HM Treasury

Treasury Minutes

Progress report on the implementation of Government accepted recommendations of the Committee of Public Accounts: Session 2010-12, 2012-13, 2013-14, 2014-15 and 2015-16

Cm 9407 January 2017

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This publication provides a progress report on the implementation of the recommendations of the Committee of Public Accounts that have been accepted by Government.

This is one of a series of progress reports. Details of Committee recommendations that were implemented previously can be found in earlier progress reports or the original Treasury Minute response.

References to the original Treasury Minutes and earlier progress reports are provided within this publication.

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

Cm 9407 January 2017

TREASURY MINUTES DATED 26 JANUARY 2017 – PROGRESS REPORT ON THE IMPLEMENTATION OF GOVERNMENT ACCEPTED RECOMMEDATIONS OF THE COMMITTEE OF PUBLIC ACCOUNTS: SESSIONS 2010-12, 2012-13, 2013-14, 2014-15 AND 2015-16.

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Seventeenth Report of Session 2010-12

Department for Education

The Academies Programme

Summary of the Committee's findings

Academies are state schools which are independent of local authorities and directly accountable to the Department for Education. They were originally intended to raise educational standards and aspirations in deprived areas, often replacing schools with long histories of under-performance. From May 2010 the Programme was opened up to all schools, creating two types of academy: 'sponsored' academies, usually established to raise educational standards at under performing schools in deprived areas; and 'converters' created from other types of school, with outstanding schools permitted to convert first. By 5 January 2011, there were 407 academies: 271 sponsored and 136 converters.

Background resources

- NAO report: *The Academies Programme* - Session 2010-12 (HC 288)
- PAC report: *The Academies Programme* - Session 2010-12 (HC 552)
- Treasury Minute: March 2011 (Cm 8042)
- Treasury Minute – Progress Report: July 2012 (Cm 8387)
- Treasury Minute – Progress Report: July 2014 (Cm 8899)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)
- Treasury Minute – Progress Report: July 2016 (Cm 9320)

Updated Government response to the Committee

There were 8 recommendations in this report. As of the last Treasury Minute (Cm 9320), 7 recommendations were implemented. 1 recommendation remains work in progress, as set out below.

6: Committee of Public Accounts recommendation:
The Department has failed to collect all the financial contributions due from sponsors.

Recommendation:
The Department should clarify the status and recoverability of these outstanding debts, negotiate clear and realistic payment schedules with the relevant sponsors, and monitor repayment.

6.1 The Government agreed with the Committee's recommendation.

Target implementation date: Autumn 2017.

6.2 Given the very different nature of the agreements made with each of the sponsors, the process has been both complex and lengthy. Nevertheless, the vast majority of the original £146 million of agreed capital contributions has been secured or alternative arrangements made to secure value for money. This was agreed in relation to one sponsor, United Learning, where the Department has agreed to waive the outstanding sponsorship as part of a wider agreement to move 19 of its academies funded on estimates of pupil numbers to census based funding. This agreement represents overall value for money for the public purse and the Department's expectation will be to achieve potential additional savings of £11.1 million at net present value (today's prices) after 10 years of implementation.

6.3 Contributions have been secured or other agreements made for over 90% of the original contributions. The Department continues in its efforts to ensure that agreements are in place for all academies with outstanding sponsorship and it will only agree any waivers where they provide overall value for money.

Progress on the implementation of Government accepted recommendations of the Committee of Public Accounts: Session 2012-13

Recommendations fully resolved.

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Progress on the implementation of Government accepted recommendations of the Committee of Public Accounts: Session 2013-14

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Recommendations fully resolved.

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Recommendations fully resolved.

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Seventeenth Report of Session 2013-14

HM Treasury

Administering the Equitable Life Payment Scheme

Summary of the Committee's findings

In 2010, the Treasury was given powers to make payments to just over a million former policyholders of the Equitable Life Assurance Society. The Treasury engaged National Savings and Investments (NS&I), an Executive Agency of the Treasury, to operate the Scheme, and NS&I out-sourced it to Siemens. The Siemens contract was subsequently bought by ATOS. At the end of March 2013, the Scheme had paid out a total of £577 million to 407,000 policyholders.

Background resources

- NAO report: Administering the Equitable Life Payment Scheme - Session 2012-13 (HC 1043)
- PAC report: Administering the Equitable Life Payment Scheme – Session 2013-14 (HC 111)
- Treasury Minute: November 2013 (Cm 8744)
- Treasury Minute – Progress Report: March 2015 (Cm 9304)
- Treasury Minute – Progress Report: February 2016 (Cm 9202)
- Treasury Minute – Progress Report: July 2016 (Cm 9320)

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9320), 4 recommendations were implemented and the Department disagreed with 1 recommendation. 1 recommendation remained work in progress, which has now been implemented, as set out below.

2: Committee of Public Accounts conclusion:
The Treasury failed to learn the lessons from previous government compensation schemes when setting up the Scheme.

Recommendation:
The Treasury should undertake a lessons-learned exercise on the Scheme, informed also by previous Government compensation schemes. It should report back to us on the results and on how it will ensure these lessons are applied to both the current scheme and any future schemes introduced by the Government.

2.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

2.2 An Interim Lessons Learned Report was completed in November 2013. This exercise focused on lessons gathered by NS&I, Atos and the Treasury, which would provide improvements for the current Scheme. A number of enhanced approaches were implemented such as improvements to customer service, correspondence and complaints handling, and improved transparency of and challenge to Atos costs. The Scheme closed to new claims in January 2016 and the final payments have been made. The lessons learned exercise was updated as a result.

Twenty Second Report of Session 2013-14
Department for Transport
High Speed 2: a review of the early programme preparation

Summary of the Committee's findings

In January 2012, the Department announced its decision to proceed with High Speed 2; the proposed Y-shaped high-speed rail network linking London, the West Midlands and the North of England. Phase one, from London to Birmingham, is due to open in 2026 and phase two, from Birmingham to Leeds and Manchester, is due to open in 2033. The indicative budget for the network has now been increased to £42.6 billion plus £7.5 billion for rolling stock. The Department is advised and assisted by HS2 Limited, a company that is wholly owned and funded by the department. The Department plans to present the High Speed Rail hybrid Bill, required to provide the necessary powers to construct and operate the line, to Parliament by the end of 2013, with the aim of receiving Royal Assent by the end of December 2016.

Background resources

- NAO report: High Speed 2: a review of early programme preparation – Session 2013-14 (HC 124)
- PAC report: High Speed 2: a review of early programme preparation – Session 2013-14 (HC 478)
- Treasury Minute: November 2013 (Cm 8744)
- Treasury Minute - Progress Report: March 2015 (Cm 9034)
- Treasury Minute - Progress Report: February 2016 (Cm 9202)
- Treasury Minute - Progress Report: July 2016 (Cm 9320)

Updated Government response to the Committee

There were 5 recommendations in the Committee's report. As of the last Treasury Minute (Cm 9320) 4 recommendations had been implemented. 1 recommendation remained work in progress, which has now been implemented, as set out below.

5: Committee of Public Accounts conclusion:
The department's aim to present the hybrid Bill by the end of 2013 is ambitious and its timetable for receiving Royal Assent by the end of 2015 appears unrealistic.

Recommendation:
The Accounting Officer should assure himself and advise ministers on whether the department and HS2 Limited can deliver both the Bill and the programme as a whole within the set timetables and to a high standard.

5.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

5.2 The hybrid Bill for Phase one of High Speed Two has completed its Commons stages and is making good progress through the House of Lords. Progress, while ultimately in the control of Parliament rather than the Government, has been very positive. Measures are in place to ensure the Bill is delivered within set timetable, with Royal Assent expected to be granted in early 2017.

5.3 The Department has systems of assurance in place for the delivery of the Bill. The Accounting Officer and Ministers are provided with ongoing assurance of the Bill and overall project timetable including through quarterly reports to the Department's Board Investment and Commercial Committee and ongoing review of programme schedule confidence which includes Bill and construction timetables, costs and specifications.

Forty Seventh Report of Session 2013-14

Cabinet Office

Contracting out public services to the private sector

Summary of the Committee's findings

More and more public services are being contracted out to private and voluntary providers. The Government spends £187 billion on goods and services with third parties each year, around half of which is estimated to be on contracting out services.

Background resources

- NAO report: *The role of major contractors in the delivery of public services* Session 2013-14 (HC 810)
- NAO report: *Managing Government suppliers* - Session 2013-14 (HC 811)
- PAC report: *Contracting out public services to the private sector* - Session 2013–14 (HC 777)
- Treasury Minute: June 2014 (Cm 8871)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)
- Treasury Minute – Progress Report: February 2016 (Cm 9202)
- Treasury Minute – Progress Report: July 2016 (Cm 9320)

Updated Government response to the Committee

There were 23 recommendations in this report. As of the last Treasury Minute (Cm 9320), 17 recommendations were implemented and the Department disagreed with 3 recommendations. 3 recommendations remained work in progress, all of which have now been implemented, as set out below.

3 6A: Committee of Public Accounts recommendation:
Contract management and delivery: central Government's management of private sector contracts has too often been very weak.

Recommendation:

Cabinet Office should provide guidance to Departments on how to ensure that contractors, of any size, have effective governance and internal controls over all aspects of their operations.

3.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

3.2 The Government actively manages its relationship with a group of 33 Strategic Suppliers. As part of this process, the Government conducts an annual review of these suppliers, which includes the efficacy of internal supplier governance process and controls.

3.3 Appropriate Government contracts include a requirement for the supplier to produce a Quality Management Plan, which will include references to the quality system of the supplier. Most quality systems will rely on established governance and other internal control processes. Standard Government contracts include audit rights to enable contracting authorities to check compliance with these processes. The Government's rights in this area are confined to those parts of the supplier organisation that supply goods or services to Government (i.e. not 'all' aspects of their operations).

9 10A: Committee of Public Accounts recommendation:
Capability: Government does not currently have the expertise to extract the greatest value from contracting to private providers.

Recommendations:

- ***Cabinet Office and Departments should ensure that there is appropriate Accounting Officer and board level engagement in all major contracting decisions.***
- ***Cabinet Office should explicitly require departments to ensure that those who are responsible for day-to-day contract management have sufficient authority, commercial skills and experience. This includes having the expertise to put open-book accounting into practice.***

9.1 The Government agreed with the Committee's recommendations.

Recommendations implemented.

9.2 The Cabinet Office published iteration 2 of the Government Commercial Operating Standards on 14 October 2016. These standards are underpinned by associated metrics, which enable Departments to assess the degree to which they meet these standards.

9.3 To achieve a 'Good' rating for Standard 2, Departments should regularly review a comprehensive pipeline of high risk or complex transactions to ensure that the Board is confident that the organisation has a full view of its relevant upcoming commercial events.

9.4 Standard 3 specifies that Departments will maintain senior engagement throughout the commercial process with all commercial activity on the pipeline having a senior officer (or SRO if appropriate) appointed or identified. To achieve a 'Good' rating for Standard 3 a Department must have a clear overarching commercial governance framework with an appointed senior leader (e.g. senior contract owner, SRO or equivalent) in place for all key commercial activity.

9.5 To achieve a 'Good' rating for Standard 7, Departments should ensure that the appropriate level and number of contract managers, who are trained and have proven competency, are assigned to each eligible contract. Regarding the implementation of Open Book Contract Management, the Crown Commercial Service (CCS) issued a Procurement Policy Note in May 2016, along with a detailed Open Book Contract Management guidance booklet. This requests that all departments review their contracts portfolio to make determinations as to the applicability and level of Open Book Contract Management to apply to them.

9.6 The Assessment and Development Centre (ADC) has currently been assessing the capability of individuals in the Commercial Functions. During 2017, the assessment is to extend to contract managers involved in complex transactions to further strengthen the position.

Fifty Third Report of the 2013-14 Session

Ministry of Justice and National Offender Management Service

Managing the Prison Estate

Summary of the Committee's findings

The Agency, part of the Ministry of Justice, is responsible for the prison system in England and Wales which holds around 84,000 prisoners. The prison estate consists of some 130 prisons of varying layout, geographical location, age and state of repair. Prisons also vary in the type of prisoner they hold and the activities they offer. The prison population has stabilised since the late 2000s, allowing the Agency to take a more strategic approach to the prison estate. The main factor behind the Agency's estate strategy, of closing small costly prisons and building new accommodation which is cheaper to run, is the need to make recurring savings. Under the strategy, the Agency had by the end of 2013, closed 13 prisons and built two new prisons and a new prison block in an existing prison. The Agency has little control over the prison population, except through its role in rehabilitating prisoners to prepare them for release at the earliest opportunity and in assisting in the removal of foreign national prisoners.

Background resources

- NAO report: *Managing the Prison Estate* - Session 2013-14 (HC 735)
- PAC report: *Managing the Prison Estate* - Session 2013-14 (HC 1001)
- Treasury Minute: June 2014 (Cm 8871)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)
- Treasury Minute – Progress Report: July 2016 (Cm 9320)

Updated Government response to the Committee

There were 8 recommendations in this report. As of the last Treasury Minute (Cm 9320), 6 recommendations were implemented and the Department disagreed with 1 recommendation. 1 recommendation remains work in progress, as set out below.

3: Committee of Public Accounts conclusion:
The two new large contracted out prisons have performed poorly since they opened, and they do not appear to give sufficient priority to meeting offenders' rehabilitation needs.

Recommendation 3d:
The Agency should monitor the level of good-quality purposeful activity provided by each prison, and use this information to increase the quality and quantity of purposeful activities to reach a level deemed acceptable by HM Chief Inspector of Prisons. As a first step, the Agency should satisfy the Chief Inspector that the quantity and quality of purposeful activity across the prison system has increased by the end of 2014-15.

3.1 The Government agreed with the Committee's recommendations a, c and d, as far as they relate to an establishment's performance but did not agree that this is necessarily caused by its size. The Government disagreed with the Committee's recommendation b. Recommendations 3a to 3c were addressed in previous Treasury Minute responses.

Target implementation date: March 2017.

3.2 Hours worked in production workshops have increased from 13.1 million in 2012-13 to 14.2 million in 2013-14 and to 14.9 million in 2014-15. The trend of increased hours has continued with 16 million hours being worked during 2015-16. The Department will continue to monitor progress. Additionally, private sector prisons have reported delivering over 1 million hours of work per annum. Prisoners also take part in a large number of other activities including education, training and offending behaviour programmes.

3.3 The Department's programmes are supporting the introduction of additional activity. One of the main drivers of benchmarking and the new core day is to increase the time that prisoners can undertake appropriate and meaningful work, training and education to enable employment on release to their home areas. Work had been ongoing to increase the volumes and this has been successful. Since this further engagement to agree the criteria for assessing good quality activity has been ongoing.

3.4 Representatives from NOMS Public Sector Prison Industries met with the Inspectorate in June 2016. All parties took the opportunity to discuss future plans and ambitions and re-affirm focus on maximising delivery in line with available funding and the physical constraints of the prison estate. Information shared included details of a review of current expectations and indicators by HMIP, which in itself included a renewed emphasis on ensuring that more prisoners are better engaged in purposeful regimes, which equip them with useful life skills.

3.5 There was also a focus on skills that will increase their chances of finding employment and helping them to play a useful role in society. By ensuring that key activities (including work, learning and employability skills) are better integrated and properly supported by appropriate policy, the achievement of maximum outcomes for offenders and society as a whole will improve. Further collaborative meetings will be scheduled to continue to share ideas, plans and good practice.

Fifty Ninth Report of Session 2013-14

Home Office / Ministry of Justice / Attorney General's Office

Criminal Justice System

Summary of the Committee's findings

The Criminal Justice System (CJS) is overseen by the Home Office, the Ministry of Justice and the Attorney General's Office, which oversees the Crown Prosecution Service (CPS). The CJS encompasses the police, prosecution, courts, prison, youth justice and probation services. Its objectives include: reducing crime and reoffending; punishing offenders; protecting the public; and increasing public confidence. In 2012-13, total expenditure by central Government was some £17.1 billion; but the estimated social and economic cost of crime is much greater, with organised crime alone costing at least £24 billion each year.

The CJS is currently undergoing comprehensive change, designed to improve the aspects the Government considers do not work well and to help make significant cost savings. The White Paper Transforming the CJS, published in June 2013, set out a two year programme of reform and contained a 64-point action plan. The White Paper recognised that the CJS remained cumbersome and slow, contained too many complex procedures and archaic working practices, and that there was a need for better collaboration between the various bodies involved.

Background resources

- NAO report: Criminal Justice System Landscape Review – Session 2013-14 (HC 1098)
- PAC report: Criminal Justice System – Session 2013-14 (HC 1115)
- Treasury Minute – Progress Report: July 2014 (Cm 8900)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)
- Treasury Minute – Progress Report: July 2016 (Cm 9320)

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9320), 4 recommendations were implemented. 2 recommendations remained work in progress, of which 1 recommendation has now been implemented, as set out below.

3: Committee of Public Accounts conclusion:
Greater strategic alignment at top level is not matched at the front line.

Recommendation:
The Departments need to develop their understanding of the interdependencies throughout the Criminal Justice System, communicate expectations to all and apply good practice at all levels.

3.1 The Government agreed with the Committee's recommendation.

Target implementation date: March 2019.

3.2 The Common Platform brings together HMCTS and CPS working with the Police to deliver a new unified business process with supporting IT to deliver efficient and effective case management. Work remains on schedule for the successful development of the programme by March 2019.

3.3 Recent work on this programme included 'Digital Mark Up' which was piloted in Summer 2016 and allows digital resulting of criminal cases from the Magistrates' courtroom. The Plea Online service, which allows defendants to make their plea online rather than by post or person, is operational in a number of courts and was rolled out nationally in June 2016. This process was developed to support the Single Justice Process to allow a wider range of cases to be effectively dealt with out of the courtroom. The Magistrates' Rota service allows lay magistrates to manage their availability for sitting in court online and began National Rollout in May 2016 following successful pilots in 17 areas.

3.4 By 2017 the programme will deliver a unified way of working for HM Courts and Tribunals Service and Crown Prosecution Service staff and the wider participants in the criminal case management process. The programme aims to develop a single case management system (the Common Platform) allowing the sharing of evidence and case information across the criminal justice system, with all relevant parties able to access common data, eliminating paper processes. The unified digital case management system will enable practitioners within the CJS to simplify and improve the way they work through sharing data, eliminating re-keying, and ending duplication of effort across the criminal justice system.

5: Committee of Public Accounts conclusion:
The quality of police case files is poor and getting worse.

Recommendation:

The departments should build upon the actions in hand to address poor quality case files. The Criminal Justice Board should set priorities and develop metrics to monitor performance and drive constant standards, so they can identify the poor performers and target remedial action.

5.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

5.2 Improving file quality is a priority for both the police and CPS. It is well understood that without effective and complete files from the initial stages of prosecution, the entire criminal justice process becomes longer, and less effective.

5.3 Building on the work of the Transforming Summary Justice programme's Self-Assessment process, the Criminal Justice Board, at their meeting in October 2015, instructed the CPS and Police (led by the College of Policing) to design and trial a new, standardised system for measuring case file quality, to be rolled out nationally in 2016. The new initiative was initially tested in 3 "early Adopter" forces / CPS areas from March to April 2016.

