HM Treasury

# Treasury Minutes

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

Cm 9202 February 2016

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

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

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

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

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

Cm 9202 February 2016

TREASURY MINUTES DATED 10 FEBRUARY 2016 – PROGRESS REPORT ON THE IMPLEMENTATION OF GOVERNMENT ACCEPTED RECOMMEDATIONS OF THE COMMITTEE OF PUBLIC ACCOUNTS: SESSIONS 2010-12, 2012-13, 2013-14 AND 2014-15.



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# Progress on the implementation of Government accepted recommendations of the Committee of Public Accounts: Session 2010-12

## Updates on recommendations, previously reported as work in progress, are included in this update:



## The reports below have implementation dates falling after February 2016. Therefore, these reports are not included in this update:

| # | Report Title |
|---|---|
| 17 | Academies Programme |
| 21 | Youth justice system in England and Wales: reducing offending by young people |
| 24 | Delivering the cancer reform strategy |
| 42 | Getting value for money from the education of 16-18 year olds |
| 70 | Oversight of special education for young people aged 16-25 |
| 83 | Child Maintenance and Enforcement Commission: structured cost reduction |

## The recommendations in the reports below were previously fully resolved and are not included in this update:

| # | Report Title |
|---|---|
| 2 | Delivering multi-role tanker aircraft capability |
| 3 | Tackling equalities in life expectancy in areas with the worst health and deprivation |
| 4 | Progress with value for money savings and lessons for cost reduction programmes |
| 6 | Cafcass's response to increased demand for its services |
| 7 | Funding the development of renewable energy technologies |
| 8 | Customer First Programme: delivery of student finance |
| 9 | Financing PFI projects in the credit crisis and the Treasury's response |
| 11 | Community Care Grant |
| 12 | Central Governments use of consultants and interims |
| 13 | Department for International Development's bilateral support to primary education |
| 14 | PFI in housing and hospitals |
| 15 | Educating the next generation of scientists |
| 16 | Ministry of Justice Financial Management |
| 18 | HM Revenue and Customs 2009-10 Accounts |
| 19 | M25 Private Finance Contract |
| 20 | OFCOM: the effectiveness of converged regulation |
| 22 | Excess Votes 2009-10 |
| 23 | Major Projects Report 2010 |
| 25 | Reducing errors in the benefits system |
| 26 | Management of NHS hospital productivity |
| 27 | Managing civil tax investigations |
| 28 | Accountability for public money |
| 29 | BBC's management of its digital media initiative |
| 30 | Management of the Typhoon Project |
| 31 | Asset Protection Scheme |
| 32 | Maintaining financial stability of UK banks: update on the support schemes |

**The recommendations in the reports below were previously fully resolved and are not included in this update:**

| # | Report Title |
|---|---|
| 33 | NHS Landscape Review |
| 35 | Procurement of consumables by NHS acute and Foundation Trusts |
| 36 | Regulating financial sustainability in higher education |
| 37 | Departmental Business Planning |
| 38 | Impact of the 2007-08 changes to public service pensions |
| 39 | Intercity East Coast passenger rail franchise |
| 40 | Information and communications technology in Government |
| 41 | Regulating Network Rails efficiency |
| 44 | Lessons from PFI and other projects |
| 45 | National programme for IT in the NHS: an update |
| 46 | Transforming the NHS ambulance services |
| 47 | Reducing the costs in the Department for Work and Pensions |
| 48 | Spending reduction in the Foreign and Commonwealth Office |
| 49 | Efficiency and Reform Group’s role in improving public sector value for money |
| 50 | Failure of the FiReControl Project |
| 51 | Independent Parliamentary Standards Authority |
| 52 | Department for International Development Financial Management |
| 53 | Managing high value capital equipment in the NHS in England |
| 54 | Protecting consumers: the system for enforcing consumer law |
| 55 | Formula funding of local public services |
| 56 | Providing the UK’s carrier strike capability |
| 58 | HM Revenue and Customs: PAYE, tax credit debt and cost reduction |
| 59 | Cost effective delivery of an armoured vehicle capability |
| 60 | Achievement of Foundation Trust status by NHS hospital trusts |
| 61 | HM Revenue and Customs 2010-11 Accounts: tax disputes |
| 62 | Means Testing |
| 63 | Preparations for the roll-out of smart meters |
| 64 | Flood risk management in England |
| 65 | Department for International Development: transferring cash and assets to the poor |
| 66 | Excess Votes 2010-11 |
| 67 | Whole of Government Accounts 2009-10 |
| 68 | Major Projects Report 2011 |
| 69 | Report number not used by the Committee |
| 72 | Services for people with neurological conditions |
| 73 | BBC’s Efficiency Programme |
| 74 | Preparations for the 2012 London Olympic and Paralympic Games |
| 75 | Ministry of Justice Financial Management |
| 77 | Reorganising central Government bodies |
| 78 | CQC: regulating the quality and safety of health and adult social care |
| 79 | Accountability for public money |
| 80 | Cost reduction in central Government: summary of progress |
| 81 | Equity investment in privately financed projects |
| 82 | Education: accountability and oversight of education and children’s services |
| 84 | Adult Apprenticeships |
| 85 | Department for Work and Pensions: introduction of the Work Programme |
| 86 | Free entitlement to education for 3 and 4 year olds |
| 87 | HM Revenue and Customs Compliance and Enforcement Programme |
| 88 | Managing the change in the defence workforce |

