HM Treasury

Treasury Minutes

Government responses to the Committee of Public Accounts on the Thirty Ninth report from Session 2015-16; the Fourteenth to the Twenty First reports from Session 2016-17; and progress on Government Cash Management

Cm 9389

December 2016

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Government responses to the Committee of Public Accounts on the Thirty Ninth report from Session 2015-16; the Fourteenth to the Twenty First reports from Session 2016-17; and progress on Government Cash Management

39th Report:	Accountability to Parliament for taxpayers money (HM Treasury)
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Presented to Parliament by the Economic Secretary to the Treasury by Command of Her Majesty

Cm 9389 December 2016

TREASURY MINUTES DATED 19 DECEMBER 2016 TO THE COMMITTEE OF PUBLIC ACCOUNTS ON THE THIRTY NINTH REPORT FROM SESSION 2015-16; THE FOURTEENTH TO THE TWENTY FIRST REPORTS FROM SESSION 2016-17; AND PROGRESS ON GOVERNMENT CASH MANAGEMENT

This publication is available at www.gov.uk/government/publications

Any enquiries regarding this publication should be sent to us at: public.enquiries@hm-treasury.gsi.gov.uk.

Print ISBN 9781474139632
Web ISBN 9781474139649

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

ID 13121601 12/16

Printed on paper containing 75% recycled fibre content minimum

Thirty Ninth Report of Session 2015-16
HM Treasury / Cabinet Office
Accountability to Parliament for taxpayers' money

Introduction from the Committee

Robust accountability for taxpayers' money is an essential part of good public management and democratic government. The Accounting Officer (AO) in each department, normally the Permanent Secretary, is personally responsible and accountable to Parliament for managing the department and its use of public resources and, to discharge this duty, must be able to draw on supporting accountability systems that safeguard taxpayers' money. A focus on strong accountability within government should ensure that Parliament, including this Committee, functions as a backstop in an accountability sense and not a first line of control.

The AO operates at the head of a system of accountability and others within that system have responsibilities to account for performance. For example, accountability may be delegated at a working level to the Senior Responsible Owner (SRO) of a project; or devolved to the head of a delivery body such as an academy or foundation trust. Nevertheless, the departmental AO retains overall accountability and must provide assurance over all public spending in the departmental system. The AO must at all times strike a balance between the responsibility to safeguard public money and his or her duty as a Permanent Secretary to serve the Minister.

The Government responded to recommendations 1 and 2, from the Committee, in the Treasury Minute published in November 2016.

Background resources

- NAO report: *Accountability to Parliament for taxpayers' money* – Session 2015-16 (HC 849)
- PAC report: *Accountability to Parliament for taxpayers' money* – Session 2015-16 (HC 732)
- Treasury Minute: November 2016 (Cm 9351)

3: Committee of Public Accounts conclusion:
Not all cases where Accounting Officers have concerns about the value for money or feasibility of policies are brought to Parliament's attention.

Recommendation 3a:
Accounting Officers should prepare assessments of major projects and policy initiatives in line with Treasury guidance, where they have concerns about policies' feasibility or value for money.

3.1 The Government agrees with the Committee's recommendation.

Target implementation date: April 2017.

3.2 The Treasury revised and published its guidance on *Making an Accounting Officer assessment* in December 2015. This guidance advises departments that it is good practice to prepare an assessment for each novel and contentious transaction or proposal. *Managing Public Money* expects that Accounting Officers should routinely scrutinise significant policy proposals, or plans to start or vary major projects, and then assess whether they measure up to the standards of regularity, propriety, value for money and feasibility.

3.3 The Government agrees that major projects and policy initiatives fall within this guidance, including those which give rise to concerns about feasibility or value for money. The Government also considers that an Accounting Officer Assessment should always be prepared for projects within the Government's Major Projects Portfolio (GMPP) starting at the Outline Business Case approval stage. The Treasury will prepare further guidance to departments to set out this new requirement.

Recommendation 3b:
These assessments should be made available to Parliament to strengthen transparency and accountability.

3.4 The Government disagrees with the Committee's recommendation.

3.5 The Cabinet Secretary noted in his evidence to the Committee (Q54) that there are circumstances when Accounting Officer assessments will have to be kept confidential. These assessments might contain consideration of policy issues or options which are subsequently not implemented, or which the Government continues to keep under consideration. Accounting Officers are not expected to release information into the public domain where there is an over-riding public interest in protecting the formulation or development of Government policy, or where disclosure would be likely to prejudice the effective conduct of public affairs. Maintaining these protections allows for the dispassionate assessment by officials of whether a proposal is feasible, cost-effective and value for money, and the full and frank discussion of those issues between officials and ministers.

3.6 Nevertheless, the Government agrees that the transparency and accountability of accounting officers' decisions could be strengthened, and proposes to do so for the assessments made of projects within the GMPP. The Treasury will advise Accounting Officers who have considered an assessment for a project in the portfolio, and approved it, that they should provide to Parliament a summary of the key points from the assessment which informed their judgement. The Treasury will seek to agree with the Committee an appropriate form of publication.

3.7 Accounting Officers will be expected to publish a summary of all new assessments made from 1 April 2017, for major projects within the GMPP which receive Outline Business Case approval after that date, or for existing projects where the need for a further assessment has arisen and been approved after that date.

3.8 The Government will keep the experience of this new approach under review, to consider whether it would be appropriate to extend it to other major policy initiatives in due course. Accounting Officers may choose to publish similar information from assessments made in other circumstances at their discretion.

4: Committee of Public Accounts conclusion:
There are too many examples of Accounting Officers allowing projects and initiatives to proceed unchallenged, despite strong evidence about poor value for money.

Recommendation:
Accounting Officers should provide greater positive assurance over major projects and initiatives during their implementation, for example through requiring explicit Accounting Officer sign-off at key stages of implementation.

4.1 The Government agrees with the Committee's recommendation.

Target implementation date: April 2017.

4.2 The Senior Responsible Owners (SROs) of major projects and initiatives have the primary responsibility for implementation of the Government's policies which have been delegated to them from Accounting Officers. However, Accounting Officers cannot delegate their personal accountability for decision-making on novel and contentious proposals. Where there are significant questions about the value for money of proceeding with major projects or initiatives, SROs will refer them to the relevant Accounting Officer in accordance with their delegation letter.

4.3 The responsibilities of Accounting Officers in respect of plans to start or vary major projects are set out in Managing Public Money. The Infrastructure and Projects Authority will revise its guidance to SROs on the management of major projects to ensure that the need for an Accounting Officer assessment is included at the Outline Business Case stage. At subsequent key stages of project implementation a further assessment will be expected if the project exceeds, or is forecast to exceed, tolerances (including any contingency) in terms of cost, benefits, timescales, or level of risk. Those tolerances will be different for different projects, reflecting the individual circumstances of each accounting officer's organisation.

Fourteenth Report of Session 2016-17

Department for Transport

Progress with preparations for High Speed 2

Introduction from the Committee

High Speed 2 is a programme, split into three phases, to create a new high speed rail service from London to Manchester and Leeds, via Birmingham. Phase 1 between London Euston and the West Midlands is due to begin construction in 2017 and open in 2026. Phase 2a, between the West Midlands and Crewe is expected to open in 2027, with phase 2b, completing the full network to Manchester and Leeds, due to open in 2033. The Department for Transport (the Department) is the sponsor of the £55.7 billion programme (2015 prices) and HS2 Ltd is responsible for developing, building and maintaining the railway. The Department's objectives for High Speed 2 are to enable economic growth by increasing capacity to meet existing and future rail passenger demand and to improve connectivity between UK towns and cities. The Department also aims to encourage additional investment to drive regeneration, particularly in areas around stations.

On the basis of a report by the National Audit Office, the Committee took evidence on 11 July 2015 from the Department for Transport and HS2 Ltd about progress with preparation for High Speed 2. The Committee published its report on 14 September 2016. This is the Government response to the Committee's report.

Background resources

- NAO report: *Progress with preparations for High Speed 2* - Session 2016-17 (HC 235)
- PAC report: *Progress with preparations for High Speed 2* - Session 2016-17 (HC 486)

1: Committee of Public Accounts conclusion:
The Committee is not convinced that the timetable for delivering High Speed 2 is realistic.

Recommendation:
The announcement of the route of phase 2b this autumn should include a realistic timetable against which the Committee will hold the Department and HS2 Ltd to account. At the same time, the Department should confirm whether it intends to open phase 1 in 2026, or 2027.

1.1 The Government agrees with the Committee's recommendation.

Target implementation date: September 2017.

1.2 The announcement on the Phase 2b route by the Secretary of State on 15 November 2016 sets out the timetable on which the Department intends to proceed.

1.3 The Department is considering options for further improving programme schedule confidence, including phased opening of services from 2026 to 2027. The outcome of this review is expected in 2017.

2: Committee of Public Accounts conclusion:
The Department does not have a clear enough picture of the estimated costs for phase 2.

Recommendation:
The Department should produce a firm cost estimate for phase 2, setting out the basis on which it was compiled by the time of the route announcement in autumn 2016.

2.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

2.2 The Department has published a full "five-case" business case including the strategic, financial and economic cases for Phase 2b. The financial case includes an updated firm cost estimate for Phase 2b, sets out the basis for that estimate, and incorporates efficiencies identified in the recent Cabinet Office-led review.

3: Committee of Public Accounts conclusion:
The impact of proposed route changes in South Yorkshire on passengers, on local communities and on growth and regeneration is not clear.

Recommendation:
The Department's decision on the location of the South Yorkshire station should set out the basis on which the selected option was chosen, including quantification of the impact on passengers, local communities, and on forecast growth and regeneration.

3.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

3.2 The Department published HS2 Ltd's work on proposed changes to the consulted route, together with an analysis of those changes. For the South Yorkshire station, this included the basis on which the selected option was chosen. The announcement was accompanied by a full "five-case" business case including the strategic, financial and economic cases for Phase 2b, including for the High Speed 2 route in South Yorkshire.

4: Committee of Public Accounts conclusions:
The Committee is concerned that the Department may find it difficult to secure the skills required for all of its major transport infrastructure plans.

Recommendation:
The Department should report back to the Committee in 12 months' time on progress in securing all the skills needed to deliver all its infrastructure programmes.

4.1 The Government agrees with the Committee's recommendation.

Target implementation date: September 2017.

4.2 The Department's Transport Infrastructure Skills Strategy sets out plans to address skills challenges in the supply chain, using apprenticeships as a key lever. Key recommendations include:

- addressing skills underinvestment though delivering 30,000 apprenticeships in road and rail by 2020;
- linking procurement spend with the skills agenda and the creation of apprenticeships; and
- attracting a more diverse workforce – women to represent 20% of new entrants to engineering and technical apprenticeships by 2020 – to achieve parity by 2030 and doubling of BAME apprenticeships from current levels.

4.3 The Strategic Transport Apprenticeship Taskforce, established in April 2016, is responsible for implementing the Transport Infrastructure Skills Strategy. The taskforce will report on progress against the ambitions set out in the Transport Infrastructure Skills Strategy annually. The first report is due spring 2017.

5: Committee of Public Accounts conclusion:
Sufficient funding will be required to secure the promised regeneration and growth benefits of High Speed 2.

Recommendation:
The Department should seek assurances from the relevant local authorities that they have plans in place to identify sources of funding and financing, to secure the local regeneration and growth benefits of High Speed 2.

5.1 The Government agrees with the Committee's recommendation.

Target implementation date: March 2018.

5.2 The Department is supporting the Department for Communities and Local Government (DCLG) in their work to ensure relevant local authorities make full benefit of High Speed 2. Local authorities have or are preparing High Speed 2 growth strategies, which set out their plans to catalyse the growth and regeneration benefits of High Speed 2 in their areas. These strategies, and the subsequent implementation plans, are underpinned by funding and finance plans that establish the local funding sources, and the opportunities to attract private finance. The Department and DCLG are encouraging local authorities to seek private investment first and foremost to fund their ambitions.

6: Committee of Public Accounts conclusion:
It is not clear how High Speed 2 will work with the rest of the transport system.

Recommendation:
The Department should publish its plan for how the entire rail network will operate once High Speed 2 has been built at the time of the phase 2 route announcement, in autumn 2016.