5.4 Following discussion in the CJB meeting in April 2016, it was decided to expand the scope of the trial to the end of May 2016, to include more police forces as early adopter areas. This expansion meant that national rollout day moved to September 2016 from June 2016. The Board unanimously agreed that, due to the importance of producing a successful initiative, which had been fully trialled before its implementation, widening the trial period was a good idea.

Progress on the implementation of Government accepted recommendations of the Committee of Public Accounts: Session 2014-15

Updates on recommendations previously reported as work in progress.

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Recommendations fully resolved

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Recommendations fully resolved

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Progress on the implementation of Government accepted recommendations of the Committee of Public Accounts - Session 2010-12 available from page 1; Session 2012-13 on page 4; Session 2013-14 from page 5 and Session 2015-16 from page 25.

Sixth Report of Session 2014-15

Department of Health / Department for Communities and Local Government / Department for Work and Pensions

Adult Social Care in England

Introduction from the Committee

Adult social care is personal care and practical support for adults with physical disabilities, learning disabilities, or physical or mental illnesses, together with support for their carer's. The Government's objectives are to enhance people's quality of life, delay and reduce the need for care, ensure positive care experiences and safeguard adults from harm. In 2012-13, local authorities provided or commissioned £19 billion worth of individual packages of care and universal care services. In addition, the NHS spent an estimated £2.8 billion in 2011-12 on social care, while the Department for Work and Pensions' spending on incapacity, disability and injury benefits totalled £28.2 billion in 2012-13.

However, publicly funded care makes up only a minority of the total value of care, and this proportion is decreasing. Most care is provided informally by unpaid family, friends and neighbours. In 2012, the Department of Health announced new legislation, the Care Bill, designed to rationalise local authorities' obligations and to introduce new duties based on individual wellbeing.

Background resources

- NAO report: *Adult social care in England: overview* - Session 2013-14 (HC 1102)
- PAC report: *Adult social care in England* - Session 2014-15 (HC 518)
- Treasury Minutes: September 2014 (Cm 8938)
- Treasury Minute – Progress Report: July 2016 (Cm 9320)

Updated Government response to the Committee

There were 10 recommendations in this report. As of the last Treasury Minute (Cm 9320), 9 recommendations had been implemented. 1 recommendation remained work in progress, which has now been implemented, as set out below.

6: Committee of Public Accounts conclusion:
The need for oversight arrangements to reflect the overriding importance of quality of care.

Recommendation 6b:
The Department of Health, in conjunction with local authorities, needs to understand why safeguarding referrals are rising, in particular whether this indicates rising levels of abuse, and target its interventions and support to local authorities accordingly.

6.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

6.2 The Safeguarding Adults Return for 2015-16 was published by NHS Digital on 5 October 2016.

6.3 In 2015-16 there were 102,970 individuals who were the subject of enquiries under Section 42 of the Care Act. This has slightly decreased each year with 103,900 referrals in 2014-15 and 104,050 individual referrals in 2013-14. Overall the other indicators in the Safeguarding Adults Return highlight minimal national variation when compared to the previous reporting years. Regional data does highlight some variation, perhaps as a result of changes made to local reporting practices brought about through implementation of the Care Act. The data shows that of the enquiries completed in 2015-16, 67% resulted in the risk of abuse to an adult being reduced or completely removed.

6.4 The Department has made clear to local Safeguarding Adults Boards that they should analyse their data to understand the local position and to develop multi-agency action plans. This should be reflected in the Boards' strategic plans and annual reports.

Thirteenth Report of Session 2014-15

Department for Communities and Local Government

Local Government Funding assurances to Parliament

Summary of the Committee's findings

In 2013-14, the Government gave local authorities £36.1 billion, of which £32.9 billion had no specific conditions (ring-fences) attached as to how local authorities could use it, other than that spending was lawful. This reflected Government's intention to give local authorities maximum flexibility to allocate funds in line with local priorities. Departmental Accounting Officers retain a responsibility to assure Parliament that the funding is used in line with its intentions and achieves value for money.

The Department for Communities and Local Government, as the lead department for local government funding, states that it has put in place assurance arrangements aimed at balancing the tension between giving local authorities greater flexibility whilst providing sufficient assurance to Parliament. However, there are direct reporting arrangements for ringfenced grants that amount to £3.2 billion of the £36.1 billion allocated. The department relies primarily on the local accountability system of checks and balances to ensure that local authorities achieve value for money with unringfenced funding. The new arrangements for the audit of local authorities and the potential for political party control of scrutiny arrangements also threaten to weaken accountability.

Background resources

- NAO report: *Local government funding: Assurance to Parliament* - Session 2013-14 (HC 174)
- PAC report: - *Local government funding: Assurance to Parliament* - Session 2014-15 (HC 456)
- Treasury Minute: November 2014 (Cm 8958)
- Treasury Minute – Progress Report: February 2016 (Cm 9202)

Updated Government response to the Committee

There were 8 recommendations in this report. As of the last Treasury Minute (Cm 8202), 7 recommendations were implemented. 1 recommendation remains work in progress, as set out below.

6: Committee of Public Accounts conclusion:
The quality and accessibility of information to enable residents and councillors to scrutinise local authorities' decisions varies.

Recommendation:
The Department should assess whether the data published under the Transparency Code helps residents to scrutinise the performance of local authorities, and if alternative data would be of more value.

6.1 The Government agreed with the Committee's recommendation.

Target implementation date: Autumn 2017.

6.2 The Government is reviewing the implementation of the Transparency Code, which was published in 2015 and which requires certain authorities to publish both quarterly and annual information. As a first step the department undertook a check on compliance with the Transparency Code, checking a 25% sample of authorities, including local authorities, fire and rescue authorities, National Park authorities and integrated transport authorities.

6.3 The Department also ran a public consultation, from May to July 2016, on updating the Transparency Code. This included questions about whether new data should be published, for example on local authority assets. The Department is now considering the responses to the consultation and expects to issue its findings early 2017.

Seventeenth Report of Session 2014-15

Department for Work and Pensions

Child Maintenance 2012 Scheme: early progress

Summary from the Committee

The Committee welcomes the progress that the Department for Work and Pensions has made in simplifying the way it administers child maintenance, through the introduction of the first phase of the child maintenance 2012 scheme. The department implemented the scheme carefully in stages, and there is no evidence of the backlogs or IT failings with which previous child maintenance schemes have struggled. However, there remain risks ahead, from the introduction of charging for statutory services, and from closing legacy cases and moving them to the 2012 scheme. Responses to charging are uncertain and the department will need to monitor whether, in practice, parents take up family-based arrangements as planned, rather than rely on state intervention through the department's scheme.

Background resources

- NAO report: *Child maintenance 2012 scheme: early progress* - Session 2014-2015 (HC 173)
- PAC report: *Child maintenance 2012 scheme: early progress* - Session 2014-2015 (HC 455)
- Treasury Minute: December 2014 (Cm 8988)
- Treasury Minute – Progress Report: July 2016 (Cm 9320)

Updated Government response to the Committee

There were 5 recommendations in this report. As of the last Treasury Minute (Cm 9320) 4 recommendations were implemented. 1 recommendation remained work in progress, which has now been implemented, as set out below.

3: Committee of Public Accounts conclusion:
A successful fee regime will depend on the Commission being able to deliver reasonable standards of service.

Recommendation:
The Department should monitor closely the number of parents that choose family-based arrangements, following the introduction of charging for the statutory scheme, and maintain regular contact with groups supporting families to determine whether changes are needed to improve the support available to parents.

3.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

3.2 The Department continues to monitor the number of family based arrangements through quarterly surveys of Child Maintenance Options customers. Although there is currently no robust data of customers who do not contact Child Maintenance Options, information covering the number of family based arrangements in the wider UK population is available in the *Understanding Society Survey*[1]. Child Maintenance questions are included every two years, and the Department's analysis of the latest findings was published on 27 October 2016.

3.3 The 30 month review, which considered the impact of charging and the level of family based arrangements following its introduction, was completed in December 2016. Stakeholders that represent users of the Child Maintenance Service were invited to contribute to the Review. The Department continues to engage with a range of external stakeholders on a regular basis. The findings from the review are currently being considered to determine whether improvements are required.

[1] https://www.gov.uk/government/statistics/estimates-of-the-separated-family-population-to-december-2014

Nineteenth Report of Session 2014-15

Cabinet Office

Centre Of Government

Summary of the Committee's findings

The centre of Government comprises the Cabinet Office, HM Treasury and Number 10. Together, these central bodies are responsible for coordinating and overseeing the work of government as a whole, to help government achieve its aims and priorities. The centre also works with departments to improve the efficiency and effectiveness of their operations, for example by providing direction on making cost savings, standards for financial management and reporting, and assurance over the delivery of major projects.

Background resources

- NAO report: Centre of Government - Session 2014-15 (HC 171)
- PAC report: Centre of Government - Session 2014-15 (HC 107)
- Treasury Minute: December 2014 (Cm 8988)
- Treasury Minute – Progress Report: February 2016 (Cm 9202)
- Treasury Minute – Progress Report: July 2016 (Cm 9320)

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9320), 5 recommendations were implemented. 1 recommendation remained work in progress, which has now been implemented, as set out below.

Committee of Public Accounts recommendation:
Key specialist skills are in short supply and are not distributed effectively between Departments and the centre.

Recommendation 5a:
The Centre should clarify what is the right balance between the skills and expertise that should reside in Departments, and specialist capability that should be located centrally and deployed flexibly across Departments when required (for example, when a major contract is being negotiated by a smaller department).

5.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

5.2 A functional model has been established across Government. Functions work to agreed Plans, which set out how resource will be balanced between the Centre and Departments. The level of centralisation will vary between functions depending on their specific challenges. Functional plans will be updated as necessary to reflect changes to the operating environment.

Thirty Second Report of Session 2014-15

Department for Education

School oversight and intervention

Summary of the Committee's findings

The Department for Education is accountable to Parliament for the overall performance of the school system in England. There are 21,500 state-funded schools, of which 17,000 are maintained schools overseen by local authorities, and 4,500 are academies directly accountable to the Secretary of State. The department's overall objective is for all children to have the opportunity to attend a school that Ofsted rates as 'good' or better. To achieve this, the department expects school leaders, along with governors and trustees, to manage resources effectively in an increasingly autonomous system so as to raise educational standards.

Background resources

- NAO report: *Academies and maintained schools: oversight and intervention* – Session 2014-15 (HC 721)
- PAC report: *DFE: School oversight and intervention* – Session 2014-15 (HC 735)
- Treasury Minute: March 2015 (Cm 9033)
- Treasury Minute – Progress Report: February 2016 (Cm 9202)
- Treasury Minute – Progress Report: July 2016 (Cm 9320)

Updated Government response to the Committee

There were 7 recommendations in this report. As of the last Treasury Minute (Cm 9320), 4 recommendations were implemented and the Department disagreed with 2 recommendations. 1 recommendation remains work in progress, as set out below.

6: Committee of Public Accounts recommendation:
The Department does not know enough about which formal interventions are most effective to tackle failure under which circumstances.

Recommendation:
The Department should commission a full evaluation of the cost-effectiveness of all formal interventions in schools.

6.1 The Government agreed with the Committee's recommendation.

Target implementation date: Spring 2017.

6.2 The Department's report on the *Cost and Effectiveness of Formal School Interventions in England* is undergoing final quality assurance and will be published in Spring 2017.

Thirty Seventh Report of Session 2014-15

Department of Health and Department for Communities and Local Government

Planning for the Better Care Fund

Summary of the Committee's findings

The Better Care Fund aims to deliver better, more joined-up local services to older and disabled people to care for them in the community, keep them out of hospital and avoid long hospital stays. Initially the Departments and NHS England expected savings to come to the NHS from this initiative. However when local plans were stress tested savings of £55 million were identified against an initial expectation of £1 billion. The Departments and NHS England redesigned the Fund and asked local areas to submit revised plans in September 2014. The latest plans suggest that local areas expect to pool £5.3 billion and save £532 million in 2015-16.

Background resources

- NAO report: *Planning for the Better Care Fund* – Session 2014-15 (HC 781)
- PAC report: *Planning for the Better Care Fund* – Session 2014-15 (HC 807)
- Treasury Minute: July 2015 (Cm 9091)
- Treasury Minute – Progress Report; July 2016 (Cm 9320)

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9320), 3 recommendations were implemented. 3 recommendations remained a work in progress, all of which have now been implemented, as set out below.

1 2: Committee of Public Accounts conclusion:

1. Initially, the central government bodies involved in planning the Fund lacked a clear and shared understanding of its financial objectives.

2. The failure to be clear with local areas about the expected savings severely undermined the initial planning process.

Recommendations:

1. ***In future spending discussions, departments and the Treasury should unambiguously define services and savings requirements and ensure they are clearly, consistently and transparently presented to all parties.***

2. ***When overseeing local implementation of complex and important reforms, the Departments should ensure that they clearly communicate their objectives to those responsible for delivery.***

1.1 The Government agreed with the Committee's recommendations.

Recommendations implemented.

1.2 Although there will no longer be a separate policy framework for Integration 2020, the Integration and Better Care Fund (BCF) Policy Framework for 2017-19, which will be published early in the new year, places the BCF as part of wider integration work. The document sets out the story of integration of health, social care and other public services, and provides an overview of related policy initiatives. It includes the policy framework for the implementation of the BCF in 2017-19 and sets out the Government's proposals for going beyond the BCF towards further integration by 2020. There will be no separate process for integration plans, but a set of resources, integration models and indicators for integration to help local areas will be provided.

1.3 The framework was agreed by the Department of Health, Department for Communities and Local Government, the Treasury, Cabinet Office, the Local Government Association, Association of Directors of Adult Social Services, and NHS England. It builds on the SR15 commitment to the continuation of the BCF to 2019-20 and the integration of health and social care by 2020.

1.4 The policy framework is intended for use by those responsible for delivering the BCF at a local level (such as, clinical commissioning groups, local authorities and health and wellbeing boards) and NHS England. The more detailed process for planning and assurance is set out in the Integration and Better Care Fund Planning Requirements for 2017-19, which will be published by NHS England and the Local Government Association in December 2016.

3: Committee of Public Accounts conclusion:
It was understandable given the pressures on the NHS budget to pause for three months to redesign the Fund, but the changes and delay eroded goodwill and put delivery of the Fund's objectives at risk.

Recommendation:
The Departments should identify all constraints on programmes from the outset and ensure that mitigating those constraints does not undermine timely planning and the successful achievement of objectives.

3.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

3.2 There will always be limits to the ability of Departments to predict all eventualities, particularly in the case of complex system transformations. However, Departments will ensure opportunities for review are built into the implementation process for the Integration and Better Care Fund Policy Framework and Planning Requirements. Departments are in the process of putting appropriate programme governance in place in order to oversee the management of the policy, and this includes work to identify risks and issues associated with its implementation, and any mitigating actions for them.

Thirty Ninth Report of Session 2014-15

Department for International Development

The UK's Response to the outbreak of Ebola Virus Disease in West Africa

Summary of the Committee's findings

The UK Government has committed a package of direct support of at least £230 million to help contain, control and treat Ebola in West Africa. The Department is distributing this money to other Departments such as the Ministry of Defence, international institutions and non-governmental organisations. The UK package focuses predominantly on Sierra Leone, and includes support for the construction of treatment facilities, the provision of over 700 treatment beds, and the training and management of burial teams. The first UK-constructed treatment centre opened in November 2014 in Kerry Town, Sierra Leone, and is managed by Save the Children under contract with the Department.

The World Health Organisation's role is to provide leadership within the international community on matters critical to health and to engage in partnerships where joint action is needed. The international response to the Ebola outbreak also includes other United Nations agencies, international finance institutions, NGOs and bilateral donors. At country level, the governments of the USA, the UK and France are leading this response in Liberia, Sierra Leone and Guinea respectively.

Background resources

- PAC report: - *The UK's response to the outbreak of Ebola Virus Disease in West Africa* - Session 2014-15 (HC 868)
- Treasury Minute: March 2015 (Cm 9051)
- Treasury Minute: February 2016 (Cm 9202)

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9202), 4 recommendations had been implemented and the Department disagreed with 1 recommendation. 1 recommendation remained work in progress, which has now been implemented, as set out below.

6: Committee of Public Accounts conclusion:
There are clear lessons to learn from the department's response to the Ebola outbreak.

Recommendation 6:
Once the Ebola outbreak is brought under control, the Department should undertake and publish a rigorous evaluation of all aspects of the UK's response to the crisis. The evaluation should make practical recommendations as to the steps the Department, other Government bodies, the international community and non-governmental organisations should take to prepare for future crises of this type.

6.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

6.2 Given the large number of studies of Ebola lesson learning across the multi-lateral, non-governmental and Government systems, the Department identified specific gaps in learning, and the Secretary of State agreed a proportionate and focussed review. An independent review was commissioned in Spring 2016, field visits to Sierra Leone and Ivory Coast have taken place, and interviews took place with a wide range of Government staff and other stakeholders.

6.3 This review focused on surveillance and preparedness, to better equip the Africa region to stop disease outbreaks and the operational response to improve crisis management. The initial findings have been presented to other Government Departments. The independent report is expected in January 2017, which Departments will then review. The Department for International Development will carefully examine the report's findings, along with other internal reviews and will adapt policies and practices accordingly.

Progress on the implementation of Government accepted recommendations of the Committee of Public Accounts: Session 2015-16

Updates on recommendations previously reported as work in progress.

Implementation dates fall after January 2017. Reports not included in this update.

#	Report Title
6	HMRC Standard Report
7	Devolving responsibilities to cities in England: Wave 1 City Deals
10	Care Act – first phase reforms and local government burdens
15	Economic regulation of the water sector
17	Management of adult diabetes services in the NHS: progress review
18	Automatic enrolment to workplace pensions
19	Universal Credit – progress review
21	Reform of the rail franchising programme
27	e-borders and successor programmes
33	Contracted out health and disability assessments
34	Tackling tax fraud
35	DFID – responding to crisis
36	Use of consultants and temporary staff
37	Financial management of the European Union budget in 2014
38	Extending the Right to Buy to Housing Association tenants
39	Accountability to Parliament for taxpayers money
41	Financial services mis-selling regulation and redress
42	Government spending with small and medium size enterprises

Recommendations fully resolved

#	Report Title
2	Disposal of public land for new homes
8	Government's funding of Kids Company
9	Network Rail 2014-2019 rail investment
11	Strategic financial management in defence and military flying training
22	Excess Votes 2014-15
25	Corporation Tax Settlements

Progress on the implementation of Government accepted recommendations of the Committee of Public Accounts - Session 2010-12 available from page 1; Session 2012-13 on page 4; Session 2013-14 from page 5 and Session 2014-15 from page 15.

First Report of Session 2015-16

Home Office

Financial sustainability of police forces in England and Wales

Summary of the Committee's findings

There are 43 territorial police forces in England and Wales. A Chief Constable heads each force, with authority over all operational policing decisions and staff. Chief Constables report to an elected Police and Crime Commissioner created to replace Police Authorities. Commissioners, in consultation with their Chief Constable: set out in an annual police and crime plan the objectives for their police force; allocate the funds needed to achieve them; and hold police forces to account on behalf of the public.