**Progress on the implementation of Government accepted recommendations of the Committee of Public Accounts - Session 2012-13 can be located from page 16; Session 2013-14 from page 28; and Session 2014-15 from page 74.**

## First Report of Session 2010-12

### Department for Work and Pensions

### Support to incapacity benefits claimants through Pathways to Work

**Summary of the Committee's findings**

During 2008-09, the Department for Work and Pensions (the Department) paid £12.6 billion in incapacity benefits to 2.6 million people who were unable to work because of disability or ill health. The Pathways to Work programme was launched nationally between 2005 and 2008 to help reduce the number of incapacity benefit claimants through targeted support and an earlier medical assessment. It is delivered by contractors in 60% of districts, with Jobcentre Plus providing the service in the remainder. By March 2010, the programme had cost an estimated £760 million. The numbers on incapacity benefits reduced by 125,000 between 2005 and 2009. Pathways contribution to this reduction has been much more limited than planned.

**Background resources**

- NAO report: *Support to incapacity benefits claimants through pathways to work* -Session 2010-12 (HC 21)
- PAC report: *Support to incapacity benefits claimants through pathways to work* -Session 2010-12 (HC 404)
- Treasury Minute: December 2010 (Cm 7987)
- Treasury Minute – Progress Report: January 2012 (Cm 8271)
- Treasury Minute – Progress Report: February 2013 (Cm 8539)
- Treasury Minute – Progress Report: July 2014 (Cm 8899)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**
There were 10 recommendations in this report. As of the last Treasury Minute (Cm 9034), 8 recommendations were implemented and the Department disagreed with 1 recommendation. 1 recommendation remained work in progress, which has now been implemented, as set out below.

**9: Committee of Public Accounts conclusion:**
***As the Employment and Support Allowance is extended to all existing claimants, there is a risk that some of those who are re-assessed and found fit to work will not receive the employment support they need.***

**Recommendation:**
***The department should evaluate the accuracy of the new medical assessment robustly to evaluate that it is fit for purpose.***

9.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

9.2 The Government responded to the fifth and final statutory *Independent Review of the Work Capability Assessment* on 27 February 2015 and accepted all but two of the recommendations.

9.3 The Department has made considerable improvements to the Employment and Support Allowance assessment process, and has implemented, or is implementing, over 100 recommendations from the five independent reviews.

9.4 The Work Capability Assessment remains the most valid assessment of limited capability for work, and the Department is committed to reviewing and seeking further improvements to the assessment to ensure that it continues to be as effective, fair and accurate as it possibly can be.

## Fifth Report of Session 2010-12

### Department for Transport

### Increasing passenger rail capacity

**Summary of the Committee's findings**

The Department for Transport is eighteen months into a five-year, £9 billion investment programme to improve rail travel, in particular by increasing the number of passenger places on trains by March 2014. This was to be achieved by a combination of longer platforms and other station improvements and more carriages coming into London and other major cities during peak hours. The Department is responsible for securing the extra places on trains from train operators. The Office of Rail Regulation (ORR) is responsible for ensuring Network Rail delivers infrastructure efficiently.

**Background resources**

- NAO report: *Increasing passenger rail capacity* - July 2010 (HC 33)
- PAC report: *Increasing passenger rail capacity* -November 2010 (HC 471)
- Treasury Minute: February 2011 (Cm 8014)
- Treasury Minute – Progress Report: February 2012 (Cm 8271)
- Treasury Minute – Progress Report: February 2013 (Cm 8539)
- Treasury Minute – Progress Report: July 2014 (Cm 8899)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 8 recommendations in this report. As of the last Treasury Minute (Cm 9034), 6 recommendations were implemented and the Department disagreed with 1 recommendation. 1 recommendation remained work in progress which has now been implemented, as set out below.