6.1 The Government agrees with the Committee's recommendation.

Target implementation date: June 2019

6.2 The Department has recently created a One Railway Programme Board, which looks at the cross cutting issues and trade-offs that may need to be made to make High Speed 2 part of the national network. The Department's Interfaces team has been increased in size and a Director appointed to lead the work. The Department, in conjunction with HS2 Ltd and Network Rail, has put together an implementation agreement for how works on the existing rail network will be carried out to accommodate Phase 1 of HS2.

6.3 As part of the plan for how the entire rail network will operate once High Speed 2 has been built, the Government announced on 4 November 2016 that a new rail franchise, the West Coast Partnership, will be responsible for operating both the Intercity West Coast services on the West Coast Mainline from 2019 and designing and running the initial High Speed 2 services from 2026. The operator will be required to develop an integrated train plan for the entire West Coast corridor from 2019 and will consult this plan.

Fifteenth Report of Session 2016-17

Foreign & Commonwealth Office / BBC

BBC World Service

Introduction from the Committee

The BBC World Service is an international broadcasting service run by the BBC providing radio, television and online services in 29 languages to an estimated global audience of 246 million. In 2014–15 it spent £254 million and employed 1,518 staff, many of whom are required to operate in often challenging environments at some risk to themselves. Its objectives include providing an accurate, impartial and independent news service covering international and national developments. The Service is facing several strategic challenges. Until recently, it broadcast mainly on radio. However, changes in technology and consumer behaviour have contributed to a long-term decline in demand for short-wave radio as audiences increasingly access news online or via FM radio and television. The Service is also facing increased competition from other international and local broadcasters.

In October 2010, the Government announced significant reductions in the Service's funding and that, from 2014–15, it would cease to be funded by the Foreign and Commonwealth Office. Instead, the Service would be funded mainly from the television licence fee. In response to these challenges, the Service has succeeded in transforming itself, investing in new digital and television services and integrating its operations more closely with the rest of the BBC, while at the same time reducing its annual expenditure by £46.8 million compared to a 2010 baseline through efficiencies and reductions in its services.

On the basis of a report by the National Audit Office, the Committee took evidence, on 29 June 2016, from the BBC World Service; the BBC Trust; and the Foreign and Commonwealth Office on whether the BBC World Service is meeting its plans to change significantly its services, operations and costs while managing the impact on performance. The Committee published its report on 16 September 2016. This is the Government response to the Committee's report.

Background resources

- NAO Report – *BBC World Service* – Session 2016-17
- PAC Report – *BBC World Service* – Session 2016-17 (HC 298)

1: Committee of Public Accounts conclusion:
The targets set for the BBC World Service proved to be undemanding and, despite the fact that they were met easily ahead of schedule, they have not been revised.

Recommendation:
The BBC Trust, or its proposed successor, needs to ensure that the targets set for the Service from January 2017 are suitably stretching and subject to regular review.

1.1 The Government agrees with the Committee's recommendation.

Target implementation date: Summer 2017.

1.2 The Foreign Secretary is responsible for agreeing with the BBC Trust (and its successor board) the BBC World Service's objectives, targets and priorities. Once the new BBC Charter is in place on 1 January 2017, the Department will discuss with the BBC what will be included in the future Operating Licence for the World Service, ensuring full accountability for the use of public and licence fee payer funds. This will be subject to ratification by the new BBC board, which will be in place by April 2017. The Department will be careful to ensure balance in the agreement of objectives, targets and priorities with the BBC in order to protect the BBC's independence from Government.

2: Committee of Public Accounts conclusion:
The Committee is disappointed that the BBC World Service chose to reduce the amount of information it published on its performance.

Recommendation:
The Service should report publicly on a wider range of performance information and in more depth - for example: the cost per audience member for each language service where appropriate - to demonstrate better to the licence fee payer the value it delivers.

2.1 The Government agrees with the Committee's recommendation.

Target implementation date: Summer 2017.

2.2 The Department agrees that targets and key performance indicators should be stretching and appropriately challenging for the BBC. The BBC World Service's current performance has in many cases exceeded their operating targets. The Department is committed to include, in the future Operating Licence, a set of measurable outputs to which the BBC can be held to account. This will be subject to ratification by the new BBC board, which will be in place by April 2017. On 'the cost per audience member for each language service' the Department has been advised by the BBC that they recognise the importance of delivering value for money and efficiency, but note this may not be an effective measure of performance. The Department will discuss the approach with the BBC.

3: Committee of Public Accounts conclusion:
The accountability arrangements for new government funding of £289 million have not been agreed.

Recommendation:
While editorial control of the Service should rest entirely with the BBC, this does not mean that there should not be effective accountability on the BBC's part for how it uses the new government funding. The FCO, BBC Trust and BBC should agree and publish accountability arrangements for this funding as quickly as possible.

3.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

3.2 The BBC will publish the Agreement setting out the details of this oversight via their website. The Department and BBC have put strong governance arrangements in place, with appropriate oversight by the Foreign Secretary and BBC Director General and their officials. These will use regular financial and activity reporting to monitor effectiveness in a way which preserves the BBC's editorial and operational independence.

4: Committee of Public Accounts conclusions:
Investment in new language services is a long-term commitment but it is not yet clear whether the new funding from the FCO will continue beyond 2019–20.

Recommendation:
The Treasury and FCO should inform the BBC within the next 18 months about whether they intend to continue to provide the Service with extra grant funding beyond 2019–20 so that it can plan properly for the provision of language services beyond this date.

4.1 The Government disagrees with the Committee's recommendation.

4.2 The Treasury has provided clarity on the uplifted funding of the BBC WS until 2020-21. Decisions on funding for the BBC World Service beyond this horizon will be taken at the next Spending Review, in accordance with the fiscal position and Government priorities.

Committee of Public Accounts conclusions:
5: ***The level of commercial income generated by the BBC World Service has not matched the ambitions it set out in 2010.***
6: ***The BBC World Service faces significant strategic challenges in a fast-moving and competitive operating environment.***

Recommendations:
5: ***The Service needs to clarify its plans for maximising its commercial income, while maintaining editorial integrity, as soon as possible and the BBC Trust, or its successor, should measure its success in delivering these plans.***

6: ***The Service must put in place a robust framework for deciding priorities when adapting its services to a changing environment, which takes full account of the cost-effectiveness of individual services, alongside its other decision-making criteria, and facilitates an agile response.***

5.1 The BBC will respond separately to the Committee on recommendations 5 and 6.

Sixteenth Report of Session 2016-17

Department of Health

Improving Access to Mental Health Services

Introduction from the Committee

The Department of Health is ultimately accountable for securing value for money from spending on healthcare and, through its annual mandate, holds NHS England to account for the outcomes the NHS achieves. In 2014–15, the NHS spent an estimated £11.7 billion on mental health services, some 12% of total spending. Mental health problems cover a broad range of disorders, including depression and anxiety, psychosis and eating disorders. In 2014–15, 3.3 million people were known to be suffering from depression. Psychosis is less common but more severe and may affect up to 3 in 100 people during their lives. Mental health conditions can have a significant impact on the health of the people affected and their quality of life. They also affect the health system, the economy and society more widely. What makes good access to mental health services so important is that many people can make a full recovery if they receive appropriate treatment when they need it and at an early stage.

On the basis of a report by the National Audit Office, the Committee took evidence, on 15 June 2016, from the Department of Health and NHS England. The Committee published its report on 21 September 2016. This is the Government response to the Committee's report.

Background resources

- NAO report: *Mental health services: preparations for improving access* - Session 2015-16 (HC 492)
- PAC report: *Improving access to mental health services* - Session 2016-17 (HC 80)

Committee of Public Accounts conclusions:

1: Achieving parity of esteem between mental and physical health is a laudable ambition but pressure on the NHS budget will make it very difficult to achieve.

2: Structures are not in place to enable joined-up working across government to ensure the most appropriate action is taken to support people's mental well-being.

3: It is difficult for people to access the support they need because the way mental health services are designed and configured is complex, variable and difficult to navigate.

4: There is insufficient information about the numbers of mental health staff and their skills, and there is not yet a clear plan to develop the workforce needed to achieve parity of esteem.

5: Current structures, practices and payment mechanisms do not incentivise commissioners and providers to deliver high-quality mental health services for all who need them.

Recommendation:

As the Department and NHS recognise, much remains to be done to secure the improvements that are urgently needed in mental services. The Committee's 5 recommendations are listed below. The Committee will review progress in this Parliament.

Recommendation 1:

The Department and NHS England should collect the cost and performance data needed to understand, by the start of 2017–18:

- ***what the baseline position is in terms of the mental health services currently being delivered and the money being spent;***
- ***how much money it will take to achieve their ambitions; and***
- ***how best to prioritise the money available to get the best results and be clear***

about the outcomes that services achieve.

1.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

1.2 In October 2016, NHS England published a *Mental Health Five Year Forward View Dashboard.*[1] This dashboard includes metrics for monitoring key performance and outcomes data and will be updated quarterly. The Dashboard includes baseline finance data for individual elements across the mental health programme. NHS England will also be making provision for the collection of baseline positions, where these do not already exist, as part of work on developing evidence based treatment pathways. This work is included in NHS England's *Implementing the Five Year Forward View for Mental Health,*[2] along with the national funding and savings assumptions to deliver the priorities for the NHS, in transforming mental health services, which are set out in the independent Mental Health Taskforce's *Five Year Forward View for Mental Health.*[3]

1.3 On performance, the CCG Improvement and Assessment Framework (IAF) provides an Ofsted-style overall rating for CCGs against a set of key indicators. NHS England published an initial rating for the mental health element of the CCG IAF in October 2016.

1.4 The NHS England led cross-ALB mental health and dementia board is responsible for delivery of NHS recommendations and will be monitoring progress against the recommendations set out in the five-year strategy, to include improvements in access and outcomes.

Recommendation 2:
The Government should build on the dialogue taking place in the Department of Health and NHS England, as well as with other government departments, to develop an effective strategy to integrate health services and to join up services between different parts of government to ensure continuity of care for those with mental health problems, whatever their circumstances and wherever they live.

2.1 The Government agrees with the Committee's recommendation.

Recommendation implemented

2.2 There is already cross-Government activity on improving mental health services. In March 2015, *Future in Mind*[4] was published setting out recommendations to improve child and adolescent mental health services (CAMHS). This was followed by the independent Mental Health Taskforce's report *The Five Year Forward View for Mental Health* in February 2016. Both reports contained recommendations for a programme of reform over 5 years to 2020-21 for the health and care sector, as well as wider Government.

2.3 Robust governance and reporting arrangements between the Department of Health, NHS England, other health ALBs, and other Government Departments has been established. This will ensure the recommendations in both reports are fully delivered with appropriate accountability and oversight.

Recommendation 3:
The Department, NHS England and Health Education England should work together to collect the information needed to estimate the workforce required to achieve parity of esteem between mental and physical health. By the start of 2017–18 it should put in place a plan for supplying that workforce.

3.1 The Government agrees with the committee's recommendation.

Target implementation date: January 2017.

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1 https:/www.england.nhs.uk/mentalhealth/wp-content/uploads/sites/29/2016/10/fyfvmh-dashboard.xlsx

2 https://www.england.nhs.uk/wp-content/uploads/2016/07/fyfv-mh.pdf

3 https://www.england.nhs.uk/wp-content/uploads/2016/02/Mental-Health-Taskforce-FYFV-final.pdf

4 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/414024/Childrens_Mental_Health.pdf

3.2 Both *Future in Mind* and the independent Mental Health Taskforce's *Five Year Forward View for Mental Health* set out a number of recommendations to achieve parity of esteem between mental and physical health. Health Education England has collated, during 2016, a comprehensive picture of the mental health workforce. A model has been developed that will capture service pathway, professional group and key competencies. Data sources have been analysed to establish current baseline information and demand for expansion. Specific workforce audits have been conducted on early intervention in psychosis services; Children and Adolescent Mental Health Services workforce; Improving Access to Psychological Therapies; specialist community perinatal mental health and mother and baby units; psychiatric liaison services; and community crisis teams.

3.3 Health Education England have developed a workforce strategy that sets out the enabling actions, process and infrastructure required to meet the recommendations of *Future in Mind* and the *Five Year Forward View for Mental Health*. The Workforce Strategy is currently being finalised and agreed with system partners ahead of publication.

Recommendation 4:
NHS England and NHS Improvement should accelerate work being done to incentivise clinical commissioning groups and providers to improve mental health services and outcomes, including by developing better payment mechanisms for implementation by April 2017.

