HM Treasury

Treasury Minutes

Government responses to the Committee of Public Accounts on the Twenty Sixth, the Twenty Seventh and the Twenty Ninth to the Thirty Fourth reports from Session 2016-17

Cm 9429

March 2017

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Government responses to the Committee of Public Accounts on the Twenty Sixth, the Twenty Seventh and the Twenty Ninth to the Thirty Fourth reports from Session 2016-17

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

Cm 9429 March 2017

TREASURY MINUTES DATED 9 MARCH 2017 TO THE COMMITTEE OF PUBLIC ACCOUNTS ON THE TWENTY SIXTH, THE TWENTY SEVENTH AND THE TWENTY NINTH TO THE THIRTY FOURTH REPORTS FROM SESSION 2016-17

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Twenty Sixth Report of Session 2016 17

Department for Communities and Local Government

Financial sustainability of local authorities

Introduction from the Committee

The Department for Communities and Local Government has responsibility in government for the local government finance system. Accountability for capital is more devolved than for revenue, but the Department still has responsibility for ensuring that local authorities are financially sustainable. The Department recognises that this includes both revenue and capital. The Department also maintains the accountability system for local government to enable assurance to Parliament about local authority use of resources.

In 2014–15, local authorities spent £38.1 billion on revenue to deliver services and £12.3 billion on capital (excluding education). Capital spending pays for local assets like leisure centres, libraries and roads. Revenue spending on services has fallen since 2010–11, while capital spend has increased in real terms for local authorities as a whole. However this overall increase masks changes in the purpose of capital spending as authorities now focus increasingly on using their capital programmes to generate revenue returns rather than solely to provide services.

On the basis of a report by the NAO, the Committee took evidence, on 10 October 2016, from the Department for Communities and Local Government; and the Treasury. The Committee published its report on 18 November 2016. This is the Government response to the Committee's report.

Background resources

- NAO report: *Financial sustainability of local authorities* - Session 2016-17 (HC 234)
- PAC report: *Financial sustainability of local authorities* - Session 2016-17 (HC 708)

1: Committee of Public Accounts conclusion:
The Committee is concerned that the Department for Communities and Local Government appears complacent about the risks to local authority finances, council tax payers and local service users resulting from local authorities increasingly acting as property developers and commercial landlords with the primary aim of generating income.

Recommendation 1a:
By summer 2017, the Department should send an update to the Committee setting out how it is strengthening its understanding of the scale and nature of authorities' commercial activities, focussing in particular on the scale of risk across the sector and the types of authorities placing themselves at greatest risk.

1.1 The Government agrees with the Committee's recommendation.

Target implementation date: Summer 2017.

1.2 As democratically elected organisations, local authorities are independent from central Government and are responsible for managing their budgets in line with local priorities, and in accordance with the prudential frameworks. As described in the Accounting Officer's Accountability System Statement for Local Government[1] the Department is nonetheless responsible for assessing the overall health and sustainability of the system and the risks to individual authorities, and has risk systems and information in place to do this.

1.3 The Department will further consider the analysis of councils' commercial activity undertaken by the NAO, and the questions raised by Committee alongside other sector developments and will consider how to factor this into its risk framework and ongoing risk monitoring. The Department will provide an update to the Committee in summer 2017, in line with the annual update to the Accounting Officer's Accountability System Statement.

[1] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/537005/LG_Accountability_System_Statement.pdf

Recommendation 1b:
Working with partners in the sector, the Department should review the level of commercial skills across both officers and members in different types of authorities.

1.4 The Department disagrees with the Committee's recommendation.

1.5 In making their decisions, democratically elected members are supported by an appropriately qualified officer (known as the Section 151 Officer). Sector guidance such as the Chartered Institute of Public Finance and Accountancy (CIPFA) publication *Role of the Chief Finance Officer in Local Government*[2] and common practice makes clear that the Section 151 Officer's responsibilities include ensuring that members have access to sufficient training and advice to fully understand the implications of the decisions that they are being asked to make.

1.6 Because the responsibility lies with each Council, the Department's approach to review and enhancement of the level of commercial skills across both officers and members is through sector led initiatives and engagement. The current memorandum of understanding between the Department and the Local Government Authority (LGA) for sector led support includes a specific requirement to use funding for member support provided by the Department to "*help councils become more commercial. This includes advice, case studies, a commercial skills offer and access to commercial expertise.*"

1.7 In addition, the Department is working closely with the LGA, SOLACE and other sector partners to improve leadership and knowledge across the public sector. These initiatives will help generate intelligence about the level of commercial skills, which can be used to enhance and refine future capacity building offers.

1.8 Each local authority will take its own view on the level of risk that it is willing to tolerate and this will set the landscape for the scale and nature of commercial activities that it wishes to get involved in and the level of commercial expertise it requires. For this reason, a sector wide review of commercial skills would require significant up-front investment from the Department and is unlikely to provide helpful recommendations for any specific authority.

2: Committee of Public Accounts conclusion:
Neither the Department, nor the Treasury understand why local authority investments on deposit are now at record levels.

Recommendation:
In its update to the Committee in summer 2017, the Department and the Treasury should explain clearly the causes of, and risks associated with, the build-up of investment cash held on deposit by local authorities based on both analysis of data and direct engagement with local authorities.

2.1 The Government agrees with the Committee's recommendation.

Target implementation date: Summer 2017.

2.2 The Department does not believe that the build-up of cash necessarily represents significant additional risk to local authorities. As explained to the Committee, the Department believes that the rise in cash balances is a consequence of the statutory requirement for local authorities to put money aside each year in Minimum Revenue Provision, combined with the low interest rate environment that makes it less economical for local authorities to repay debt early.

2.3 The Department will undertake analysis and gather evidence from sector participants to check that its understanding is correct. The Department will provide an update to the Committee in Summer 2017.

[2] http://www.cipfa.org/policy-and-guidance/reports/the-role-of-the-chief-financial-officer-in-local-government

3: Committee of Public Accounts conclusion:
The Department does not have a good enough understanding of the extent to which revenue pressures are affecting local authorities capital spending and resourcing activities.

Recommendation:
The Department should ensure that the interactions between revenue spending, capital spending and borrowing and the resulting pressures on local authority capital programmes are considered fully in future spending reviews and in the design for the 100% business rates retention scheme. The Department needs to set out plans to do this in its summer 2017 update to the Committee.

3.1 The Government agrees with the Committee's recommendation.

Target implementation date: Summer 2017

3.2 The Department agrees that it should enhance its analysis of risks and opportunities from and to local authority capital programmes, to feed into the next spending review. The Department will also ensure that these issues are fully considered in designing the new 100% business rates retention system. This design is taking place with extensive consultation with the sector, and the legislation will be considered by Parliament in this session.

3.3 These issues will also need to be taken into account in the Fair Funding Review, which was announced to Parliament in February 2016. The Review will determine new baseline funding allocations for every authority in England once the new 100% business rate retention system is implemented. The Department will provide an update to the Committee Summer 2017.

4: Committee of Public Accounts conclusions:
The Department lacks a cumulative picture of capital risks and pressures across the sector.

Recommendation:
The Department's update note should set out how it intends to strengthen its use of quantitative data and other information to ensure it has a clear understanding of trends and risks across the sector relating to capital spending and resourcing.

4.1 The Government agrees with the Committee's recommendation

Target implementation date: Summer 2017**.**

4.2 The Department has ongoing processes to review the data that it collects from local authorities and to assess how it uses and publishes that data more effectively. There is an established process (Single Data List) for updating the data sets collected from authorities. This includes consultation with representatives of all main user groups.

4.3 The Department will continue to liaise with the sector and other relevant experts to strengthen its understanding of trends and risks across the sector. The Department will identify ways in which it can make better use of the data currently available to it to enhance its systematic understanding of sector developments. The Department will also look to use the Single Data List process to update data collected. Changes to the data that the Department collects will take effect in the 2018-19 financial year.

4.4 The Department is developing its analysis of systemic risk across the local authority sector and is actively considering risks relating to capital spending and resourcing as part of this project. Where the Department identifies trends and developments that are of wider interest to the sector, the Department will consider how best to publish or otherwise disseminate this information. The Department will provide an update to the Committee Summer 2017.

5: Committee of Public Accounts conclusion:
The Department's figures for capital spending in the sector do not provide sufficient detail to identify significant changes in its purpose and objectives

Recommendation:
In the update note for summer 2017, the Department should set out what measures it has introduced to ensure that the purpose and geographical location of capital spending can be ascertained and what specific steps it has taken to remove double counting from its figures.

5.1 The Government agrees with the Committee's recommendation.

Target implementation date: Summer 2018.

5.2 The Data produced by the Department already identifies capital spend by local authority and can be sorted by type and by region.[3] The Department is reviewing all data collected on the capital expenditure forms. The Department is already working with users across Government and talking to local authority treasurer groups. The Department will set up a workshop with representation from each local authority class type to understand the needs of data providers and users to produce the most effective data collection. The Department anticipates these changes to be enacted in the 2018-19 capital expenditure forms, in order to follow the Single Data List process. All changes will aim to be burden neutral to local authorities to ensure that they can provide the necessary information while minimising additional costs.

5.3 The Department has quality assured the data on Planning and Development capital expenditure and is content that any double-counting is limited to isolated authorities and does not have a material impact on the overall totals. The Department is speaking to those authorities that may have double-counted capital expenditure and aims to complete this work and update individual expenditure totals where necessary by the end of February 2018. The Department has updated the guidance that will accompany the 2017-18 capital forms, to mitigate the risk of double-counting of capital spend in the future.

6: Committee of Public Accounts conclusion:
There is a risk that the local capital finance framework might not be able to cope with the current, rapidly changing and uncertain institutional and economic environment

Recommendation:
Working with CIPFA, the Department should ensure that the local government capital finance framework remains current and continues to reflect developments in the sector, alongside wider institutional and economic changes.