**3: Committee of Public Accounts conclusion:**
***The department's knowledge of how many people use which parts of the rail network and when is inadequate, sketchy and so gives a poor basis for decision making.***

**Recommendation:**
***The Department should require all new train carriages, whether procured by the Department itself or by franchisees, to be fitted with automatic passenger counting equipment to show how many people are travelling on what trains and when. It should require franchisees to provide useful and verifiable data from that counting.***

3.1 The Government agreed with the Committee's recommendations.

**Recommendation implemented.**

3.2 The Department continues to seek automatic passenger count systems in new train fleets. With a range of rolling stock due for delivery, notably a number of expected Intercity Express Programme (IEP) trains in coming years, significant improvement is expected. The Department is actively working with the train operators to ensure that data are supplied and to improve the quality and quantity of those data. It has contracted for the provision of a rail passenger counts database, which will be progressively introduced during 2016. It is intended that the counts database will be a resource for the industry and not just for the Department and that the train operators therefore have a strong incentive to be part of this. Future franchise agreements will oblige train operators to provide the data needed to make the database a success.

## Tenth Report of Session 2010-2012

### Ministry of Defence

### Managing the defence budget and estate

**Summary of the Committee's findings**

The Ministry of Defence is responsible for over £42 billion of annual expenditure. While it has managed to stay within budget each year, it has failed to exercise the robust financial management necessary to control it resources effectively in the long term. It has also failed to match its future plans to a realistic assessment of the resources available. There is a shortfall in planned expenditure against likely funding of up to £36 billion over the next ten years. The Strategic Defence and Security Review did not explicitly set out how this long-standing gap between defence spending and funding would be resolved. It is imperative that the department should now do so.

**Background resources**

- NAO report: *A defence estate of the right size to meet operation needs* - Session 2010-11 (HC 70)
- NAO report: *Strategic Financial Management of the Defence Budget* – Session 2010-11 (HC 290)
- PAC report: *Managing the Defence Budget and Estate* - Session 2010-12 (HC 503)
- Treasury Minute: February 2011 (Cm 8014)
- Treasury Minute – Progress Report: January 2012 (Cm 8271)
- Treasury Minute – Progress Report: February 2013 (Cm 8539)
- Treasury Minute – Progress Report: July 2014 (Cm 8899)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 8 recommendations in this report. As of the last Treasury Minute (Cm 9034), 6 recommendations were implemented. 2 recommendations remained work in progress, all of which have now been implemented, as set out below.

**7: Committee of Public Accounts conclusion:**
***The department has not defined high level criteria or metrics to judge whether it is using its estate efficiently.***

**Recommendation:**
***The department should define the size and type of estate needed to fulfil the tasks required of it.***

7.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

7.2 The department has developed a Defence Infrastructure Strategy, which takes a long-term holistic, enterprise-wide view of infrastructure that supports Defence Outputs. The Footprint Strategy (the Strategy) (phase 1) was started in 2012, phase 2 completed in December 2015, and phase 3 completes in Summer 2106. The Strategy will concentrate initially on rationalising the estate by bringing the Army back from Germany by 2020. The Strategy is being facilitated in part by the appointment of Capita, working with URS (now AECOM) and PA Consulting as MOD's Strategic Business Partner (SBP) to lead and manage the Defence Infrastructure Organisation (DIO). This brings private sector expertise and leadership; and importantly, the SBP is incentivised to drive down the running costs of the estate and dispose of assets not required by defence.

7.3 One of the key deliverables from the Strategy is defining the future locations of MOD built infrastructure sites, identifying the essential element; the Core Estate, and those surplus to requirements. SDSR 15 secured £1 billion for the first tranches of Strategy implementation, which will enable the disposal and land release for housing targets set in the Spending Review. The Footprint Strategy should deliver a 30% reduction in the size of the built estate from a 2015 baseline by 2040 and contribute to release during this Parliament of public sector land for 55,000 new homes by 2020.

**8: Committee of Public Accounts conclusion:**
***The department does not have a good central data to inform decision making about its estate.***

**Recommendation:**
***The department should have systems in place to collect this data within 12 months, and certainly well before signing its next generation of major estates contracts. The Committee expects the department to report back on the progress it has made within six months***

8.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

8.2 The Infrastructure Management System (IMS) provides DIO with a single, integrated solution that supports strategic and day to day management of the estate and its suppliers. The programme continues to achieve its key milestones and the path of progress looks set to continue through the year. Approximately 80% of IMS functionality has now been implemented and are now delivering benefits to DIO's core business operations including Capital Projects, Facilities Management, Lease Administration and Utilities Management with 1,580 staff now trained and registered to use the system.

8.3 Scoping of the final functionality release (Release 3) to deliver the remaining business requirements has commenced. This functionality will be in place by December 2016 and will be followed by a phased deployment into the business over the remaining financial year 2016-17. This final release includes a requirement to integrate with MOD commercial and financial systems which are in the process of being replaced under the Contracting, Purchasing and Finance (CP&F) programme. The IMS programme team are working closely with the CP&F team to manage the dependencies and to secure agreement on the timescales to deliver these interfaces.