4.1 The Government agrees with the Committee's recommendation.

Target implementation date: Spring 2017.

4.2 NHS England has published the draft NHS Standard Contract[5] and guidance on the Quality Premium[6] and CQUIN[7] schemes for 2017-19. The Quality Premium financially rewards commissioners for improvements in the services they commission. The mental health component will focus on incentivising commissioners to address a number of key inequalities around access to appropriate services.

4.3 The NHS Standard Contract sets the basis for the contractual relationship between commissioners and providers. It requires all mental health providers to meet a number of core operating standards including access and waiting time standards. CQUIN financially rewards providers to deliver clinical quality improvements. The Mental Health CQUIN indicators will focus on driving greater collaboration between providers across a number of key mental health care pathways.

4.4 NHS England and NHS Improvement have proposed new payment approaches for adult and older people mental health services in the statutory consultation for the 2017-19 national tariff, published in autumn 2016. These outcome-based payment models require CCGs and providers to focus on improvements in quality of care by linking an element of payment to locally agreed quality and outcome measures. As part of the NHS Improvement and NHS England sector support offer, detailed guidance has been published alongside the consultation on the payment approaches and linking payment to outcomes.

4.5 NHS England will look to develop the role of mental health care clusters, which are the national currencies for mental health services. This will include developing closer links between the clusters and care pathways.

Recommendation 5:
NHS England should report back to the Committee by December 2016 on implementing open-book reporting by clinical commissioning groups, particularly to explain what this shows about how much money clinical commissioning groups are spending on different mental health services.

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[5] https://www.england.nhs.uk/nhs-standard-contract/17-18

[6] https://www.england.nhs.uk/wp-content/uploads/2015/12/ann-b-qual-prem.pdf

[7] https://www.england.nhs.uk/nhs-standard-contract/cquin/cquin-17-19/

5.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

5.2 NHS England's plans for reporting spend for specific mental health programmes are detailed in *Implementing the Five Year Forward View for Mental Health*. From 2016-17, Clinical Commissioning Groups (CCGs) have been asked to return financial data on total mental health spend, spend against additional allocations, and how this spend is split at a programme level. Additional guidance has been provided to CCGs to improve consistency of reporting. This financial data has been included in NHS England's mental health dashboard.

5.3 The CCG Improvement and Assessment Framework (IAF), provides an Ofsted style overall performance rating for CCGs against a set of key indicators. NHS England published an initial rating for the mental health element of the CCG IAF in October.

Seventeenth Report of Session 2016 - 17

Ministry of Justice

Transforming Rehabilitation

Introduction from the Committee

Probation is the means through which offenders are supervised and their rehabilitation is pursued. In 2012, the Ministry of Justice announced it would deliver a 'rehabilitation revolution' by reforming probation services. In June 2014, it split 35 probation trusts into a public sector National Probation Service (NPS) and 21 new community rehabilitation companies (CRCs). The NPS now advises courts on sentencing all offenders and manages those offenders presenting higher risks of serious harm or with prior history of domestic violence and sexual offences. CRCs supervise offenders presenting low- and medium-risk of harm.

CRCs were in public ownership until February 2015 when, following an extensive procurement, they transferred to eight, mainly private sector, providers working under contract to the National Offender Management Service. The reforms also extended probation supervision to offenders released from prison sentences of under 12 months, a group with particularly high reoffending rates; and the prison system was reorganised to provide offenders in custody with enhanced resettlement services in preparation for release. Through these reforms the Ministry of Justice and the National Offender Management Service hope to secure economic benefits to society from reduced reoffending that are estimated to be worth more than £12 billion over seven years.

On the basis of a report by the Comptroller and Auditor General, the Committee took evidence from the Ministry of Justice, the National Offender Management Service, and the National Probation Service on transforming rehabilitation. The Committee published its report on 23 September 2016. This is the Government response to the Committee's report.

Background resources

- NAO report: *Transforming Rehabilitation* - Session 2015 -16 (HC 951)
- PAC report: *Transforming Rehabilitation* - Session 2016 -17 (HC 484)

1: Committee of Public Accounts conclusion:
The Ministry of Justice has yet to bring about the 'rehabilitation revolution' it promised and must do so at the same time as implementing other far reaching new reforms, all with increasingly constrained resources.

Recommendation:
The Committee expects the Ministry to update the Committee on progress by the end of 2017 to provide confidence that performance data on rehabilitation services is reliable and complete and show whether the overarching aim of reducing reoffending is being met.

1.1 The Government agrees with the Committee's recommendation.

Target implementation date: December 2017.

1.2 The Department already publishes results against a wide range of performance metrics applying to CRCs and the NPS in the Community Performance Quarterly Management Information release.[8] With the aim of ensuring that performance reporting is complete and accurate, the Department will publish data on further metrics as soon as the quality and coverage of the data allow. NOMS has also completed a full review of the current performance frameworks. The Department aims to have a full set of available metrics, including any new ones, in place from April 2017, subject to contractual agreement. These will be reported in subsequent Community Performance Quarterly MI releases.

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[8] https://www.gov.uk/government/statistics/community-performance-quarterly-mi-update-to-june-2016

1.3 To improve the quality and robustness of performance data in general, the Department has put in place a full Data Governance and Assurance Framework for CRC and NPS data. Overseen by a Data Governance and Assurance Board, the framework is based upon a layered hierarchy in which there are specific roles for CRC and NPS staff, contract management teams, Data Stewards at NOMS HQ and Internal Audit; processes and forums for resolving data issues; case recording instructions and technical definitions available to all staff from a common source; all data and reporting being provided by the NOMS Performance Hub as the single version of the truth; auditing of recording practice forming part of CRC contract management compliance, and sign-off of NPS data being required at Deputy Director level.

1.4 In line with the pre-announced schedule of publications, in autumn 2017, the Department will publish the first set of adult proven reoffending statistics by which CRCs will be measured under Payment by Results (PbR) arrangements, alongside results for the NPS. Interim statistics were published on 27 October 2016.[9]

2: Committee of Public Accounts conclusion:
Two years into the reforms, it is unclear whether the extension of supervision to offenders sentenced for less than 12 months is having the desired impact.

Recommendation:
While lack of data is an issue the Ministry itself acknowledges, there are issues with supervision of short-term prisoners. The Ministry should identify these issues and set out clearly how it will tackle these prior to re-offending data being made available in late 2017.

2.1 The Government agrees with the Committee's recommendation.

Target implementation date: December 2017.

2.2 The Department is aware that the rehabilitative and *Through The Gate* resettlement services provided to offenders serving short custodial sentences are still developing and are not consistent across CRCs. As part of the Department's review of the probation system, the Department is examining how these services are being delivered to this cohort, and the performance outcomes used to measure success. The Department will set out its plans by summer 2017. The Department continues to monitor the number of licence recalls of offenders following the Offender Rehabilitation Act 2014 reforms.

3: Committee of Public Accounts conclusion:
There is wide variation in the quality of arrangements to provide continuity between rehabilitation within prison and the community.

Recommendation:
The Ministry should identify and disseminate examples of what works; both in terms of managing offenders through the transition from prison into the community and in influencing partners to address needs such as housing for offenders.

3.1 The Government agrees with the Committee's recommendation

Recommendation implemented.

3.2 A series of nine regional workshops with all CRCs, prisons and National Probation Service divisions has been facilitated to tackle the short term recommendations from an internal stocktake of the *Through The Gate* service and in response to previous recommendations from the Committee, the NAO and the Inspectorate. The workshops were also used to garner operational input on the medium to long term recommendations and to collate examples of current good TTG practice. The good practice has been disseminated to all CRCs through contract managers.

3.3 NOMS also hosts a Rehabilitation Forum which is made up of the most senior representatives from each of the member organisations. It includes all providers of prisons and probation services from the public, private and voluntary & community sectors. The aim of the Forum is to give provider organisations opportunities to contribute to NOMS' approach to commissioning and to identify strategic opportunities to transform services to benefit the whole system and the long term future of rehabilitation.

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[9] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/563186/crc-nps-interim-results-bulletin-oct16.pdf

4: Committee of Public Accounts conclusion:
The ability of CRCs to transform their businesses is being undermined by delays in resolving commercial negotiations.

Recommendation:
The Ministry should urgently complete commercial negotiations with CRCs to provide the certainty necessary to support the planned transformation. It should update the Committee on the result of negotiations, and the financial consequences, as soon as they are completed.

4.1 The Government agrees the Committee's recommendation.

Target implementation date: May 2017.

4.2 The Department already works constructively with CRCs to gain a greater understanding of the issues. The Department will be continuing with commercial discussions and will update the Committee once those are concluded.

5: Committee of Public Accounts conclusion:
There are significant barriers to encouraging the promised innovative practice in rehabilitating offenders.

Recommendation 5a:
The Ministry should review and adapt the payment mechanism to create stronger incentives for CRCs to provide innovative services that meet the needs of all groups and reduce reoffending.

5.1 The Government agrees with the Committee's recommendation.

Target implementation date: May 2017.

5.2 The Department will consider reviewing the payment mechanism as part of the comprehensive review into probation services. The review includes looking at all the contract incentives, the transformation conducted to date and the performance measures. Any potential changes to the contractual obligations (including incentives to provide innovative services) and levers will be considered as part of that review.

Recommendation 5b:
The National Probation Service should develop a coherent plan to better guide court staff on the rehabilitation services available from CRCs.

5.3 The Government agrees with the Committee's recommendation.

Target implementation date: Spring 2017.

5.4 The National Probation Service (NPS) is developing a system that will provide court staff with advice on the most appropriate sentencing options for offenders, based on the risk and need profile of offenders and the correlation with rehabilitation services made available by CRCs. This *Effective Proposal Framework* is being piloted in Greater Manchester, with the intention of implementing it nationwide in early 2017.

5.5 The NPS is also refreshing its approach to sentencer engagement and plans to publish the first of a series of quarterly bulletins for sentencers before the end of 2016. The bulletin will make reference to the services available from local CRCs.

6: Committee of Public Accounts conclusions:
The Committee is concerned that the full potential of the third sector is not being realised.

Recommendation:
The Ministry and NOMS must deliver on their commitment to sustain a diverse market of suppliers. They should assess the health of the voluntary sector's relationships with CRCs and the NPS and use this insight to identify and address gaps in provision and enable smaller providers to contribute more effectively.

6.1 The Government agrees with the Committee’s recommendation.

Recommendation implemented.

6.2 An in-depth analysis of current CRC supply chains has been carried out to understand how diverse the market is in terms of size, cost and type (private, charity, social enterprise) and where there are gaps in provision against the resettlement pathways. It also compared CRCs by the amount of provision delivered in-house against that delivered by their supply chains and to see where Industry Standard Partnering Agreements are in place.

6.3 The Department has started work with Clinks to get a better perspective on the views and needs of the Voluntary, Community and Social Enterprise (VCSE) organisations working with offenders. This will include contributing questions to their second post Transforming Rehabilitation survey of their members due to take place in January 2017. This should encourage improved CRC take up of services from VCSE providers to improve provision to bespoke cohorts of offenders and to fill the gaps in provision across the resettlement pathways.

7: Committee of Public Accounts conclusions:
ICT systems in probation are inefficient, unreliable and hard to use.

Recommendation:
NOMS should, without delay, meet its commitments to improve the usability of nDelius and to implement a fully functional and reliable link between NOMS and CRC systems by the end of 2016.

7.1 The Government agrees with the Committee’s recommendation.

Target implementation date: Summer 2017.

7.2 NOMS has a newly set up Development & Operations team that will take forward the development and maintenance of National Delius (nDelius) and associated applications and introduce functional enhancements for probation users through a number of new releases of the application during 2017.

7.3 The transition of nDelius to a cloud-based platform began in November 2016. It will move the system onto modern hardware that is supported by modern browsers. While this does not involve any functional changes to nDelius, performance of the application is expected to improve for users, including the application’s link to the Strategic Partner Gateway (SPG). The transition will also include updated Management Information System software improving nDelius’s reporting capability.

7.4 The Strategic Partner Gateway (SPG) has been delivered, providing secure data exchange capability between nDelius and CRCs own offender management systems. While the CRCs do not yet have their own systems in service, they are testing them with the SPG and are working closely with a dedicated technical team from NOMS. Some CRCs are now preparing for the introduction of their systems, using the SPG, by early 2017.