Commissioners are funded by central Government via the Department and through the police precept, which is collected alongside council tax in the relevant police force area. Commissioners fund their police force and other crime reduction initiatives. In 2014-15, police forces spent some £12.8 billion. Between 2010-11 and 2015-16, central Government funding to Commissioners reduced by £2.3 billion (25%) from £9 billion to £6.7 billion in real terms.

Background resources

- NAO report: *Financial sustainability of police forces in England and Wales* – Session 2015-16 (HC 78)
- PAC report: *Financial sustainability of police forces in England and Wales* –Session 2015-16 (HC 288)
- Treasury Minute: December 2015 (Cm 9170)

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9170), 1 recommendation had been implemented, the Department neither accepted nor rejected 1 recommendation, and did not accept 1 recommendation. 3 recommendations remain work in progress, as set out below.

4: Committee of Public Accounts conclusion:
It is not clear who is responsible for ensuring that there are adequate business skills to manage police forces effectively and for spreading best practice in this area.

Recommendation 4:
The Department and College need to ensure police officers have the requisite business skills to manage police forces effectively and form a joint view on the role and remit of the College in these areas as a matter of urgency.

4.1 The Government accepted the Committee's recommendation.

Target implementation date: October 2017.

4.2 Work is ongoing to review the business skills element of the Strategic Command Course (SCC). The module overview for Business Skills (the core of what is covered) has not changed in 2016, but will change for 2017. This will result in the module becoming a live exercise, using real data. The new module will be delivered in February 2017. It will continue to be delivered by Cass Business School working with the College, HM Inspectorate of Constabulary (HMIC) and representatives from the National Police Chiefs Council (NPCC) finance group to ensure the right blend of external speakers and expertise. It will be rooted in the practicalities of running a force. SCC graduates will also be encouraged to focus their post-SCC Continuous Professional Development on the 'Business Skills' a chief officer requires.

4.3 As part of the Leadership Review recommendations, the College has undertaken to develop a new model for leadership and management training for all levels of policing. In developing this new model consideration will be made of the appropriate level of required business skills across ranks and grades. It will also consider the most suitable mechanism for delivering these skills. A programme plan has been established to take this forward and is ongoing.

5: Committee of Public Accounts conclusion:
Most police forces lack sufficient information on the current and future demands they face, which is essential for the Department and the police to ensure forces have the right skills and resources to meet that demand.

Recommendation 5:
The Department, working closely with the College of Policing, should ensure that there is a common standard for measuring demand and that this is used to provide comparable, accessible data on all forces. This needs to be addressed as a matter of urgency.

5.1 The Government accepted the Committee's recommendation.

Target implementation date: October 2017.

5.2 The College's Demand Toolkit goes a significant way towards fulfilling the College's role in delivering against the recommendation. In addition to this, the College is continuing to be involved in the work of the NPCC Demand Management group who are working to support individual forces to better understand their demand. The College has been supporting the work of the Home Office around the funding formula for forces which has a demand aspect.

5.3 HMIC is continuing to work with pilot forces to develop Force Management Statements which will be published annually by chief constables. The aim is to develop a self assessment tool which will form the basis of each force's statement. This tool will provide a systematic approach to bringing together in one document, information for making sound decisions about the demands faced by the force compared with its assets, including their capacity, capability, condition, performance, serviceability and security of supply, now and in future. The tool will help forces identify any gaps which need to be addressed, by the chief constable in consultation with the PCC.HMIC intend to have developed a template by April 2017, with the first force management statements published by October 2017.

6: Committee of Public Accounts conclusion:
The need to make further savings may encourage forces to make greater use of outsourcing, but even given the devolved accountability system for policing, current oversight for these types of arrangements is inadequate.

Recommendation 6:
The Department should ensure any outsourcing arrangements undertaken by Commissioners or forces are subject to effective scrutiny. It should also develop a clearer mechanism for assessing the long-term value for money of outsourcing; and encourage arrangements that allow forces to retain the ability to respond to evolving needs.

6.1 The Government accepted the Committee's recommendation.

Target implementation date: Spring 2017.

6.2 The Policing and Crime Bill, currently before Parliament, includes provisions to further increase the independence and responsiveness of HMIC. This is to ensure that the inspectorate has the autonomy and the flexibility to respond swiftly to emerging risks and concerns in policing. The Bill includes new powers to allow HMIC to: inspect civilian staff and contractors who are involved in the delivery of policing functions; initiate inspections outside of the agreed framework; appoint Assistant Inspectors of Constabulary (AICs); and to require PCCs to respond to all recommendations in a HMIC report within 56 days.

6.3 The Department expects the Bill to receive Royal Assent in early 2017, and anticipate that these elements of the Bill will be brought into force around three months after Royal Assent in 2017.

Third Report of Session 2015-16

Department for Education

Funding for disadvantaged pupils

Summary of the Committee's findings

Around 2 million (29%) of the 7 million children aged between 4 and 16 in publicly-funded schools in England, come from disadvantaged backgrounds. Such pupils tend to perform poorly in public examinations relative to other pupils. As poor academic performance is associated with lower wages and higher unemployment in adulthood, this 'attainment gap' for disadvantaged pupils is a key way in which poverty is transmitted from one generation to the next. In 2011, the Department for Education announced new funding for schools: the pupil premium, which specifically aims to improve outcomes for disadvantaged children. Between 2011-12 and the end of 2014-15, the Department had distributed some £6.0 billion of pupil premium funding to schools. Since the introduction of the pupil premium, the attainment gap has closed overall by 4.7 percentage points in primary schools and by 1.6 percentage points in secondary schools. Besides pupil premium funding, the Department requires local authorities to use deprivation as a factor when allocating core funding to schools.

Background resources

- NAO report: *Funding for disadvantaged pupils* – Session 2015-16 (HC 90)
- PAC report: *Funding for disadvantaged pupils* – Session 2015-16 (HC 327)
- Treasury Minute: December 2015 (Cm 9170)

Updated Government response to the Committee

There were 11 recommendations in this report. As of the last Treasury Minute (Cm 9170), 3 recommendations were implemented and the Department did not accept 2 recommendations. 6 recommendations remained work in progress, of which 3 have now been implemented, as set out below.

2: Committee of Public Accounts conclusion

While the evidence base for what works is growing, the Department does not do enough to make sure this good practice is adopted in weaker schools..

Recommendation 2a:

As the evidence base grows, the Department should develop the necessary mechanisms to make sure schools use effective interventions with disadvantaged pupils. In addition, the Department should make pupil premium Reviews mandatory for those schools identified as using the pupil premium ineffectively. It should consider how best to encourage weaker schools to participate and set out its action plan and timetable to achieve this.

2.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

2.2. Alongside its work to build the evidence base, the Education Endowment Foundation (EEF) is increasingly supporting schools to act upon the evidence. This includes plans to fund 10 Research schools, which will encourage evidence-based practice, and a North East primary literacy campaign, which aims to reach every primary school in the region.

2.3 To increase capacity for pupil premium reviews, the Department has appointed 9 teaching schools across the country that will train other schools to train new reviewers. It has also worked with the Teaching School Council to update guidance on effective reviews, published in May 2016. A voluntary template published alongside this guidance supports schools in setting out the rationale behind their strategy when meeting requirements to report on their pupil premium use.

2.4 Ofsted continues to recommend pupil premium reviews if they identify weakness regarding provision and outcomes for disadvantaged pupils, with inspectors following up on the review during subsequent inspections. This approach has been reinforced through the latest inspection handbook and the annual training programme that all inspectors must complete.

2.5 Updated guidance on Schools Causing Concern reinforces that Regional Schools Commissioners will take account of the effectiveness of a school's pupil premium strategy when determining the course of action for schools within the coasting definition, which may include the school's response to any pupil premium review that has been commissioned.

2.6 The Department will continue to review how best to support the spread of effective pupil premium practice as part of the normal policy process.

3: Committee of Public Accounts conclusion:
The Department and the Education Endowment Foundation do not understand enough about the reasons why disadvantaged pupils from some backgrounds do markedly better at school than others.

Recommendation:
The Education Endowment Foundation should carry out and then disseminate research into the reasons why disadvantaged pupils from certain communities do better at school than others.

3.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

3.2 Since being set up in 2011, the EEF has funded 127 trials, totalling £75.4 million and working with over 750,000 pupils in over 7,500 schools across England. From its completed trials the EEF has identified a range of promising projects which it is actively scaling up with a view to further evaluation and greater mobilisation of knowledge.

3.3 The EEF commissioned research, in partnership with Unbound Philanthropy and the Bell Foundation, into the relative performance of disadvantaged students from different communities. The projects that will receive grants through this research funding strand were announced by the EEF in April 2016.

3.4 The EEF launched its second regional campaign aimed at supporting children in specific communities and narrowing the attainment gap. This five-year literacy campaign in the North East, to be delivered in partnership with Northern Rock Foundation, will aim to increase wider engagement and help families and communities support their children to learn. The campaign commenced in November 2015.

3.5 The EEF updated the *families of schools* tool to allow primary as well as secondary schools to compare their performance with that of similar schools and learn from those that deliver the best outcomes for their disadvantaged pupils. This tool groups schools together based on factors including prior attainment, percentage of pupils eligible for free school meals and the number of children with EAL. The tool was updated in April 2016.

4: Committee of Public Accounts conclusion:
Parental engagement is important if a child is to do well at school but some schools are struggling to challenge disengaged parents effectively.

Recommendation 4b:
The Department, in collaboration with the Education Endowment Foundation, should improve guidance about what schools should do. It should also set out what work could be done to join up other public and third sector groups to ensure that parental support, or lack of it, is addressed across the board.

4.1 The Government accepted the Committee's recommendation.

Target implementation date: June 2017.

4.2 The Department, in collaboration with the EEF, will improve guidance to schools on how to improve parental engagement. This will include the publication of evidence from EEF-funded projects aimed specifically at raising pupil attainment by improving parental engagement.

4.3 Evaluation reports on three such projects were published in summer 2016.

- The *Texting Parents* project used text messages to 'nudge' parents to engage in their child's learning; the evaluation found evidence of additional pupil progress in maths.

- The *Supporting Parents on Kids' Education* (SPOKES) project aimed to give parents the skills needed to help their children to learn to read by demonstrating simple teaching strategies to use; the evaluation found some evidence of positive impact on aspects of reading among boys.

- The *Parenting Academy* project aimed to equip parents with skills to support their children's learning in numeracy, literacy and science; the evaluation found no evidence that participation in parenting classes by parents improved pupil outcomes.

4.4 The EEF is disseminating findings from these projects through its website, and will publish findings from other relevant projects as these are completed, including the *Family SKILLS* programme, which focuses on parental engagement to improve the literacy skills of reception class pupils for whom English is an additional language.

4.5 Through its ongoing work to identify effective use of the pupil premium by schools, the Department will document approaches to engaging parents and consider including these as case studies in guidance material that it publishes.

5: Committee of Public Accounts conclusion:
The Department has not yet resolved the potentially destabilising impact that Universal Credit may have on its ability to identify disadvantaged pupils.

Recommendation 5a:
The Department should write to the Committee, within 6 months, to update us on its plans to mitigate the risk that Universal Credit will make it harder to identify all genuinely disadvantaged pupils.

5.1 The Government accepts the Committee's recommendation.

Recommendation implemented.

5.2 The Department intends to introduce new free school meals criteria in the form of a household net-earned income threshold under Universal Credit. Moving from criteria based on hours worked to criteria based on earnings is a more consistent method for determining entitlement to free school meals for the most disadvantaged pupils. Based on the Department for Work and Pensions current roll-out timetable for Universal Credit, the Department intends to introduce the new free school meal criteria by the end of 2017. Until new criteria are introduced, receipt of Universal Credit – regardless of earnings - will remain an entitling benefit for free school meals.

6: Committee of Public Accounts conclusion:
It will be important to monitor the impact of spending on the recently introduced Early Years pupil premium.

Recommendation:
The Department should review the level and effectiveness of the Early Years pupil premium after its first year of operation.

6.1 The Government accepts the Committee's recommendation.

Target implementation date: May 2017.

6.2 The Department is currently undertaking a Study of Early Education and Development (SEED) report into the effectiveness of the Early Years Pupil Premium (EYPP). It is also undertaking a survey to explore how providers use their early entitlement funding, including the EYPP, to address disadvantage and deprivation within their settings. The Department aims to publish both reports in early 2017.

7: Committee of Public Accounts conclusion:
There continues to be wide variation in the funding given to schools, even those dealing with similar levels of disadvantage.

Recommendation:
The Department should set out a clear timetable for completing its review of the schools funding formula and should make sure this review leads to a more structured and evidence-based approach to setting overall funding for schools with similar levels of disadvantage.

7.1 The Government accepts the Committee's recommendation.

Target implementation date: April 2018.

7.2 The Government has set out its detailed proposals for the first ever National Funding Formula for schools and high needs. This will end the current unfair, un-transparent and outdated system where a child from a disadvantaged background in one school attracts half as much funding as a child in identical circumstances in another school, simply because of where they live. Funding reforms underpin the Government's ambition to create a country that works for everyone where every child, no matter where they live, what their background, need or ability, has access to an excellent education that unlocks talent and creates opportunity.

7.3 The Government has now launched the second stage of the consultation on the National Funding Formula. This set out detailed proposals for the design of the formula, including how it will target additional funding to disadvantaged pupils. The formula recognises educational disadvantage in its widest sense – including those pupils who do not benefit from the pupil premium but whose families may be only just about managing. It increases the total explicitly directed to additional needs compared to local authorities' current practice, to help support schools as they continue to work to break the link between disadvantage and attainment.

7.4 As the Secretary of State confirmed to Parliament in July 2016, the National Funding Formulae will be introduced from 2018-19.

Fourth Report of Session 2015-16

Department for Work and Pensions / HM Revenue and Customs

Fraud and Error Stocktake

Summary of the Committee's findings

HM Revenue and Customs (HMRC) manages tax credits and paid out £29 billion to 4.7 million claimants in 2013-14. The Department for Work and Pensions (DWP) manages most remaining benefits and the state pension, paying out £164 billion in 2013 -14 to 18 million people. Benefits and tax credits fraud and error is a significant and long-standing problem. Since 2010, both departments have made progress in reducing headline rates of fraud and error, particularly HMRC in tax credits. However, in 2013–14, DWP and HMRC still overpaid claimants by £4.6 billion because of fraud and error, and underpaid claimants by £1.6 billion. Overpayments increase costs to taxpayers and reduce public resources available for other purposes. Underpayments mean households do not get the support they are entitled to. The Comptroller and Auditor General has given qualified opinions on DWP's accounts since 1988–89, and on HMRC's accounts since 2003–04, because of the levels of fraud and error in benefits and tax credits.

Background resources

- NAO report: *Fraud and error stocktake* – Session 2015-16 (HC 267)
- PAC report: *Fraud and error stocktake* –Session 2015-16 (HC 394)
- Treasury Minute: January 2016 (Cm 9190)
- Treasury Minute – Progress Report: July 2016 (Cm 9320)

Updated Government response to the Committee

There were 9 recommendations in this report. As of the last Treasury Minute (Cm 9320), 5 recommendations were implemented and the Departments did not accept 3 recommendations. 1 recommendation remained work in progress, which has now been implemented, as set out below.

6: Committee of Public Accounts conclusion:
DWP does not understand the deterrent effect of the penalties it applies.

Recommendation:
DWP should assess the impact of its enforcement approach, including modelling and reviewing evidence on the deterrence effects of its penalty regime, to establish how effectiveness could be improved.

6.1 The Government accepts the Committee's recommendation.

Recommendation implemented.

6.2 As part of its enforcement approach, the Department committed to reviewing the use of Civil Penalties three years after they were introduced in October 2012. This review has now been completed and took the form of an internal study into the efficacy of Civil Penalties.

6.3 The review drew on Debt Management and Decision Making and Appeals management information, along with real-life observations. It assessed how penalties work in practice, including the number being applied. Around 222,000 claimant error overpayments had a Civil Penalty imposed between October 2012 and September 2015. This represents 43% of all overpayments considered for a Civil Penalty. Only 3% of these cases had two or more Civil Penalties imposed. There was a small drop in the number of penalties and overpayments in Year 3 (October 2014 - September 2015). These findings are encouraging although there is as yet not enough evidence to draw any further conclusion at this stage.

6.4 The Department acknowledges that there are different reasons why someone might fail to do something or make an error when providing information about their claim. A Civil Penalty will not be appropriate in all cases and there is provision to allow for one not to be imposed in these circumstances. The Department advises people about financial penalties throughout their claim. The Penalties Policy for Social Security Fraud and Error is published on GOV.UK.

Fifth Report of Session 2015-16

Department for Education

Care leavers' transition to adulthood

Summary of the Committee's findings

Over 10,000 young people aged 16 or over leave local authority care each year. They have often had difficult lives and 62% were in care because of abuse or neglect. Children must leave local authority care by their 18th birthday, whereas 50% of all 22-year-olds still live at home. Those leaving care may struggle to cope with the transition to adulthood and may experience social exclusion, unemployment, health problems, or end up in custody. In 2013–14, 41% of 19-year-old care leavers were not in education, employment or training (NEET) compared with 15% of all 19-year-olds.

Background resources

- NAO report: *Care leavers' transition to adulthood* – Session 2015-16 (HC 269)
- PAC report: *Care leavers' transition to adulthood* – Session 2015-16 (HC 411)
- Treasury Minute: January 2016 (Cm 9190)

Updated Government response to the Committee

There were 11 recommendations in this report. As of the last Treasury Minute (Cm 9190), 1 recommendation was implemented and the Department did not accept 2 recommendations. 8 recommendations remained work in progress, of which 5 have now been implemented, as set out below.

2: Committee of Public Accounts conclusion:
The Care Leavers Strategy was a positive step and has achieved some success but there is still more to do.

Recommendation:
The Department should look again at the Care Leaver Strategy, setting out clearly the Government's objectives for care leavers, and how and when it will make improvements to the support they receive.

2.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

2.2 The Department published the cross-government care leaver strategy *Keep on Caring* on 7 July 2016[2]. It followed the publication of *Putting Children First*, which articulated the Government's plans to transform how children's social care is provided by 2020. The care leaver strategy sets out the Government's vision for improving services for care leavers over the remainder of this Parliament and identifies five outcomes it wants to achieve for care leavers: helping them to be better prepared and supported to live independently; improved access to education, employment and training; that they should experience stability in their lives and feel safe and secure; that they should have improved access to health support; and achieve financial stability.

2.3 The Children and Social Work Bill introduces a set of corporate parenting principles that apply to how all parts of a local authority (not just children's services) carry out their functions in relation to care leavers and looked-after children. As well as requiring local authorities to consult on and publish a local offer, it extends the entitlement to a Personal Adviser to all care leavers who want one up to age 25.

3: Committee of Public Accounts conclusion:
There is scope to provide more support to help get care leavers into work

Recommendation:
The Department should set out how it plans to use apprenticeships and traineeships to help care leavers.