## Thirty Fourth Report of Session 2010-12

### Home Office

### Immigration: the Points Based System – work routes

**Summary of the Committee's findings**

The Government's policy is to allow the migration of skilled workers to the UK to support economic growth and better public services. The Home Office (the Department) has overall responsibility for immigration policy and securing the UK's border, which it discharges through the UK Border Agency (the Agency). The Agency has the hugely difficult task of designing and operating an immigration system which enables the UK to get the skills it needs, while protecting the interests of workers already resident in this country.

**Background resources**

- NAO report: *Immigration: the Points Based System – Work Routes* - Session 2010-11 (HC 819)
- PAC report: *Immigration: the Points Based System – Work Routes* - Session 2010-12 (HC 913)
- Treasury Minute: July 2011 (Cm 8129)
- Treasury Minute – Progress Report: July 2012 (Cm 8387)
- Treasury Minute – Progress Report: July 2014 (Cm 8899)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 7 recommendations in this report. As of the last Treasury Minute (Cm 9034), 6 recommendations were implemented. 1 recommendation remained work in progress, which has now been implemented, as set out below.

**2: Committee of Public Accounts conclusion:**
***The Agency has not done enough to ensure that migrant workers leave the UK when they no longer have a right to remain.***

**Recommendation:**
***The Agency should not use the lack of exit controls as an excuse to ignore thousands of people who overstay in this country illegally. It should develop a strategy to identify and deal with those overstaying, including students, workers and others who are in the UK illegally, and report publicly at least once a year on progress in reducing their numbers. We will return to this topic in due course to evaluate progress.***

2.1 The Government partly agreed with the Committee's recommendation.

**Recommendation implemented**

2.2 Information about those leaving the UK has been collected from passengers on all in-scope scheduled commercial international air, sea and rail routes from 8 April 2015. Over time exit checks will begin to provide significant new insights into those departing, or not departing, the UK. The department will be able to establish an individual's immigration status, confirming those who have departed, and identifying potential over stayers.

2.3 The department is driving cross-government action to reduce the size of the illegal population in the UK, ensuring action is taken at every point to prevent people benefitting from their illegal presence. Implementation of the 'hostile environment' for people without a right to be in the UK will incentivise people to leave voluntarily. The Government is making it much tougher for illegal immigrants to remain in the UK by restricting their access to work, renting property, benefits, bank accounts and driving licences through the Immigration Act 2014.

2.4 In relation to students, Immigration rule changes were introduced in July 2015 to help prevent the student route being used as a backdoor to the UK's labour market and ensure only students progressing academically are able to extend their leave. The new Immigration Bill also contains a package of measures against illegal working, which together with changes to immigration officer powers, will help facilitate operational enforcement activity. The department will also streamline our processes by extending our 'deport first appeal later' approach will ensure that even more illegal migrants are removed from the UK.

## Forty Third Report of Session 2010-2012

### Ministry of Defence

### The use of information to manage the defence logistics supply chain

**Summary of the Committee's findings**

The Ministry of Defence sends supplies to forces deployed overseas for military operations, such as in Afghanistan and Libya, and to personnel stationed in permanent bases or taking part in training exercises. Staff deployed on operations determines what supplies are needed by front line troops, which are then sent to them through a supply chain that stretches back to manufacturers. The department spent at least £347 million in 2010-11 on transporting supplies overseas, but this underestimates the full cost as the cost of military supply flights is not included. Some 130,300 individual deliveries were made to Afghanistan alone in 2010.

**Background resources**

- NAO report: *The use of information to manage the defence logistics supply chain* -Session 2010-12 (HC 827)
- PAC report: *The use of information to manage the defence logistics supply chain* - Session 2010-12 (HC 1202)
- Treasury Minute: October 2011 (Cm 8212)
- Treasury Minute – progress on implementing recommendations: February 2013 (Cm 8539)
- Treasury Minute – progress on implementing recommendations: July 2014 (Cm 8899)

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 8899), 2 recommendations were implemented and 1 recommendation was no longer being implemented. 3 recommendations remained work in progress, which have now been implemented, as set out below.

**1: Committee of Public Accounts conclusion:**
***The department has put a low emphasis on value for money in managing its supply chain.***

**Recommendation:**
***The department should implement measures to capture the full cost of its supply operations, quantify the full range of potential savings it could make, and take the actions necessary to manage the supply chain more cost-effectively.***

1.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

1.2 Two organisations were established in August 2011 to address shortfalls and risks identified in the Defence Supply Chain. The Support Enablers Operating Centre (SEOC)(previously called the Inventory Management Operating Centre (IMOC)) was specifically formed to improve the management processes and information services that enable improved control of the Defence Inventory and the Support Chain; and the Logistics Commodities and Services (LCS) Operating Centre (now the Logistics Delivery Operating Centre (LDOC)), focuses on storage and distribution of inventory and procurement of commodity items for the Armed Forces. The LDOC is transforming how these services are delivered in order to ensure military supply, whilst providing better value for money to the department.