6.1 The Government agrees with the Committee's recommendation.

Target implementation date: Spring 2018**.**

6.2 The local government capital finance framework includes two statutory codes, the Prudential Code and the Treasury Management Code. Under statute, responsibility for preparing both codes has been devolved to CIPFA. CIPFA is planning to update both Codes as part of its normal cycle of work. The Department is engaging with CIPFA to ensure that the Code updates consider the changing environment within which local authorities operate and the specific points raised by the NAO and the Committee. The Code updates will be subject to the normal CIPFA quality assurance and consultation processes.

6.3 Drafts of the revised codes will be considered by CIPFA's Treasury and Capital Management Panel meetings in February and May 2017. This Panel is comprised of expert practitioners and includes a representative from the Department and from the NAO. Once changes suggested by the Panel have been processed, the codes will go out for public consultation. After the Panel has considered the results of the consultation, the revised codes will be submitted to the CIPFA Standards and Practices Board for formal approval, probably in November 2017. If this timetable is met, the updated codes should come into force from 1 April 2018

[3] https://www.gov.uk/government/statistics/local-authority-capital-expenditure-and-financing-in-england-2015-to-2016-individual-local-authority-data - See Table COR1.

Twenty Seventh Report of the Session 2016 17

HM Treasury and Cabinet Office

Managing Government spending and performance

Introduction from the Committee

HM Treasury carries out spending reviews to allocate funding across the Government's priorities, and set clear limits on Departmental spending. Spending Reviews are also one of the main ways for the Treasury to work with Departments to set the Government's overall strategy. The Spending Review 2015 allocated almost £2 trillion in Departmental spending, and another £2 trillion in welfare and benefit payments, over 5 years. It was a significant logistical exercise, involving a wide range of teams across the Treasury, Departments and other stakeholders. The Government started working on a new business planning and performance management system soon after the 2015 election.

In July 2015, Departments were asked by the Cabinet Office to set out 'Single Departmental Plans' (SDPs) to 2020, covering formal reporting on key Government priorities, cross-cutting goals which span more than one Department, and the day-to-day business of Departments. The Treasury and the Cabinet Office originally set out to integrate the development of SDPs with the Spending Review 2015, though in practice the detailed SDP planning happened after the Spending Review had been finalised in November 2015.

On the basis of two reports by the National Audit Office, the Committee took evidence, on 17 October 2016, from the Cabinet Office, and the Treasury about managing Government spending and performance. The Committee published its report on 23 November 2016. This is the Government response to the Committee's report.

Background resources

- NAO report: Government's management of its performance: progress with single departmental plans - Session 2016-17 (HC 872)
- NAO report: Spending review 2015 – Session 2016-17 (HC 571)
- PAC report: Managing government spending and performance – Session 2016-17 (HC 710)

1 6: Committee of Public Accounts conclusions:

1: Government has made some progress in the way it plans and manages its business.

2: Government makes plans with a poor understanding of current performance, of the outcomes it is seeking, and of the link between outcomes and associated funding.

3: Many of the Government's key objectives cut across more than one Department and involve multiple organisations delivering services.

4: The Committee is yet to be convinced that SDPs will be able to deal with significant changes in priorities within and beyond this Parliament (for example Brexit).

5: There is significant variation in the maturity of planning across individual Government Departments, and no shared approach to encourage continuous improvement.

6: The SDPs do not enable taxpayers or Parliament to understand the Government's plans and how it is performing, and therefore have not enhanced their ability to hold the Government to account for its spending.

Recommendation:

As the Treasury and Cabinet Office recognise, improving planning and performance across Government is a key priority, but one which involves many challenges and will not be easily resolved. The Committee's recommendations, below, help to address these challenges.

Recommendations 1-2:

1: HM Treasury and the Cabinet Office, working together, should now set out a vision of how the overall approach to how the Government plans and manages its business will ensure value for money across Government, and a plan for how they will get to that state at least in time for the next Spending Review. This should include:

> ***i: how individual processes, including spending reviews and SDPs, will be integrated to improve the Government's ability to deliver value for money, underpinned by rapid progress with the Financial Management Review;***
>
> ***ii: how both the Government and taxpayers can use all the different public information (including the Spending Review, SDPs, Annual Reports, and Estimates) as a package, to see what the Government is planning, how much it is spending, and what it is achieving, against a consistent set of objectives which cover both the implementation of new policies and programmes and "business as usual";***
>
> ***iii: how the quality of planning and management in different Departments will be brought up to a consistently high standard; and***
>
> ***iv: how the approach can accommodate both the long-term view needed for many Government projects and programmes, and the flexibility needed to meet any new administration's shorter-term commitments.***

2: HM Treasury and the Cabinet Office should work with Departments on practical ways to improve joined-up planning across Government, to bring planning and delivery out of the confines of Departmental boundaries.

1.1 The Government agrees with the Committee's recommendations.

Target implementation date: June 2017.

1.2 Single Departmental Plans (SDPs) establish a consistent framework for medium-term business planning to link what a Department will deliver and how a Department will deliver it, within the multi-year Spending Review settlement. Plans are refreshed on an annual basis to respond to policy and fiscal announcements and encourage routine consideration of planned delivery and any need for reprioritisation. A central point of review will identify and encourage join-up between Departments during the planning process. Published SDPs allow the public to track progress against departmental objectives and a broader report on performance is available in the public domain through Annual Reports and Accounts. The establishment of SDPs is part of the Treasury and Cabinet Office's overall effort to continuously improve and develop the way Government plans and manages its business to deliver value for money.

1.3 To make it clearer how this approach supports the Government to plan and manage its business and how existing public information can be used, the Treasury and Cabinet Office intend to set out the Government's planning and performance process, alongside the refreshed public SDPs and improved links to the performance information within them.

1.4 The Treasury and Cabinet Office will establish a planning and performance peer group of Government Departments, aligned with the Financial Management Reform programme. The Treasury and Cabinet Office will agree, with Government Departments, the priority activities needed to establish a consistent high standard and deliver continuous improvement to this planning and performance management approach. Both Departments will continue to work with the NAO to inform this work, which will inform actions taken for the next Spending Review.

Recommendation 3:

HM Treasury and the Cabinet Office should regularly report on how the Cabinet Implementation Taskforces are improving delivery.

3.1 The Government disagrees with the Committee's recommendation

3.2 Due to longstanding principles of confidentiality for Cabinet Committees and equivalent ministerial forums, the Government does not comment on the activity of the Implementation Taskforces.

3.3 Whilst Implementation Taskforces perform a vital role in the delivery of the Government's cross-cutting priorities, they do not report publicly and they operate in a complex delivery environment meaning it may not be possible to attribute specific improvements to their activity. Transparent information of progress on policy areas covered by the Implementation Taskforces are routinely made available through relevant Departmental Annual Reports and Accounts or the release of performance information and official statistics.

Recommendation 4a:
HM Treasury and the Cabinet Office, and all Departments, should make sure that SDPs are kept "live" and are central to any discussions about reprioritisation and related funding decisions.

4.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

4.2 Single Departmental Plans (SDPs) will be refreshed on an annual basis, in line with the planning cycle for each financial year. All Government Departments have been requested to refresh and update their SDP for April 2017. The request has been aligned with the Efficiency Review and preparations to leave the European Union to encourage Departments to make assessments on reprioritisation as part of their planning process and to take account of changes in priorities. Departments are encouraged to use their SDPs as the framework for ongoing business planning; and tracking progress and performance. SDPs provide regular reporting to the Cabinet Office and the Treasury to monitor progress and inform discussions on delivery and public spending control.

Recommendation 4b:
Departments should update published SDPs to reflect recent changes in responsibilities and priorities by the end of the 2016–17 financial year at the latest.

4.3 The Government agrees with the Committee's recommendation.

Target implementation date: May 2017.

4.4 Departments will update published Single Departmental Plans (SDPs) to reflect recent changes in responsibilities and priorities and improve how departments present how they work together to deliver shared priorities. SDPs will be published at the start of the new financial year to allow Departments to reflect the latest fiscal and policy announcements from Spring Budget 2017.

Recommendation 5:
For the benefit of both Parliament and the public, Departments should publish the same up to date information about performance that they use for monitoring themselves, subject to any national security or similar essential restrictions. There should be regular public reporting of Government's performance, at least twice yearly, to adequately provide the transparency on performance that was lost when the mid-year reporting to Parliament was dropped.

5.1 The Government disagrees with the Committee's recommendation.

5.2 The Government's aim when publishing performance information is to balance the need for a clear, transparent and comprehensive view of the performance of vital public services with the need for ministers and Accounting Officers to monitor Government performance and manage their own affairs. The NAO's '*Government's management of its performance: progress with single departmental plans*' report acknowledges that "*it is not reasonable to expect the Government to share every detail of its plans and progress*" and they "*recognise the need for a 'safe space*" for Minsters to take decisions before options are finalised"

5.3 That said, the Treasury and Cabinet Office consider further improvements can be made and will promote greater access to information in the refreshed, published Single Departmental Plans (SDPs) by including a schedule of supporting statistics and their frequency. Headline indicators will be updated at least twice a year, or more regularly, when new data becomes available. Supplementary Estimates and the associated memorandums continue to provide additional information including in year spending and how the supplementary estimate will be applied to achieve departmental objectives. Annual Reports and Accounts continue to provide a fuller picture of financial and non-financial performance at year end, based on SDP objectives, where relevant.

5.4 Further official statistics on performance, public spending and workforce, used by Departments to monitor performance, are routinely released into the public domain when they become available. A variety of releases[4] are also issued by the Office for National Statistics (ONS) that cover both economic and non-economic statistics. This includes the monthly 'Public Sector Finances' release that is jointly prepared with the Treasury. The Treasury publishes Public Spending Statistics on the GOV.UK website that provides information on Departmental spending over the previous five years, which is updated on a quarterly basis. Treasury ministers decided, in 2016, that there was no longer any need to ask Departments to prepare mid-year reports due to the information already available from these sources.