[2] https://www.gov.uk/government/publications/keep-on-caring-supporting-young-people-from-care-to-independence

3.1 The Government accepted the Committee's recommendation.

Recommendation implemented

3.2 The care leaver strategy describes the Government's plans to improve care leavers' access to education, training and employment. In relation to apprenticeships and traineeships, the Department will achieve this in the following ways. The Department will promote the take up of supported internships by providing Personal Advisers with more information, so that care leavers who would benefit can take advantage of them. Through the apprenticeships framework funding costs of training are covered for all 16-18 year olds and for those aged 19-23 who are care leavers. To incentivise employers to recruit more care leavers, meeting the funding costs of apprenticeships for care leavers will be extended up to the age of 25.

3.3 The Department is funding the Learning Work Institute to deliver a programme of work to support care leavers' access to and achievement in further education, employment and apprenticeships. This includes developing an interactive resource for care leavers and work with employers to enable care leavers to gain experience of the workplace and progress to employment/apprenticeships.

3.4 The Department is working with other Government Departments to recruit paid care leaver interns and expects care leavers to start in posts in the Department, the Department of Health and Department for Work and Pensions in December 2016 and January 2017.

4: Committee of Public Accounts conclusion:
Too many care leavers are in unsuitable accommodation.

Recommendation 4a:
The Department should urgently consider what more it can do to help local authorities provide suitable accommodation, and keep the issue under constant review.

4.1 The Government accepted the Committee's recommendation.

Target implementation date: April 2017.

4.2 For those who leave care at 18 years old from foster care there is an option to Stay Put with their former foster carers up to the age of 21. In the second year following the introduction of the duty on local authorities to support Staying Put arrangements over half (54%) of eligible care leavers were living with their former foster carers three months after their 18th birthday. The Department is providing funding to local authorities to implement Staying Put over the life of this Parliament using the £22 million provided in 2016-17 as the baseline and will continue to work with local authorities and the Care Leaver Benchmarking Forum to monitor the implementation of Staying Put arrangements.

4.3 The Government accepted Sir Martin Narey's recommendation in his review of residential care in England[3] to introduce Staying Close for young people leaving residential care. This will be a similar arrangement to Staying Put and will enable care leavers to live independently in a location close to their children's home and with ongoing support. The Department plans to pilot variations of the scheme through the Children's Social Care Innovation Programme in order to develop a stronger understanding of costings, practicalities and impact. The Department expects to begin funding these from April 2017.

4.4 The Department for Communities and Local Government (DCLG) has committed funding to continue to support English local authorities to implement the Supported Accommodation Framework in 2016-17.

Recommendation 4b:
The Department has recognised the potential role of social impact bonds in providing new approaches to supporting care leavers. In its response to this report we would therefore like the Department to set out its position on how it might use social impact bonds to incentivise and reward innovation, and so improve outcomes for care leavers — with a particular view to employment and accommodation.

[3] https://www.gov.uk/government/publications/childrens-residential-care-in-england

4.5 The Government accepted the Committee's recommendation.

Recommendation implemented.

4.6 The Department has announced a targeted funding opportunity through the Children's Social Care Innovation Programme to develop and test innovations in four policy areas. Two areas focus specifically on the support for care leavers: 'Testing the use of social investment to improve support for care leavers' and 'Building on the recommendations of the Narey report on residential care, particularly piloting Staying Close and regional commissioning of residential care'. The Department has published information about this funding opportunity[4] including a *How to get involved* guide. This sets out information for bidders to submit proposals in January 2017 with funding expected to be made available in 2017-18.

4.7 The Department is currently working with social investors, local authorities and Voluntary, Community and Social organisations to develop social impact bonds to support care leavers into sustained education, training or employment.

5: Committee of Public Accounts conclusion:
There are gaps in the data on care leavers' outcomes and experiences

Recommendation:
The Department should set out a timetable for improving the data it collects on care leavers' circumstances and how it will ensure that central government and local authorities make effective use of the data to improve outcomes.

5.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

5.2 For the first time for the year ending March 2016, as well as providing information on 19- to 21-year-old care leavers' engagement in training, employment and education, and information on their accommodation arrangements, the Department published data for 17- and 18-year-old care leavers[5]. National level findings were published in September 2016 and local authority level statistics will be published in December 2016. The Department will keep its data collection on children looked after and care leavers under review.

5.3 The Department is continuing to look at how it can use data collected by other Government Departments to gain a fuller understanding of the outcomes achieved by those who leave care. The pupil level data held by the Department for Education has been matched with the Ministry of Justice (MOJ) offender data and the first results are expected to be published soon. The Department is also working with HM Revenue and Customs (HMRC) and the Department for Work and Pensions (DWP).

5.4 In addition, a Longitudinal Education Outcomes Study (LEO) will bring together information on education, labour market participation and take up of benefits into a single linked database. The eventual coverage will be up to the age of 30 and the Department will be able to identify care leavers within this database. Some of the data items included in the LEO are:

- Education: attainment by subject at GCSE and A level, further and higher education qualifications and further and higher education institutions attended
- Benefits: dates of benefit receipt, type of benefit received, characteristics at time of claim
- Employment: dates of periods of employment, salary earned during employment

5.5 Internal analysis on the dataset has begun. Two statistical working papers were released in Summer 2016 showing the impact of using LEO data for destination measures and the data was incorporated fully into the provisional Destination Measures publication released in October 2016. Further statistical releases will follow.

[4] http://springconsortium.com/launch-of-an-innovation-programme-targeted-opportunity/
[5] https://www.gov.uk/government/statistics/children-looked-after-in-england-including-adoption-2015-to-2016.

6: Committee of Public Accounts conclusion:
The variability in the quality and cost of services is unacceptable

Recommendation 6a:
The Department should act promptly to follow up Ofsted inspections and in particular to require explanation and action plans for all services rated 'Inadequate'.

6.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

6.2 Where local authority children's services have failed persistently or systematically, the Department will immediately appoint a commissioner to review within three months whether services should be removed from council control. The following authorities have failed systemically (inadequate across the sub judgements) since December 2015: Sunderland; Bromley; Dudley and Reading. Sandwell, Norfolk and Torbay and have all had commissioners appointed to review whether services can remain in council control following persistent failure.

6.3 Where authorities are not inadequate overall, but have an inadequate care leaver sub judgement specific action is taken. Officials visited Bristol and Southampton, which received inadequate care leaver sub judgements, shortly after the inspection outcomes to discuss their response to Ofsted's findings, and proposed next steps. The Minister subsequently asked that officials visit again at a later date to test the direct impact of the improvement plans that had been put in place. Officials then carried out a review of services for care leavers at both authorities. No further visits are intended for either authority. Both authorities were asked to provide progress reports in Autumn 2016. The Department will write to them once it has considered the progress made as set out in their reports.

Recommendation 6b:
The Department should, with the Department for Communities and Local Government and local authorities, secure reliable, comparable data on costs to support benchmarking.

6.4 The Government accepted the Committee's recommendation.

Target implementation date: April 2017.

6.5 The Department recognises the importance of good financial data to support local authority decision making. The Department amended the 2016-17 Section 251 budget guide for local authorities on the data collection in order to provide more detail about what should be included under the care leaving services category of spend.

6.6 The local authority Information Tool (LAIT), which is published on the GOV.UK website to facilitate more open access to statistical data and support accountability and transparency, includes six care leaver measures. The LAIT was developed to support the business need to being together a single core evidence base of robust statistical data and contextual information on local authority performance.

6.7 With an average of 2,500 external users of LAIT each month this database provides for more efficient and wider use of statistical data, effective information sharing and consistent robust information to support management activities, including discussions on local authority performance and improvement. The LAIT includes information on approximate unit costs for looked-after children but not specifically for care leavers. The Department is continuing to explore how to include unit cost data for care leavers in the section 251 return that can be shared via the LAIT.

8: Committee of Public Accounts conclusion:
Good practice on how best to support care leavers is emerging but is not systematically identified and shared nationally.

Recommendation:
The Department should take the lead in developing and sharing good practice, and be proactive in helping to bring the worst performing local authorities up to the standard of the best. It should also establish a central resource of good practice and embed good practice in statutory guidance.

8.1 The Government accepted the Committee's recommendation

Target Implementation date: June 2017.

8.2 The Department has set aside up to £4 million per year up to 2019-20 to develop the new 'What Works Centre' in order to build a robust evidence base on 'what works' for children's social care to support local practitioners and commissioners to deliver the most cost-effective frontline services. The Department expects the Centre to be established in 2017.

8.3 All evaluations of the projects funded through the Children's Social Care Innovation Programme (some of which support the development of new approaches to supporting care leavers) will be published by June 2017. In April 2016 the Department announced a further £200 million investment to run a second round of the Programme with a focus on transition to adulthood. This will provide opportunities to work with local authorities and charities to find new ways to deliver services and support to care leavers. The Department plans to open a specific stream of the Innovation Programme to inform the development of Staying Close for young people leaving residential care. In October 2016, the Department published its independent evaluation of the New Belongings project.[6]

[6] https://www.gov.uk/government/publications/new-belongings-programme-evaluation

Twelfth Report of Session 2015-16
Department of Health
Care Quality Commission

Introduction from the Committee

The Care Quality Commission is the independent regulator of health and adult social care in England. Its purpose is to "make sure health and social care services provide people with safe, effective, compassionate, high quality care, and to encourage them to improve". The Commission is a non-departmental public body, sponsored by the Department of Health. The Committee last took evidence from the Department and the Commission in 2012. In its report the Committee expressed serious concerns about the Commission's governance, leadership and culture, and its failure to intervene quickly or strongly enough in failing providers of health or social care services. The Commission has since been working with the Department to implement significant changes, under a three-year transformation programme between 2013–14 and 2015–16.

Background resources

- NAO report: *Capacity and capability to regulate the quality and safety of health and adult social care* - Session 2015-16 (HC 271)
- PAC report: *Care Quality Commission* - Session 2015-16 (HC 501)
- Treasury Minutes: March 2016 (Cm 9220)

There were 8 recommendations in this report. As of the last Treasury Minute, 8 recommendations remained work in progress, of which 5 have now been implemented, as set out below.

1: Committee of Public Accounts conclusion:
The Commission is behind on its inspection programme.

Recommendation 1a:
The Committee is very concerned about the effect being below staff complement has had on the Commission's ability to carry out its full programme of inspections. The Commission should write to the Committee in July 2016, with an update on staff turnover rates and whether it has met the recruitment targets it gave in evidence. The Commission should set out: whether it has reached a full complement of suitably skilled and qualified inspectors; whether it has sufficient analysts; and what impact staff shortages have had on its forecast trajectory for carrying out inspections.

1.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

1.2 The Commission is confident that it has a robust process in place for the recruitment of inspectors. The Commission wrote to the Committee in July 2016, outlining that it had met its recruitment target of appointing 600 new inspectors in November. In terms of inspections, the Commission inspected all NHS providers by the end of July 2016 and inspections of adult social care and primary medical services will be completed by the end of March 2017.

Recommendation 1b:
The Commission needs to demonstrate how it will deliver its programme of inspections in the face of substantial funding reductions. This should include a robust and transparent analysis of risk if it adopts a more flexible approach or prioritises resources. It needs to be clear to the taxpayer and the organisations it inspects about changes of approach.

1.3 The Government accepted the Committee's recommendation.

Recommendation implemented.

1.4 The Commission published its 2016-2021 strategy in May 2016,[7] which outlines how it intends to carry out its statutory duties over the next five years, taking account of the outcomes of the Comprehensive Spending Review. The Commission published its Business Plan for 2016-17[8] in April 2016. It includes indicators and targets against which its performance is reported in public to the Commission's Board at regular intervals.

2: Committee of Public Accounts conclusion:
Too often the length of time between an inspection and a report is too long, and the Commission's draft report contain too many basic factual errors

Recommendation:
The Commission should set out how it will improve the quality of initial draft reports, and ensure that the time between inspection and publication of reports is shorter. The Committee expects to see progress on this in the next 12 months.

2.1 The Government accepted the Committee's recommendation.

Target implementation date: March 2017.

2.2 The Commission recognises the need for its reports to be more timely and accurate. Early initiatives are already resulting in quicker publication of reports in adult social care and primary care with a more radical rethink underway on hospital reports. The Commission has introduced a new tool for inspectors which reviews reports for issues such as spelling, grammar and style, and suggests improvements to report authors.

2.3 The length of time taken to publish reports is included in the Commission's monthly performance report which is reported to the Board. The most recent report, from September 2016, showed that the time taken for the production of reports has improved against the target of 50 days. In July 2016, the average length of time between an inspection and the publication of the report was 44 days. Further improvements are being implemented during the remainder of 2016-17, which will include the introduction of shorter reports across all sectors. This includes additional quality checks of the data included in reports, improving the audit trail of post-inspection decision making, improving guidance and tools for inspectors, and streamlining the sign-off process for reports. This will reduce the time taken to publish reports.

3: Committee of Public Accounts conclusion:
The Commission has not always made best use of vital intelligence from patients, carers and staff about the quality of care, or acted quickly enough on their concerns.

Recommendation:
As it continues to build user feedback into its work, the Commission should publicise its role, make it easier for people to say what they think of care, and prioritise action in response to safety concerns. It must work with other bodies - including the ombudsman, central and local government and the third sector — to ensure that concerns are addressed quickly, particularly those raised by whistleblowers. It also needs to improve the quality of information available to people who are choosing a care provider.

3.1 The Government accepted the Committee's recommendation.

Target implementation date: March 2017.

3.2 The Commission published its Public Engagement Strategy[9] in February 2015, outlining the steps the Commission is taking to raise its profile with patients and the public.

3.3 The Commission works with local and national statutory partners who have a role in responding to concerns, including the Local Government Ombudsman and the Parliamentary and Health Service Ombudsman, to share information about provider organisations. The Commission continues to work with

[7] http://www.cqc.org.uk/content/our-strategy-2016-2021
[8] http://www.cqc.org.uk/content/business-plan-201617
[9] http://www.cqc.org.uk/content/our-plan-engaging-public-our-work-2015-16

a range of third sector organisations, and has partnerships in place with seven large national charities that are helping to publicise the role of the Commission and to make it easier for people to say what they think about their care.

3.4 The Commission is also in the process of reviewing the information available to the public. In 2015, the Government introduced a requirement for all registered providers, who have been inspected and rated, to display their rating at the location at which care is provided. In addition, the Commission is reviewing the information available to the public through its website, to simplify the structure, to give clearer information about services in order to help people to choose care more easily.

3.5 The Commission has revised and recommissioned its Experts by Experience programme which will include work at a local level to encourage feedback to the Commission from patients and people who use services on their experiences of care.

3.6 Dr Henrietta Hughes took up post as National Guardian for speaking up safely in October 2016.

4: Committee of Public Accounts conclusion:
There is no way for parliament or the public to know whether the Commission is performing its statutory duties to protect the health, safety and welfare of people who use health and social care services.

Recommendation:
The Commission should publish quantified baselines and targets for its performance across the board from 2016–17 onwards.

4.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

4.2 During 2015-16 the Commission developed the baseline performance indicators across its functions, to ensure targets set are realistic. These baselines were included in the Business Plan for 2016-17[10] together with the relevant indicators and targets. This has provided a clearer view of performance which is reported in public to the Commission's Board at regular intervals.

4.3 The Commission publishes detailed operational and financial performance reports on a quarterly basis, and these are discussed at the open Board session. These reports also include an extract of the Commission's strategic and operational risk registers. In between the quarterly reports, the Board publishes abridged monthly summary reports, which cover performance against registration, inspection, publication of reports, enforcement and special measures activity.

5: Committee of Public Accounts conclusion:
The Commission will become responsible for assessing hospitals' use of resource in April 2016, but it will take over a year for it to implement these responsibilities in full.

Recommendation 5a:
The Commission should set out what its approach will be to provide assurance about the use of resources by hospital providers. It should do this as soon as possible as it takes on these responsibilities in April 2016.

5.1 The Government accepted the Committee's recommendation.

Target implementation date: April 2017.

5.2 The Commission and NHS Improvement have committed to ensuring that there is a single integrated approach across the two organisations, with clear roles and responsibilities regarding the assessment of quality and use of resources. As set out in the Commission's strategy for 2016-21, it intends to publish an assessment of how efficiently and effectively NHS acute trusts and Foundation Trusts are using their resources alongside its existing quality ratings. It has been agreed that NHS Improvement will lead on the approach to assessing trusts' use of resources.

[10] http://www.cqc.org.uk/content/business-plan-201617

5.3 NHS Improvement has begun development and testing of the assessment methodology, working with the Commission. NHS Improvement published its Single Oversight Framework in September 2016. This set out a range of financial measures that it plans to track as it oversees trust performance. NHS Improvement and the Commission have agreed that performance against measures included in the Single Oversight Framework will form part of the annual assessment of a trust's use of resources, along with other metrics assessing productivity which they are currently working to develop. In tandem with this, NHS Improvement and the Commission are also developing a methodology for assessing trusts' leadership and governance of use of resources, and considering different models for how the assessment of a trust's use of resources should be fed into the Commission's provider ratings.

5.4 The Commission and NHS Improvement published a consultation in December 2016 on how the assessments could work. Ahead of the planned implementation date of April 2017, NHS Improvement and the Commission will work with providers to model, test and refine their proposed approach.

Recommendation 5b:
The Department should clarify the roles of the Commission, Monitor, and the NHS Trust Development Authority for assessing the use of resources by health bodies, to avoid duplication of effort and unnecessary burdens. The Committee has serious concerns about adding this responsibility to the Commission when it is not yet delivering its inspections.

5.5 The Government accepted the Committee's recommendation.

Recommendation implemented.

5.6 The Department agrees that the respective roles of the Commission and NHS Improvement (previously Monitor and the NHS Trust Development Authority), must be clearly understood. The task of NHS providers is to maintain and improve quality within the resources available. Adding a rating of trusts' use of resources alongside the Commission's existing quality ratings will give an opportunity to make these assessments more relevant to the operational challenges that NHS acute hospitals need to manage in order to maintain high-quality care.

5.7 The Department wants regulators and commissioners to work together closely, rather than duplicating effort, to create a single unified framework with a consistent way of measuring success that all parts of the oversight and regulatory system can use. The Commission and NHS Improvement jointly designed the approach that NHS Improvement will use to assess trusts' use of resources, and the way in which this will be amalgamated into the Commission's rating of trusts. The two organisations are now working together on how the use of resources assessment will be operationalised, and both are committed to ensuring that this avoids duplication and unnecessary burdens for providers.

6: Committee of Public Accounts conclusion:
The current regulatory system focuses on single providers and does not give adequate assurance over patients' experience of the overall quality and safety of care they receive.

Recommendation:
The Department should report back to the Committee by the end of 2016 about how it will support the Commission to ensure that inspections take proper account of the needs of users in ensuring services provided by different health and social care organisations are properly joined up. The Commission will need to work with other key bodies including, for example, the ombudsman, patient representative groups and local delivery partners to collect sufficient information to inform its judgements.