1.3 The Logistics Commodities and Services Transformation (LCS(T)) project, which commenced on 1 August 2015, signalled the outsourcing of £6.7 billion of Defence business covering storage, distribution and commodity procurement to a commercial delivery partner for a 13-year contractual term. The project is expected to deliver around £467 million of savings, as well as significant performance benefits, over its 13-year life. However, the department recognises the potential opportunity provided by the contract and has set up a further project, within DE&S, to build on these benefits and exploit any commercial advantages. Further savings in the supply chain have been delivered as part of the Inventory Management Strategy.

**2: Committee of Public Accounts conclusion:**
***The department has made little progress in resolving long-standing problems with its supply chain information, despite previous assurances to the Committee.***

**Recommendation:**
***Past plans to upgrade these systems have come to nothing as the department has focused on other priorities. To ensure progress is made this time, the Committee will hold the department to its promise to report back to the Committee on progress in six and twelve months' time.***

2.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented**

2.2 The roll-out of Joint Asset Management and Engineering Solutions (JAMES) provides detailed information of vehicles and engineering assets, which facilitates effective management and planned maintenance. Continuation of the JAMES service from December 2015 to 2021 has been completed, which will upgrade the system's capability to enable the retirement of other legacy systems by wider usage of JAMES.

2.3 MJDI was delivered into service in April 2014. The capability was fully rolled out in the Land, Air and Maritime (ashore) locations, and on all Maritime (afloat platforms)

2.4 The initial Logical Data Model (LDM) requirement was delivered in June 2014. As part of an overall Enterprise Data Warehouse capability the LDM will continue to develop over time, in order to build a complete inventory management picture and to enable more effective supply chain decisions to be made through the provision of accurate and timely master data.

2.5 The Base Inventory and Warehouse Management System (BIWMS) is a multi-phase project. Release 1 has been delivered and Release 2 has been approved for roll-out to the Air Domain, with Initial Operating Capability scheduled to be achieved by December 2016. The proposals for the remaining releases to replace base inventory systems for Land, Maritime and Munitions were reviewed in December 2013 and rejected on commercial grounds. The period of review culminated in the development of a revised approach in which the remaining releases were expected to be delivered as part of a Future Inventory Management Systems. Funding options for the delivery of this programme are being explored with the appropriate capability sponsors and the Joint User. Additionally the Department is running the Inventory Reconciliation Programme (IRP) which will improve the financial accuracy of inventory accounting records.

**4: Committee of Public Accounts conclusion:**
***Deliveries for operations in Afghanistan are often late due to delays in receiving goods from suppliers.***

**Recommendation:**
***The department should set the terms of its contracts with suppliers so that manufacturers are better incentivised to deliver supplies in good time.***

4.1 The Government agreed with the Committee's recommendations.

**Recommendation implemented.**

4.2 The department has reviewed the significant majority of its logistics supply contracts and where appropriate has renegotiated with key suppliers to incentivise the manufacturers to achieve required delivery timeframes. The department is also reviewing standard terms and conditions to ensure the provision of adequate information by contractors to meet the requirements of the department's annual accounts, and to ensure the appropriate use of and compliance with departmental inventory systems and processes.

4.3 For over two years there has also been an increased focus on contract management in the department with the appointment of a dedicated Director of Contract Management. Investment is underway to improve internal contract management organisation, policy and information to ensure MOD manages better holding the supplier to their contractual obligations. This will also improve the value driven through the life of contracts. This approach together with a more focused supplier management approach has improved visibility throughout the supply chain and will continue to assist in delivering improvements in this critical area.

4.4 The Inventory Management Transformation (IMT) project is establishing the management system to provide better control of the Defence Inventory. Complementary to this, the on-going LCS(T) project includes the implementation of a commercial model with mechanisms to incentivise and maximise efficiency and cost-effectiveness in the supply chain.

## Fifty Seventh Report of Session 2010-12

### Department of Health

### Oversight of user choice and provider competition in care markets

**Summary of the Committee's findings**

Successive governments have supported the move towards using personal budgets and markets to promote user choice and provider competition in social care. The introduction of the Care Act 2014 provides a new legislative focus on personalisation by placing personal budgets into law for the first time for people and carers, increasing opportunities for greater choice, control and independence, so that people can choose care and support best suited to meet their needs.