5.5 The Government considers that, with these improvements, the right balance is struck between transparency of information and allowing departments a 'safe space' to manage their own affairs. The Treasury and Cabinet Office will continue to consider where further improvements can be made in future.

[4] www.ons.gov.uk/economy/governmentpublicsectorandtaxes/publicsectorfinance/bulletins/publicsectorfinances/previousReleases

Twenty Ninth Report of Session 2016 17

HM Revenue and Customs

HM Revenue and Customs performance in 2015 16

Introduction from the Committee

HMRC collected £536.8 billion from UK taxpayers in 2015–16, some £19.1 billion more than in 2014–15. While HMRC's running costs increased over the same period from £3.1 billion to £3.2 billion, the cost of collection fell from 0.58 pence per £1 of revenue in 2014–15 to 0.55 pence per £1 in 2015–16. HMRC estimates it achieved a compliance yield (from tackling those who seek to avoid or evade their tax liabilities) of £26.6 billion in 2015–16 against a target of £26.3 billion. In 2015–16, HMRC reduced tax losses (mainly the amount of tax written off because there is no practical way to collect it) but saw the balance of tax debt (tax that is due but not yet received at the end of the year) rise to £26.7 billion (from £26.0 billion in 2014–15).

On the basis of a report by the National Audit Office, the Committee took evidence, on 7 December 2016, from HM Revenue and Customs about HMRCs performance in 2015-16. The Committee published its report on 2 December 2016. This is the Government response to the Committee's report.

Background resources

- NAO report: *HM Revenue and Customs 2015-16 Accounts – progress update* - Session 2016-17 (HC 338)
- PAC report: *HM Revenue and Customs performance in 2015-16* – Session 2014-15 (HC 712)

1: Committee of Public Accounts conclusion:
The way HMRC measures the tax gap and the impact of its efforts to close it remain unclear.

Recommendation:
HMRC should report each year on the effect its work to generate compliance yield is having on its efforts to reduce the tax gap. As part of this, HMRC should assess how accurate its compliance estimates turn out to be in practice.

1.1 The Government agrees with the Committee's recommendation.

Target implementation date: Summer 2018.

1.2 Building on improvements made in its 2015-16 Annual Report and Accounts, the Department will continue to show more clearly how its compliance activity reduces and prevents growth of the tax gap in both its Annual Report and Accounts and the Measuring Tax Gaps publication for 2018. The Department will also pilot changes in 2017, whilst recognising that the relationship between these measures is not straightforward.

1.3 The tax gap is the difference between the full amount of tax that should be collected by HMRC against what is actually collected and reflects a single year. HMRC's reported compliance yield contains an estimate for the amount of cash collected from their compliance activities, which may refer to liabilities established for many previous years, as well as the revenue losses prevented and future revenue benefits. Both measures are needed to give a rounded picture of HMRC's performance. HMRC will further develop the approach of using case study examples to explain the relationship between these two measures to help illustrate how compliance activity closes and prevents growth of the tax gap.

1.4 The Department continues to keep the accuracy of its compliance estimates under review and updates the NAO on this work. The Department will build on the research to provide further explanation in its Annual Report about the uncertainty associated with reported compliance yield, to better inform readers of the estimates and assumptions underlying its performance.

2: Committee of Public Accounts conclusion:
Despite our repeated recommendations, HMRC still does not make tax reliefs sufficiently visible to support parliamentary scrutiny and public debate about areas where the UK chooses not to collect tax.

Recommendation:
HMRC should include an analysis of tax reliefs and their costs in its annual report to improve accountability about the areas where Government has chosen not to collect tax. HMRC should make clear why it has decided to collect data only for a small minority of tax reliefs.

2.1 The Government agrees with the Committee's recommendation.

Target implementation date: Summer 2017.

2.2 The Department has created a dedicated tax reliefs page on its statistics website, with links to reports providing estimates of the costs of around 200 tax reliefs and related commentary. In the accompanying bulletin, the Department has also added links to other statistical and research information on tax reliefs, including evaluations. The bulletin explains the various reasons why estimates of costs of some reliefs are not available.

2.3 In future, the Department will provide a description of this information in its Annual Report and Accounts, with links to the latest statistical publication, and an analysis of the number of reliefs for which costs are published and how this compares with the previous year. The Department will provide further explanation of why it collects data only for a proportion of reliefs in the next scheduled release of its statistics bulletin. In addition, the Department is in the process of compiling a list of all tax reliefs, which will further improve accountability.

3: Committee of Public Accounts conclusion:
HMRC is staking a great deal on the success of its plans to digitise the tax system, but once again it lacks an adequate plan if demand for its call centres does not reduce as quickly as it hopes.

Recommendation:
By March 2017, HMRC should demonstrate to the Committee that it has a credible plan to make savings without damaging customer service, and that it has agreed a contingency plan with HM Treasury should its projections prove to be inaccurate in practice.

3.1 The Government agrees with the Committee's recommendation.

Target implementation date: July 2017.

3.2 The Department has a robust planning process which covers both its service delivery and modernisation. As part of this planning round, the Department is doing significant work to both forecast demand on its services and to model the uncertainty around that forecast. The Department's planning is shared in depth with the Treasury.

3.3 The recent organisational redesign of the Department was driven by the need to make customer service its highest priority, and to facilitate the delivery of customer service whilst living within its means. Alongside this change, the Department continuously monitors its financial and performance position. Colleagues and resources are moved around, as necessary, to sustain or improve customer service delivery.

3.4 The Departmental and Customer Service Group Plans for 2017-18 and beyond will make it clear how the Department will deliver continued customer service performance and deal with any risks and issues arising from that delivery, including agreeing contingency plans with the Treasury.

3.5 As part of the ongoing value for money study of HMRC's Customer Service, the NAO will review the credibility of the Department's plans to maintain customer service whilst making savings, and publish an opinion in Autumn 2017.

4: Committee of Public Accounts conclusion:
HMRC receives too many complaints and the vast majority of those referred to the tax adjudicator are upheld in part or in full.

Recommendations:
HMRC should review the complaints it receives, to identify what action it can take to reduce the number raised, and its complaints procedures to minimise the number referred to and upheld by the tax adjudicator.

4.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

4.2 The Department continually reviews customer complaints and identifies actions that will reduce potential complaints. It uses the insight to improve the customer's experience of dealing with the Department, and to shape policy and process design. Actions include changes to Departmental processes which commonly cause complaints, improving customer service in day to day business and improving the handling of complaints. Effective handling and learning from complaints remain a priority, with monthly reporting to HMRC Executive Committee.

4.3 Alongside actions to reduce the causes of complaints, the Department is identifying ways to make it easier for customers to complain and feel confident the Department will respond to their concerns. These actions may result in an increase in complaints received as evidenced by a successful pilot of an online complaints form which has received positive feedback from customers.

4.4 The Department has taken actions to minimise the number of complaints customers feel they need to refer to the Adjudicator, and the number which are subsequently upheld. It has done this through improving the complaints handling process, building the capability of staff and working closely with the Adjudicator to better understand investigation outcomes and the lessons that can be learnt. Both the Adjudicator and the Parliamentary and Health Service Ombudsman have provided positive feedback on how the Department learns and applies lessons from complaints. The number of cases upheld by the Adjudicator reduced in 2015-16 and 2017 has seen a further sharp fall, reflecting the outcome of the Department's improvement activity. The Department will continue to monitor this area closely.

5: Committee of Public Accounts conclusion:
The poor quality of service received by tax credit claimants under the Concentrix contract resulted in unnecessary hardship and suffering.

Recommendation:
HMRC must ensure it has clear customer service standards whether a service is delivered by HMRC or one of its contractors. HMRC should identify quickly the lessons to be learned from this episode and act upon them, particularly given the concerns raised months before HMRC chose to act.

5.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

5.2 The Department has clear customer service standards, captured both within its Business Plans and Customer Charter. The Department will learn lessons from the Concentrix contract to ensure it can uphold these standards and act quickly when its service levels are at risk.

5.3 The Department is in the process of planning for the 2017 tax credits renewals process, one element of which is ensuring that error and fraud is corrected at the point of renewal (High Risk Renewals). The Department is currently examining its processes to ensure that the issues which arose from cases handled by Concentrix during the 2016 renewals round do not recur. This includes improving contact with the claimant, making it easier to provide the required information and considering further safeguards before tax credits are altered or suspended. The Department will involve its Benefits and Credits Customer Group in this examination.

5.4 Over the next 12 months, the Department will explore other options to shift the focus of their compliance activity to a greater emphasis on promoting voluntary compliance and preventing error and fraud at the point of entry to the system.

6: Committee of Public Accounts conclusion:
HMRC and HM Treasury need to make the tax affairs of large multinational companies more transparent to increase the pressure on them to pay their fair share of tax.

Recommendation:
HMRC and HM Treasury should lead the global debate for public country-by-country reporting and push for international agreement on its introduction.

6.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

6.2 The UK has led, and will continue to lead, international efforts to tackle tax avoidance and enhance tax transparency, including calling for a broad international or multilateral agreement for public country-by-country reporting by large multinational companies. The Government will continue to work with international partners with the aim of delivering a comprehensive and effective model of public country-by-country reporting. In particular, HMRC and the Treasury will continue to participate in the discussions on the European Commission proposal with a view to delivering on that objective. A multilateral approach will ensure public country-by-country reporting applies to both UK headquartered and non-UK headquartered multinationals, requiring them to report on their profits made and taxes paid for the full range of countries in which they operate.

Thirtieth PAC Report of Session 2016 17

Department for International Development

St Helena Airport

Introduction from the Committee

St Helena is a small self-governing UK overseas territory in the South Atlantic, previously only accessible by sea. The Department is funding a £285.5 million design, build and operate contract for an airport on St Helena to improve the island's accessibility and to support development of the tourism industry, with the ultimate aim of the island becoming self-sufficient. The airport is now built and the St Helena Government had planned to start operating it in May 2016. However, test flights in April 2016 revealed dangerous wind conditions on the airport approach, an effect known as 'wind shear'. While the airport has since handled a small number of flights, the wind conditions have precluded operation of the planned commercial service.