7.5 In the interim, CRCs have continued to use the NOMS probation systems they require, nDelius and OASys, from their own new IT using a secure link from their infrastructure. This has ensured that appropriate access to both systems’ functionality and data entry is enabled to the records of offenders they are managing.

Eighteenth Report of Session 2016-17

Department for Business, Energy and Industrial Strategy

Better Regulation

Introduction from the Committee

Regulation has many purposes, including protecting consumers, employees and the environment, promoting competition and supporting economic growth. Regulation can benefit both businesses and consumers through, for example, building consumer confidence in the products and services they buy. However, businesses incur costs in complying with regulations, which can act as a barrier to competition and reduce productivity. The Government has set a target, known as the Business Impact Target, to reduce the total cost of regulation for business by £10 billion between 2015 and 2020. The Better Regulation Executive, a joint unit of the former Department for Business, Innovation and Skills and the Cabinet Office, is responsible for developing and implementing a framework for achieving these cost savings. Departments and regulators are responsible for delivering the cost savings to achieve the target through the regulatory decisions they make.

On the basis of a report by the National Audit Office, the Committee took evidence, on 13 July 2016, from the Department of Business, Innovation and Skills; the Better Regulation Executive; the Regulatory Policy Committee; the Federation of Small Businesses; Citizens Advice; and the Confederation of British Industry on better regulation. The Committee published its report on 12 October 2016. This is the Government response to the Committee's report.

Background resources

- NAO report: *Business Impact Target: cutting the cost of regulation* – Session 2016-17 (HC 236)
- PAC report: *Better Regulation* – Session 2016-17 (HC 487)

1: Committee of Public Accounts conclusion:
The Government's limited progress, so far, towards its target of reducing regulatory costs to business by £10 billion relies, ironically, on the imposition of a new regulation requiring larger retailers to charge customers 5p for plastic bags.

Recommendation:
The Better Regulation Executive should consider whether it is appropriate to include regulations imposed on business as contributing towards the target and, given the limited progress so far, set out by the end of 2016 interim targets for savings to be achieved and what steps it intends to take to achieve the target.

1.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

1.2 The Business Impact Target is intended to incentivise better regulation. That can take many forms: reducing unnecessary regulatory burdens; ensuring policy goals (for example: protecting consumers or the environment) are achieved with the minimum burden necessary; or achieving policy goals in a way that helps business.

1.3 The plastic bag charge, which has reduced the environmental damage from discarded bags, is a clear example of the good regulation that the target is designed to incentivise. The measure also benefits business through a combination of cost savings resulting from reduced plastic bag use and revenue generated from the charge itself. The Government considers it entirely appropriate to count such measures towards the target.

1.4 In a Written Ministerial Statement, on 3 March 2016, the Government announced an interim target of a saving to business of £5 billion during the first three years of this Parliament. The Small Business, Enterprise and Employment Act 2015 requires that progress against this interim target, as well as the overall target, is reported to Parliament annually. The Government is delivering the target through its programme of Cutting Red Tape reviews and by setting budgets for individual Departments to incentivise them to reduce burdens on business.

2: Committee of Public Accounts conclusion:
The credibility of the Target is undermined by its failure to reflect the full range of administrative and regulatory costs that businesses incur.

Recommendation:
The Committee looks to the Better Regulation Executive to explain how they will develop a more comprehensive picture of the overall compliance costs that Government places on the business community and who it will involve in this task.

2.1 The Government agrees with the Committee's recommendation.

Target implementation date: June 2017.

2.2 All regulatory provisions covered by the Small Business, Enterprise and Employment Act 2015 must already be transparently reported on in the Government's Business Impact Target Annual Report, regardless of whether or not they count towards the target. This includes the National Living Wage and regulations originating from the European Union.

2.3 However, because tax is not regulation: the 2015 Act does not require tax administration changes to be included in the Business Impact Target Annual Report; and HMRC has a separate and complementary target to reduce the annual cost to business of tax administration by £400 million per year by 2020. This is an HMRC Strategic Objective, reported to the Treasury and included in HMRC's annual report.

2.4 The Department for Business, Energy and Industrial Strategy (BEIS) will strengthen future Business Impact Target Annual Reports by including information about the impact of changes in tax administration alongside the existing comprehensive picture of the impact of changes in regulation. The next report is due to be laid before Parliament in June 2017.

3: Committee of Public Accounts conclusions:
Departments do not know how much it costs the business community to comply with their existing regulations.

Recommendation:
As a matter of urgency, Departments and Regulators, with the support of the Better Regulation Executive, should set out how they intend to improve their understanding of the effects of the existing regulation for which they are responsible.

3.1 The Government agrees with the Committee's recommendation.

Target implementation date: February 2017.

3.2 The Government will continue its programme of work to improve its understanding of existing regulation. This includes: Cutting Red Tape reviews (and, before 2015, Focus on Enforcement reviews and Red Tape Challenge, which reviewed 5,600 regulations out of a total stock of about 20,000); and incentives on Departments created by deregulatory budgets (and, before 2015, One-In, Two-Out) to find opportunities to reduce burdens from existing regulation. The Government has also instituted a programme of statutory Post-Implementation Reviews, which is now coming on stream. This will further improve understanding of the impact of existing regulations.

3.3 In line with the proportionate approach advocated by the Committee, this programme aims to focus available resources on the issues and burdens that are of the greatest concern to business, rather than achieving comprehensive coverage of regulations with little impact. By February 2017, the Better Regulation Executive will set out in greater detail its work to improve its understanding of existing regulations.

4: Committee of Public Accounts conclusions:
Once Departments have implemented a regulatory decision, they do not do enough to monitor and evaluate its impact.

Recommendation:
The Better Regulation Executive should set out how it will ensure that Departments include adequate plans for monitoring and evaluation in their impact assessments and implement these plans once the regulation is in place.

4.1 The Government agrees with the Committee's recommendation.

Target implementation date: February 2017.

4.2 Better regulation relies on the effective review of how regulatory measures work in practice. In recent years, BEIS (formerly BIS) has underlined the importance of reviewing regulation by progressively tightening the requirement for Post-Implementation Reviews – from an administrative requirement to review regulation (introduced through guidance issued to Departments in 2011) to a statutory review requirement in the Small Business, Enterprise and Employment Act 2015.

4.3 Reviews are most effective if adequate monitoring and evaluation plans are put in place from the outset to support the review further down the line. Therefore, to help ensure this happens, the Better Regulation Executive will encourage Departments to include monitoring and evaluation plans in all Impact Assessments on significant regulatory proposals that have a statutory review clause. The independent Regulatory Policy Committee will comment on the adequacy of these plans in their opinions on Impact Assessments for significant regulatory proposals and in their Annual Report.

5: Committee of Public Accounts conclusions:
Departments do not do enough to measure the wider costs and benefits to society of their regulatory activity.

Recommendation:
The Better Regulation Executive should publish in its annual report estimates of the wider costs and benefits of regulatory decisions and provide details of each department's and regulator's performance in assessing these.

5.1 The Government agrees with the Committee's recommendation.

Target implementation date: July 2017.

5.2 The Government's Annual Report on the Business Impact Target will in future set out the wider impact of each significant measure as well as the impact on business. In its own Annual Report, the Regulatory Policy Committee already comments on the Government's performance in assessing impacts. These assessments already address the treatment of wider costs and benefits.

6: Committee of Public Accounts conclusions:
The Better Regulation Executive's rules for assessing and validating the expected impact of a regulation are the same, regardless of the scale of the regulation's impact.

Recommendation:
The Better Regulation Executive should inform the Committee by the end of 2016 how it plans to change the rules to allow a more proportionate approach where significantly more effort can be applied to the assessment and validation of the small number of regulations with the greatest impact.

6.1 The Government agrees with the Committee's recommendation.

Target implementation date: February 2017.

6.2 BEIS agrees that the better regulation system should adopt a proportionate approach and has taken substantial steps in that direction in 2012 and 2015, most notably by introducing a "fast track" system for low cost regulatory measures.

6.3 Between April and October 2016 the Better Regulation Executive, in partnership with Departments and the Regulatory Policy Committee, undertook a review of the efficiency of the better regulation system, following which improvements will be made to increase its proportionality further. Full details of the changes made will be published by February 2017. The Better Regulation Executive will continue to look for ways in which the better regulation system can be made more proportionate and efficient.

Nineteenth Report of Session 2016-17

HM Treasury

Government Balance Sheet

Introduction from the Committee

HM Treasury published the 2014–15 Whole of Government Accounts (WGA) in May 2016. It is the sixth WGA to be published. It brings together the financial activities of over 6,000 organisations across the public sector, including central and local government as well as public corporations such as the Bank of England. There is no more complete record of what the Government owns, owes, spends and receives. In 2014–15, the WGA reported net expenditure (total expenditure less income) of £152 billion: an increase of £6.3 billion compared to the previous year. Net liabilities (the difference between assets and liabilities) increased to £2.1 trillion from £1.8 trillion, mainly due to increases in the net public sector pension liability of £190 billion and in government borrowing of £78 billion.

On the basis of a report (and accompanying reports) by the National Audit Office, the Committee took evidence from HM Treasury on the Government's balance sheet. The Committee published its report on 14 October 2016. This is the Governments response to the Committee.

Background resources

- NAO report: Whole of Government Accounts 2014-15 – Session 2016-17 (HC 28)
- NAO report: Evaluating the Government balance sheet: provisions, contingent liabilities and guarantees - Session 2016-17 (HC 462)
- NAO report: Evaluating the Government balance sheet: financial assets and investments - Session 2016-17 (HC 463)
- NAO report: Evaluating the Government balance sheet: pensions - Session 2016-17 (HC 238)
- PAC report: Government Balance Sheet – Session 2016-17 (HC 485)

1: Committee of Public Accounts conclusion:
The Whole of Government Accounts is world-leading in terms of its scale and coverage of a nation's public sector finances.

Recommendation:
HM Treasury needs an enforceable plan to produce WGA more quickly after the year-end, and to make it clearer and more useful to the reader; for example providing a better understanding of the regional distribution of public money and what is causing significant movements on the balance sheet.

1.1 The Government agrees with the Committee's recommendation.

Target implementation date: January 2019.

1.2 The current target is to publish WGA within one year of the end date to which the accounts relate and the medium term aspiration is to reduce that timescale to nine months. The Treasury will continue to work with stakeholders in central and local government and the NAO to deliver progressive improvements in the timing of future publications and will aim to produce the 2017-18 WGA by January 2019.

1.3 The Treasury will adopt the simplifying and streamlining accounts agenda in the 2015-16 WGA to critically review the content of the accounts to determine whether the disclosures are proportionate and focussed on the material items in the accounts.

1.4 The Government already publishes national and regional splits of expenditure data as part of the Public Expenditure Statistical Analysis (PESA) annual publication. The Treasury is currently working through the data collection and analysis implications and will provide an update on the feasibility and usefulness of including regional level data in the 2015-16 WGA accounts.

2: Committee of Public Accounts conclusion:
The WGA provides the most complete view of the Government's financial risks, which complements the Government's preferred statistical measures.

Recommendation:
HM Treasury needs to find a way in the WGA to provide clarity over how the different sources of information used by the Government are employed in managing public finances and the impact that these have on the affordability of key liabilities.

2.1 The Government agrees with the Committee's recommendation.

Target implementation date: March 2018.

2.2 The main source of information used by Government for fiscal policy is the National Accounts, which are prepared by the Office for National Statistics. The WGA already includes reconciliations and explanations of the differences between these publications, which are mainly due to the differing requirements of the two international frameworks applied. The Treasury agrees that improvements can be made to provide context, specifically with regards to how the different sources of information are used by Government in managing public finances and the affordability of key liabilities. Accordingly this section of the account will be improved in future publications.

3: Committee of Public Accounts conclusion:
Despite some progress, the Government's approach to financial planning needs to be more long-term and sophisticated.

Recommendation:
HM Treasury needs to prioritise its plans for strengthening financial management across government. By March 2017, it should set out what steps it will be taking to improve the quality of long-term decision making across Government Departments.

3.1 The Government agrees with the Committee's recommendation.

Target implementation date: March 2017.

3.2 The Financial Management Review (FMR) set in train a long-term change programme for the Government Finance Profession. Significant progress has been made to design and begin to deliver reforms. The FMR programme is continuing to prioritise and invest in developing tools to help the finance function to drive better value and build stronger financial capability across Government.