**Background resources**

- NAO report: *Oversight of user choice and provider competition in care markets* – 2010-12 (HC 1458)
- PAC report: *Oversight of user choice and provider competition in care markets* - 2010-12 (HC 1530)
- Treasury Minute: February 2012 (Cm 8359)
- Treasury Minute – Progress Report: February 2013 (Cm 8539)
- Treasury Minute – Progress Report: July 2014 (Cm 8899)
- Treasury Minute – Progress Report: March 2015

**Updated Government response to the Committee**

There were six recommendations in this report. As of the last Treasury Minute, 2 recommendations were implemented. 4 recommendations remained work in progress, all of which have now been implemented, as set out below.

**1: Committee of Public Accounts conclusion:**
***There are no arrangements yet in place to oversee regional care markets, but the Department said that it was considering a range of options for overseeing the market in care.***

**Recommendation:**
***The Department must specify what market share at the local level is acceptable, what arrangements will be made to keep market shares of large-scale providers under review, and what additional powers it requires in case it needs to intervene to prevent a provider becoming dominant.***

1.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

1.2 The introduction of the Care Act, 2014 places duties on local authorities to promote their entire market for care and support, including the care they commission themselves and care bought by individuals and families ('self-funders'), to ensure that people have a choice of services and providers, promoting quality, diversity and sustainability. The Department published guidance in October 2014 to support local authorities to meet these new duties. The Department funded a programme, which ended in March 2014 that helped local authorities meet these new 'market shaping' duties.

1.3 There is an effective competitive market for independent providers of both care at home and residential care. The Department has no plans to take powers to restrict this market. However, the new duties on local authorities together with support from the Department will mean that local markets will be facilitated to ensure sustainability, which will include having regard to any market distortions such as one provider becoming dominant. Nationally, there is no such dominance – the top 5 residential care provider organisations only represent 13% of the whole market (in terms of numbers of beds).

**4: Committee of Public Accounts conclusion:**
***The Department has no power to compel local authorities to implement personal Budgets.***

**Recommendation:**
***The Department should specify the actions it will take, including penalties, to ensure Local authorities meet this important Government target.***

4.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 The Care Act requires that everyone eligible for care and support will be provided with a personal budget, as part of their care and support plan. The care plan will set out what needs the person has, what they want to achieve and the level of funding both the local authority and the individual (if appropriate) will pay to meet these needs.

4.3 The Department has worked collaboratively with social care stakeholders to produce the statutory guidance and regulations to support the Care Act. This includes new guidance on care and support planning, personal budget and updated guidance and regulations on direct payments as well as best practice implementation support products designed to help local authorities deliver the Care Act reforms. The Care Act final guidance and regulations were published on 23 October 2014, before coming into force in April 2015.

**5: Committee of Public Accounts conclusion:**
***The quality of support available to personal budget users is variable.***

**Recommendation:**
***The Department should work with the Association of Directors of Adult Social Services to produce an action plan aimed at developing and sharing best practice to improve the individual's experience of using personal budgets, and ensure that all the different user Groups receive the necessary support. Only in this way will personal budgets support Individual choice and control over time.***

5.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

5.2 The Department expects to see all local authorities improving the access people have to independent advice, to support individuals to plan and put in place their own care arrangements via personal budgets.

5.3 The Care Act 2014 sets out expectations around practice, which are intended to support individuals to manage their care needs and to promote choice and control. The Care Act 2014 reforms set out a number of new duties for local authorities:

- that LAs must provide people in their respective areas with information and advice relating to care and support for adults and support for carers;
- when undertaking a care or support plan with a person, the Care Act2014 sets out that local authorities must take all reasonable steps to involve the person and any other person the adult requests to be involved; and
- a new duty from April 2015 for local authorities in specific circumstances to arrange an independent advocate for those who have substantial difficulty in being involved in their care plan and have no family, friend or carer who can support that.

**6: Committee of Public Accounts conclusion:**
***There is inconsistency and confusion in what users can spend personal budgets on and inadequate redress when things go wrong.***

**Recommendation:**
***The Department should provide greater clarity on what personal budget spending is permissible and develop a clear complaints process aimed at resolving problems quickly and securing appropriate redress.***

6.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

6.2 The Department worked collaboratively with social care stakeholders to produce the statutory guidance and regulations to support the Care Act. This includes new guidance on care and support planning, including the use of personal budgets, and updated guidance and regulations on direct payments. This guidance sets out that there should be no limitations on what personal budgets and direct payment can be used for, as long as they are used to meet needs identified in the care plan. The Care Act 2014, came into force in April 2015.