6.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

6.2 While the Commission will continue to regulate and rate individual providers, it recognises that the way that services are used and delivered is changing. The Commission will work closely with partners in the health and social care system to make sure that its operating model keeps pace with new models of care, reflects the way that patients move between services and does not stifle innovation. The Commission's Strategy for 2016 to 2021 sets out how it will assess the quality of care for population groups and how well care is coordinated across organisations, recognising that the needs of service users are central to quality care, and are a key element of the Commission's model.

6.3 The Department works with the Commission on its National Patient Experience Survey Programme and coordination of the programme with NHS England. This is one way in which patients can be involved in their care. The Commission will soon be consulting on changes that it would like to make to its survey programme. Additionally, prior to hospital inspections the Commission holds engagement events with staff and the public to listen to their views on the services provided. This information helps inspectors to focus their inspections on areas of concern.

6.4 The Department will support the Commission to take these proposals forward through the business planning and quarterly review process. The Department wrote to the Committee in December 2016 setting out progress in these matters.

Thirteenth Report of Session 2015-16

Department for Education

Overseeing financial sustainability in the further education sector

Summary of the Committee's findings

Further education is formal learning outside of schools and higher education institutions, covering academic and vocational courses and training for apprenticeships. The further education sector in England receives around £7 billion of public funding each year, to educate and train around 4 million learners. The Department for Business, Innovation & Skills funds adult learners via the Skills Funding Agency, while the Department for Education funds learners aged 16 to 19, primarily via the Education Funding Agency. Around 240 further education colleges teach more than half of the sector's learners. Around 700 providers are commercial or charitable bodies, teaching most of the remaining learners.

In July 2016 a machinery of government change transferred the overall oversight and funding responsibilities for all further education provision from the Department for Business, Innovation & Skills to the Department for Education.

Background resources

- NAO report: *Overseeing financial sustainability in the further education sector* – Session 2015-16 (HC 270)
- PAC report: *Overseeing financial sustainability in the further education sector* –Session 2015-16 (HC 414)
- Treasury Minute: March 2016 (Cm 9220)

Updated Government response to the Committee

There were 5 recommendations in this report. As of the last Treasury Minute (Cm 9220), 1 recommendation was implemented and the Department did not accept 1 recommendation. 3 recommendations remained work in progress, all of which have now been implemented, as set out below.

1: Committee of Public Accounts conclusion:
The declining financial health of many colleges is potentially damaging for learners and local economies, but the funding and oversight bodies have been slow to address emerging financial and educational risks.

Recommendation:
The Committee expects the Departments to report back to the Committee on their progress in understanding the risks facing colleges and efforts to address these within 12 months, including progress against the specific recommendations the Committee sets out below.

1.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

1.2 As Further Education Institutions are independent, the Government does not interfere with their day to day running and management. However, the Government takes colleges' financial health extremely seriously and is responsible for protecting learners and ensuring good value for public investment.

1.3 The Department has put in place arrangements to provide clear oversight of its current Post 16 education and training reform programme through the Further Education Restructuring Programme Board. This board sets the direction of the programme, monitors progress and risk, and provides the Accounting Officer and Minister with regular updates on the progress of the programme.

1.4 The Skills Funding Agency and Education Funding Agency have strengthened their intervention procedures and put in place Early Intervention policies over a year ago. These risk-based approaches have enabled the agencies to target their intervention resources at colleges before they might trigger formal intervention, providing challenge and seeking assurance that these colleges are taking appropriate mitigating actions. The funding agencies will continue to keep these arrangements under review as the area review move into implementation phase.

1.5 In line with published plans, there are 37 locally steered Post 16 area reviews being taken forward through five waves. The programme is nearing completion and is on track to deliver more streamlined and specialised institutions, which make more efficient use of public money and provide a more high quality and locally responsive offer to learners and employers, in line with local economic and educational needs.

1.6 As at January 2017, the first three waves of the reviews will have been completed with recommendations for all colleges involved. These colleges are beginning to implement the recommendations relevant to them, drawing on the Government's Transition Grant and Restructuring Facility where appropriate. Wave 4 reviews' final steering group meetings will be completed in February 2017, which will agree on recommendations for colleges involved, and wave 5 reviews are due to finish by end of March 2017.

1.7 In October 2016, the Department published detailed guidance for colleges about implementation and due diligence. It also published guidance for Local Enterprise Partnerships and local authorities on the role they should play both during and post area reviews. The Department also published its intention to proceed with plans for introducing an insolvency regime for the college sector, based on the insolvency regime for companies, and a Special Administration Regime (SAR), to protect the interests of learners. It has set out the proposals through the Technical and Further Education Bill, which was introduced to Parliament on 27 October 2016.

2: Committee of Public Accounts conclusion:
While the introduction of the Further Education Commissioner has been a positive development, oversight of the sector is overly complex, leading to confusion over who is responsible for intervening and in what circumstances.

Recommendation:
The Departments should review and simplify the oversight and intervention arrangements for colleges, making them as streamlined and effective as possible. They should also ensure that the Further Education Commissioner has adequate resources to intervene when colleges are struggling and before they reach crisis point.

2.1 The Government accepted the Committee's recommendation

Recommendation implemented.

2.2 From 1 July 2016, the funding agencies (Skills Funding Agency and Education Funding Agency) implemented a combined structure for the delivery of intervention activity and monitoring of Area Review implementation. This comprises staff from both agencies organised into four territory-based Joint Intervention Teams and a Central Intervention Team. A comprehensive programme of learning and development has been put in place to ensure that each member of the intervention teams is able to discuss issues with colleges from the perspective of both agencies.

2.3 Work has started on developing single approaches to intervention activity wherever possible, for example the separate (but aligned) Early Intervention policies of the two funding agencies have been reviewed and a single policy and revised single set of indicators will be published in due course. This will make it easier for colleges to understand the policy and its implications and expectations regardless of their 'lead' funding agency. A single approach to formal intervention is also being developed although its implementation will require changes to funding agreements which will not be effected until the new funding year in August 2017.

2.4 The Department has recruited a new Further Education Commissioner, Richard Atkins, who replaced Sir David Collins, who retired in November 2016. The FE Commissioner team has been expanded and there are currently five Deputy Further Education Commissioners and 13 Further Education Advisers. The Department has also procured additional call off support should that be required.

2.5 The Department and funding agencies will continue to work closely to ensure that intervention processes and responsibilities are kept under review as implementation of area reviews recommendations begin to impact.

4: Committee of Public Accounts conclusion:
The Department for Business, Innovation & Skills and the Skills Funding Agency are not doing enough to help colleges address risks at an early stage.

Recommendation:
The Departments and the Skills Funding Agency should be much more proactive in helping further education colleges improve their capacity to manage the significant financial challenges they face in the likely event of further funding cuts.

4.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

4.2 The Department proactively helps colleges improve their capacity to manage their financial challenges such as strengthening the funding agencies' intervention structures and establishing an Early Intervention policy, and delivering the area review programme. The Department and funding agencies will closely monitor the implementation of area review recommendations, and have put in place a case management structure to identify and address cases at an early stage where there are problems with implementation, and where appropriate, colleges may be referred for intervention by the Further Education Commissioner.

4.3 The Transition Grant managed by the Education Funding Agency on behalf of both funding agencies is being used to support colleges as they plan the implementation of recommendations from Area Reviews to bring in additional skills and expertise as required, particularly in developing robust business models and plans supported by long-term cash flow forecasts.

4.4 The Restructuring Facility, managed by the Transactions Unit in the Skills Funding Agency, is now beginning to be accessed by colleges. There are strong governance arrangements in place to ensure that the facility delivers value for money. Applications for Restructuring Facility funding are assessed for leadership capacity and capability to ensure that the changes can be successfully implemented, and where this is not in place the college is advised on the additional support and expertise that is felt to be required.

4.5 The funding agencies will also continue to monitor the financial health of all colleges and the Department has put in place risk management processes and financial performance metrics to track the progress of the college sector in improving its financial performance. This includes processes to regularly scrutinise the financial health of the college sector, with escalation routes through to the Restructuring Programme Board. The funding agencies have continued to provide governing bodies of all colleges with dashboards highlighting their college's financial performance against national benchmarks.

4.6 The discussions that the funding agencies have with colleges in Early Intervention also provide an opportunity to seek assurance that governors in particular are looking at the right data and are challenging college management teams. In addition, the Department has funded the Education and Training Foundation to provide additional training for both finance directors and governors recruited and appointed to chair finance boards.

4.7 The Skills Funding letter, published annually, sets out for Further Education Colleges the amount of money in the Adult Education Budget, 19+ Apprenticeships, and Advanced Learner Loans for the forthcoming financial year alongside indicative amounts for the next three years. This has ensured that colleges can see the size of potential income streams from Government over the medium-term. This will help colleges to undertake sound financial planning with greater certainty as to the funding environment.

Fourteenth Report of Session 2015-16

Department of Health

General Practice Extraction Service

Summary of the Committee's findings

Work on the GPES project began in 2007 when it was the responsibility of the NHS Information Centre (NHS IC), which designed and ran the project. It was overseen by the Department which approved the business cases and provided the required funding as well as contributing technical expertise around the design and how it would integrate with other NHS systems. GPES is designed to extract data from the four major clinical IT systems used by GPs. NHS IC contracted with the four major suppliers of the clinical IT systems used by GPs to produce software to extract data from their systems. NHS IC also awarded a contract to Atos in December 2011 to produce the central software required to interact with each of these systems. On 31 March 2013 NHS IC closed and responsibility for GPES transferred to the new Health and Social Care Information Centre (HSCIC) now known as NHS Digital.

Background resources

- NAO report: *General Practice Extraction Service- Investigation* - Session 2015-16 (HC 265)
- PAC report: *General Practice Extraction Service* - Session 2015-16 (HC 503)
- Treasury Minute: July 2016 (Cm 9320)

Updated Government response to the Committee

There were 7 recommendations in this report. As of the last Treasury Minute (Cm 9320), 2 recommendations had been implemented. 5 recommendations remained work in progress, of which 4 have now been implemented, as set out below.

1: Committee of Public Accounts recommendation:
GPES is late, over budget and still does not deliver all that was intended.

Recommendation:
The Department and HSCIC need to develop a clear plan for the future of GPES that sets out the functionality and capacity required and how it will be delivered. The Committee expects the Department to report back once a decision on the future of GPES has been made, or within 6 months, whichever is sooner.

1.1 The Government agreed with the Committee's recommendation.

Target implementation date: Spring 2017.

1.2 A letter was sent to the chair of the PAC on 15 July 2016 outlining the strategic plan for delivering the business need currently met by the General Practice Extraction Service (GPES), including the cost of any additional investment in the service.

1.3 The Strategic Outline Case is seeking support for the generation of an Outline Business Case which will explore the preferred way forward in more detail with the intent of identifying a recommended detailed preferred option. The Strategic Outline Case was approved by the NHS Digital Board (previously the HSCIC Board) in June 2016. Affordability is being worked upon and is expected to be approved by the Department later in the year.

1.4 The Outline Business Case for the GP Data for Secondary Uses programme, which will replace GPES, has also been developed and started to be taken through the approvals process in September 2016. It is currently with the Department for approval.

2: Committee of Public Accounts recommendation:
The original project team did not have the right skills or experience to build GPES and the governance structure was not fit for purpose.

Recommendations: 2b and 2d:
2b: The Department must appoint a named individual (the SRO or someone nominated by the SRO) who is personally responsible for signing off each stage of the system, so that accountability is clear.
2d: The Department must make certain that systems are tested properly before they are accepted.

2.1 The Government agreed with the Committee's recommendations.

Recommendations implemented.

2.2 Alan McDermott has been appointed as the SRO for the Transforming General Practice Domain of the Personal Health and Care programme of work.

2.3 Under the Transforming General Practice Domain the GP Data for Secondary Uses (programme 12) is the programme that will deliver a replacement to GPES in conjunction with the Data Services Platform which is being developed under the National Data Services Development programme. Additionally under this Domain, the General Practice Operational Systems and Services (programme 9) includes the GPES operational service.

3: Committee of Public Accounts recommendation:
In their approach to this project Atos did not show an appropriate duty of care to the taxpayer.

Recommendation:
The Cabinet Office should undertake a full review of Atos's relationships as a supplier to the Crown. The Committee expects the Cabinet Office to note carefully this example of sharp practice when determining what obligations a duty of care on contractors should entail and what sanctions would apply when performance falls short.

3.1 The Government agreed with the Committee's recommendation

Recommendation implemented.

3.2 Cabinet Office sent a letter to the Committee on 8 September 2016 outlining its conclusions from a review the Atos contracts. This review found that the contracts were preforming within the normal operational parameters of large technology projects and received an appropriate level of professional support.

4: Committee of Public Accounts conclusions:
Whitehall is not learning from past failures in IT projects, and is still repeating the same mistakes.

Recommendation:
The Cabinet Office should ensure that the failings in this project and the reasons for them are disseminated widely to reinforce the steps that need to be taken to avoid such mistakes being repeated again.

4.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

4.2 The Cabinet Office has distributed the PWC Executive Summary of lessons learnt from the GPES Programme to the Project and Programme Management (PPM) and Assurance Reviewer (AR) communities. The Cabinet Office has also issued a report to the Departmental Heads of Profession for project delivery and the Infrastructure and Projects Authority Resource Team for onward distribution. The Cabinet Office will work with providers to identify opportunities to integrate the lessons learnt material within existing training, such as the Major Projects Leadership Academy; the Project Leadership Programme; and the Orchestrating Major Projects courses.

Sixteenth Report of Session 2015-16
Department for Transport
Sale of Eurostar

Summary of the Committee's findings

Eurostar is the sole operator of passenger rail services between London and continental Europe via the Channel Tunnel. Previously the UK arm of Eurostar was part of a consortium London and Continental Railways (LCR)) which planned to privately finance a new high speed line (now known as HS1) between London and the Channel Tunnel. However, passenger numbers through the Channel Tunnel were significantly lower than forecast and taxpayer support for the company was required. Following a number of restructurings a new Eurostar company was formed in 2010 of which the UK government owned a 40% stake alongside the national rail operators of France, SNCF (55% stake) and Belgium, SNCB (5% stake). In March 2015, following a competitive auction, HM Treasury sold its 40% stake in Eurostar for £585.1 million to Patina Rail LLP, a consortium made up of Caisse de dépôt et placement du Québec (CDPQ), a Canadian investment fund, and Hermes Infrastructure (Hermes), a UK-based fund.

When the previous Committee examined the HS1 project - the high speed railway linking London and the Channel Tunnel in 2012—it concluded that the Department for Transport did not have "sufficient understanding of the economic impact and regeneration benefits of transport infrastructure" and "gives insufficient attention to evaluating its major projects". The Committee recommended that the Department "develop a full evaluation framework urgently, including an assessment of the economic impact and regeneration benefits for HS1". The Government accepted this recommendation. The evaluation was expected to be published in summer 2013. However, the evaluation report was not released until October 2015**.**

Background resources

- NAO report: The sale of Eurostar - Session 2015-16 (HC 490)
- PAC report: The Sale of Eurostar - Session 2015-16 (HC 564)
- Treasury Minute: March 2016 (Cm 9237)

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9237), 4 recommendations were implemented. 2 recommendations remained work in progress, both of which have now been implemented as set out below.

5: Committee of Public Accounts conclusion:
The Department for Transport does not accept the results of its own "world class" evaluation of HS1 shows that the project was poor value for money.

Recommendation:
The Department for Transport must improve its understanding of the benefits of transport projects by developing a robust way to evaluate the full economic impact of its investments. It should report on progress by September 2016.

5.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

5.2 The Department wrote to the Committee on 30 September 2016 explaining that it has released updated economic impacts guidance for consultation. This is published on GOV.UK.[11]

[11] www.gov.uk/government/consultations/transport-investment-understanding-and-valuing-impacts.

6: Committee of Public Accounts conclusion:
The two year delay in publishing the HS1 evaluation is unacceptable.

Recommendation:
The Committee expects the Department for Transport to provide an assurance that delays of this nature will not occur again and that it will make available all evaluations promptly regardless of their findings.

6.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

6.2 The Department wrote to the Committee on 22 June 2016 explaining that it reviewed its publications policy for social research and evaluation. The Department is committed to follow the Government Social Research protocol of publishing promptly, with the normal maximum being 12 weeks from agreeing the final report.

Twentieth Report of Session 2015-16

Department of Health

Cancer Drugs Fund

Summary of the Committee's findings

More than 1 in 3 people in England will now develop cancer in their lifetime. In 2013 around 293,000 people were diagnosed with cancer. Although GPs are referring more people for further investigation and early diagnosis, one-in-five cancer patients is still diagnosed following an emergency presentation at hospital, rather than via routine screening or referral to hospital. Chemotherapy (the use of cancer drugs), along with surgery and radiotherapy, are commonly used to cure cancer, prolong life and alleviate symptoms for cancer patients. All cancer drugs must receive a marketing authorisation, confirming their quality, safety and medical effectiveness, before they can be prescribed by NHS clinicians. For drugs to be available routinely to patients on the NHS, they must also be recommended by NICE, which appraises their clinical and cost-effectiveness.

The Government set up the Cancer Drugs Fund (the Fund) in October 2010 to improve access to cancer drugs that have not been appraised by NICE, are still being appraised by NICE, or have not been recommended by NICE because they do not meet its clinical and/or cost-effectiveness thresholds. The Fund was initially managed for the Department of Health (the Department) by the then 10 strategic health authorities, and expected to run until March 2014, with a total budget of £650 million. Since April 2013, the Fund has been managed by NHS England. In 2013, the Government extended the Fund until March 2016. The Fund now has a total lifetime budget of £1.27 billion. In April 2015, 39 cancer drugs, covering 67 different licensed uses (which are called indications), were available through the Fund.

Background resources

- NAO report: Investigation into the Cancer Drugs Fund - Session 2015-16 (HC 442)
- PAC report: Cancer Drugs Fund - Session 2015-16 (HC 678)
- Treasury Minute: March 2016 (Cm 9237)
- Treasury Minute – Progress Review: July 2016 (Cm 9320)

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9320), 5 recommendations had been implemented. 1 recommendation remained work in progress, which has now been implemented, as set out below.

3: Committee of Public Accounts conclusion:
It is unacceptable that the Department and *NHS England still do not have data to evaluate the impact of the Fund on outcomes for patients five years after the Fund was set up*

Recommendations:
NHS England should report back to the Committee, by June 2016, on what the available data indicate about the impact of the Fund on patient outcomes. They should also include details of the completeness of the data for 2015–16 and, if necessary, what is being done to make the data more complete.

3.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

3.2 NHS England wrote to the Committee on 27 October 2016 with an update on the action it is taking with Public Health England (PHE) to ensure that the data submitted to the Systemic Anti-Cancer Therapy (SACT) programme is complete. NHS England continues to work with PHE to ensure that the dataset can be used to assess the impact of the Fund on patient outcomes.

Twenty Third Report of Session 2015-16

Home Office

Financial Sustainability of Fire and Rescue Services

Summary of the Committee's findings

There are 45 fire and rescue authorities in England, carrying out a range of duties including (but not limited to) responding to fires, road traffic accidents, and other emergencies. In January 2016 the Government announced that responsibility for fire and rescue was transferring to the Home Office. At the time of our evidence session on 26 November 2015, it was the Department for Communities and Local Government which provided fire authorities with financial resources, enabled them to raise their own income, and mandated duties which they must carry out.