On the basis of a report by the National Audit Office, the Committee took evidence, on 2 November 2016, from the Department for International Development on its funding of an airport in St Helena. The Committee published its report on 14 December 2016. This is the Government response to the Committee's report.

Background resources

- NAO report: *Realising the benefits of St Helena Airport* - Session 2016-17 (HC 19)
- PAC report: *St Helena Airport* – Session 2016-17 (HC 767)

1: Committee of Public Accounts conclusion:
It is staggering that the Department commissioned and completed the St Helena airport before ascertaining the effect of prevailing wind conditions on landing commercial aircraft safely at St Helena

Recommendation:
The Department should, as soon as it is completed, send the Committee a copy of its review identifying who was accountable for the failure to identify this key issue.

1.1 The Government agrees with the Committee's recommendation.

Target implementation date: April 2018.

1.2 The Department aims to share with the Committee the conclusions of the review in a way which does not prejudice any potential legal proceedings.

2: Committee of Public Accounts conclusion:
The Department did not do enough to ensure it had the appropriate technical resources and competence to build the airport.

Recommendation:
The Department should develop an independent challenge function and build it into its procedures for considering the feasibility of technically demanding projects outside its core business.

2.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

2.2 The Department has established a Quality Assurance Panel for the St Helena Airport project, made up of highly qualified external experts, whose role it is to provide external validation of any technical decisions being made on the Project. This Panel will provide an independent challenge function. For example, the QA Panel has reviewed the outcomes from a number of successful tests flights, provided advice on the most appropriate aircraft and flight procedures for the prevailing conditions and assessed extensive wind data (collected to the end December 2016) showing that wind problems are more surmountable than previously reported by the press. The Airport project has also been reviewed eleven times since 2003 by the Infrastructure Projects Authority.

2.3 The Department will consider for other technically complex projects introducing, where appropriate, a red team approach similar to that employed by the British military. This would add to the existing mechanisms in place which provide a quality assurance of the Departments work. A Quality Assurance Unit serves as an independent means to assess the Department's investments over a certain financial value and a sampling of activities under that value. This Unit reports annually to the Department's Investment Committee.

3: Committee of Public Accounts conclusion:
The Department has not yet determined the extent or cost of the remedial action required to bring the airport into commercial use.

Recommendation:
The Department should write to the Committee by April 2017, and more regularly to the stakeholders of the airport, with an update on its strategy and forecast costs for bringing the airport into commercial use.

3.1 The Government agrees with the Committee's recommendation

Target implementation date: April 2017.

3.2 The Department will write to the Committee in April 2017 and issue updates every 6 months to the Committee and stakeholders. The Department issued an invitation to tender, in December 2016, for a weekly air service for a minimum three year period. The closing date for receipt of bids was 6 February 2017. A substantial response to the tender was received from potential operators. Award of contracts is expected in May 2017 and commencement of air services would follow once the regulatory permissions are granted and the necessary practical arrangements are in place.

4: Committee of Public Accounts conclusions:
The Committee is extremely sceptical about the Department's projected tourism figures and the island's ability to support such growth in the tourist industry.

Recommendation:
The Department should re-calculate its projected tourism figures to provide an updated assessment of progress towards economic self-sufficiency and the consequent reduction in the Department's subsidy.

4.1 The Government agrees with the Committee's recommendation.

Target implementation date: April 2018.

4.2 The Department has completed a number of tourism projection studies for St Helena using different contractors. These have resulted in a range of different projections. Given there is limited additional information available, the Department's preference is not to commission an additional tourism projection study or do this in-house until regular commercial air services have started. Once regular commercial flights have been running for 6 months, the Department will commission a study to recalculate the projected tourism figures. This new projection will include the additional information that has become available from the initial testing of the tourism market.

4.3 The St Helena government is responsible for their revenue projections which forecast the anticipated level of domestic revenue over the next three years. Revenue projections are completed annually as part of the budget preparation process and include estimations and scenarios on the number of new tourist arrivals through the airport once it is servicing regular commercial flights. The number of tourists in these scenarios is determined by looking at the likely size of the plane, estimated number of flights per week, and an estimate of the percentage of tourists on the plane. These revenue projections will be updated once the commercial tender is completed and there is more certainty on the frequency of flights.

4.4 When determining the appropriate level of subsidy, the Department closely scrutinises the gap between St Helena's planned expenditure on essential services and the forecast revenue collection. The Department is also closely tracking what proportion of revenues local tax collection contributes to the budget and set increasing targets with St Helena government. The rationale for using this budget mechanism is to develop the systems on island and ensure that St. Helena is fully able to manage their own public finances as they approach self-sufficiency.

5: Committee of Public Accounts conclusions:
The reputational damage to St Helena from this fiasco could further hinder its ability to attract investment.

Recommendation:
The Department should engage closely with the St Helena Government to secure real progress against the joint Memorandum of Understanding to remove barriers to inward investment.

5.1 The Government agrees with the Committee's recommendation.

Target implementation date: April 2018**.**

5.2 The St Helena Government, working with Enterprise St Helena (the agency) as the economic development agency, continues to focus on investment climate reform, in close consultation with other parts of the St Helena Government. The agency has recently introduced a new post, specifically tasked to work with relevant stakeholders to identify barriers to investment and private sector growth, and to support the development of pro-investor policies. In October 2016, the Department sponsored a visit to St Helena by their Business Environment Reform Facility. The outcome of their review, which is still being discussed, will feed into ongoing work on St Helena.

5.3 The St Helena Government made further progress on the Memorandum of Understanding on updating its immigration and investment procedures to ensure best practice investor controls and support. The St Helena Government and agency are also working together on the critical areas of land and taxation. A cross-stakeholder tax working group has been refreshed, and its meetings cover impacts of recent tax changes, such as the introduction of an investment tax credit. This working group will also look at longer term tax changes to take effect in April 2018. The group includes representatives from the private sector who will feed in their views on revenue initiatives with potential implications for St Helena's investment climate.

Thirty First Report of Session 2016 17

Department for Education

Child protection

Introduction from the Committee

Local authorities have statutory duties for safeguarding and promoting the welfare of children in their area and work with the police and health services, among others, to meet these duties. In 2014-15, authorities spent £1.8 billion on children's social work, including on child protection. The Department for Education is responsible for the legal and policy frameworks within which authorities operate. The Department also publishes data; sets the framework against which Ofsted inspects each authority's services; and intervenes where an authority fails to deliver services to an acceptable standard.

In 2010, the Department recognised that child protection services were not good enough and commissioned the Munro review. In 2014-15, local authorities accepted 635,600 requests for services to be provided by children's social care because of concerns about a child's welfare. The total number of children in need of help or protection across the year was over 780,000. If an authority suspects a child is at risk of significant harm, it may need to put in place a child protection plan. In 2014-15, 62,200 children became the subject of a plan and over the past ten years, the rate of children starting on plans has risen by 94%. By 2016, the Department acknowledged that the quality of work with children and families was still too inconsistent and published new plans to ensure that all vulnerable children, no matter where they live, receive the same high quality care and support by 2020.

On the basis of a report by the NAO, the Committee took evidence on 31 October 2016 from the Department for Education and the Association of Directors of Children's Services about children in need of help or protection. The Committee published its report on 16 December 2016. This is the Government response to the Committee's report.

Background resources

- NAO report: Children in need of help or protection – Session 2016-17 (HC 723)
- PAC report: Child protection – Session 2016-17 (HC 713)

1: Committee of Public Accounts conclusion

Variability in the quality and consistency of help and protection services is leaving children at risk of harm.

Recommendation:

The Department should set out for the Committee, by March 2017, how it will ensure minimum standards so that local authorities clearly understand best practice in services and all children have equal access to high-quality services. The Department should also examine whether children with disabilities should have a different pathway of support unless there is clear evidence that child protection is an issue.

1.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

1.2 The Government already sets minimum standards for local authorities through primary legislation, regulation and statutory guidance and external scrutiny of those standards is through Ofsted inspections. Welfare services are delivered locally to allow areas to support the specific needs of local children and families. To overcome variability in the system Ofsted inspect whether local thresholds are set correctly for children and they require action to be taken if the threshold is applied incorrectly.

1.3 Under the Children Act 1989 (the Act), local authorities must safeguard and promote the welfare of children in need by providing an appropriate range and level of services. All assessments should reflect the unique characteristics of the child and the Act requires disabled children to receive support to meet their development needs under section 17. The Act makes the distinction between support provided under section 17 and that under section 47 where local authorities must investigate to see if any action is needed if they suspect any child is suffering, or likely to suffer, significant harm. The Act provides a clear pathway for all children including those with disabilities.

1.4 Each local area through its Local Safeguarding Children Board, interprets the Children Act definitions and should produce a threshold document as set out in *Working Together to Safeguard Children*[5] which should be followed other than in exceptional circumstances. The new multi-agency arrangements in the Children and Social Work Bill will fulfil a similar function.

1.5 The Department wants a resilient and dynamic practice system, underpinned by robust and continuously evolving evidence so that local authorities clearly understand best practice. The children's social care innovation programme and the *Partners in Practice* programme are helping to develop, test and verify effective approaches. This includes work with the Council for Disabled Children and five local authorities looking at new assessment models for disabled children. The *What Works Centre* for children's social care will ensure social workers across the country are able to learn from the very best examples of frontline social work and bring together our national understanding of practice excellence.

2: Committee of Public Accounts conclusion
The Department lacks a credible plan for improving the system by 2020.

Recommendation:
The Department should, year on year, set out detailed plans, including a timetable and resources, for how it will work with local authorities to transform services by 2020.