6.3 The Care Act includes provisions to introduce an Appeals process. One of the key drivers for the appeals policy was the increase in numbers of self-funders coming into the social care system to get their account towards the cap on care costs started. As the introduction of the cap has been postponed, Ministers have decided to delay implementation of the appeals policy and introduce it at the same time as the cap on care costs planned for April 2020. Adults who use the care and support system can continue to use the complaints process, as they do now. The Department will continue to work with stakeholders to develop the detail of the policy and support local authorities so that they are prepared for planned implementation in April 2020.

## Seventy First Report of Session 2010-12

### Department for Transport

### Reducing costs in the Department for Transport

**Summary of the Committee's findings**

As part of the 2010 Spending Review, the Government announced a significant reduction in the budget of the Department for Transport, with spending due to be 15% lower by 2014-15, in real terms, than the Department's £12.8 billion budget in 2010-11. While some of the reductions in capital spending were reversed in the 2011 Autumn Statement, the Department still has significant expenditure reductions to manage including their own administrative budget being cut by a third. The Committee commends the Department for preparing for the Spending Review early and making a systematic assessment of budget reductions, supported by generally good analysis, but the Committee still has concerns that the Department needs to address.

**Background resources**

- NAO report: *Reducing costs in the Department for Transport* - Session 2010-12 (HC 1700)
- PAC report: *Reducing costs in the Department for Transport* - Session 2010-12 (HC 1760)
- Treasury Minute: May 2012 (Cm 8352)
- Treasury Minute - Progress Report: July 2014 (Cm 8899)
- Treasury Minute - Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 6 recommendations in this report. At the time of the last Treasury Minute (Cm 9034), 2 recommendations were implemented and the Department disagreed with 3 recommendations. 1 recommendation remained work in progress, which has now been implemented, as set out below.

**5: Committee of Public Accounts conclusion:**
***The Department does not have a full understanding of the likely impact of reducing road maintenance budgets.***

**Recommendation:**
***The Department should monitor road conditions closely with a view to avoiding increased future costs; and it should publish regular assessments which detail where it sees particular risks and how it plans to mitigate them.***

5.1 The Government agrees with the Committee's recommendation.

**Recommendation implemented.**

5.2 To ensure transparency, efficiency and operational focus, the Government introduced legislation to reform the management of England's strategic road network (SRN). Highways England became the highways authority for England's SRN on 1st April 2015. Local roads remain the responsibility of local authorities.

5.3 Under the new model, the Office of Rail and Road (ORR), in its capacity as Highways Monitor, will monitor Highways England's performance and efficiency in detail against the objectives and targets in the Department's Road Investment Strategy (RIS) and compliance with the Licence, reporting regularly to the Department. The performance specification that accompanies the RIS includes a key performance indicator on the condition of the pavement asset.

5.4 Local highway authorities have a statutory duty under the Highways Act 1980 for maintaining and repairing the highway which falls under their area of responsibility that is maintained at public expense. The Department publishes Official Statistics on Road Conditions in England, providing an indication of whether the condition is improving or worsening. The March 2015 publication introduced new headline measures following the conclusion of discussions with industry stakeholders and local authorities to establish what was most appropriate, mirroring similar analysis conducted for the SRN. This should ensure the sector has the information that it requires to monitor condition, updated on a regular annual cycle from this point forwards.

## Seventy Sixth Report of Session 2010-12

### Department for Business, Innovation and Skills

### Reducing bureaucracy in further education in England

**Summary of the Committee's findings**

Further education is delivered by over 1,000 different providers, mainly further education colleges or independent training businesses. They offer a wide range of education and training, which is funded through different government bodies. The Department for Business, Innovation and Skills and the Skills Funding Agency provide funding for further education students aged 19-plus. The Department for Education and the Young People's Learning Agency fund further education for 16-18 year-olds. These two departments provided £7.7 billion in funding to the sector during the 2010-11 academic year. Further education providers also deliver training for people in prisons, unemployed people and some offer higher education as well.

**Background resources**

- NAO report: *Reducing Bureaucracy in further education in England* – Session 2010-12 (HC1590)
- PAC report: *Reducing Bureaucracy in further education in England* - Session 2010-12 (HC1803)
- Treasury Minute: May 2012 (Cm 8352)
- Treasury Minute – Progress Report: July 2014 (Cm 8899)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 4 recommendations in this report. As of Treasury Minute (Cm 8899), 3 recommendations were implemented. 1 recommendation has not been implemented, as set out below.

**2: Committee of Public Accounts conclusion:**
***Data, funding and assurance requirements on the further education sector could still be better coordinated.***

**Recommendation:**
***The department should establish a cross Government approach to harmonize the funding, assurance and information requirements placed on providers into a single system which is capable of meeting the needs of all public sector bodies that interact with providers. Further education representatives and providers should have a leading role in the design and implementation of changes.***

2.1 The Government agreed with the Committee's recommendation.

**Recommendation not implemented.**

2.2 This recommendation is no longer being implemented as the Department was originally implementing a far reaching simplification plan, but this has been overtaken by the need to restructure the whole FE College (and Sixth Form College) sector. This restructuring has been prompted by challenges to the financial health of the sector. Restructuring will force colleges (as independent businesses) to increase their efficiency.