Between 2010-11 and 2015-16 the Department reduced funding for the sector, with its funding for the majority of authorities going down by an average of 28% in real terms. During this period, fire safety continued to improve, with fatalities declining by 22% between 2010-11 and 2014-15. Some fire and rescue authorities have expressed concern, however, as to the potential implications of a further period of funding reductions on their capacity to respond to major incidents.

Since the report was published, Fire and Rescue Services has transferred from the Department for Communities and Local Government to the Home Office.

Background resources

- NAO report: *Financial Sustainability of Fire and Rescue Services* – Session 2015-16 (HC 491)
- PAC report: *Financial Sustainability of Fire and Rescue Services* – Session 2015-16 (HC 582)
- Treasury Minute: April 2016 (Cm 9260)

Updated Government response to the Committee

There were 7 recommendations in this report. As of the last Treasury Minute (Cm 9260), the Department did not accept 2 recommendations. 5 recommendations remained work in progress, all of which have now been implemented, as set out below.

1: Committee of Public Accounts conclusion:
Central Government does not have a strong understanding of the potential impacts of future funding reductions on fire and rescue services.

Recommendation 1:
By summer 2016, the Home Office should write to the Committee, setting out how it is improving central government's understanding of the impacts of ongoing funding reduction on fire and rescue authorities. This should take into account, in particular, both fire authorities' capacity to make further efficiency savings, and the impact of prevention and protection activities on reducing fire risk.

1.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

1.2 Firm four-year funding allocations have been offered by Ministers to single purpose fire and rescue authorities in return for robust efficiency plans to be published locally in an open and transparent way. All fire and rescue authorities have taken up this offer, and have submitted their efficiency plans. The Department is reviewing these plans which will help provide of fire and rescue authorities' financial situation and funding reductions, by including information on savings, use of reserves and approach to increasing collaboration.

1.3 The Department has been monitoring the progress of the projects awarded monies from the Fire Transformation Fund for 2015-16 to gain a better understanding of the capacity for further efficiencies from similar projects. A review of these projects is planned to begin in April 2017.

1.4 The Department also recognises the importance of building further understanding of the impact of prevention and protection activity. Although fire and rescue authorities are responsible for assessing the impact of prevention and protection activities, we are engaging with a range of local interventions to inform an understanding of their potential impact.

1.5 Responses received from all 45 FRAs in England indicated both financial and operational benefits to the fire and rescue service buying together. The Government is working with the fire sector via a recently created Commercial Strategic Committee, who at their very first meeting, agreed and endorsed an overarching strategy, category approach, supplier relationship approach and communication strategy.

2: Committee of Public Accounts conclusion:
Reductions in funding are forcing local consideration of mergers but there is no clear plan centrally about whether these will be cost effective, deliver better outcomes, or be possible because of legal and financial hurdles.

Recommendation 2:
If fire and rescue authorities are considering merging the Home Office should work with them to assess options and support them in a planned way, rather than waiting for 'forced' mergers as an emergency measure to avoid financial failure due to the financial pressures they face. It is not clear that mergers are necessarily the best option.

2.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

2.2 Unless the Department had reason to need to intervene, then it is for fire and rescue authorities to bring forward requests for mergers, where there are clear efficiencies to be made for combining the services and where there is local support. The Department would then work with the fire and rescue authorities to offer support throughout the process, just as was the case in the lead up to Dorset and Wiltshire's merger in April 2016.

2.3 When the Policing and Crime Bill receives Royal Assent, it will enable Police and Crime Commissioners to submit business cases to take on responsibility for the governance of the fire and rescue service(s) within their police areas, where there is a strong local case that demonstrates that a transfer of governance would be in the interests of economy, efficiency, effectiveness or public safety. The Bill also introduces a new duty to collaborate on the police, fire and rescue and emergency ambulance services. The duty is high-level and non-prescriptive, recognising that local leaders are best placed to determine the sort of collaboration that is in the interests of their communities but clear that due consideration must be given to opportunities for emergency services collaboration.

5: Committee of Public Accounts conclusion:
The strength of local governance and accountability is variable, posing risks for the local maintenance of value for money and service standards.

Recommendation 5:
By summer 2016, the Home Office should have begun to strengthen local governance and accountability by consulting the sector on additional guidance, to underpin the duty in the National Fire Framework on authority members to hold their chief fire officer to account.

5.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

5.2 The Department's reform agenda for the fire and rescue service will strengthen the governance and accountability of services, including by: creating an independent inspectorate, increasing the transparency of the service with the publication of more comparable data and enabling police and crime commissioners to become fire and rescue authorities through provisions in the Policing and Crime Bill. More broadly, working with the service, progress is being made across all three pillars of the reform agenda: efficiency and collaboration, accountability and transparency and workforce reform. Furthermore, the Department is planning a full review of the National Framework during 2017, which will include a public consultation.

6: Committee of Public Accounts conclusion:
The lack of an independent inspectorate creates the risk that scrutiny of fire authorities will be inconsistent, and that oversight exercised by the Department will be incomplete.

Recommendation 6:
The Home Office should publish a delivery plan by summer 2016 that ensures there is a coherent approach to external scrutiny across the sector, capable of providing independent assurance to the Government, and ensures that every fire authority is covered by a consistent, objective and rigorous form of review.

6.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

6.2 The Secretary of State outlined a package of reforms, in May 2016, for the fire and rescue service including a commitment to introduce a rigorous and independent inspection regime. The Department is developing proposals for this inspectorate and the chosen provider will be announced in early 2017, with the new body becoming operational during 2017-18. The inspectorate will be required to publish comparable judgements of every fire and rescue service on pre-agreed indicators which will be developed with the sector.

7: Committee of Public Accounts conclusion:
The Department did not provide Parliament with sufficiently rigorous assurance on the standards and sustainability of fire and rescue authorities.

Recommendation 7:
The Home Office should take a rigorous approach to gathering information on the quality and sustainability of fire and rescue services, doing this in time to provide substantive support for the next statutory assurance report to Parliament, in summer 2016.

7.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

7.2 The Secretary of State provided a statutory assurance statement, to Parliament, in July 2016 clarifying that fire and rescue authorities are acting in accordance with the National Framework. This statement was based upon a rigorous examination of a random sample of fire and rescue assurance statements to seek evidence that authorities have complied with the Framework. The forthcoming independent inspectorate for fire and rescue services will consider the quality and sustainability of fire and rescue services in the future as part of their inspection activities.

Twenty Fourth Report of Session 2015-16

Department of Health

Services for people with neurological conditions: progress review

Summary of the Committee's findings

Neurological conditions, such as Parkinson's disease, motor neurone disease and epilepsy, result from damage to the brain, spinal column or peripheral nerves. Some neurological conditions are life-threatening, with many severely affecting people's quality of life and causing lifelong disability. The most recent estimate, by the Neurological Alliance, indicates that there are 4.7 million neurological cases in England. The NHS spent £3.3 billion on neurological services in 2012–13, representing 3.5% of total spending, up from 3.1% in 2010–11. Hospital activity involving patients with neurological conditions have increased in recent years, although the rate of growth has slowed. There are no specific data on spending on social care for people with neurological conditions or on the number of people with neurological conditions receiving social care services. However, on the basis of the more general data that are available, both spending and activity can be assumed to have fallen significantly since 2009–10.

Background resources

- NAO Report: *Services for people with neurological conditions: Progress Review – Session 15-16* **(**HC 301)
- PAC Report: *Services for people with neurological conditions: Progress Review neurological conditions: Progress Review – Session 15-16* (HC 502)
- Treasury Minute: April 2016 (Cm 9260)

Updated Government response to the Committee

There were 7 recommendations in this report. As of the last Treasury Minute (Cm 9260), the Department did not accept 4 recommendations. 3 recommendations remained work in progress, all of which have now been implemented, as set out below.

1 and 4: Committee of Public Accounts conclusions:
1: There remains wide variation across the country in services and outcomes for people with neurological conditions.
4: There is scope to give patients better access to neurologists by using existing resources more effectively

Recommendation 1:
NHS England should set out by April 2016: how it will use the new commissioning for value data packs to help clinical commissioning groups improve neurological services and reduce the variation in services and outcomes; and how it will then hold clinical commissioning groups to account for their performance in this regard.

Recommendation 4:
NHS England should report back to us by April 2017 on what it has done to make best use of the available neurologists and reduce the variations in access, including through re-designing services and making more use of other clinical staff, particularly specialist nurses.

1.1 The Government accepted the Committee's recommendations.

Recommendations implemented.

1.2 The RightCare Programme is being delivered to all Clinical Commissioning Groups (CCGs) in 2016. RightCare provides practical support to local health economies, using the commissioning for value packs, to stimulate discussion about the prioritisation and utilisation of resources in order to tackle unwarranted variation. Of the 65 CCGs involved in wave one of the programme, 40% prioritised neurology as it offered substantial opportunity to reduce variation in services and outcomes as well as improving care, compared to other pathways. A similar proportion of the 144 CCGs joining wave two may prioritise neurology in 2017 A similar proportion of the 144 CCGs joining wave two may prioritise neurology in 2017. NHS RightCare will be running a best practice and knowledge sharing session in March 2017 for CCGs prioritising Neurology.

1.3 RightCare's Neurology commissioning for value focus pack, made available in in April 2016, is already helping CCGs reduce variation and deliver improvements in neurological care. For example Southampton CCG discovered that for 2014-15 it had spent £2.8million more on neurology emergency hospital admissions compared to similar CCGs. The CCG put steps in place to enable patients to be seen by a specialist more quickly, receive prompt diagnosis, and be seen closer to home. Recently, the CCG identified further action including: improving care planning for patients with epilepsy; and improving migraine and headache management in primary care.

1.4 NHS England has also created a new Neurology Advisory Group to bring together key system partners, professional bodies and key stakeholders to align work to improve neurological care. This includes a system wide approach to reviewing relevant intelligence and information on the neurology workforce to support local commissioning decisions.

7: Committee of Public Accounts conclusion:
The confusion over commissioning responsibilities is leading to ineffective commissioning of neurological services.

Recommendation:
NHS England should set out clearly by April 2016 which neurological services are specialised services to be commissioned by NHS England and which services should be commissioned locally by clinical commissioning groups.

7.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

7.2 The updated prescribed (specialised) services manual[12] was published on the NHS England website in in May 2016. This new manual includes a revision of the section on adult specialised neurosciences which clearly describes the new commissioning responsibilities for NHS England and CCGs in terms of neurological outpatients; specifically that NHS England is now only responsible for those services where the patient has been referred by a consultant to that service.

7.3 The neurology Clinical Reference Group is currently revising the neurosciences service specification which will set out the design and function of the service. This will provide greater clarity as to which services and treatments are specialised and which are not. NHS England aims to progress plans for consultation during 2017-18.

[12] www.england.nhs.uk/commissioning/wp-content/uploads/sites/12/2016/06/pss-manual-may16.pdf

Twenty Sixth Report of Session 2015-16

Department for the Environment, Food and Rural Affairs

Common Agricultural Policy Delivery Programme

Summary of the Committee's findings

The Common Agricultural Policy (CAP) is the European Union framework of subsidies and rural development programmes. The Rural Payments Agency (RPA) makes 105,000 payments each year to English farmers and landowners under the CAP, amounting to £1.8 billion. Since 2012, the Department for Environment, Food & Rural Affairs has been leading the Common Agricultural Policy Delivery Programme, together with its delivery bodies, the RPA and the Government Digital Service (GDS), to develop a single IT solution for the new regulations that came into force in 2014. In January 2013, the Cabinet Office reviewed the Programme and as a result seven significant changes were made, increasing the level of innovation and risk. The Programme was originally forecast to cost £155 million, but this has increased by 40% to £215 million. In March 2015 the Department replaced the online application system with 'paper-assisted digital' applications following a number of IT failures.

Background resources

- NAO report: *Early review of the Common Agricultural Policy Delivery Programme* – Session 2015-16 (*HC 606*)
- PAC report: *The Common Agricultural Policy Delivery Programme* – Session 2015-16 *(HC 642)*
- Treasury Minute: April 2016 (Cm 9260)

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9260), 3 recommendations were implemented. 3 recommendations remained work in progress, all of which have now been implemented, as set out below.

1: Committee of Public Accounts conclusion:
As a result of the repeated failures of the Programme, many farmers are being paid later than in previous years.

Recommendation 1:
The Department should set out clear milestones, by the end of June 2016, for when it expects to pay farmers for future years and when it will return to previous performance levels.

1.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

1.2 The Rural Payments Agency included a target of paying 90% of customers in December 2016 in their Action Plan, which was launched within the Agency in May 2016. The Agency published, on GOV.UK[13], its key performance indicators for the 2016 Basic Payment Scheme on 10 October 2016. These included targets to pay 90% of customers by 31 December 2016 and 93% of customers by 31 March 2017. These targets support the Rural Payments Agency's work to meet the European Union milestone of paying at least 95.238% of the scheme fund by the end of the payment window on 30 June 2017.

1.3 The Department expects the Rural Payments Agency will be able to deliver further improvements to the timing of payments in future years as the scheme becomes more established, as happened under the Single Payment Scheme.

[13] www.gov.uk/government/publications/rural-payments-agency-performance-indicators-and-targets-2016-to-2017

2: Committee of Public Accounts conclusion:
The lack of a clear and consistent set of priorities between GDS, the Department and the RPA caused disruption and delay at the outset and allowed shifts in direction and focus to occur each time there was a change of senior responsible owner (SRO).

Recommendation:
For this and future programmes, the Department should establish a clear and enduring vision based on expected programme benefits, together with clear milestones and priorities that can remain in place regardless of changes in leadership.

2.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

2.2 The Department has already incorporated lessons learnt from the CAP Delivery Programme into broader work, such as the development of the Single Departmental Plan and the Department's group Target Operating Model. The Target Operating Model sets out a vision for transformation across the Department's Group. This includes a commitment for the Department to use technology to drive change, deliver services, and to design services around users and their needs. A portfolio of transformation programmes has been established to deliver the Target Operating Model.

2.3 In preparation for the transition of the CAP Delivery Programme to business as usual, the Department has agreed a reporting framework so that the benefits of the Programme can be tracked going forwards. This forms a key part of the programme closure arrangements, which are being discussed with the Infrastructure and Projects Authority.

3: Committee of Public Accounts conclusion:
GDS introduced a level of innovation and risk to the Programme, without assessing whether the Department was capable of managing the changes, and did not provide sufficient support during implementation.

Recommendation:
The Cabinet Office, through its GDS, should comprehensively assess departments' capabilities to deliver any changes it imposes and ensure that it provides an appropriate level of support for those changes.

3.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

3.2 The Cabinet Office has an established base of knowledge and expertise within Government, with more than 150 senior civil servants with digital and technology skills. Work continues to build capability in the digital, data and technology professions across Government ensuring there are the right people in the right places. In delivering the Civil Service Workforce Plan, it will be made much easier for people to move in, out and around the Civil Service. This will help ensure the Government attracts and retains the right capability when and where it is needed. As part of GDS' strategy to build digital capability, work also continues on reviewing the need for a new reward strategy to attract and retain digital expertise.

Twenty Eighth Report of Session 2015-16

Department of Health

Access to General Practice in England

Summary of the Committee's findings

In 2014–15, there were an estimated 372 million consultations in general practice. When accessing their general practice, patients need to be able to get a convenient appointment which does not require them to wait too long and with the same doctor if that is important to them. Good access to general practice matters, because prompt diagnosis and treatment helps patients get the best outcomes when they are ill. It also reduces pressure on other parts of the NHS such as hospital accident and emergency (A&E) departments. An estimated 5.8 million visits to A&E or walk-in centres in 2012–13 followed patients not being able to get an appointment or a convenient appointment in general practice.

There are around 37,000 full-time equivalent GPs working in 7,875 practices across England. Practices also employ a range of other staff including nurses, pharmacists and administrative staff. NHS England contracts with practices to provide a range of services, and in 2014–15 spent £7.7 billion (8% of its budget) on general practice. The Department and NHS England have a range of initiatives underway to improve access to general practice, including a workforce action plan to increase staffing and the Prime Minister's GP Access Fund, which has been piloting different ways of working, including extended opening hours in the evenings and at weekends.

Background resources

- NAO report: Stocktake of access to general practice England – Session 2015-16 (HC 611)
- PAC report: Access to general practice in England – Session 2015-16 (HC 709)
- Treasury Minute: May 2016 (Cm 9270)

Updated Government response to the Committee

There were 5 recommendations in this report. As of the last Treasury Minute (Cm 9270), 1 recommendation was implemented. 4 recommendations remained work in progress, all of which have now been implemented, as set out below.

1: Committee of Public Accounts conclusion:
Problems with recruitment and retention means there are not enough GPs to meet demand.

Recommendation 1:
Building on the workforce action plan, the Department, NHS England and Health Education England should set out how they plan to reduce the number of GPs leaving the profession early, informed by analysis of the interviews with older GPs; set out how they plan to attract more GPs to return to practice, and how they will monitor progress; establish which incentives work best in attracting new recruits to general practice; and report back to the Committee by December 2016 on the three points above and on progress towards having 5,000 more doctors working in general practice.

1.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

1.2 The General Practice Forward View, published in April 2016, set out the approach NHS England would take to address GP workforce issues. NHS England is focussing on increased investment in general practice, supporting practices to manage their workload better and investment in practice infrastructure, all of which increase the confidence of GPs to remain in practice.

1.3 In implementing the General Practice Forward View, NHS England is taking specific actions to directly retain doctors in general practice. NHS England has strengthened support for doctors who feel that they have no alternative but to exit, by increasing financial support to GPs who enter the retained doctor scheme to up to £4,000 per annum for practices which employ them. The Department will launch a programme to retain experienced GPs within the workforce and reduce the number who exit or decide to become locums. It will include pools of GPs who can provide clinical capacity in practices that have vacancies.

1.4 The "Induction and Refresher Scheme" has been re-launched, making it easier and quicker to return to practice. Each returner is personally supported and financial support for returners and those entering has been increased. The 50 practices worst affected by shortages of GPs will receive funding to help them recruit returners. A publicity campaign to promote these practices has begun, and a broader publicity campaign followed. Following a pilot programme, in Lincolnshire to recruit 25 doctors, the Department will launch an international recruitment programme by 1 April 2017.

2: Committee of Public Accounts conclusion:
Having good access to general practice is too dependent on where patients live because of variations in staffing levels.

Recommendation 2:
By December 2016, NHS England should review the effectiveness of its incentives to attract staff to areas which have relatively few general practice staff, and set out the action it will take in light of its findings.

2.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

2.2 NHS England established a new scheme to attract GP trainees into areas that have previously found it hard to attract trainees. 122 practices were identified as in greatest need and trainees entering these practices received a salary supplement of £20,000. By September 2016, 99 of the posts had been filled. NHS England undertook a two-part review: first by looking at the numbers; and secondly by consulting with the relevant local medical leaders and staff. Given the effectiveness of the approach, NHS England and HEE plan to repeat the initiative for the next recruitment round. NHS England is also looking at why this did not work everywhere and exploring alternative approaches.