2.1 The Government disagrees with the Committee's recommendation.

2.2 In July 2016, the Government set out its strategy to transform children's social care by 2020 in *Putting Children First*.[6] These reforms cover people and leadership, practice and systems and governance and accountability. The Department is consulting on significant elements of delivery, including on social work accreditation and will be providing updates as policies develop and as we implement.

2.3 The Department agrees it is appropriate to set out its vision with timescales, as it has done in *Putting Children First* but it is disproportionate to produce detailed plans annually with very little benefit realised. Instead, the Department will provide the Committee with a roadmap of how the Department intends to transform services. This will address the challenge in the NAO report and set out more clearly a timeframe for delivery of the reforms.

2.4 The Department has a clear understanding of the scale of the challenge and has rigorous governance arrangements to monitor progress. It publishes workforce data alongside a range of system data at national, regional and local level. The Department also provides a comprehensive benchmarking tool to facilitate authorities in self-review and improvement activity.

2.5 Local authorities are responsible for helping, protecting and caring for the vulnerable children in their areas. The day-to-day scrutiny and performance management of children's services sits with local government along with the main levers for improving those services.

2.6 The Department has robust intervention strategies to ensure long-term improvement. When an authority enters intervention, expert advisers carry out a diagnostic assessment to understand the causes of failure, and provide ongoing support and challenge until the local authority is judged as 'requires improvement' or better by Ofsted. After the authority exits intervention, the Department continues to monitor progress for 12 months to ensure that improvement is sustained. The Department has begun an internal review of work with local authorities at risk of being in intervention.

3: Committee of Public Accounts conclusion
Ofsted inspections do not provide sufficient and up to date information on service quality.

Recommendation:
The Department should work with Ofsted and set out for the Committee by March 2017 what steps it will take to get more timely assurance on the quality of children's services.

5 https://www.gov.uk/government/publications/working-together-to-safeguard-children--2
6 https://www.gov.uk/government/publications/putting-children-first-our-vision-for-childrens-social-care

3.1 The Government agrees with the Committee’s recommendation.

Target implementation date: January 2018.

3.2 The Department is working closely with Ofsted to ensure that the next inspection framework is rigorous, provides more frequent information about local authorities’ performance and continues to provide an effective lever for intervention where that is necessary. Ofsted commenced a pilot study in January 2017 to test the proposed new framework in a number of local authorities. In February 2017 it published its response to the consultation, summarising the consultation proposals, the responses received, and how it intends to proceed[7]. The pilots will continue until August 2017, with the new framework published in the autumn 2017 ahead of its introduction in January 2018.

3.3 One of the core elements of the new framework will be the visits that Ofsted inspectors will make to a local authority in between full inspections. The purpose of these visits will be to consider any potential areas of concern, as well as to explore and share good practice. The early identification of slippage or concerns in performance, supported by focused feedback from inspectors, will enable local authorities to address problems at an earlier stage. The findings of these visits may also influence the nature and timing of the full inspection to which a local authority is subject. At a higher level, a more flexible and proportionate inspection regime will enable inspection activity to be targeted in the most effective way.

4: Committee of Public Accounts conclusion

The Department allows problems with services to go too far before it intervenes.

Recommendation:

The Department should speed up its use of leading indicators to intervene in local authorities before they fail. It should write to the Committee by March 2017 explaining how it will monitor services in real time and what appropriate support and intervention it will provide before the stage where a local authority is found to be Inadequate by Ofsted.

4.1 The Government agrees with the Committee’s recommendation.

Target implementation date: September 2017**.**

4.2 The Department remains committed to using all available intelligence and data to support children’s services and prevent formal intervention being necessary. The Department has begun to look at how it can use data more effectively to give it greater intelligence – both qualitative and quantitative - about practice in local authorities in between inspection cycles. However, central Government only directs, where local government demonstrably fails to deliver, such as when Ofsted has judged services as inadequate. It is important that the regulator provides this independent function and it would not be appropriate to start formal intervention proceedings before a local authority has been judged as failing.

4.3 Ofsted’s new inspection framework will include regular conversations with local authorities and focused visits to look at aspects of their practice between inspections. This will provide better intelligence if performance is deteriorating, and enable the local authority to respond and the Department and partners to provide appropriate support.

4.4 The Department is discussing with local government how it might do better collectively to increase its support for local authorities judged as requiring improvement to be good. The sector is best-placed to know what works so one of the key aims of the Department’s *Partners in Practice* programme is to enable high-performing local authorities to support other local authorities to improve. Sector-led support is also provided by the Local Government Association and Association of Directors of Children’s Services.

5: Committee of Public Accounts conclusion

Six years after the Munro review the Department still has no evidence on what works.

Recommendation:

The Department should set out for the Committee its plans for evaluation, dissemination and embedding good practice.

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[7] https://www.gov.uk/government/news/ofsted-launches-new-social-care-common-inspection-framework

5.1 The Government agrees with the Committee's recommendation.

Target implementation date: December 2017.

5.2 The Government has a comprehensive programme of work which by 2020 will create a new national learning system for children's social care. This will see the strengthening of the evidence base via the Innovation Programme and Partners in Practice, along with practice developments identified through a new Child Safeguarding Practice Review Panel and a *What Works Centre* for Children's Social care. It will help to move from a compliance to a learning culture as recommended by Professor Munro.

5.3 From the Innovation Programme, all 53 wave one innovation projects have been independently evaluated, with 19 reports published to date and the rest due in spring 2017. An evaluation report of findings at a programme level and several thematic reports, to pull together key messages for policy and practice, are due to be published in summer 2017. Based on the learning from the first wave of project evaluations, the Department is currently procuring for organisations to deliver an improved evaluation strategy for future waves of the programme.

5.4 The revised approach will support the Department to test specific hypotheses around themes: testing what works across a range of projects active in that area. The strategy includes the evaluation of Partners in Practice. The Department is also working with the sector through the Innovation Programme Learning Network to develop case studies and tools, and run events and workshops, to support others to use the learning and evidence to improve services for children.

5.5 The new Child Safeguarding Practice Review Panel will commission and publish reviews of serious child safeguarding cases which are complex or of national importance and identify improvements which should be made to safeguard children. The Panel will also receive copies of all local reviews.

5.6 The *What Works Centre* will also generate new evidence via evaluations and trials, as well as synthesise existing evidence and research. It will develop a robust dissemination and implementation strategy for the findings from the Innovation Programme and Partners in Practice and the practice developments identified through Panel reviews, to ensure that best practice is embedded into frontline services.

6: Committee of Public Accounts conclusion

The Department has not done enough to attract sufficient people to the social work profession.

Recommendation:

The Department should set out how it will attract more high calibre people to social work and how it will ensure that training and assessment is relevant to their work.

6.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

6.2 The Department set out its proposals to improve the recruitment, retention and development of child and family social workers in *Putting Children First*.

6.3 The Department is investing more than £100 million, this Parliament, in the expansion of fast-track entry programmes - Frontline and Step Up to Social Work. The Department wants every local authority to have the opportunity to benefit from at least one of these programmes by 2020 and by 2018 anticipates that around 30% of new child and family social workers will come from fast-track routes, and up to 40% by 2020. The Department has increased investment in Teaching Partnerships, bringing the total number of partnerships to 15, giving local authorities greater control over the recruitment and retention of the best social workers and increasing access to high quality continuing professional development.

6.4 The Department is also continuing to invest in the assessed and supported year in employment for newly-qualified social workers, has launched a development programme for aspiring practice leaders, and is developing a programme for social workers making the transition from frontline practice to practice supervision.

6.5 The Department published a consultation on proposals to implement a national assessment and accreditation system for child and family social workers on 21 December 2016.[8] The Department, together with the Department of Health, is also establishing a bespoke regulator that will set new standards for initial education and training.

7: Committee of Public Accounts conclusion

The Department mishandled a clear conflict of interest after appointing the Chief Social Worker.

Recommendation 7a:

The Department should write to the Committee by the end of March 2017 setting out how it has changed its procedures, what the agreed constraints are on the Chief Social Worker's dealings with Morning Lane Associates and how it will manage future conflicts of interest.

7.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

7.2 The Department has agreed a protocol for the Management of a Conflict of Interest with the Chief Social Worker (CSW). This specifies that the CSW will not be involved in any decision-making process which could result in any public funding being awarded to Morning Lane Associates. The protocol sets out proportionate measures to ensure that there are no actual or perceived conflicts of interest around funding decisions, while still allowing the CSW to fulfil her role. The Department will be sending a copy of the protocol to the Committee.

Recommendation 7b:

The Department and Cabinet Office should require much clearer declarations of interest. "A close and personal relationship" can mean many things and it is not clear to the casual reader what this means. With billions of taxpayers' money being spent each year on contracts with the private sector, it is vital that the taxpayer and Parliament are clear about potential conflicts of interest. The Cabinet Office should report back to the Committee by March 2017 to outline plans to standardise and clarify such declarations.

7.3 The Government disagrees with the Committee's recommendation

7.4 The Cabinet Office has already set out central guidance for declaring conflicts of interest in the Civil Service Code and section 4.3 of the Civil Service Management Code. It considers that these are already sufficiently clear and fit for purpose. It is for individual Departments to incorporate these requirements into their own procedures and policies, adjusting the requirements to meet their particular businesses and areas of operation.

7.5 The Department presently requires senior civil servants to disclose actual and potential conflicts of interest in annual Assurance Framework Records.

Recommendation 7c:

In its letter to the Committee in March 2017, the Department should clarify what it will do to set clear guidelines for officials about conflicts of interest as the Government moves ahead with plans to outsource children's social services to private and voluntary sector partners.

7.6 The Government agrees with the Committee's recommendation.

Target Implementation date: December 2017.

7.7 The Department is undertaking a thorough review of its arrangements for disclosure and recording conflicts of Interest and has reminded senior staff of their responsibilities to disclose conflicts in their Assurance Framework Record. The Department will be working to improve the reporting system by introducing a digital system, ensuring that appropriate guidance is given to partner bodies and clarifying the expectation on the handling of conflicts of interest in the sectors overseen and funded.