3.3 The introduction of Single Departmental Plans (SDPs) has been a step forward for government's longer term planning. SDPs will be retained as a mechanism for planning and monitoring performance. The Treasury and Cabinet Office are continuing to work together to improve the quality of planning and performance monitoring across Government Departments as the basis upon which longer term decisions can be taken.

3.4 In May 2014 the Treasury officially launched a programme under the title of "Better Business Cases" that is aimed at creating a significant improvement in the capacity and capability across the public service in the development and design of optimum value for money public investment and spending proposals. Between its soft launch in December 2013 and September 2016 the programme trained and accredited over 4500 individuals employed in the public sector and partner organisations working on spending issues. The programme continues to grow with the aim of embedding and maintaining an understanding of best practice throughout the culture of public and private organisations that deliver public services.

3.5 The Treasury Green Book on the appraisal and evaluation of public value has as part of a refresh process been through a process of consultation to bring it up to date and include lessons learned since publication of the previous edition in 2003. This is an evolutionary development of the current approach and it is hoped to publish a refreshed version early in 2017.

4: Committee of Public Accounts conclusion:
Significant liabilities on the Government's balance sheet could crystallise in the event of a significant shock to the economy.

Recommendation:
HM Treasury should analyse its most significant liabilities and guarantees to understand the factors which could cause them to crystallise and, as a priority, develop contingency plans for those most affected by an economic downturn.

4.1 The Government agrees with the Committee's recommendation.

Target implementation date: March 2018.

4.2 Provisions on the balance sheet are significant, but it is worth noting that more than half of Government provisions arise from the Government's long term energy policies and around two thirds of these are expected to settle after 5 years or more (predominantly decommissioning provisions). In addition, significant guarantee schemes are liabilities arising from Government market interventions since the global financial crisis, and have a positive effect on Public Sector Net Debt.

4.3 WGA, along with the accounts of individual Government Departments, have increased transparency by publishing Government liabilities and guarantees, while other Government publications, such as the annual Debt Management Report, has also played a role in explaining the risks in managing debt liabilities, a key item on the balance sheet.

4.4 The Treasury has established governance processes to oversee risks, including contingent liabilities, for example through an internal Fiscal Risks Group. The Treasury has allocated more resource since September 2016 specifically to analyse public sector balance sheet developments and inform decision-making on asset, liability, and risk management. The Treasury will include relevant analysis from this work in its response to the Office for Budget Responsibility's fiscal risk statement in 2017.

5: Committee of Public Accounts conclusion:
The potential cost of the Government's liability for clinical negligence claims has continued to rise in recent years.

Recommendation:
As the Government's finance ministry, the Treasury needs to exert its authority and work with the Department of Health and the NHS Litigation Authority to get a grip on the clinical negligence liability.

5.1 The Government agrees with the Committee's recommendation.

Target implementation date: January 2017.

5.2 The Treasury is already working with the Department of Health and NHS Litigation Authority to manage down the cost of clinical negligence. The Treasury supports the Departments consultation on applying a fixed recoverable cost regime for lower value claims. The Treasury has also been working with the Department of Health, NHS Litigation Authority, NHS England and others to develop proposals for a Rapid Resolution and Redress Scheme (RRR). The RRR scheme would provide support and resolution to families who experience severe birth injury within the NHS which could have been avoided. The RRR scheme's primary aim is to reduce harm and improved learning from these incidents. It will also mean that families will not have to face a lengthy and adversarial court process to secure compensation.

6: Committee of Public Accounts conclusion:
The Government's pension liability is significant and rising but the year-on-year movements recorded in the WGA are distorted by the discount rate.

Recommendation:
HM Treasury should provide extra analysis and commentary in the WGA to explain the movement in the liability and to bridge the gap between the presentation in the accounts and the information it uses to assess affordability.

6.1 The Government agrees with the Committee's recommendation.

Target implementation date: January 2019.

6.2 The Treasury will work on the extra analysis required to enhance the information presented in the accounts. Specific focus will be on providing explanations of significant movements and including context on the affordability of liabilities by linking it to the Fiscal Sustainability Report produced by the OBR.

7: Committee of Public Accounts conclusion:
Market volatility could mean the Government having to retain assets for longer than previously intended or risk losing value on the sales.

Recommendation:
To maximise value for the taxpayer, the Treasury needs to take a long-term view based on a robust understanding of the value of its assets. It must explain clearly the methodology it has used to value its assets when deciding whether, when and how to sell them.

7.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

7.2 The Government takes a rigorous approach to valuing its assets for sale. Where a liquid market for an asset already exists, the Government first satisfies itself that the market is functioning efficiently and pricing the asset fairly and secondly that an open, transparent and competitive sale process for the asset can be conducted. Where those prerequisites are satisfied, the market price achievable should reflect the fair value of the current and future prospects of the asset. To further test this, the Government also benchmarks this market price against a fair market valuation based on the current market expectations for the asset.

7.3 Where a liquid market does not exist, the Government takes steps to create the conditions for an efficient market for the asset, including ensuring sufficient information about the asset is available for it to be efficiently priced. The Government looks forward over a reasonable period to consider economic and market conditions and takes account of this information to arrive at a valuation. This allows it to calculate a realistic value for the asset and achieve value for money in any sale.

7.4 The Government makes available a clear explanation of the valuation methodology it uses to make decisions about selling assets. The NAO reviews this in detail as part of their work. This information is commercially sensitive and the Government does not release it prior to a sale, because this would be detrimental to the value it will be able to realise for taxpayers.

Twentieth Report of Session 2016-17
Cabinet Office
Shared service centres

Introduction from the Committee

Central government has long pursued shared service centres as a way to reduce costs while at the same time freeing up resources from back-office functions to provide better front-line services. The principles of reducing costs through using shared services are straightforward and widely understood, combining two key elements: standardised processes and services, and the outsourcing of operations to an organisation which can offer the service at a lower cost through benefiting from economies of scale.

Cabinet Office's Next Generation Shared Services Strategy promoted the setting up of two independent shared service centres to provide back-office functions for up to 14 departments and their arm's length bodies. It was intended that the centres and the introduction of single operating platforms would achieve £128 million of savings a year and that further efficiencies would allow benefits to increase to between £300 million to £400 million a year. The actual savings delivered after two and half years of operation are £90 million, less than the £94 million estimated total investment costs of the programme to date. Furthermore, only 2 of 26 organisations that planned to adopt single operating platforms by April 2016 had done so.

The Committee examined this topic in 2012 and reported that: shared service centres had provided poor value for money in the past; the Cabinet Office had not provided the strong leadership required to get buy-in from individual Departments and that most Departmental customers had not streamlined or standardised their back-office processes, leading to overly tailored services and complex systems.

On the basis of a report by the National Audit Office, the Committee took evidence, on 27 June 2016, from the Cabinet Office; the Department for Transport; CRM and Public Sector; and Shared Services Connected Ltd on share service centres. The Committee published its report on 19 October 2016. This is the Governments response to the Committees report.

Background resources

- NAO Report: *Shared service centres* – Session 2016-17 (HC 16)
- PAC Report: *Shared service centres* – Session 2016-17 (HC 297)

1: Committee of Public Accounts conclusion:
The failure at the outset to set up effective governance has had long-term consequences for the programme.

Recommendation:
The Cabinet Office should demonstrate how it has learnt from its previous experience and set out what steps it will take to make sure it has, by March 2017, effective leadership and sufficient expertise in place.

1.1 The Government agrees with the Committee's recommendation.

Target implementation date: March 2017.

1.2 A revised governance structure has been implemented, which is led by the Cabinet Office, and includes customer departments to form the Strategy Board chaired by the Cabinet Office Permanent Secretary and Executive Board chaired by the Director - Shared Services for Government. A Shared Services Assurance Committee has also been reconstituted, which is chaired by a customer department Director General and has membership from customer departments. The approach provides a good balance between leadership, management and challenge for the future delivery of shared services.

1.3 The enhanced governance arrangements and programme leadership has begun to capture cross departmental issues, which are being actively managed to ensure effective delivery of the current and future programmes.

1.4 The Cabinet Office has appointed an experienced former local authority chief executive to lead the Shared Services team, who has substantial and recent experience of delivering shared services within the public sector environment. The appointment of a further three leadership roles has recently been approved to lead on commercial and transformation, operations and technical functions. These roles will provide leadership in these specific areas and will also add significant capability and capacity to the current team.

1.5 An extensive lessons learned process has been instigated involving all stakeholders (customer Departments, Shared Services Connected Limited and Cabinet Office) to identify the key issues that can be addressed for the current programme, a future shared services programme and other cross Government programmes. This work is directed by the Shared Services Strategy Board and is progressing towards a specific action and delivery plan. A Shared Services Strategy known as the *Road Map* for the whole of Government is being created to ensure leadership across Whitehall.

2: Committee of Public Accounts conclusion:
The absence of a realistic business case undermined the programme's chances of success.

Recommendation:
The Government should produce a realistic and complete business case for the centres by March 2017. It should be updated if there are any future significant changes.

2.1 The Government agrees with the Committee's recommendation.

Target implementation date: March 2017.

2.2 Both ISSC1 and ISSC2 programmes have completed commercial settlements with the individual suppliers and have reviewed the leadership and management of both the programmes. The SRO and leadership for ISSC1 has been fully novated to Department for Transport (DFT) and ISSC2 has been retained by the Cabinet Office. This provides clear lines of leadership, delivery and achieving the savings set out in the business case.

2.3 Following the conclusion of the ISSC1 commercial negotiations, DFT is the only remaining ISSC1 Department receiving services from arvato, with all other Government Departments having exited their contracts. The scope of the DFT programme has thus substantially changed from a transformational programme involving multiple Departments with a migration to a new system, to one that is seeking to consolidate services for one Department on their existing platform and has only one migration (of the DVSA).

2.4 The decision to change the scope of ISSC1 and the path for DFT services was taken by Permanent Secretaries of DFT and the Cabinet Office following advice and analysis into options available to the Government. This information represents the business case for service provision until contract expiry in 2020. The change in scope will also be reflected in an upcoming Infrastructure and Projects Authority exit review, which anticipates the project being downgraded from a Tier 1 Investment to Tier 2.

2.5 For ISSC2, the Cabinet Office has gone through a process of revising the programme business case which has recently been approved by its Executive Board. Going forward, the revised business case will be used to monitor and review progress. The business cases will also be updated for any future material changes that occur (for example: an additional Department joining the programme).

2.6 The development of a *Roadmap* setting out a future strategy of shared services across Government is progressing well and should be agreed by March 2017. This will use the refreshed business plan as a baseline for future work on tracking benefits.

3: Committee of Public Accounts conclusion:
The Cabinet Office, once it had decided not to make it compulsory for departments to join the programme, did not secure sufficient buy-in from departments.

Recommendation:
The Cabinet Office needs to define what levers it requires to ensure that it can secure the commitment of departments to cross-government programmes, particularly if it decides to allow departments to choose whether to opt in.

3.1 The Government agrees with the Committee's recommendation.

Target implementation date: May 2017.

3.2 The Shared Services Strategy Board has adopted an approach for the current shared services programme where the starting position is one of 'opting in'. Where there is a compelling case for a Department to opt out, a formal business case is required to demonstrate the benefits of opting out and the impact on the existing programme.

3.3 Furthermore, a more formal approach setting out clear guidance and policy for all cross Government programme needs to progress in the coming months. This will examine the key levers that need to be put in place to ensure that Departments work towards successfully delivering these types of major programmes.

3.4 For ISSC2 programme, it is anticipated that by 2017 there will be 15 Departments on the Single Operating Platform and 16 using Business as Usual transactional services, creating an optimum critical mass and scale for this programme. Other Departments (including small Arm's Length Bodies) who are not currently part of the programme will need to be considered as part of the future strategy 'Roadmap' for shared services rather than opt into this programme.

3.5 The new governance arrangements in place, the agreed business plan, and the enhancement of the Cabinet Office capacity and role will provide further leverage in delivering the programme.

4: Committee of Public Accounts conclusions:
It is too easy for departments to pull out of the programme and put at risk the significant benefits that shared services can deliver.

Recommendation:
Departments should explicitly sign up to the revised business case produced by the Cabinet Office and verify that they are clear on the benefits and are fully committed to delivering shared services.

4.1 The Government agrees with the Committee's recommendation.

Target implementation date: March 2017.