2.3 Additional training for newly qualified GPs (a post CCT fellowship) has been made available in areas that need to attract GPs. 66 such fellowships were taken up in 2015-16 and a similar number is expected in 2016-17.

2.4 NHS England will launch the roll out of clinical pharmacists in general practice. Phase 1 of the programme has produced 490 pharmacists in practices, supporting GPs with clinical workload. Further phases will look to spread pharmacists across the country.

3: Committee of Public Accounts conclusion:
There is unacceptable variation in patients' experiences of getting and making appointments.

Recommendation 3:
NHS England should develop a strategy for identifying and sharing best practice on access to general practice, including on how to improve access for patients from minority ethnic groups, and report back to the Committee by December 2016.

3.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

3.2 A key aspect of the General Practice Forward View focusses on supporting clinical commissioning groups and practices to redesign the way modern primary care is offered to patients, with improving access to general practice an important marker for patients.

3.3 NHS England has established a multi-million pound General Practice Provider Development programme which supports practices to redesign care and manage workload effectively, freeing up time for GPs and improving care for patients. This programme will share proven innovations across general practice and commissioners, and supports implementation such as new consultation types and online consultations in general practice, supporting improved access.

3.4 NHS England is specifically focussing on inequalities as part of support to general practice in three key ways. Firstly, by sharing best practice through case studies; secondly, by working with groups with protected characteristics such as BME groups and LGBT communities, as well as other identified groups such as asylum seekers and refugees, sharing learning from local initiatives and finally, developing a toolkit for general practice providers and commissioners to reduce inequalities whilst extending access. Some case studies will be available by the end of 2016 and the remainder of the work will be completed during 2017.

3.5 NHS England has also published an independent evaluation report on the first wave GP Access Fund schemes (October 2016) that gives updated details about the innovations and models being used to improve access and care for patients, and presents evidence about the emerging outcomes.

5: Committee of Public Accounts conclusion:
The Department and NHS England do not have enough information on demand, activity or capacity to support their decisions on general practice.

Recommendation 5:
By September 2016 the Department and NHS England should publish a plan for improving the information they have on demand, activity and capacity in general practice, including the minimum dataset they need and how and when they plan to collect this dataset.

5.1 The Government accepted the Committee's recommendation, subject to further work to test what is affordable and practicable.

Recommendation implemented.

5.2 A study on clinical workload and analysis of 100 million consultations by National Institute for Health Research School for Primary Care Research was commissioned by the Department of Health, with key findings published in April 2016. This has provided significant insight to general practice demand, activity and capacity.

5.3 The General Practice Forward View recognised the role good information can play in sustaining and transforming general practice and set out the first steps NHS England is taking to improve information on demand, activity and capacity in general practice. NHS England is working with NHS Digital to provide a new automatic tool for practices to identify and manage capacity, including appointment utilisation.

5.4 The NHS Planning Guidance, published September 2016 set out further detail and specific requirements for data on demand, activity and capacity in general practice.

Twenty Ninth Report of Session 2015-16

Cabinet Office

Making whistleblowing policy work: progress update

Introduction from the Committee

Whistleblowing is when an employee raises a concern about wrongdoing, malpractice or poor practice in the workplace that has a public interest aspect to it. In August 2014 the previous committee reported on whistleblowing, noting that a positive approach to whistleblowing should exist wherever the taxpayer's pound is spent. However, the committee found that too often whistleblowers had been shockingly treated, and that departments" attempts at changing whistleblowing policy and processes for the better had not been successful in modifying a bullying culture, or in combating unacceptable behaviour. The Cabinet Office has issued whistleblowing guidance which includes detailed procedures about how to raise concerns and has responsibility for overseeing whistleblowing arrangements across the Civil Service.

Background resources

- NAO report: Making a whistleblowing policy work - Session 2013-14 (HC 1152)
- PAC report: Whistleblowing - Session 2013-14 (HC 593)
- PAC report: Making a whistleblowing policy work: progress update – Session 2015-16 (HC 602)
- Treasury Minute: May 2016 (Cm 9270)

Updated Government response to the Committee

There were 5 recommendations in this report. As of the last Treasury Minute (Cm 9270), 3 recommendations were implemented and the Department did not accept 1 recommendation. 1 recommendation remained work in progress, which has now been implemented, as set out below.

3: Committee of Public Accounts conclusion:
Policy and process implementation are steps in the right direction, but by themselves will not create the right environment for whistleblowers to come forward.

Recommendation 3:
Cabinet Office should work with Departments to create the right environment for whistleblowers to come forward, including support for staff at induction, working with Departments to identify the 'best in class' in what works in supporting whistleblowers, and holding Departments to account where progress is below the standards expected.

3.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

3.2 The Government is clear that employees must be able to raise issues and concerns in a supportive and protective environment, and without fear that they will suffer detriment or victimisation. The steps taken to embed this kind of environment across Departments.

3.3 From discussions with Whitehall Departments, during Summer 2016, the Government is confident they are all taking this seriously. In particular, Departments are ensuring they have the full picture on what concerns are being raised (including, but not only on, whistleblowing channels) and challenging themselves on whether they have strong evidence and clear indicators of the right culture. Alongside this, the Cabinet Office will continue to collect data to identify trends and assess outcomes.

3.4 Permanent Secretaries collectively discussed, in October 2016, what progress had been made and the further steps Departments are taking. The Civil Service also continues to take coordinated and cross-Departmental action to support the work in Departments.

3.5 The Cabinet Office hosted an event in, October 2016, for Nominated Officers from across the Civil Service to share best practice and further build a cross-departmental network. Speakers included John Manzoni (Chief Executive of the Civil Service and Permanent Secretary for the Cabinet Office) and Ian Watmore (First Civil Service Commissioner). Nominated Officers will continue to network opportunities, share good practice and discuss issues via the on-line whistleblowing forum.

3.6 A Civil Service wide whistleblowing awareness campaign was held, during October 2016, to promote the benefits of whistleblowing and the protection available to employees. As part of the campaign John Manzoni wrote to employees to explain why whistleblowing is important and the protection available to them. Departments also used the week to publicise specific actions they had taken to improve the whistleblowing culture. A whistleblowing product to support employees in raising a concern and help manager's respond positively was launched by Cabinet Office in July 2016. Cabinet Office are also exploring how they can make it easier for employees to raise concerns, including the possibility of department's using a single telephone number for raising all types of concern within Departments.

3.7 The Government remains focused on improving whistleblowing practices and creating a culture where individuals can speak-up in confidence.

Thirtieth Report of Session 2015-16

Department of Health

Sustainability and financial performance of acute hospital trusts

Introduction from the Committee

In 2014–15, the Department of Health allocated £98 billion of its £111 billion budget to pay for NHS services. Finances across the NHS have become increasingly tight with health funding rising at a historically low rate of 1.8% in real terms between 2010–11 and 2014–15. At 31 March 2015 there were 90 NHS trusts and 155 NHS foundation trusts, of which 55 NHS trusts and 100 NHS foundation trusts were acute hospital trusts providing healthcare services such as accident and emergency, inpatient and outpatient and in some cases specialist or community care. NHS Improvement, a new health sector regulator, brings together Monitor, the regulator for NHS foundation trusts, and the NHS Trust Development Authority, the oversight body for NHS trusts. A significant number of acute hospital trusts are in serious and persistent financial distress and many are struggling to make efficiencies to improve their financial position.

The Department and NHS England provided £1.8 billion of additional financial support to NHS trusts and NHS foundation trusts in financial difficulty in 2014–15. The *NHS Five Year Forward View*, published in October 2014, set out changes to the provision of healthcare services that aims to enable the NHS to adapt to pressures of increasing patient demand for healthcare and funding constraints. The new models of care outlined in the *Five Year Forward View* aim to break down the boundaries between primary care, hospitals and community care, and integrate services around the needs of the patient.

Background resources

- NAO report: *Sustainability and financial performance of acute hospital trusts – Session 2015-16* (HC 611)
- PAC report: *Sustainability and financial performance of acute hospital trusts – Session 2015-16* (HC 709)
- Treasury Minute: May 2016 (Cm 9270)

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9270), 2 recommendations were implemented. 4 recommendations remained work in progress, of which 3 have now been implemented, as set out below.

1: Committee of Public Accounts conclusion:
The financial performance of NHS trusts and NHS foundation trusts has deteriorated sharply and this trend is not sustainable.

Recommendation:
The Department, NHS England and NHS Improvement should make sure all trusts in deficit have realistic recovery plans by the start of the 2016–17 financial year that will lead to timely and sustainable improvements.

1.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

1.2 Local NHS organisations, as part of one of 44 local health economy footprints, have developed five-year, place-based plans, outlining how they will work together to improve health and wellbeing and care and quality within their area, delivering sustainable, high-quality services while meeting the finance and efficiency challenge.

1.3 One-year, organisation-based operational plans, consistent with the emerging five-year plans, were agreed by NHS Improvement between April and June 2016 based on their ambition and deliverability. By December 2016, 226 out of 237 trusts have agreed, and are committed to delivering, their financial control totals for 2016-17. Achievement of control totals is a part of the new financial oversight regime that NHS Improvement has applied since 1 October 2016.

1.4 The number of trusts reporting a year-to-date deficit at the end of the second quarter of 2016-17 was 142. This is 11 fewer than in the first quarter of the year and 40 fewer than this time last year. Providers made £1.2 billion of savings through cost improvement programmes, reducing total year-to-date expenditure by 2.9%. Measures to curb agency spending are also having an impact with providers estimating that they are on course to reduce their agency costs by around £900 million in 2016-17. Financial performance information from providers shows them on track to record a year-to-date deficit of £648 million in the first half of the year. NHS Improvement estimates that this can be brought down to £580 million, if providers met their savings targets in full over the remaining half of the year.

3: Committee of Public Accounts conclusion:
The data used to estimate trusts' potential cost savings targets is seriously flawed.

Recommendation:
NHS Improvement should set out how it will work with trusts in the 2016–17 financial year to improve the quality of the data on which its savings targets are based.

3.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

3.2 Lord Carter's savings estimates act as an enabler by revealing unwarranted variation and thereby supporting trusts to deliver their own savings targets. The Costing Transformation Programme, launched in 2015, will deliver a step change in both the quality and use of costing information. Better information has both national and local benefits. Nationally, the information will help to improve the development of payments systems, benchmarking and assessments of efficiency. Locally, the information will enable healthcare providers make the best possible use of resources, evaluate clinical practice and support better ways of working.

3.3 The Programme is developing new costing standards for NHS providers of acute, ambulance, mental health and community services. A first version of costing standards for the acute sector was published in April 2016 and their trial implementation by six acute trusts was completed in October. Standards development version 2 will be issued in January 2017, including revised Acute Standards which will be published for implementation by a larger group of 'early implementer' trusts, together with the first version of Mental Health and Ambulance Standards. NHS Improvement is working closely with partners at the Department, NHS England and Health Education England to develop and implement a single annual cost collection.

4: Committee of Public Accounts conclusion:
The current system of paying providers through a national tariff does not support financial sustainability nor incentivise joined up services.

Recommendation:
NHS England and NHS Improvement should set out proposals for changing the payment and contracting system for providers to one that supports financial and service sustainability, incentivises integration and service collaboration and reduces the need for reactive financial support to providers in difficulty.

4.1 The Government agreed with the Committee's recommendation.

Target implementation date: March 2017.

4.2 The *NHS Five Year Forward View* describes new models for the organisation of integrated, collaborative care, supported by new approaches to payment and contracting. These new approaches, including the Multispecialty Community Providers, Primary and Acute Care Systems, Urgent and Emergency Care Networks and Enhanced Health in Care Homes, are currently being developed through a programme of 50 Vanguard sites across the country.

4.3 As part of this, new payment models are being developed, supported by re-designed commissioning contracts. The new payment model for Multispecialty Community Providers and Primary and Acute Care Systems will adopt a 'whole population budget' approach as the first step to a full capitation payment model. This will support service and financial sustainability and incentivise prevention, service integration and effective risk management across the system.

4.4 During 2016 new payment models, contracts and procurement processes for Multispecialty Community Providers and Primary and Acute Care Systems will be developed in conjunction with a number of Vanguard sites and documented. This learning and support will be available to local commissioners to utilise in implementing new payment and contracting arrangements to enable the development of new models of care. NHS England and NHS Improvement are also developing new payment systems for mental health services.

6: Committee of Public Accounts conclusion:
There is not yet a convincing plan in place for closing the £22 billion efficiency gap and avoiding a 'black hole' in NHS finances.

Recommendation:
The Department of Health, NHS England and NHS Improvement should report to us jointly in September 2016 on their progress with implementing the NAO's recommendations and the further recommendations the Committee made in this report.

6.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

6.2 The Department, NHS England and NHS Improvement wrote jointly to the Committee in October 2016 with an update on implementing the NAO's and the Committee's recommendations.

Thirty First Report of Session 2015-16
Cabinet Office
Delivering major projects in Government

Summary of the Committee's findings

Government projects play a crucial role in delivering strategic objectives such as defence capability, new infrastructure and improving the efficiency of public services. Central government's biggest and riskiest projects are grouped into the Government Major Projects Portfolio (the Portfolio). In June 2015 the Portfolio comprised 149 projects with an estimated whole-life value of £511 billion. The Major Projects Authority was established in March 2011 with responsibility to provide independent assurance on the projects within the Portfolio. It was also responsible for providing support to those projects and for reporting on their performance. On 1 January 2016, the Major Projects Authority merged with Infrastructure UK to form the Infrastructure and Projects Authority.

Background resources

- NAO report: *Delivering major projects in Government: a briefing for the Committee of Public Accounts* – Session 2015-16 (HC713)
- PAC report: *Delivering major projects in Government* – Session 2015-16 (HC710)
- Treasury Minute: May 2016 (Cm 9270)

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9270), the Department did not accept 1 recommendation. 5 recommendations remained work in progress, all of which have now been implemented, as set out below.

1: Committee of Public Accounts conclusion:
The merged Infrastructure and Projects Authority 's interest in promoting Government projects risks compromising its ability to challenge Government's performance.

Recommendation 1:
The Authority should maintain its focus on project assurance and support and, in January 2017, it should report to the Committee on the benefits the merger with IUK has produced, with clear examples in relation to project approvals.

1.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

1.2 The Infrastructure and Projects Authority has been working in a number of areas to join up the support provided to projects, whilst continuing to provide challenge and maintain independent assurance and oversight. The benefits of the merger have been effective in bringing together commercial and financial expertise with governance and project management capability from within the Authority. This combines with independent assurance commissioned by the Authority to provide improved intelligence to inform key decisions. Examples of beneficial working include support to the Government's decision on Hinkley C, and the approval of the next phase of the High Speed 2 programme.

2: Committee of Public Accounts conclusion:
The Authority does not collect the data to allow a transparent, open and honest dialogue about project performance.

Recommendation:
In its January 2017 report to the Committee, the Authority should set out how it has improved data collection and analysis, and set out clear milestones towards reporting publicly on how delivery to time, cost and quality has improved across the Portfolio.

2.1 The Government accepted the Committee’s recommendation.

Recommendation implemented.

2.2 The Authority has been working closely with departments overseeing the delivery of major projects on the Government Major Projects Portfolio to improve the quality of the quarterly returns of data. Regular meetings have been held to discuss accuracy and completeness of the data returns, as well as quarterly cross-Departmental meetings to discuss common areas of concern and how to rectify these and workshops and training sessions addressing content and correct approach to completing quarterly returns.

2.3 The Authority provides support via an improved customer relationship management model to ensure any specific circumstances re the data and its content are understood and has seen very pleasing results in terms of the accuracy and consistency of the data returned over the last 12 months as a result.

2.4 The Authority has also worked with Departments to develop a new project performance framework which will track the forecast time, cost and benefits delivery of major projects against agreed and validated baseline data. The approach and required data fields have been discussed and agreed with departments and the baseline data for the majority of major projects has been collected and validated. Forecast data has been compared to the baselines and initial analysis undertaken to test the framework.

2.5 Further amendments and testing of the framework will be carried out towards the end of 2016 and the outcomes discussed with departments, before finalising baseline data for all projects with a view to commencing phase 1 rollout. An approach to data aggregation and reporting is being developed and will enable a first stage review of the progress of projects over one financial year (2016-17). Arrangements for publication of the outcomes of the performance framework will be determined in line with the Government's transparency policy.

4: Committee of Public Accounts conclusion:
The requirements of good project delivery are not understood well enough by policy developers and decision makers outside the project management profession.

Recommendation:
By the start of the next Parliamentary session, the Authority should offer seminars and workshops to extend awareness of the project delivery process. The training should be tailored to the needs of Members of Parliament and to fast track civil servants who are likely to be responsible for major projects.

4.1 The Government accepted the Committee’s recommendation.

Recommendation implemented.

4.2 The IPA has designed and launched a new bespoke programme for senior leaders who are responsible for major projects. The programme 'Orchestrating Major Projects' is for Directors General and Chief Executives and equivalents who shape and influence the operating environment for major projects. The first cohort launched in October 2016 and will complete May 2017. This programme, in conjunction with new products on 'Leading as an SRO' and 'Policy to Delivery' which are currently in development as part of the Civil Service Leadership Academy, will build on the success of the MPLA and boost the capability offer for civil servants in relation to Project Delivery. The IPA has prioritised development of these programme based on research and capacity, but also plans to reformat its successful ministerial and PAC workshop offer in early 2017 and roll out seminars to meet the need of the wider community of MPs to ensure this recommendation is comprehensively fulfilled.

5: Committee of Public Accounts conclusion:
The Civil Service faces serious skills shortages in delivering major projects, especially in the commercial and digital skills needed to deliver ‘transformation’ projects.

Recommendation:
The Cabinet Office should set out specifically how the ongoing Civil Service reform process will accommodate the need to hire and retain people with the specialist skills, including commercial and digital technology skills, to deliver projects.

5.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

5.2 The Government believes the most effective method of addressing gaps in specialist skills is through the development of cross-departmental functions. The Civil Service Workforce Plan sets out how to make it easier to attract and retain people of talent and experience, particularly where we have scare functional skills; how to build career paths that develop breadth of experience and depth of expertise across our ten core functions; and, how to build cost effective and flexible reward structures that enable us to attract and retain people of talent and experience. These ambitions are underpinned by a number of commitments which will help us shape and ready the Civil Service for the future.

5.3 Ten core functions (including PPM, Digital and Commercial) have been identified as key to transforming and increasing the performance of the Civil Service over the next five years. Each of these functions is in the process of developing single cross-government functional plans to address skills shortages within their areas and improve the capability of their staff.

5.4 Whilst each plan differs slightly, the Department is reviewing common elements it would expect to see in each plan, particularly around career paths and experience required at each level. Career paths will ensure common understanding within a function and will make it easier to attract external functional experience into the Civil Service.

5.5 To attract and retain more commercial expertise a new Government Commercial Organisation has been established, with the first transfers into the organisation to happen in early 2017. Work continues on reviewing the need for a new reward strategy to attract and retain digital expertise. Beyond reward, work has begun to look at how the Department can make it much easier for people to move in, out and Civil Service, creating a more permeable organisation.