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8 https://www.gov.uk/government/consultations/social-work-national-assessment-and-accreditation-system

Thirty Second Report of Session 2016 17

Department for Communities and Local Government, Department for Business, Energy and Industrial Strategy, Department of Health, and HM Treasury

Devolution in England: governance, financial accountability and following the taxpayer pound

Introduction from the Committee

As devolution in England progresses, it is important to take stock of where accountability lies, as responsibility for holding devolved public spending to account will move away from the centre. Parliament and the public must be assured that all devolved spending is subject to effective scrutiny. Responsibility for the oversight and co-ordination of the Government's devolution agenda lies with the Cities and Local Growth Unit together with HM Treasury. The unit is made up of officials from the Department for Communities and Local Government and the Department for Business, Energy and Industrial Strategy. Together with the Treasury, they have recently overseen the negotiation and implementation of a number of bespoke devolution deals which devolve powers, funding and responsibilities to local areas.

During 2016, the Committee held informal discussions at the City of Westminster and City of Wolverhampton Councils, which included panels of speakers from academia, local government, businesses and local stakeholders, covering broad themes on devolution including financial accountability, local scrutiny, the devolution of health and how devolution might facilitate economic growth. Following those discussions, the Committee has drawn some broader conclusions covering its concerns on accountability and scrutiny of public expenditure related to the devolution agenda.

The Committee published its report on 18 December 2016. This is the Government's reflection on the Committee's report.

Background resources

- PAC report: *Devolution in England: governance, financial accountability and following the taxpayer pound* – Session 2016-17 (HC 866)

1: Committee of Public Accounts conclusion

The Department of Communities and Local Government needs to be clearer about what it is trying to achieve through the devolution agenda. If it is not clear to elected representatives, how can it be clear to local citizens and service users who are the ones directly affected by these reforms?

1.1 The Government has been clear that the primary objective of devolution is to help places drive local economic growth. The Government is backing local leaders to realise their economic development ambitions at a strategic scale, devolving greater control of skills, transport, infrastructure investment, strategic planning and more. There is clear support from the business community for a devolution agenda which can help to achieve these aims.

1.2 Local democratic accountability, including through directly-elected mayors, is a crucial aspect of devolution. Mayoral candidates are emerging with different policy priorities. In advance of the Mayoral elections in May 2017, it would be inappropriate for the Government to fetter the discretion of directly elected mayors by stipulating in detail what they should achieve – for example, through a list of metrics around which local areas would be expected to build their policy decisions. This is why the Government has not specified detailed outcomes as part of these deals. This is an important issue of policy, on which the Government has been consistent, and which Parliament has accepted with the passage of the Cities and Local Government Devolution Act 2016.

2: Committee of Public Accounts conclusion
Taxpayers must be able to understand who is spending their money, how that money is allocated and where responsibility lies if the system fails to deliver good value or things go wrong.

2.1 The Mayoral devolution deals agreed will put in place strong, directly accountable leaders with a clear mandate to deliver for local communities. Taxpayers will be able to make their views clearly known – including, ultimately, via the ballot box – if their expectations are not met.

2.2 Meeting its commitment in devolution deal agreements, the Government is developing *Plain English Guides* for each Mayoral devolution deal. These guides will summarise the accountability arrangements in place for each power or fund devolved through deals. As has been stated in previous Treasury Minutes, the guides will be finalised when the relevant legislation to establish and confer powers on mayoral combined authorities has been made, and will be published to meet the Government's previously stated commitment in Spring 2017.

3: Committee of Public Accounts conclusion
The Department needs to more demonstrably understand the link between devolution and economic growth. Devolution is being considered in isolation, with less importance placed on housing, land, education and skills, which play key roles in promoting economic growth.

3.1 Devolution deals seek to establish strong leadership and effective institutions which can improve economic policy and decision-making across a functional economic area and therefore drive economic growth. The positive impacts on growth and productivity associated with effective governance, at the right scale and with the right powers, are demonstrated by experience and studies from across the UK and elsewhere. International experience – and the example of London – suggest that the introduction of Mayoral leadership at the Combined Authority scale from May 2017 will better enable areas to convene public and private sector partners to promote growth and productivity; to better target investment where it is needed; and to make the case for further powers and budgets to support local economic ambitions.

3.2 Devolution deals bring together a range of economic policy and funding levers which these new institutions can use to support local economic growth. These include additional housing investment funds, land commissions, the devolution of the Adult Education Budget to local areas, transport powers and new investment funds. Local partners have chosen to negotiate deals with the Government, and sought these powers and responsibilities, precisely in order to improve their ability to promote economic growth.

3.3 A major component of Mayoral devolution deals agreed to date has been the agreement of additional long-term investment funds ('Gain Share') for combined authorities to invest in local growth priorities. In order to ensure that Mayors and Combined Authorities are using these investment funds to achieve robust economic outcomes, an independent National Evaluation Panel is being established to assess their impact. The Panel will agree a robust monitoring and evaluation methodology with all partners and will submit reports at five-yearly Gateway Reviews, which will inform Ministerial decision making on the continuation of investment funding for local areas.

4: Committee of Public Accounts conclusion
The Department has not fully addressed the Committees concerns about local scrutiny and accountability and the resources and capacity needed to rigorously oversee spending.

4.1 The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2016 was laid before Parliament in December 2016, prior to the Committee's report. It was approved by Parliament in January 2017 and will commence when the new combined authority mayors take office in May 2017.

4.2 The drafting of the Order was informed by constructive engagement with relevant stakeholders, including the National Audit Office, the Centre for Public Scrutiny, existing combined authorities and those involved with establishing new combined authorities. The final Order sets out clear requirements, strengthened appropriately to match the new powers and budgets being devolved, for the arrangement of overview and scrutiny and audit committees in all combined authorities. Additionally, combined authorities are, legally, local authorities and are subject to all existing relevant legislation applying to all local authorities, including the strong finance and audit requirements around ensuring value for money and sustainability.

4.3 More broadly, the Department fully welcomes the NAO's current study on combined authorities and is engaged in constructive dialogue with the NAO on this.

5: Committee of Public Accounts conclusion
The devolution of health and social care must not allow central Government to absolve itself of its responsibility to ensure that devolved areas receive adequate funding for sustainable services. With budgets stretched increasingly thin, local bodies must ensure value for money when delivering vital services.

5.1 Whatever devolution arrangements might be agreed with a particular area, the Government has been clear that health services in that area must remain part of the NHS. This principle is supported explicitly by section 18 of the Cities and Local Government Devolution Act 2016, and has been emphasised in devolution agreements.

5.2 NHS spending has increased as a proportion of total Government spending every year since 2010. The Government has reaffirmed its commitment to the NHS by again committing to increase health funding each year in this Parliament. As set out in the Spending Review, the NHS in England will see a rise in its funding of £10 billion in real terms by 2020-21 compared to 2014-15, to support the NHS Five Year Forward View. The Government is also giving local authorities access of up to £3.5 billion of new support for social care by 2019-20, through the social care precept and the Better Care Fund. In recognition of imminent pressures on social care, the Government has also taken steps in the recent Local Government Settlement to make available almost £900 million of additional social care funding over the next two years.

6: Committee of Public Accounts conclusion
The Department must ensure that the benefits derived from devolution are for all local areas and that we do not see a form of 'local centralism' where power and decision making sits in the dominant city heart of a combined authority.

6.1 Combined authority mayors will have a clear mandate to pursue the interests of their whole combined authority area, as they will be directly elected by, and directly accountable to, all voters across the whole of the area.

6.2 Additionally, the combined authority model itself is based on collaboration amongst local authorities, who have equal representation across a large local government area and can thereby make better strategic decisions in the interests of the whole area. The decision-making structures and voting arrangements of combined authorities are published, clearly and transparently, in the bespoke legislation for each combined authority. None of these published arrangements give additional power to any of the constituent councils at the expense of any other.

Thirty Third Report of Session 2016 17

Department for Communities and Local Government

Troubled families: progress review

Introduction from the Committee

In August 2011, following riots in some parts of England, the then Prime Minister announced a commitment to turn around the lives of the 120,000 most troubled families in England by 2015. The Government estimated that the annual cost of these families to the public sector was £9 billion, £8 billion of which was spent reacting to their problems instead of solving them. To meet the Prime Minister's commitment, the first phase of the Troubled Families programme was launched in April 2012. Initial central government funding of the programme was £448 million between 2012 and 2015. The Department funded local authorities for achieving outcomes with troubled families through a payment by results framework. While it did not prescribe how local authorities should work with troubled families, many adopted the perceived good practices of earlier family intervention projects, such as using key workers to join up public services. In June 2013, the Department committed a further £920 million to extend the programme to 2020.

The Department had commissioned a consortium to evaluate phase one of the programme. The evaluation aimed to assess the impact of the programme, its cost-effectiveness and how it was implemented. In August 2016, the BBC's Newsnight programme reported that the Department had 'suppressed' this evaluation, and that part of it had found that the programme had had 'no discernible impact'. The evaluation was published on 17 October 2016, two days before the Committee's evidence session.

On the basis of a report by the NAO, the Committee took evidence, on 19 October 2016, from the Department for Communities and Local Government on the delivery of the Troubled Families Programme. The Committee published its report on 20 December 2016. This is the Government response to the Committee's report.

Background resources

- PAC Report: *Programmes to help families facing multiple challenges* – Session 2013-14 (HC 668)
- NAO report: *The Troubled Families Programme: update* - Session 2016-17 (HC 668)
- PAC report: *Troubled Families Progress Review* - Session 2016-17 (HC 711)

1a: Committee of Public Accounts conclusion:
The Department for Communities and Local Government's delayed publication of the evaluation of the Troubled Families programme was unacceptable.

Recommendation:
The Department should ensure that its reports to Parliament and the public on the progress of the Troubled Families programme contain the evidence necessary to conclude meaningfully on the programme's progress. Furthermore, to support effective parliamentary scrutiny, the Department must publish evaluations promptly and supply the Committee with timely information.