4.2 The revised business case – benefits for ISSC2 has been approved by the Executive and Strategy Board, ensuring buy in across Whitehall. The figures included within the business case had been previously agreed with customer Departments. The Shared Services team are also in the process of reaffirming the revised figures with all Departments to ensure transparency and any clarification that may be needed. Once the figures are agreed, the bi-annual monitoring and reporting process will provide the Executive Board with an update on progress.

4.3 It is also anticipated that as part of the policy development, consideration will be given to the issue of Departments opting out mid-way through a programme and impact on achieving benefits across Government.

5: Committee of Public Accounts conclusions:
Government failed to manage effectively the risk of delays and poor supplier performance, leading to increased costs for the taxpayer.

Recommendation:
Renegotiations and future programmes should set out clearly whether suppliers or government bear the risk of delays and additional costs and be clear about potential costs to the taxpayer. Where the risk sits with the supplier, the supplier should meet the cost of the failure to manage the risk.

5.1 The Government agrees with the Committee's recommendation.

Target implementation date: May 2017.

5.2 The recent lessons learned exercise on shared services identified that Cabinet Office needs to mitigate the risk of increased costs caused by delays to the Programme. It identified that future contracts needed to be more transparent by setting out who bears the risk of delays and associated costs. Such an approach would limit the risk of potential additional costs to the taxpayer and assist in improving the delivery timetable. The Cabinet Office is working closely with commercial and legal teams as well as the Crown Commercial Services to ensure future contracts clearly set out who bears the risk of delay costs and any other associated costs.

5.3 As part of the recent ISSC2 commercial agreement, a Deed of Settlement sets out the contract reset process and future risks to be managed by customers and Crown Oversight Function. This will enable us to improve our approach in working with the supplier and actively manage any impending issues.

5.4 Within Next Generation Shared Services, the assurance, audit and risk management framework around the programme has been enhanced so that potential risks and issues are identified and managed effectively. This will enable the team to identify any potential additional costs to the Programme in a timely, efficient manner and mitigate accordingly. Work has also begun to address the issues identified during the lessons learned exercise on improving supplier management. A plan to manage contractual issues as they arise will be developed by Cabinet Office in partnership with the supplier, mitigating future risk to government.

6: Committee of Public Accounts conclusions:
The failure to develop standardised processes led to delays to the programme and increased costs.

Recommendation:
The Committee expects the Cabinet Office and Heads of Professions to agree a set of standard processes by March 2017.

6.1 The Government agrees with the Committee's recommendation.

Target implementation date: December 2017.

6.2 The Shared Services Executive Board has set up specific governance arrangements including the implementation of the commercial; strategic; technological; operational; and business design workstreams.

6.3 Within the Business Design workstreams, HR and Finance teams have been set up to work directly with the Heads of Profession on agreeing a set of standard processes. Crown Oversight Function is supporting both teams with business process review activities across Government with a view to agreeing design principles for key processes by December 2017. Progress is being made in getting the significant number of processes across both HR and Finance. Once standard processes are in place, change requests will need to be approved by Global Process Owners before being formally submitted to the supplier and enable departments to work within agreed processes and systems. The establishment of a formal Design Authority as part of refreshed governance was agreed in November 2016 by the Strategy Board.

Twenty First Report of Session 2016-17

Cabinet Office

Oversight of arm's-length bodies

Introduction from the Committee

Departments spend large sums through arm's-length bodies and depend on them to deliver a range of important functions, many of which are vital to Departments' strategic objectives and provide critical services to the public. Overall, according the Cabinet Office, there are more than 460 arm's-length bodies (including NHS England and HM Revenue and Customs) spending around £250 billion a year. The scale and role of arm's length bodies vary hugely, from large executive agencies, like HM Courts and Tribunals Service, to smaller non-departmental public bodies, such as the Gambling Commission.

Although arm's-length bodies usually have their own Accounting Officers, departmental Accounting Officers remain ultimately accountable to Parliament for the arm's-length bodies they oversee. The National Audit Office report considered how 4 Departments - the Department for Business, Innovation & Skills, the Ministry of Justice, the Department of the Environment, Food and Rural Affairs and the Department for Culture, Media and Sport - oversee their arm's-length bodies. The 4 Departments oversee 116 arm's-length bodies, which receive an estimated £25 billion funding a year, and employ around 144,000 staff, compared to around 9,200 staff employed in their sponsoring Departments.

On the basis of a report by the National Audit Office, the Committee took evidence, on 18 July 2016, from the Cabinet Office; the Ministry of Justice; the Department for Environment, Food and Rural Affairs; and the Department for Culture, Media and Sport on oversight of arm's length bodies. The Committee published its report on 21 October 2016. This is the Governments response to the Committees report.

Background resources

- NAO Report: *Departments' oversight of arm's-length bodies: a comparative study* – Session 2016-17 (HC 507)
- PAC Report: *Departments' oversight of arm's-length bodies* – Session 2016-17 (HC 488)

1: Committee of Public Accounts conclusion:
For too long, the Government has had no clear criteria for determining what is best done by departments and what is best done through arm's-length bodies.

Recommendation:
Alongside its Treasury Minute response to this report, the Cabinet Office should provide the Committee with clear criteria Departments must consider when deciding if delivery should be through arm's length bodies, and set out by when it expects Departments to have come into line with its guidance.

1.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

1.2 The criteria for setting up a new arm's length body (ALB) is set out in chapter 7 and annex 7.2 of *Managing Public* Money. In general, each new ALB should have a specific purpose, distinct from its parent Department. There should be clear perceived advantage in establishing a new organisation, such as separating implementation from policy making; demonstrating the integrity of independent assessment; establishing a specialist identity for a professional skill; or introducing a measure of commercial discipline. ALBs cannot be given authority to make decisions proper to Ministers, nor to perform functions proper to sponsor Departments. These criteria complement the decision tree in *Classifications of Public Bodies: Guidance for Departments*, published by the Cabinet Office in April 2016, which advises that delivery should only be at arm's length when technical or external expertise, and political impartiality is a requirement.

1.3 The Cabinet Office will update existing guidance to reinforce application of the criteria, through reviews of business cases for new bodies as well as through the tailored reviews of existing ALBs, or an equivalent process appropriate to the relevant Departmental strategy. Under Tailored Reviews, Departments must review the purpose, form, efficiency and effectiveness of ALBs at least once each Parliament. The Cabinet Office expects all ALBs to have been reviewed on their function by September 2019. Departments retain discretion to apply these criteria in response to Ministerial priorities or external events. It may occasionally be necessary to bring ALBs into the Department as a result.

2-3: Committee of Public Accounts conclusion:
2: Unclear lines of accountability between Departments and arm's-length bodies mean that it is not clear who to hold to account.
3: Departments do not consistently have the information necessary to understand how their arm's-length bodies are performing.

Recommendations:
2: *Departments should set out clearly, in published accountability system statements, the accountability relationships between arm's-length bodies and Departments, in a way that members of the public can understand. They should also clearly set out the responsibilities and accountabilities of each arm's length body in published, and up to date, framework documents.*

3: *The Cabinet Office should work with departments to make sure that they have robust but proportionate measures of arm's-length body performance. Departments should make more use of benchmarking to assess performance, and think beyond both departmental and public sector boundaries for comparators.*

2.1 The Government agrees with the Committee's recommendation.

Target implementation date: Summer 2017.

2.2 In November 2016, the Government agreed with the Committee's earlier recommendation that all Departments prepare Accounting Officer System Statements with their next annual report and accounts.[10] The Treasury will issue guidance to Departments on the form and content, ensuring they are presented transparently to the public. Prior to this, system statements were only required for Departments who distribute grants to local government, schools, and the NHS. The Treasury will issue guidance to Departments to prepare these statements alongside their Annual Reports and Accounts for 2016-17, and publish them on the Department's website.

2.3 The Treasury's guidance in *Managing Public Money* expects that Accounting Officers of sponsor Departments will agree a framework document or equivalent with each of their ALBs. Among the terms which should always be considered for inclusion are the purpose of the body and its governance and accountability arrangements. The framework document (or equivalent) should be kept up to date as the partnership develops.

2.4 The Treasury and Cabinet Office currently recommend that as a minimum, framework documents should be reviewed every three years. Certain events should also trigger a review of framework documents, such as the appointment of a new chair or chief executive officer in an ALB, or changes of senior personnel in the sponsor team. Where no changes are necessary, the document will not need to be republished. In these cases, Departments should make it clear when a continuing framework document was last reviewed. The Treasury recommends that the framework document is placed in the Houses of Parliament libraries and made available on the Departments / Government bodies' website.

2.5 The requirement in *Managing Public Money* to have a published framework document will also form part of the principles-based *Code of Good Practice for partnerships between Departments and ALBs*, which the Cabinet Office is currently developing. Departments will assess the extent to which their partnerships with ALBs meet the principles and the standards in the Code and if necessary, set out the steps to address any identified gaps by April 2017. Each ALB will also be reviewed by the end of this Parliament under the Tailored Review programme, or equivalent process appropriate to the Departmental strategy, as agreed with the Cabinet Office. It is for Departments to ensure they have effective

[10] Treasury Minutes, November 2016 – Cm 9351 – 39tt PAC Report: Accountability to Parliament for taxpayers money

performance measures and benchmarks in place with the Cabinet Office providing support There are some public bodies (such as shell companies owned by departments) for which no framework document will be necessary.

4: Committee of Public Accounts conclusions:
The Committee is not convinced that departments' oversight arrangements are proportionate to the relative risks and opportunities presented by different arm's-length bodies.

Recommendation:
The Cabinet Office, working with Departments, needs to build on the NAO report in setting out a principles-based framework for overseeing arm's-length bodies.

4.1 The Government agrees with the Committee's recommendation.

Target implementation date: Summer 2017.

4.2 The Cabinet Office acknowledges that whilst there are many examples of good practice and there is 'no one size fits all', there is currently no common set of principles to inform different approaches to departments' oversight of ALBs, including how to ensure that oversight arrangements are proportionate to risks and opportunities.

4.3 The Cabinet Office, with input from Departments and their ALBs, are currently developing a principles-based *Code of Good Practice for partnerships between Departments and ALBs*. The principles will include provisions on: defining clear purpose, roles and accountabilities; adopting a proportionate approach to assurance; promoting learning between Departments and individual ALBs as well as across different ALBs; and developing partnership-based relationships based on mutual understanding and trust. Underneath each, there will be a number of standards for departments to use to assess how far they meet each principle.

4.4 The Cabinet Office will finalise the Code by January 2017. Departments and ALBs will then assess the extent to which their partnerships meet the principles and standards in the Code and if necessary, set out the steps to address any identified gaps by April 2017. The Cabinet Office agrees that there is no 'one-size fits all' approach. The *Code of Good Practice* will be a consolidation of best practice. Departments retain the discretion to design a system that works best for them within the principles and standards of the Code.

5: Committee of Public Accounts conclusions:
It is far from clear that departments draw on the operational expertise of arm's-length bodies and people using services when developing policies.

Recommendation:
Departments should set out what more they will do to demonstrate that they are drawing on the experience of arm's-length bodies and service users when policies are being developed.

5.1 The Government agrees with the Committee's recommendation.

Target implementation date: Summer 2017.

5.2 The Cabinet Office recognises the importance of drawing from the experience of ALBs and service users when policies are being developed. The Cabinet Office will include this as part of the Code of Good Practice for departments' partnerships with ALBs for application from April 2017.

5.3 The Government Policy Profession recognises and promotes the importance of having breadth and depth of engagement in the policy-making process as a precursor to 'good policy-making'. This would include a range of specialists including, but not limited to, arm's-length bodies, service users, industry experts, researchers and academics. The profession provides tools and advice that helps the policy maker identify the right expert to use according to the nature of the policy challenge.

5.4 The Policy Profession's centrally co-ordinated activities include:

- The Policy Profession Career Path which has been developed across professions in government.
- The Career Path is underpinned by Policy Profession Standards, setting out what skills a good policy maker needs to have. These include Standards on understanding the delivery context and consultation.
- the open policy making toolkit which includes a series of design and user perspective tools;
- the development of the Policy Lab;
- a central learning and development offer for policy, including a workshop on 'Policy Context, Design and Implementation';
- collaborative events with other professions, and professionals including one being co-developed with the Association of Chief Executives.

5.5 The Policy Profession aims to share and encourage adoption of good practice across Departments, but is not prescriptive in its approach, allowing Departments the freedom to focus on what matters most. Success will be measured by the learning and development offered to policy professionals and the take-up across Departments.

