropriately trained crews to operate and maintain them.

19. Merlin has now been deployed to Afghanistan. Eight Chinook Mark 3 aircraft are being converted to a support helicopter configuration suitable for use in Afghanistan; including more powerful engines. More powerful engines are also being installed on Lynx Mark 9 that will allow these helicopters to operate in Afghanistan, during the summer months, providing a light-utility capability on a year-round basis. These measures will also be complemented by the £6 billion investment that the Department intends to make over the next decade to replace and enhance helicopter capability. This work remains a high priority within the Department

20. In addition to these increases in UK helicopter capability, the Department also continues to benefit from the capabilities of NATO allies, particularly those of the US, Dutch, Canadians and Australians. The Department notes the Committees acknowledgement of the important contribution of commercial helicopter contracts, which free up military helicopters for direct support to operations. The UK contracts 340 hours per month of helicopter capacity to carry freight, at a cost of about £3.9 million, and also draws, along with other coalition nations, on a NATO contract that provides a further 600 hours per month.

PAC Conclusion (5): Key spares for Merlin and Apache helicopters are in short supply, necessitating cannibalisation of aircraft and reducing helicopter availability in the United Kingdom. The Department rightly prioritises operations within its objective of seeking a sustainable balance between operational and training requirements. The Department should, however, seek ways to further incentivise industry to achieve better availability of spares in order to provide support to helicopters both in the United Kingdom and deployed overseas.

21. The Department partially agrees with the Committee's conclusion. Spares supply has historically been a challenge for Merlin and Apache during the early stages of their operational development, but steps have now been taken to rectify this. Every effort is made to ensure that the demand for helicopters spares is predicted and the spares requirement is met. Robust logistics chains are in place to ensure this is done effectively. Inevitably, when conducting high intensity operations, there will be rare occasions when the availability of some spares becomes low, and to mitigate any negative effect on the forward fleet, spares may be drawn from

reserve or non-effective aircraft. This process (known colloquially as 'cannibalisation') is done in a considered, well managed process, and as a short-term, but necessary course of action.

22. The Department accepts that the appropriate provision of spares is an important element of ensuring aircraft remain operational. Merlin, Sea King and Chinook fleets are managed under support arrangements where aircraft availability (and consequently spares availability) represent a key performance measure against which there are strong incentives to increase the availability of spares. The Department signed a contract for similar arrangements on Apache, in September 2009. Similar arrangements for engine support contracts are beginning to be explored, and may be utilised on other areas of the fleet (including Lynx Wildcat and Puma) where they add value.

23. Finally, internal performance management arrangements ensure that where an aircraft is unserviceable the reasons are documented. Any consequences arising from the non-availability of spares can therefore be identified early and remedial action implemented. This data shows that the percentage of days lost awaiting spares varies across helicopter types and operating locations.

PAC Conclusion (6): The effectiveness of body armour provided to the soldiers has improved since the invasion of Iraq in 2003, but this and other equipment, such as electronic countermeasures, are a considerable weight for soldiers to carry whilst on foot patrol, making it challenging to move quickly and freely while under fire. The Department is making progress with the introduction of lighter Osprey body armour and has plans to develop lighter batteries. The Department now needs to turn its attention to reducing the weight of more complex equipment, including electronic counter-measures, over the next two years.

24. The Department agrees with the Committee's conclusion. The burden on the dismounted soldier is a combination of weight, form/fit, thermal load and cognitive load. For example, Osprey Assault body armour weighs a similar amount to its predecessor, but imposes a reduced burden on the soldier due to its improved ergonomic fit. Soldiers serving in Afghanistan typically carry between 50kg and 75kg. The Department has set in train a range of measures to remove an average of 4.5kg per soldier, and further measures to remove an average of an additional 3.1kg are being evaluated across all equipment (including batteries). This represents a weight reduction of between 10% and 15%.

25. The Department recognises that reducing the burden on the dismounted soldier is a high priority and has commissioned a Capability Vision (CV) to Reduce the Burden on the Dismounted Soldier (RBDS). This programme is exploring four technology themes: lightweight personal protection; weapons; electronic systems and personal power; and assisted load carriage. The RBDS CV aims to insert technology into the Soldier System (meaning the soldier and everything he wears and carries) within the next two years, in order to reduce the burden. A fifth theme, the development of Soldier System Architecture, will deliver the optimised integration needed to reduce the burden.

26. The Department is taking a systems approach to integrating the Soldier System. The Integrated Soldier System Executive has been established to coordinate this work across Defence Equipment and Support project teams. It is supported by the Soldier Reference Centre, based within the Infantry Trials and Development Unit at Warminster.

PAC Conclusion (7): The proportion of personnel deploying to theatres who have completed short packages of individual reinforcement training, rather than full collective pre deployment training, has increased. The Department should either reverse the trend so that a higher proportion of personnel deploying receive collective training, or consider a redesign of its individual reinforcement training, based on a full analysis of the risks being transferred to theatre commanders.

27. The Department partially agrees with the Committee's conclusion. It is important to understand that many who complete an Operational Training Advisory Group (OPTAG) Individual Reinforcement course also undertake collective training. There are several groups of people who attend Individual Reinforcement courses who also conduct other pre-deployment training:

- Soldiers joining their units, after the unit has conducted its own OPTAG briefings.
- Those who belong to units (such as Army Air Corps units) who deploy out of synch with the brigade and therefore run their own training tailored to their role in theatre.
- Territorial Army soldiers who conduct Individual Reinforcement courses after completing their mobilization cadre and before joining their units to undertake collective training.

28. There are also several groups of people who only require Individual Reinforcement training or for whom collective training is and always will be impossible:

- Visitors to theatre of more than 5 days. Visitors are always accompanied and do not carry weapons, so require no collective training.
- Staff officers who will be employed throughout their tour in a main operating base (Kandahar, Bastian or Kabul).