1.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

1.2 The Department committed, in the Welfare Reform Act 2016, to report to Parliament annually on the progress of families on the programme. The first report is due to be published by 31 March 2017 and will contain baseline data from the current 2015-20 programme, while future reports will add to this baseline data and aim to track changes in families' outcomes.

1.3 The Department also made a number of improvements when designing the new programme's evaluation. Unlike the first programme's evaluation, which only reported after the programme had ended, the current evaluation will report annually throughout the lifetime of the programme and beyond to 2022.

1.4 Isolating and attributing the impact specifically and solely achieved by any one particular social policy programme on multiple problems relating to disadvantage will always be very challenging. The Department has established an independent advisory group of leading experts in relevant research methodologies to help it ensure that the design of the evaluation of the current programme allows it the best chance of securing a robust and accurate assessment of its achievements.

2: Committee of Public Accounts conclusion:
The Department's evaluation of the Troubled Families programme was unable to find consistent evidence that it had any significant impact at this stage.

Recommendation:
The Department must develop a more meaningful longitudinal methodology for evaluating the impact and quality of the Troubled Families programme at both a national and local authority level. This should include an effective annual reporting system.

2.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

2.2 The Department recognises that the impact study, which formed one part of the independent evaluation of the original 2012-15 Troubled Families Programme, would have had more chance of reaching a more definitive assessment of the programme had it been possible for it to be conducted over a longer period of time. One of its key limitations was that the assessment of outcomes achieved with families with significant and multiple problems typically took place only 12 to 18 months after the start of the programme. It was not likely that quantitative evidence of outcomes such as sustained employment or sustained school attendance at that stage of intervention would have been recorded at that early stage.

2.3 The Department made a number of improvements when designing the current 2015-20 programme's evaluation, increasing its breadth, scale and frequency of reporting. These improvements include:

- regularly reporting throughout the lifetime of the programme and beyond to 2022;
- measuring over 60 outcome indicators across crime, education, employment, health, domestic abuse and child safeguarding;
- tracking outcomes for up to five years before and after intervention;
- ensuring all participating local authorities have committed to the collection and provision of good quality data;
- including rich qualitative information from local authorities and families describing how the programme is being delivered and how changes are experienced by families;
- a survey of over 1,000 families interviewed before and after intervention, capturing improvements in families circumstances;
- regularly feeding back local findings to councils so they can review family progress, estimate cost-savings and make comparisons with similar councils; and
- establishment of an independent advisory group of leading academics to provide external support and scrutiny of the evaluation.

3a: Committee of Public Accounts conclusion:
The payment by results framework led to some councils attempting to move families through the programme quickly, potentially at the expense of reduced quality of support.

Recommendation 3a:
The Department should review its payment by results mechanism for Troubled Families to ensure that this is not resulting in local authorities diluting the quality of the support they provide to these families.

3.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

3.2 The Department has looked at the operation of payment by results mechanism and made a number of changes for the new programme. Each local authority is now subject to two spot checks during the lifetime of the programme. The spot checks now include a visit by a Department expert, as well as scrutiny of local authority data systems, and these visits include an interview of local authority keyworkers to assess local practice.

3.3 The Department will continue to review the regularly updated evidence provided by both spot checks and the evaluation to make sure the payment by results system is not resulting in local authorities diluting the quality of the support they provide to families.

3.4 More widely, the use of payment by results in the programme continues to be kept under review.

3b: Committee of Public Accounts conclusion:

Recommendation 3b:
The Department needs to track what ongoing support is provided to determine what works.

3.5 The Government agrees with the Committee's recommendation.

Target implementation date: December 2017.

3.6 The National Impact Study element of the current programme's evaluation will track family progress for periods up to five years after interventions undertaken within the scope of the programme have ended. We are also considering if there are other ways in which we can ensure local authorities have effective and ongoing support in place for families when they leave the programme.

4: Committee of Public Accounts conclusions:
The terminology used by the Department overstated the success of the Troubled Families programme in transforming the lives of families

Recommendation:
The Department should ensure that the terminology it uses to communicate the achievements of the Troubled Families programme gives an accurate depiction of how disadvantaged families make progress.

4.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

4.2 During the first programme, being 'turned around' meant that a family had achieved significant change in the multiple problems they faced. As a minimum this meant that: truanting and absent children were back in school and with high levels of attendance over three consecutive terms; significant reductions were made in youth crime and anti-social behaviour; or an adult previously on out of work benefits was in continuous employment for at least three months.

4.3 The current programme recognises that families with multiple problems, some of the hardest to help in the country, will not have their problems resolved overnight and refers to 'significant and sustained progress' being achieved.

5: Committee of Public Accounts conclusion:
The Department has not demonstrated that the programme has provided genuine financial savings.

Recommendation:
The Department needs to be able to make more accurate claims about any savings that can be attributed to the Troubled Families programme and, with local areas' input, develop better ways of measuring whether the programme is achieving value for money.

5.1 The Government agrees with the Committee’s recommendation.

Recommendation implemented.

5.2 Since the first programme, the Department has made improvements to this element of data collection and the evaluation. In particular, the Department has worked in collaboration with local authorities to develop a Troubled Families Information System. Using unit cost data developed by New Economy Manchester, this system links locally inputted programme costs and outcomes to nationally held administrative data sets and will produce estimates of the benefits of the programme for each participating local authority and for the national programme as a whole.

5.3 To support the launch of this new system, the Department provided guidance and training so that all local authorities understand how to use the system and the importance of entering good quality data. Further good practice open days and support sessions are being developed to further improve the quality of data submitted by local authorities.

5.4 The Department is also reviewing what more it could do to work with local areas to incentivise better local data collection and analysis in future.

Thirty Fourth Report of Session 2016 17

Home Office

The Syrian Vulnerable Persons Resettlement Programme

Introduction from the Committee

Since it began in 2011, the civil war in Syria has caused mass movement of Syrians, both within the country and to neighbouring countries. Syrians now make up the largest refugee population in the world, with almost five million having fled to neighbouring countries to escape the conflict. In January 2014, the UK Government announced that it would establish a Syrian Vulnerable Persons Resettlement programme to allow selected refugees to resettle in the UK. The programme was relatively small in scale, resettling 239 refugees up to the end of September 2015.

In September 2015, the Government announced that it would expand the programme to resettle 20,000 of the most vulnerable Syrian refugees in the UK by May 2020. The programme became the joint responsibility of the Home Office, the Department for Communities and Local Government and the Department for International Development. It is open to Syrians registered as refugees with the United Nations High Commissioner for Refugees (UNHCR) in Jordan, Iraq, Egypt, Lebanon, or with the government in Turkey, and who meet one or more of UNHCR's criteria for vulnerable groups. The Department and its partners successfully met their initial target to resettle 1,000 Syrian refugees as part of the programme by Christmas 2015. By the end of June 2016, a total of 2,659 Syrian refugees had been resettled, making up 13% of the overall target.

On the basis of a report by the NAO, the Committee took evidence, on 7 November 2016, from the Home Office. The Committee published its report on 13 January 2017. This is the Government response to the Committee's report

Background resources

- NAO report: *Syrian Vulnerable Persons Resettlement Programme* – Session 2016-17 (HC 626)
- PAC report: *Syrian Vulnerable Persons Resettlement Programme* – Session 2016-17 (HC 768)

1: Committee of Public Accounts conclusion:
The success of the programme is dependent on pledges of offers of support from local authorities turning into firm places.

Recommendation:
The Department should regularly review the number of remaining pledges and work with local authorities to ensure that they are able to provide firm offers

1.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

1.2 The Department has been working with local authorities and devolved administrations across the UK in order to ensure the Department has the capacity and infrastructure to meet the commitment to resettle 20,000 vulnerable Syrians. Through these discussions local authorities have committed their involvement in the resettlement programme between now and 2020.

1.3 Once a local authority has pledged to resettle refugees, the Department works with them to ensure there are suitable accommodation and care packages in place in that authority area in order for resettlement to take place. The Department asks local authorities to consider carefully whether they have the infrastructure and support networks needed to ensure the appropriate care and integration of these refugees before telling the Department how many individuals they believe can be resettled. There is still a significant task to be done in working with regions and local authorities to turn these pledges into arrivals, although the Department regularly reviews the number of remaining pledges.

Recommendation:
More clearly specify what local authorities are expected to provide to refugees to address any current disparities or confusion.

1.4 The Government agrees with the Committee's recommendation.

Target implementation date: April 2017.

1.5 The statement of requirements for local authorities, for year one, specifies the minimum requirements for resettling people under the Vulnerable Persons Resettlement scheme so local authorities know exactly what is required of them. To give flexibility to local authorities, after year one, the funding is not ring-fenced and can be used by them to provide support for refugees in the way they think is best for their local area. This can include, for example, support for integration such as additional English language training as well as social care. Funding payments, per individual refugee, can be pooled and managed across all the refugees a Local Authority takes in.

1.6 The Department has commenced a review of the financial tariffs paid to local authorities with a view to revising the funding instructions for the next financial year. As part of this, local authorities' views are being sought on whether the Department should reprioritise the components of the funding. The Department will also seek views on the current payment process to ensure it still meets everyone's needs and consolidate a number of new instructions that have been released this year into the main funding instruction.

1.7 As part of this review, the Department will also consider and address any additional clarity that is needed to the funding instruction.

2: Committee of Public Accounts conclusion:
Uncertainties and a lack of clarity about the programme are causing anxiety for some refugees.

Recommendation:
The Department should, by the end of the financial year, make sure that there is full and clear communication with refugees about the programme – including the services they can expect, their entitlements, restrictions, and the implications of having 'humanitarian protection' status.

2.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

2.2 From 6 November 2016, all refugees have been handed a Q&A document in Arabic at the point they attend the Visa Application Centre by the International Organization for Migration (IOM). Any questions they have arising from this can be discussed at the subsequent cultural orientation.