6: Committee of Public Accounts conclusions:
Delays in the public appointments process create risks for the effective governance of arm's length bodies.

Recommendation:
The Cabinet Office should update the Committee by July 2017 on its response to the Grimstone review and the progress made by Departments in streamlining the appointments process.

6.1 The Government agrees with the Committee's recommendation.

Target implementation date: July 2017.

6.2 The Cabinet Office will update the Committee and the Public Administration and Constitutional Affairs Committee in parallel on the implementation of the Grimstone Review and progress made by the Departments in streamlining the appointments process, by July 2017.

Government Cash Management - Update

HM Treasury

December 2016

1 This is the 6th annual progress report on HM Treasury's and Government Department's joint objective to minimise Government cash balances held outside the Exchequer. The report sets out what has been achieved so far, the challenges ahead, and updates on progress made against the recommendations set on Government Cash Management within Public Account Committee's 33rd Report - Session 2008-09.

2 The Treasury continues to work proactively with Government Departments, and the Government Banking Service (GBS), to reach our collective goal. Departments were asked to update the Treasury and the Public Accounts Committee (the Committee) on the progress made against the recommendations on cash management. A summary of responses is provided in Annex A, and the full letters are available to be read should the Committee wish too.

3 Most Department's replies are comprehensive and demonstrate progress is being made. The Treasury is working with Departments that still have challenges in this area.

Exchequer Overview

4 Government Departments and their Arm's Length Bodies (ALBs) hold accounts outside of the Exchequer for a variety of reasons. The Treasury allow these accounts to be retained if:

- Cash held belongs to third parties and needs to attract commercial rates of interest, and/or there are legal or statutory reasons why cash cannot be held in the Exchequer.

- Moving away from a current commercial banking contract would not represent value for money for the Exchequer as a whole. In certain circumstances the interest which the Exchequer saves from the use of relatively small balances may be less than the costs associated with the change.

- They relate to accounts held with banks abroad, which are currently outside the remit of GBS. The Crown Commercial Representative for Banking is working with relevant Government Departments to identify how foreign banking, and indeed international cash management, might benefit from the lessons learned in dealing with sterling in terms of managing operational, counterparty and foreign exchange risk.

5 The total value held in commercial banks by Government Departments has decreased from the £7,134 million held on 30 September 2015 to £6,558 million 30 September 2016. A significant factor for the decreased balance can be attributed to UK Asset Resolution (UKAR) which has lowered its holdings by over £1,016 million since last year. Further detail is provided, alongside other policy areas which make substantive use of commercial accounts, in this report.

6 Balances held outside of the Exchequer by Academies and Network Rail were collectively £673 million higher than last year, whilst Foundation Trusts and the Nuclear Liabilities Fund reduced by £214 million. Without major policy change in these areas the commercial balances will continue to be volatile. More detail on these entities is provided below.

7 Excluding Academies, Network Rail, the Nuclear Liabilities Fund, Foundation Trusts and UKAR Government Departments held outside of the Exchequer £2,182 million in 2016 compared to £2,202 million in 2015, and funding related to the Exchequer increased from £309 million to £536 million. The biggest improvement in total balance was by MOJ; their ALB, the Office of Accountant General, transferred their bank accounts to the GBS as the new contract provides them with the specialist banking services required to manage client funds flows. The largest increase in cash held outside of the Exchequer was from DFT's London Continental Railways Ltd. Due to their continued use of commercial banking arrangements balances rose by £104 million to £235 million in 2016.

8 The Treasury's register now holds details on 1,786 commercial accounts, compared to 1,852 at the same time last year. The majority of Departments have reduced the number of accounts (10 Departments) or remain stagnant (4 Departments). BIS managed to reduce the number of accounts held ahead of transitioning to the new GBS money transmission contract:

9 The GBS money transmission contracts expired in March 2016 and new contracts were awarded in an improved, and more cost effective, operating model to Barclays and RBS. Citibank retain the bulk foreign exchange contract which plays to their global expertise. The majority of government customers encompassed in the new commercial arrangements have now been safely migrated to the new supplier banks.

10 The Treasury are hopeful this will further reduce the value and volume of accounts held with commercial banks, for example under the new terms the MOD have transitioned over 300 accounts to the GBS since their update in September 2016.

Updates on the major policy areas where high balances are held outside the Exchequer

11.1 **Academies (DFE) – £3,232 million**

The balances held by Academies are within the DFE's accounting and reporting boundary, but schools funded by Local Authorities are outside the scope of the report. Academies have financial independence, including in respect of their banking arrangements, and do not have to open GBS accounts. However, DFE's financial handbook for academies sets out DFE's accountability framework, including the requirement that an academy trust with a substantial surplus must have a clear plan of how it will be used to benefit their pupils.

Academies, as part of the DFE group, all hold commercial bank accounts outside the GBS system. Cash balances are not entirely generated from Exchequer funds. Although the Exchequer provides a vast majority of academy funding, academy trusts also receive other income streams from third parties (for example, endowments) which contribute to the cash balances. Cash balances are held by academies as working capital for salaries and other running costs throughout the month. This is a precautionary measure as academies cannot go into deficit, unlike local authority schools, and is also used as funding for long term capital projects.

DFE have committed to further looking at the drivers of commercial cash balances held by academies and how they can further reduce the level of cash balances. The Treasury are involved in these discussions and are encouraging DFE to reduce commercial balances.

11.2 **Network Rail (DFT) - £1,001 million**

Network Rail was reclassified to the public sector from 1 September 2014. DFT continues to raise the use of commercial accounts with Network Rail, and will continue to keep this under review.

11.3 **Nuclear Liabilities Fund (DECC) - £80 million**

The fund has been classified to the public sector by the Office for National Statistics for national accounts purposes. The Government guarantees the down side risk of the Fund not meeting its liabilities and the Government therefore believes taxpayers should have access to any upside benefit. The Nuclear Liabilities Fund currently has around £7,450 million invested within the National Loans Fund, out of its total assets of around £8,960 million. Of the remaining £1,510 million outside the Exchequer, about £80 million is retained in liquid assets. The Treasury has asked the Fund to agree a plan to bring the additional funds within the Exchequer.

11.4 **UK Asset Resolution (Treasury) - £32 million**

Commercial balances held by UKAR were first reported in January 2014's Treasury Minute as £2.7 billion. Since then officials have worked to reduce the balances and, following the redemption of 'Aire Valley' debt securities, UKARs' requirement to hold collateral has been reduced significantly and now only £32 million is held in commercial accounts. Unless balances increase again, UKAR's balances will be consolidated into the Treasury's return.

11.5 **Foundation Trusts (DH) - £29 million**

NHS Providers (Trusts and Foundation Trusts) currently sit outside of both the DH's Cashflow Management Scheme and Net Cash Requirement boundaries, and DH's powers of influence over this sector are limited.

However, NHS trusts are required, under legal direction issued jointly by DH and the Treasury, to ensure that average cleared balances held outside of the Exchequer pyramid do not exceed £50k. They are free to hold cash or invest in selected Exchequer products.

In the Foundation Trust sector, DH are not prescriptive on banking issues and do not have the legal powers to direct them on such matters. Foundation Trusts are autonomous organisations whose freedom is underpinned by legislation and can decide locally how to deliver best value from their income; this may include the use of commercial accounts. Foundation Trusts must meet liquidity and working capital targets set by NHS Improvement as a prudent way of managing risk and ensuring continuity of vital services. In meeting these requirements, many Foundation Trusts choose to hold working capital lines with commercial banks linked to accounts held with that bank.

The Treasury will continue to work on this at an official level with DH to ensure that we balance the need for effective cash management, and the need for independence and local decision making to deliver best value from these bodies.

12. Annex B contains a detailed summary of commercial balances as at the end of September 2016 compared to September 2015. The sterling equivalent of Euros and US Dollars is included in the total balances

Government Cash Management

13 The Treasury agrees with the National Audit Office's conclusion that the main strength of the Cashflow Management Scheme uses a combination of financial incentives, in the form of charges and rebates, and non-financial incentives, in the form of league tables. The Treasury keeps the rules of the Cashflow Management scheme under constant review to ensure that it meets the desired objective. The Treasury will be consulting with other Government Departments on ways the scheme could be improved further over the next 4 months.

14 Annex C shows the Cashflow Management Scheme's league table for 2015-16, as well as the latest table for the financial year so far. Overall Departmental forecasting accuracy continues to improve.

15 The Treasury retains the ability to apply a penalty interest charge to Departments who enter an overdrawn cash position. In 2015-16 there were 8 instances of a Departments group of GBS accounts, or Supply Estimate account, going overdrawn by over £1 million. This compares to 26 instances the previous year.

16 As part of the GBS banking transition, the Treasury issued guidance for Departments on setting up their banking structures in a way that reduced the risk of going overdrawn. Officials continue to work closely with the Government Banking Service to ensure that all Departments Supply Estimate accounts remain in credit, and overdrawn positions are rectified promptly.

17 The Treasury values the Committee's continued support and interest in this area. The Treasury will continue to keep the Committee updated and would appreciate any feedback, which the Committee may have on the presentation of this information to ensure that the annual updates are as useful as possible.

Government Cash Management - Update

HM Treasury

Annex A

Annex A provides an update on the Government response to the Committee's 33rd report from Session 2008-09. All Departmental responses are available. The Treasury has selected some informative responses to provide an overview.

1: Committee of Public Accounts conclusion

Departments and their sponsored bodies should have their main account with the Government Banking Service, so that unspent money is kept at the Exchequer.

Recommendation:

This is one of the most important elements of good cash management in Government, as it not only reduces Government borrowing but minimises risks and allows the Government to plan and manage its cash flow more cost-effectively. Organisations should only have commercial bank accounts where they have agreed with the Treasury that the Government Banking Service cannot satisfy a particular business need.

1.1 All Departments hold their main accounts with the Government Banking Service (GBS). Departments have continued to work with the Treasury to review accounts held in commercial banks, to move accounts to GBS, and to close other accounts. This has led to the closure of a number of accounts, and where new commercial accounts have been opened (with the agreement of the Treasury) their balances are being monitored by Departments. Departments are still working with their various bodies to continue this work, and they submit quarterly returns to the Treasury of the balances held in commercial accounts. These are closely monitored by the Treasury and large variances queried. In addition all accounts held outside GBS are subject to annual review. For example:

- **MOJ** and all of its sponsored bodies have their main accounts with GBS. MOJ has extended the requirement to transactional processing of Exchequer funds through GBS accounts.

- Three of **DECC's** four executive Non-Departmental Public Bodies (NDPBs) already have their main bank accounts with the GBS. The other NDPB is planning to re-tender for its banking services in 2016-17 and will consider moving to the GBS. DECC also hold commercial bank accounts for specific contractual or operational needs.

- **DFID** currently has 46 commercial account deemed outside of the Exchequer. The Department's global footprint means that it cannot be fully supported by the Government Banking contract.

2: Committee of Public Accounts conclusion

Departments need to improve their links with sponsored bodies and collect more accurate information on when they use their cash.

Recommendation:

Based on the data, they should amend payment cycles to sponsored bodies with commercial bank accounts, so that the bodies receive money when they need it, and not before. This amendment may be for more frequent payments, or making the monthly payments closer to the date when significant liabilities, such as payroll, need to be met.

2.1 Departments continue to work on those systems already in place which improve links with their arm's length bodies (ALBs). Where appropriate, ALBs have been given a GBS account in order to keep funding within the Exchequer as long as possible. The improved information regarding funding flows has helped to ensure that payments are not made in advance of need and has improved the accuracy of cashflow forecasts. For example:

- **DCMS** scrutinise Arts Council England and other ALB's forecasts monthly to ensure they are not drawing down funds in advance of need. Across our other ALBs there was a reduction of exchequer funds held outside GBS.

- **DFE** - General Annual Grant (GAG) payments to the academy trusts' commercial accounts are paid in 12 equal instalments across the academic year. The Education Funding Agency previously set limits on the proportion of GAG that any academy trust could carry forward from one year to the next. In the interests of reducing bureaucracy and increasing freedoms, these limits have been removed so that academy trusts have the freedom to keep money aside for when it is needed most and to build up reserves, for example for long-term capital projects.

3: Committee of Public Accounts conclusion
Public bodies need to gather information from business units to forecast individual monthly expenditure.