6: Committee of Public Accounts conclusion:
Improving the delivery of benefits is a priority, but there appears to be a gap in responsibilities for ensuring their realisation.

Recommendation:
The Cabinet Office should set out specifically how the ongoing Civil Service reform process will accommodate the need to hire and retain people with the specialist skills, including commercial and digital technology skills, to deliver projects.

6.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

6.2 The Authority is working with Departments on the continuous improvement of the quality of benefits data collected and included in quarterly returns of the Government Major Projects Portfolio. This has included focussing on benefits management and realisation approaches and best practice with key stakeholder groups including the cross-Government Portfolio Management Network and Data Steering Group. Benefits training workshops with Departments continue on a regular basis and a benefits network group has been established and is well attended.

6.3 The Authority is drafting a Benefits Management Framework and supporting documentation which will be circulated for consultation in December 2016. The final version will be published March 2017 and Departments will be encouraged to adopt this as best practice in benefits management. The Authority is also looking to enhance the entry and exit criteria for the Government Major Projects Portfolio to track benefits delivery throughout the lifecycle of the project. Expectations regarding evidencing forward planning for benefits realisation during exit reviews are also being developed.

Thirty Second Report of Session 2015 -16

Cabinet Office

Transforming contract management: progress review

Summary of the Committee's findings

The Government spends nearly £200 billion a year with private and voluntary providers. This includes relatively simple contracts to provide goods or established services, to innovative, high-profile commissioning arrangements delivering services directly to the public, such as health and justice services. In 2013, following issues with overbilling in the Ministry of Justice's electronic monitoring contracts with G4S and Serco, the Government commissioned a series of reviews of contract management across Departments. The reviews found widespread problems in contract management, including poor governance, record keeping and capacity issues. The previous Committee reported in 2014 that "problems with contracting are widespread, long standing and rooted in the culture of the civil service". Since then the Cabinet Office has led a cross-government programme to improve commercial capability.

Background resources

- PAC report: Contracting out public services to the private sector – Session 2013-14 (HC 777)
- PAC report: Transforming contract management – Session 2014-15 (HC 585)
- PAC report: Transforming contract management: progress review – Session 2015-16 (HC 711)
- Treasury Minute: May 2016 (Cm 9270)

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9270), the Department did not accept 1 recommendation. 5 recommendations remained work in progress, of which 4 recommendations have now been implemented, as set out below.

1: Committee of Public Accounts conclusion:
There are encouraging signs of change but the current pace of progress with reform is disappointing.

Recommendation 1:
All Departments must understand the importance of getting contract management right, redouble their efforts and step up the pace to improve their contract management and commercial capability. By the end of 2016, the Cabinet Office should report back to the Committee with an overview of progress made by each Department, identifying any Departments, which fail to produce credible plans.

1.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

1.2 17 Departments are currently in scope for developing and approving commercial blueprints. The blueprints are a living document that allow Department Commercial Directors, as the Department's senior commercial leader, to articulate the resources and capability they require to deliver on the commercial activity the department is undertaking.

1.3 The Cabinet Office has seen continued progress on the implementation of outstanding Commercial Capability Review recommendations. 6 Departments – the Department of Work and Pensions (DWP), the Department for Transport (DFT), the Department for the Environment, Food and Rural Affairs (DEFRA), the Ministry of Justice (MOJ), the Crown Commercial Service (CCS) and the Home Office (HO) have successfully undergone their approval panel. A further 4 Departments – the Department for International Development (DFID), the Department for Culture Media and Sport (DCMS), the Department for Communities and Local Government (DCLG) and Cabinet Office are about to begin their approval panel. The remaining 7 Departments will be ready for approval over the next few months.

2: Committee of Public Accounts conclusion:
The centre of Government is not effectively challenging Departments on slow progress.

Recommendation:
The Cabinet Office needs to step up in its role of holding Departments to account for their progress, as well as supporting them where it can. By the end of 2016, the Cabinet Office should set out and implement a process for how it will intervene if Departments do not cooperate, including reflecting this in performance appraisals of Departmental permanent secretaries and Commercial Directors.

2.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

2.2 The Cabinet Office has provided additional resources to support the development of high quality activity and resource plans (Commercial Blueprints) to describe the organisation of commercial work in each Department. As described in 1.2 completion of the Blueprints is expected in early 2017. The Blueprints will be reviewed on an annual basis. The Cabinet Office will continue to support Departments as they work through, in some cases, significant transformation.

2.3 In 2016, the performance reviews of Permanent Secretaries included a review of successful implementation of the recommendations of the Commercial Capability Reviews. The Government Chief Commercial Officer (GCCO) already holds regular meetings with Commercial Directors and DGs Finance, and will play a direct role in setting the objectives for Departmental Commercial Directors from the next Financial Year.

Committee of Public Accounts conclusion:
3: ***There are indications that the culture is starting to change, with senior management in the civil service taking contract management and commercial capability more seriously, but there is more to do.***
6: ***Departments are not always holding contractors to account for meeting the needs of users, especially vulnerable groups, and there is a risk that the user's voice is not heard.***

Recommendations:
3: ***Departments should ensure that operational contract owners are held to account by their Director General and Accounting Officer. By the end of 2016, they should also put in place a system of independent challenge outside of the line management structures whereby contract owners confirm they understand their responsibilities, and are challenged on aspects of contract and contractor performance.***

6: By the end of 2016, all Departments should review their contract assurance frameworks and introduce a rolling programme of assurance, including greater transparency and effective use of open book and internal audit, to ensure contractors deliver what they are supposed to and that there is no scope for misreporting.

3.1 The Government accepted the Committee's recommendations.

Recommendations implemented.

3.2 The Cabinet Office published iteration 2 of the Commercial Operating Standards on 14 October 2016. These Standards will inform all commercial activity within a Department. In order to be assessed as 'Good' in relation to Standard 2, Departmental Boards should regularly review a comprehensive commercial pipeline of high risk or complex transactions.

3.3 Standard 3 specifies that Government will maintain senior engagement throughout the commercial process. Each activity on the Departmental commercial pipeline should be the responsibility of an identified senior official. In order to be assessed as 'Good', in relation to Standard 3, a Department needs a clear commercial governance framework and an appointed senior leader (for example: senior contract owners, SROs or equivalent) in place for all identified commercial activity.

3.4 Standard 7 states that Government will ensure the implementation of adequate contract management processes throughout the contract lifecycle. In order to be assessed as ‘Good’, in relation to Standard 7, a Department must have an appropriate number of contract managers of the right level of seniority. These contract managers must have proven competency and be properly trained. In addition all eligible contracts must be subject to regular performance reviews which test conformance against agreed contracted outcomes.

3.5 The Crown Commercial Service (CCS) issued a Procurement Policy Note in May 2016 requesting that all Departments review their contracts portfolio to check that Open Book provisions were being used appropriately. CCS also published guidance to Departments on increasing the transparency of contract information in a Procurement Policy Note Ref 13/15 published on 3 August 2015.

3.6 The Cabinet Office has also been working with the Government Internal Audit Agency (GIAA) to refine current operating practices for Departmental internal audits of commercial work. This aligns the work of internal audit to the key commercial and contract management risks identified by the Commercial Function and individual departments. Preparation for 2017-18 Internal Audit programmes will cover governance and risk management reviews over procurement and commercial functions; review of procurement exercises against relevant legal requirements, EU regulations and public sector standards; advising procurement boards/committees around large-scale/high profile procurements; and contract management reviews.

4: Committee of Public Accounts conclusion:

Commercial roles in the civil service are not attractive enough to potential candidates.

Recommendation:

The Cabinet Office should improve the status of commercial roles, including consulting with departments on whether departmental Commercial Directors should sit on Departmental Boards; and increasing the weighting of commercial competence when considering senior civil service promotions.

4.1 The Government accepted the Committee’s recommendation.

Target implementation date: March 2017.

4.2 Progress is being made in respect of improving the status of commercial roles. This includes the decision by the Civil Service Board in April 2016 to establish the Government Commercial Organisation (GCO) as the single employer of senior commercial specialists across government. As part of the wider Government Commercial Function, the GCO will provide a focus for attracting, retaining and developing senior commercial professional talent that will be deployed across Departments. To help in attracting and bringing together a strong cadre of commercial specialists an enhanced, more market facing, pay and grading structure has been agreed with the Treasury. In addition, the Commercial Blueprint process demonstrates the importance of commercial leadership and capability through the involvement of Departmental Non-Executive Directors and Executive Board members.

4.3 The Commercial Recruitment Hub is now responsible for all commercial recruitment at grade 6 or above across the civil service. The hub recruits all commercial specialists using the commercial professional standards set for Government. All applicants are required to attend an assessment centre that tests whether candidates possess the right levels of technical expertise, business acumen, judgement and leadership.

4.4 In addition to improving the status of commercial roles, the Cabinet Office is working with HR colleagues expressly to recognise the need for commercial awareness in any senior Civil Service role. Each Departmental Board includes a member with commercial responsibilities who is usually the Director General of Finance. The DG Finance has accountability for developing commercial capability in the Department. The GCCO is working closely with DGs Finance across Government in support of this aim.

Fortieth Report of Session 2015-16

Department of Health

Managing the supply of NHS clinical staff in England

Summary of the Committee's findings

The NHS employs around 824,000 clinical staff, including doctors, nurses, midwives and allied health professionals, such as physiotherapists. Clinical staff cost around £43 billion each year to employ and account for around half of NHS providers' costs.

The Department of Health (the Department) is ultimately accountable for securing value for money from spending on health services, including on training and employing clinical staff. Health Education England is responsible for providing leadership and oversight of workforce planning. It develops national and regional plans and commissions the training of new clinical staff. It spent £4.3 billion on training places in 2014-15 and 140,000 students are in clinical training at any one time. Healthcare providers, including NHS trusts and NHS foundation trusts, are responsible for employing staff and supporting clinical placements. Trusts are overseen by NHS Improvement, which brings together the NHS Trust Development Authority and Monitor.

Background resources

- NAO report: *Managing the supply of NHS clinical staff in England* – Session 2015-16 (HC 736)
- PAC report: *Managing the supply of NHS clinical staff in England* – Session 2015-16 (HC 731)
- Treasury Minute: July 2016 (Cm 9323)

Updated Government response to the Committee

There were 8 recommendations in this report. As of the last Treasury Minute (Cm 9323), 2 recommendations had been implemented and 6 recommendations remained work in progress, of which 4 have now been implemented as set out below.

1: Committee of Public Accounts conclusion:
National bodies have set trusts unrealistic efficiency targets. This has caused the development of overly optimistic and aggressive staffing profiles which have subsequently led to staffing shortfalls. These have had to be met by increased use of agency staff.

Recommendation 1:
The Department, NHS Improvement and Health Education England should provide greater national leadership and co-ordinated support to help trusts reconcile financial, workforce and quality expectations. They should report back to the Committee in December 2016 summarising what actions they have identified and implemented.

1.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

1.2 The NHS Arms-Length Bodies have established a new single planning process that serves all agencies and seeks to integrate finance, activity and attendant workforce consequences, all within the context of the goals of the Five Year Forward View. NHS providers are developing their plans within the context of five year place based Sustainability and Transformation Plans (STPs). In turn, these plans have been developed within clear guidance on future allocations, business rules and tariff, and shared understanding of issues such as likely pay and pension pressures and likely trends in future activity growth.

1.3 In addition to the five year place based STPs, providers are developing their own individual two year operating plans which will represent their contribution to the delivery of the STPs they have co-produced with their commissioner and local government colleagues. The single planning guidance also highlights the agreed priority areas outlined in the Department's Shared Delivery Plan, including requiring the service to implement the agreed recommendations of recent service strategies including mental health, maternity, cancer and the GP forward view.

1.4 This integrated planning approach, with its clear focus on specific and generic service goals, allied to clear and common understanding of finance and activity, creates the environment within which the workforce consequence of service plans can be articulated. The required future workforce should represent a consensus view of the partners to the STPs and as such forms a powerful platform from which to take subsequent actions to ensure that the workforce is available.

1.5 Health Education England (HEE) has created Local Workforce Action Boards to support implementation of the Five Year Forward View and the move towards a place based model for designing, commissioning and delivering healthcare over the medium term. They will allow STPs to discuss workforce issues fully, bringing together partners within the STP to both shape and form the STPs and subsequent operating plans, and enact agreed action plans for the delivery of the required workforce. These boards will discuss all workforce matters: current workforce design and transformation, planning the future workforce, as well as addressing wider workforce issues including localised pay and pension issues.

2: Committee of Public Accounts conclusion:
Efforts to retain existing clinical staff are not well managed, which may further increase shortfalls.

Recommendation 2:
NHS Improvement should review trends in clinical staff leaving the NHS and variations between trusts, and provide us with a plan by December 2016 on how it will support trusts to retain staff better.

2.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

2.2 NHS Improvement completed analysis on clinical workforce retention in the NHS in December 2016. This work – a summary of which will be provided to the Committee in early 2017 - found there was some variation in turnover and retention within NHS Trusts and Foundation Trusts, as well as between them. While there is no one solution to solving complex retention issues, key themes across both the nursing and medical workforces include the benefits of leadership that demonstrably value staff; the importance of the training 'offer' to retaining staff; and the need for greater flexibility, not only in day-to-day issues such as rostering, but over clinicians careers e.g. engaging with clinicians who are approaching retirement to think creatively about job design to make it easier for them to continue working

2.3 This work has complemented a wider workforce improvement programme in respect of clinical staff retention. NHS Improvement's nurse retention programme is targeting trusts with the best and worst nurse retention rates to reduce high rates of turnover. Actions include a scheme where directors of nursing share the strategies that have helped their retention so other trusts can devise their own action plans to tackle problems in their region.

2.4 NHS Improvement is working with NHS Employers which has launched a workforce retention programme which 100 organisations have signed up to participate in. This aims to equip HR leads with different approaches and ideas to address and improve retention. An evaluation of this programme will be published in Autumn 2017.

4: Committee of Public Accounts conclusion:
The significant increase in agency costs is mostly due to higher volumes not higher rates. This is largely the consequence of inaccurate headcount planning within both the trusts and the centre.

Recommendation 4:
As well as capping hourly rates, the Department and NHS Improvement also need to address the fundamental issue of the increased demand for agency staff; they should report back to the Committee in December 2016 on progress in reducing use of agency staff and achieving the intended savings.

4.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

4.2 NHS Improvement announced at Quarter 2 that the NHS has spent £600 million less than it was projected to in the first year of measures to curb spending on agency staff. Monthly spend is now around 20% less than it was at the same time in 2015. Work to drive spending down further is a priority for the Department.

4.3 Trusts across the NHS are responsible for their staff's recruitment, retention, morale, motivation, physical and mental health and wellbeing - it is vital that they ensure staff receive the support they need. NHS Employers has published 'Health and Wellbeing' guidance to help trusts to improve the health and wellbeing of all their staff. NHS England is investing £5 million in a new staff health and wellbeing initiative, with the support of NHS Employers and Public Health England. The 2015 NHS Staff Survey showed the majority of staff who responded would recommend their hospital as a place of work.

4.4 The reform of the healthcare student financing system will enable higher education institutions to provide up to 10,000 additional training places on nursing, midwifery and allied health profession courses over this Parliament. This will meet the expressed demand from potential students. In the longer term, these reforms will improve the supply of qualified healthcare graduates and reduce the health system's reliance on agency and overseas staff. From September 2018, the Government will fund up to 1,500 additional student places through medical schools in England each year – allowing more domestic students to train for a career in medicine. The Government will also consider how to ensure a better return on taxpayer investment by exploring options for medical graduates to work for the NHS for a minimum period.

5: Committee of Public Accounts conclusion:
The Committee is concerned that a lack of affordable homes in some parts of the country is affecting the supply of permanent NHS staff.

Recommendation 5:
The Department should set out how it will take account of the housing requirements for NHS staff, particularly in high-cost areas, in order to support permanent staffing.

5.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

5.2 Working with NHS Trusts, the Department for Communities and Local Government (DCLG) and other organisations over the past few months, the Department has made significant progress in identifying ways in which NHS land can be used to provide staff accommodation. This will continue as part of the Department's ongoing surplus land programme and as the Department considers the recommendations made by Sir Robert Naylor's forthcoming independent review of NHS property and estates. The review is considering how the NHS can be supported to manage and plan its estate in the best possible way, to support delivery of the five year forward view and release surplus land for new homes. It is expected to report shortly. In advance of that, Ministers have agreed one of its recommendations - the creation of a new NHS property organisation which will help to identify unused property to generate funding for reinvestment in the NHS and generate opportunities to deliver new homes across the country.

5.3 Some NHS trusts are already leading the way in supporting NHS staff in this regard. For example, Kingston NHS Foundation Trust have partnered with a Housing Association to provide 3 blocks of accommodation offered at up to 80% of market rate to key workers. Separately, the Department is continuing to work closely with DCLG to explore ways of helping NHS staff to access affordable housing, and is also discussing with the National Housing Federation how NHS Trusts might work in partnership with Housing Associations to identify suitable staff accommodation for rent.

6: Committee of Public Accounts conclusion:
The Committee is concerned about the impact that the proposed changes to the funding system could have on applicants for nurse, midwifery and allied health professional training.

Recommendation 6:
The Department and Health Education England should assess the likely effect of the new funding system on rates of applications for nursing, midwifery and allied health training courses, including whether the impact is consistent across different demographic and courses and how the changes are expected to affect the relative number of overseas students to home students. The Committee also expects them to monitor the effects in real-time and report back to the Committee in autumn 2018 after the first year of the new funding system.

6.1 The Government accepted the Committee's recommendation.

Target implementation date: Autumn 2018.

6.2 The Department remains committed to the provision of several sources of non-repayable additional support to pre-registration nursing, midwifery and allied health profession students whilst at university including additional support for childcare costs, expense reimbursement to cover travel and dual accommodation for clinical placements and exceptional hardship funding. The Department has established a programme to monitor and evaluate the effects of nursing, midwifery and allied health student financing reform across short and medium term timeframes. The monitoring and evaluation being put in place has been developed in collaboration with the Department for Education, Health Education England, the Higher Education Funding Council for England, the Treasury and the NHS Business Services Authority. Together these bodies are continually liaising and working with education and training providers across the system.

6.3 The Department plans to publish initial monitoring outputs in spring 2017 and an evaluation report following the close of the 2017-18 application cycle.

7: Committee of Public Accounts conclusion:
No coherent attempt has been made to assess the headcount implications of a number of major policy initiatives such as the 7 day NHS.

Recommendation 7:
All major health policy initiatives should explicitly consider the workforce implications, and specifically the Department should report back to the Committee by December 2016 with a summary of the workforce implications of implementing the 7-day NHS.

7.1 The Government accepted the Committee's recommendation.

Target implementation date: April 2017.

7.2 The Department has undertaken work, with support from NHS England and Health Education England, to build a robust estimate of the workforce implications and associated cost of delivering the four priority clinical standards (as set out by the Seven Days a Week Forum) in hospitals. The estimate has been informed by national data on consultant intensity as well as information provided by a sample of trusts. The findings include a quantitative estimate of consultant requirement and qualitative information on other staff groups, and are expected to be published by April 2017.

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

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