29. The Department accepts that there are a minority of people who only complete the Individual Reinforcement course, who should be receiving additional training. Headquarters Land Forces staff are currently seeking to identify the number who only attend individual training, and to understand better what proportion of these people are actually preparing to deploy - as opposed to those who are preparing for short visits to theatre or training for contingent tasks.

30. Headquarters Land Forces is reviewing the content of Individual Reinforcement training in light of Permanent Joint Headquarters' recently published statement of *Individual Pre Deployment Training* requirements. The aim of the review is to identify those who require additional training in line with the PJHQ requirement. In particular, in theatre specific skills such as Counter-IED, and to develop a solution that delivers this. The content of the Individual Reinforcement course will be examined as part of this work.

PAC Conclusion (8): In order to focus on the particular skill sets required for current operations, the Royal Air Force have minimised the numbers of personnel trained in certain skills which may be required for future operations. The Department should, more systematically, examine the effect of this 'hibernation' on the generic warfighting capability across the three Services and the risk of not being able to regenerate such capabilities after two, five and 10 years of hibernation.

31. The Department agrees with the Committee's conclusion. The Royal Air Force (RAF) has taken measures in order to enable the focus of manpower and resources to be directed at current operations. Therefore, the capacity for conducting a number of generic warfighting skills has been reduced. Regeneration of some of these capabilities will take at least two years, depending on depth and breadth of capability required, availability of assets and resources, and the level of commitment to existing operations. Risks associated with this policy are under constant review to ensure that the impact on current operations is kept to an absolute minimum.

PAC Conclusion (9): The Department has made progress in developing a process to identify, on operations, personnel at risk of developing Post Traumatic Stress Disorder or other mental illnesses. The Department should continue with this work and mandate Trauma Risk Incident Management across the three Services.

32. The Department agrees with the Committee's conclusion. Each of the three single Services has mandated the use of Trauma Risk Incident Management (TRiM). The outline policy guidelines are as follows:

- Royal Navy – TRiM policy is contained in their Concept of Operations which is issued throughout the Naval Service. Whilst the default is for TRiM to be carried out, Commanding Officers are given a degree of discretion should they feel that a particular set of circumstances would not benefit from TRiM; they would however, have to demonstrate pressing and valid reasons for not engaging with the process.
- Army – A Land Forces Policy Letter has been distributed stating that all Units are to carry out TRiM. This will also be reflected in the Army Stress Management Training Policy (as of 9 November 2009).
- RAF – The RAF Command Board directed in March 2009 that the use of TRiM is to be mandatory for all RAF formations on front-line operational duties with a substantive risk of traumatic exposure with effect from 1 July 2009. Additionally, the use of TRiM is now endorsed for implementation across the RAF with the intent of Service-wide application and familiarisation by no later than 1 April 2012.

PAC Conclusion (10): Operational circumstances mean that there is a difference between the welfare provision available at Main Operating Bases and that available at Forward Operating Bases. Whilst it is not practical to deliver the entire welfare package to personnel at the more austere Forward Operating Bases, delays in providing equipment should not result from delays in seeking funding approval. The Department should make every effort to deliver promptly those elements of the welfare package which can be made available at forward bases, such as satellite telephones.

33. The Department agrees with the Committee's conclusion. It is not practical to deliver the entire welfare package to the more austere Forward Operating Bases (FOB). However, efforts will always be made to provide the best standard of welfare package that the operational environment will allow. Indeed, there have been a number of initiatives over the last six months to bring the operational welfare package forward into FOB. In particular, dependent on the security situation in theatre, live entertainment is now being delivered in FOB, and the number of Iridium satellite phones and BGAN internet terminals has been significantly increased (a further 150 were deployed last year).

34. The Department fully accepts that every effort should be made to deliver promptly to FOB those elements of the welfare package which can be made available. The Department is not aware of any delays to the provision of welfare equipment resulting in delays from seeking funding approval. The delivery of equipment to more austere locations such as FOB can be affected by the security situation. Furthermore, the delivery and movement of equipment in operational theatres is prioritised according to operational needs. Unfortunately, this can result in essential supplies such as ammunition and food being given a higher priority than welfare equipment. The security situation is kept under constant review, and as it changes, delivery to FOB is reviewed accordingly.

PAC Conclusion (11): The Contingency Operating Base at Basra airport came under sustained mortar and rocket attack from May 2006. The Department decided in June 2007 that hardened accommodation was required, but the second tranche of this accommodation had not been brought into use by the time United Kingdom Forces withdrew in 2009. The Department should examine the contingency plans for Camp Bastion in Afghanistan and established call-off contracts so that it can more quickly begin construction of hardened accommodation should a similar escalation in the threat to personnel arise.

35. The Department agrees with the Committee's conclusion. Force protection at the Contingency Operating Base at Basra airport was subject to a layered system of defence of which the provision of hardened accommodation was just one part. The Department took a series of steps to improve protection to the troops

at the Coalition Operating Base in Basra. Measures included increased patrolling, the provision of better warning systems, and personal (hardened) shelters and hardened accommodation.

36. The provision of hardened accommodation, which was designed to mitigate the risk of an attack causing mass casualties, was carefully arranged to ensure both that these considerable structures were constructed promptly, but also that the facilities would be used by UK forces. Once it became apparent that changes to troop levels in Iraq meant that the second tranche would not be required, work on the tranche was suspended ensuring that nugatory spend was minimised.

37. The Department keeps force protection arrangements at Camp BASTION under constant review. But the geography at, and the current threat to, the base is very different to that at Basra. A call-off contract option does exist with the contractor, so hardened accommodation can be constructed if required.



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