2.3 The Q&A was produced with the United Nations High Commissioner for Refugees (UNHCR) and covers a range of topics including: the process, status upon arrival in the UK, rights and entitlements, support, benefits, housing, employment, education and healthcare. The Government has asked IOM to provide feedback on this document from the refugees so that the document can be refined accordingly.

2.4 Refugees resettled in the UK under the Syrian VPR scheme are invited to attend a pre-departure cultural orientation, which gives them the opportunity to acquire information they will need in order to resettle and adjust to a new life in the UK. This includes information on the rule of law and cultural adaptation.

3: Committee of Public Accounts conclusion:
Community Sponsorship, where groups of individuals agree to provide initial support to refugees, was introduced in July 2016.

Recommendation:
The Department should write to the Committee within six months to provide an update on community sponsorships.

3.1 The Government agrees with the Committee's recommendation.

Target implementation date: August 2017.

3.2 The community based sponsorship scheme was launched on 19 July 2016. The scheme put in place the previous Home Secretary's commitment to develop a scheme to allow community groups to support refugees directly. Community sponsorship is a ground breaking development for resettlement in the UK and the Government's intention has always been that this relatively new scheme would start on a small scale and be monitored closely to ensure it delivers positive outcomes for resettled families and local communities.

3.3 The Department has seen interest in the scheme from across the UK and is working with a number of groups as they develop their plans. Supporting a vulnerable resettled family is a significant responsibility and the Department carefully assesses every sponsoring organisation. The approval process ensures that each prospective sponsor has sufficient resources (housing, financial and personnel); has a credible plan for supporting a resettled family, backed by relevant experience; and does not present a risk to the resettled family.

3.4 The Department will write to the Committee with an update on the Community Sponsorship scheme in August 2017.

4: Committee of Public Accounts conclusions:
The Department's plans for evaluating the success of the programme are still too vague.

Recommendation:
The Department should, by the end of this financial year, analyse the evidence it has collected in order to produce a baseline for the programme.

4.1 The Government agrees with the Committee's recommendation.

Target implementation date: Spring 2018.

4.2 The Government agrees with the recommendation to produce a baseline but it is not possible to implement this by the end of this financial year. This is because a big enough cohort is needed from which to set the baseline. The next cut of local authority data will be in April 2017 with more data to follow from other Government Departments over the summer. This may be sufficient to form early baselines focusing on refugee outcomes in year one only.

4.3 The monitoring and evaluation work will involve collecting information on resettled refugees from local authorities, and, provided access at the right level of granularity can be agreed, other Government Departments, Agencies and Devolved Administrations. This will inform understanding of post-arrival outcomes for refugees in key areas, and the extent to which location and demographic factors affect these. The Department also intends to undertake qualitative research to explore what is working well and where changes may need to be considered.

4.4 The Department has already established a mechanism to secure data from local authorities. In order to limit the administrative burden upon these authorities, the Department will be seeking to make best possible use of existing Government data. If successful, this will support monitoring against a more detailed set of indicators grouped under the themes referenced in the NAO report.

4.5 The first evaluation report is anticipated to be available in early 2018 and the Department will write to the Committee in the summer of 2017 with a further progress update.

Recommendation:
The Department should, by the end of this financial year, set out the outcomes against which it will judge the success of the programme.

4.6 The Government agrees with the Committee's recommendation.

Target implementation date: Spring 2018.

4.7 The Government agrees with the recommendation to set out the outcomes against which it will judge the success of the programme but it is not possible to implement this by the end of this financial year. The Department has set out that it will judge the success of the programme against a detailed set of indicators grouped under the themes: Security, Value for Money and Wellbeing, although indicators will focus on refugees outcomes. While the Department is mindful of the need to resettle vulnerable Syrians in a way that provides best value for money for the taxpayer, this is a humanitarian programme and the level of funding is intended to enable local authorities to provide vulnerable refugees with a safe environment and the chance to rebuild their lives.

4.8 The monitoring and evaluation work will involve collecting information on resettled refugees from local authorities, and – provided access can be agreed at the right level of granularity – other Government Departments, Agencies and Devolved Administrations. This includes seeking access to data that will enable the Department to monitor metrics such as educational attainment at key stages 1-5, higher education results, type and length of employment, benefit dependence, as well as enable the Department to explore the demographic factors associated with progress. The first report of this work will not be available until early 2018.

5: Committee of Public Accounts conclusions:
The Department has not yet worked out what is the right amount of English language teaching to provide.

Recommendation:
The Department should, within six months, review what is being delivered by the increased funding for teaching English to determine whether it is sufficient to allow refugees to communicate independently with service providers and integrate quickly into their local communities.

5.1 The Government agrees with the Committee's recommendation.

Target implementation date: August 2017.

5.2 The Government is committed to providing resettlement to vulnerable refugees and to helping them integrate within their local communities. Improved English skills are vital to this, not only helping refugees communicate with people in their new communities, but also being the key to allowing them to find work, gain independence and give back to the communities who have welcomed them.

5.3 The additional English for Speakers of Other Languages (ESOL) funding, announced in September 2016, is enough to provide at least 12 hours a week per adult for a 3-6 month period. The Department is working closely with local authorities to ensure that the funding is taken up in the most effective way, which will not necessarily mean that every individual receives exactly the same provision as some will need more teaching than others to reach a level of independence as described in the recommendation.

5.4 The Department has also provided additional funding for regional ESOL co-ordinators to support local authorities in mapping provisions and commissioning additional services where these are required as well as money to fund childcare provision to facilitate ESOL attendance. The Department is reviewing the recommended number of hours, ESOL levels and outcomes and revising the reporting requirements to measure the success of ESOL provision for both self-sufficiency and integration. Within six months the Department will review the impact of the increased funding and set out whether it is sufficient.

6: Committee of Public Accounts conclusions:
It is not clear that survivors of torture are receiving the specialist support and treatment they need.

Recommendation:
The Department should, within six months, along with local authorities and delivery partners, undertake a full review of how victims of torture are being identified and supported to understand what more can be done.

6.1 The Government agrees with the Committee's recommendation.

Target implementation date: August 2017.

6.2 The identification of survivors of violence and torture take place in the Middle East North Africa (MENA) region through UNHCR assessments and IOM health screening. The Department works closely with UNHCR and IOM to intensify their outreach, coverage and capacity to identify, support and refer individuals that may have lingering physical or psychological effects from torture or violence.

6.3 The Department has been working closely with partners in the UK on the mental health and wellbeing of those resettled under the scheme. The Department has asked partners how operational practices can be improved and has identified some areas where changes could be made. In particular, providing better training for caseworkers on identifying mental health issues and providing/sourcing, support and sharing good practice across the UK.

6.4 The Department is also trialling the pre-departure use of the Global Mental Health Assessment Tool[9] at the IOM clinic in Beirut for a small cohort of resettled people. The GMHAT is a computerised clinical interview tool developed to assess and identify a wide range of mental health problems in primary health care settings. It consists of a series of questions that leads to a comprehensive yet quick mental state assessment, and was developed to help staff in any primary care setting make a standardised mental health assessment. It is too early to draw any conclusions. However the Department will undertake a full review.

[9] www.gmhat.org

List of Treasury Minutes 2015 20[10]

Treasury Minutes is a Parliamentary Command Paper, which is laid in Parliament, and is the Government's response to the Public Accounts Committee reports.

Session 2016-17

Committee Recommendations: 219[11]
Recommendations agreed: 198 (90%)
Recommendations disagreed: 21 (10%)

Publication Date	PAC Reports	Ref Number
November 2016	Government responses to PAC reports 1 to 13	Cm 9351
December 2016	Government responses to PAC reports 14 to 21	Cm 9389
February 2017	Government responses to PAC reports 22-25 and 28	Cm 9413
March 2017	Government responses to PAC reports 26-27 and 29-34[12]	Cm 9420
March 2017	Government responses to PAC reports 35-41	
May 2017	Government responses to PAC reports 42+	

Session 2015-16

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

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

[10] List of Treasury Minute responses for Sessions 2010-15 are annexed in the Government's response to PAC Report 52
[11] Recommendations up to March 2017
[12] Report 32 contains 6 conclusions only.

List of Treasury Minutes: Progress Reports

The Government produces Treasury Minute progress reports on the implementation of Government accepted recommendations on a regular basis.

Publication Date	PAC Reports	Ref Number
January 2012	Session 2010-12: updates on 13 PAC reports	Cm 8271
July 2012	Session 2010-12: updates on 28 PAC reports	Cm 8387
February 2013	Session 2010-12: updates on 31 PAC reports	Cm 8539
July 2014	Session 2010-12: updates on 60 PAC reports Session 2012-13: updates on 37 PAC reports	Cm 8899
March 2015	Session 2010-12: updates on 26 PAC reports Session 2012-13: updates on 17 PAC reports Session 2013-14: updates on 43 PAC reports	Cm 9034
February 2016	Session 2010-12: updates on 8 PAC reports Session 2012-13: updates on 7 PAC reports Session 2013-14: updates on 22 PAC reports Session 2014-15: updates on 27 PAC reports	Cm 9202
July 2016	Session 2010-12: updates on 6 PAC reports Session 2012-13: updates on 2 PAC reports Session 2013-14: updates on 15 PAC reports Session 2014-15: updates on 22 PAC reports Session 2015-16: updates on 6 PAC reports	Cm 9320
January 2017	Session 2010-12: updates on 1 PAC report Session 2013-14: updates on 5 PAC reports Session 2014-15: updates on 7 PAC reports Session 2015-16: updates on 18 PAC reports	Cm 9407
July 2017	Session 2010-12: updates on 3 PAC reports Session 2013-14: updates on 7 PAC reports Session 2014-15: updates on 12 PAC reports Session 2015-16: updates on 26 PAC reports Session 2016-17: updates on 39 PAC reports	Cm

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