Recommendation:
To do this effectively, they need to structure them to facilitate continuous dialogue between those staff responsible for forecasting cash requirements, and those making payments. They also need to emphasise to budget holders responsible for approving large payments and claiming receipts in their own organisation, as well as any sponsored bodies, the importance of accurate forecasting and communicating any changes to forecasts as soon as possible to the cash managers.

3.1 All Departments have a single central point of contact for cash forecasting. The benefits of greater internal integration are evident in the improvements in Departments' monthly variance figures. Similar to the Cashflow Management Scheme, Departments feed back to their bodies on performance, highlighting the importance of good cash forecasting and investigating discrepancies. For example:

- **DEFRA** continues to work closely with our shared service provider to ensure performance in this area is closely monitored and any issues escalated as necessary. This year the introduction of the Single Operating Platform has led to Defra creating a new working relationship with its shared service provider to successfully embed the new processes.

- **DFT** complies with this requirement by regularly exchanging information and communications with the central Department and agencies and arm's length bodies and promotes its cash management policies internally.

- **MOD** recognises the importance of accurate and reliable cash forecasting. The large Department's accuracy of forecasting league table is reported monthly to senior management. The Department has taken steps to improve the MOD's position by placing a greater emphasis on analysing business units' monthly cash forecasts against actual cash spend and introduced improvement activity which is now incorporated into the Finance Transformation Programme.

4: Committee of Public Accounts conclusion
With the tighter fiscal position, Boards should have greater oversight of information on cash flow, so they better understand the pattern of spend, as well as total spend, and can address any potential risks.

Recommendation:
Central finance teams should develop more informative reports, which ought to include movements in the main current bank accounts and comments on variances. Where there is an operational need to have commercial accounts, Boards should ensure that cash balances are invested in interest earning accounts, while having due regard for credit risk. They should also receive reports on the proportion of their cash which earns interest, the rates earned, and a credit assessment of the institution with which their funds are held.

4.1 Departments report to their boards on a monthly or quarterly basis about their position in the Cashflow Management Scheme league table and their outturn. This is done by varying methods. However some Departments are still working to improve their lines of reporting. For example:

- **DCLG** has strengthened the quality and range of its management information. Monthly information about cash management is a standard part of reporting to the Finance Sub-Committee and Executive Team, and periodically to the Board, including data on performance against parliamentary limits for cash draw down and the accuracy of monthly cash forecasting.

- **BIS** Central Finance team provide monthly reporting of cash forecasting and performance via the Management Accounts Pack and commercial balance information is also provided to the Performance, Finance and Risk committee. This information is provided on a monthly basis for Cash flow reporting and annually for reporting of commercial balance information including interest rates, banking institutions and relevant credit ratings.

- **Home Office** cash forecasting performance is reported within key finance report. The Home Office also publishes a quarterly consolidated statement of financial position which is discussed at senior Board level.

5: Committee of Public Accounts Recommendation:
Organisations should manage their payments in a way that allows them to use the most cost-effective methods, and develop strategies for limiting the use of expensive paper Handling.

5.1 BACS is the preferred method of payment and is used by all Departments for the majority of transaction. Internal transfers are used when paying another Government Department, in some circumstances this is impossible and BACS is the next best alternative, CHAPS is only used when necessary and Government Procurement Cards are used for low-value payments. For example:

- **DWP** ceased payment by cheque in 2013. DWP make approximately 800 million pensions and benefit payments per annum to Great Britain and Northern Ireland customers by a combination of Direct BACS Payments, Post Office Card Accounts, Faster Payments and Simple Payments. Over 85% of all DWP payments are made by BACS costing less than 0.5p per transaction and by far the cheapest method.

- The bulk of the **FCO's** UK payments are made using BACS. With GBS support the FCO have pre-agreed FX rates and are further rolling out host to host payments processing capabilities to reduce the cost of making overseas payments.

- **MOD** is implementing the Contracting, Purchasing and Finance Project during financial year 2016-17, which will significantly increase the number of automated payments.

6: Committee of Public Accounts conclusion
The Treasury needs to extend its incentives to encourage public bodies to keep more money in accounts at the Exchequer, for example: by making bodies' performance in this regard more transparent.

Recommendation:
Central finance teams should develop more informative reports, which ought to include movements in the main current bank accounts and comments on variances. Where there is an operational need to have commercial accounts, Boards should ensure that cash balances are invested in interest earning accounts, while having due regard for credit risk. They should also receive reports on the proportion of their cash which earns interest, the rates earned, and a credit assessment of the institution with which their funds are held.

6.1 The Treasury has continued to work proactively with Departments and GBS to reach our collective goal by:

- Updating the register of commercial accounts held by Departments and their public bodies, and working with Departments to authorise new commercial accounts when it is not possible to place funds with the GBS;

- Monitoring quarterly information on commercial balances and continuing to push for limits on all commercial accounts;

- Issuing all Departments with a Cashflow Management Scheme Guide, to supplement the Treasury's guidance *Managing Public Money*. Its contents will be reviewed continually and updated as necessary.

7: Committee of Public Accounts conclusion
The Treasury is already working with Departments to improve their performance, but should focus more on those Departments with the greatest scope to improve, based on current performance and the context in which they operate.

Recommendation:
In light of the tighter fiscal position, it should work with all Departments to help them identify how they can improve their forecasting accuracy, particularly at the end of the financial year, without compromising the policy of minimising cash balances held in commercial accounts.

7.1 The Treasury issues league tables at official level to Departments each month and the end of each year writes to Departmental Finance Directors to update them on their Department's Cashflow Management performance.

7.2 The Treasury provides coaching and support to new Departmental Cash Managers or underperforming Departments. The level of training is proportional to the funds for which the Cash Manager is responsible.

7.3 The Treasury runs an annual Departmental Seminar which brings together around eighty Departmental Cash Managers. The Seminar is intended to spread best practice and to help improve cashflow forecasting.

8: Committee of Public Accounts conclusion
Where there is a value for money case for using a commercial provider for standard banking services, public bodies should seek approval from the Treasury.

Recommendation:
When procuring specialised banking services, organisations should first check whether the new Government Banking Service is able to provide them. If not, they should work with the Government Banking Service during the specification and tendering process, as it can coordinate knowledge sharing across the wider public sector.

8.1 The role of the GBS as an expert on money transmission services is now well embedded as has been evidenced in the procurement of the finely priced new contracts.

8.2 Building upon the cross-Government relationships established during the successful procurement and subsequent migration of banking services, the Government Banking Service brings together key Government customers to share banking and payment best practise, maximise efficiencies across the supplier base and agree common approaches to payment industry issues. Knowledge of existing and new products is additionally shared across Government by a regular newsletter to Finance Directors.

Annex B: Summary of Commercial Balances as at September 2016

	2015	2016	2015		2016	
	Total number of commercial accounts	Total number of commercial accounts	Total value commercial accounts	Of which fund related to Exchequer	Total value commercial accounts	Of which fund related to Exchequer
			£m	£m	£m	£m
Business (BIS) (Note 1)	103	79	210.28	16.63	182.27	19.74
Communities (DCLG)	18	18	4.67	0.76	10.13	3.65
Culture (DCMS)	281	290	223.76	30.26	297.74	41.32
Energy (DECC)	11	9	12.70	12.70	17.01	17.01
Environment (DEFRA) (Note 1)	42	39	40.27	4.03	64.83	4.26
Health (DH) (Note 1)	100	96	49.38	48.98	45.93	39.27
Transport (DFT)	15	15	315.88	135.73	435.84	238.91
Education (DFE) (Note 2)	6	4	0.13	0.13	0.03	0.03
International (DFID) (Note 1)	50	46	0.65	0.03	0.52	0.09
Work and Pensions (DWP)	71	70	391.54	16.38	174.81	23.77
Foreign (FCO) (Note 1)	318	301	164.31	0	253.69	0
Revenue and Customs (HMRC)	21	21	38.52	27.63	40.36	23.16
Home Office (HO)	10	10	10.37	10.13	9.15	8.89
Treasury (HMT) (Note 1)	29	34	50.53	0	57.12	0
Justice (MOJ) (Note 1)	87	83	238.46	3.61	139.31	10.50
Defence (MOD) (Note 1)	690	671	450.80	1.56	453.03	105.68
Total from Departments	**1852**	**1786**	**2202.24**	**308.56**	**2181.76**	**536.27**
DFE Academies			2804.00		3232.00	
DH Foundation Trusts (Note 5)			98.00		28.64	
Treasury UK Asset Resolution			1048.63		32.30	
Nuclear Liabilities Fund			225.00		80.00	
Network Rail			756.00		1001.00	
Sub-total			**4931.63**		**4373.94**	
Grand Total			**7133.87**		**6555.70**	

Figures are compiled as per the Departmental return to the Treasury.

Notes: (1) Total balance includes US Dollar and / or Euro Sterling equivalents balances as per rates published in the *Financial Times*. **(2)** Figures for Academies are as at March 2015 and March 2016 as data can only be provided once a year. **(3)** The BIS total number of accounts held and Academies' and MOD's total value in commercial accounts at the end of September 2015 has been restated.

Annex C: Cashflow Management Scheme League Tables

	April 2015 to March 2016	
	Cumulative Ranking	Average % Monthly Variance on Cash Forecast
Energy (DECC)	1	0.26
Work and Pensions (DWP)	2	0.50
Business (BIS) – inc UKAEA	3	0.66
Revenue and Customs (HMRC)	4	0.97
Education (DFE) / Teachers Pensions	5	1.40
Wales Office	6	1.44
Treasury (HMT)	7	1.73
NHS Pensions	8	2.37
International (DFID)	9	2.63
Transport (DFT)	10	2.89
Home Office	11	2.95
Scotland Office	12	3.07
Royal Mail Pension	13	3.23
Culture (DCMS)	14	3.69
Communities (DCLG)	15	4.00
Health (DH)	16	4.22
Northern Ireland Office	17	4.30
Justice (MOJ)	18	5.30
Environment (DEFRA)	19	6.34
Civil Superannuation	20	8.02
Defence (MOD) inc Pensions	21	9.94
Foreign (FCO)	22	10.63

	April 2016 to October 2016	
	Cumulative Ranking	Average % Monthly Variance on Cash Forecast
Energy (DECC)	1	0.15
Work and Pensions (DWP)	2	0.65
Treasury (HMT)	3	0.80
Business (BIS) – inc UKAEA	4	0.82
Education (DFE) / Teachers Pensions	5	1.22
International (DFID)	6	1.61
Health (DH)	7	1.69
Royal Mail Pension	8	1.86
Wales Office	9	1.91
Culture (DCMS)	10	2.39
Revenue and Customs (HMRC)	11	2.49
Home Office	12	2.61
Scotland Office	13	2.86
NHS Pensions	14	3.34
Justice (MOJ)	15	3.79
Communities (DCLG)	16	4.23
Environment (DEFRA)	17	4.43
Northern Ireland Office	18	5.91
Transport (DFT)	19	7.47
Foreign (FCO)	20	7.96
Defence (MOD) inc Pensions	21	8.63
Civil Superannuation	22	10.36

Forecast Net Payment Flow and Outturn Figures: 2015-16

- Total forecast: £474.12 billion.
- Total outturn: £470.21 billion.

The above league tables are used in the Cashflow Management Scheme, which monitors the payments and receipts of each Government Department. Each month, Departments submit forecasts of their gross payments and receipts. By monitoring their Government Banking Service accounts, the Treasury calculates the implied net payment flow using opening balance plus funding received from the Consolidated Fund minus closing balance to give the implied net payment flow figure for the month. The difference between the forecast and the outturn is expressed as a percentage of the Forecast Net Payment flow. The target is for departments to be within 5% of their Forecast Net Payment flow figure. Departments receive monthly feedback on their performance showing both monthly and year to date outturn.

List of Treasury Minutes 2015-20[11]

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

Session 2016-17

Committee Recommendations: 139[12]
Recommendations agreed: 127 (91%)
Recommendations disagreed: 12 (9%)

Publication Date	PAC Reports	Ref Number
November 2016	Government responses to PAC reports 1 to 13	Cm 9351
December 2016	Government responses to PAC reports 14 to 21	Cm 9389
February 2017	Government responses to PAC reports 22-28	
March 2017	Government responses to PAC reports 29-31+	

Session 2015-16

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

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

[11] List of Treasury Minute responses for Sessions 2010-15 are annexed in the Government's response to PAC Report 52
[12] Recommendations up to December 2016

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	

ISBN 978-1-4741-3963-2