2.3 The department, along with the Department for Education and their funding agencies have a range of working and advisory groups that engage stakeholders in the design and implementation of policy. From the academic year 2013-14, the Education Funding Agency introduced a simple, fair and transparent method of funding for young people aged 16-19 (and for students up to 24 with an Education and Health Care Plan) based on funding per student rather than per qualification. This methodology is not appropriate for adult learners due their different learning needs. The Skills Funding Agency is reforming the skills funding system to make it simpler including a fundamental rationalisation of funding rules and increasing local influence over how skills funding is used. The revised arrangements will be operational from academic year 2016-17.

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

## Updates on recommendations, previously reported as work in progress, are included in this update:

| # | Report Title | Page |
|---|---|---|
| 1 | Government Procurement Card | 18 |
| 10 | Implementing the transparency agenda | 19 |
| 17 | Management of diabetes in the NHS | 21 |
| 24 | Nuclear Decommissioning Authority: managing risk at Sellafield | 23 |
| 25 | Funding for local transport: an overview | 24 |
| 38 | Managing the impact of housing benefit reform | 26 |
| 41 | Managing the expansion of the Academies Programme | 27 |

## The report below has implementation dates falling after February 2016. Therefore, this report is not included in this update.

| # | Report Title |
|---|---|
| 32 | Managing the defence inventory |

## The recommendations in the reports below were previously fully resolved and are not included in this update:

| # | Report Title |
|---|---|
| 2 | Mobile technology in policing |
| 3 | Efficiency & reform in Government corporate functions through shared service centre |
| 4 | Completion and sale of High Speed 1 |
| 5 | Regional Growth Fund |
| 6 | Renewed alcohol strategy |
| 7 | Immigration: the points based system – student route |
| 8 | Managing early departures in central Government |
| 9 | Preparations for the London 2012 Olympic and Paralympic Games |
| 11 | Improving the efficiency of central government office property |
| 12 | Off payroll arrangements in the public sector |
| 13 | Financial viability of the housing sector: introducing Affordable Home Programme |
| 14 | Assurance for major projects |
| 15 | Preventing fraud in contracted employment programmes |
| 16 | Securing the future financial sustainability of the NHS |
| 18 | Creation and sale of Northern Rock |
| 19 | HMRC Annual Report and Accounts 2011-12 |
| 20 | Offshore electricity transmission: a new model for delivery infrastructure |
| 21 | Ministry of Justice language service contract |
| 22 | BBC: Off payroll contracting and severance package for the Director General |
| 23 | Contract management of medical services |
| 26 | Multilateral Aid Review |
| 27 | HM Treasury Annual Report and Accounts 2011-12 |
| 28 | Franchising Hinchingbrooke Health Care Trust / Peterborough & Stamford Hospitals |
| 29 | Tax avoidance: tackling marketed avoidance schemes |
| 30 | Excess Votes 2011-12 |
| 31 | Lessons from cancelling the Intercity West Coast franchise competition |
| 33 | Work Programme outcome statistics |
| 34 | Managing budgeting in Government |
| 35 | Restructuring the National offender Management Service |
| 36 | HM Revenue and Customs customer service |
| 37 | Whole of Government Accounts 2010-11 |
| 39 | Progress in making NHS efficiency savings |

**The recommendations in the reports below were previously fully resolved and are not included in this update:**

| # | Report Title |
|---|---|
| 40 | London 2012 Olympic and Paralympic Games: post games review |
| 42 | Planning economic infrastructure |
| 43 | Report number not used by the Committee |
| 44 | Tax avoidance: the role of large accountancy firms |

**Progress on the implementation of Government accepted recommendations of the Committee of Public Accounts - Session 2010-12 can be located from page 1; Session 2013-14 from page 28; and Session 2014-15 from page 74.**

## First Report of Session 2012-13
### Cabinet Office
### Government Procurement Card

**Summary of the Committee's findings**

The Government Procurement Card (GPC) was introduced in 1997 as a convenient and cost-effective way for government bodies to make low-value purchases. A GPC is a payment card which individuals can use to purchase goods and services. The supplier is paid immediately and the balance is paid in full each month by departments. There may be clear benefits to using the GPC, but departments must maintain strong controls over its use to reduce the risk of inappropriate use or fraud, and any subsequent reputational damage.

**Background resources**

NAO Report: Government Procurement Card - Session 2012-2013 (HC 1828)
PAC Report: Government Procurement Card - Session 2012-2013 (HC 1915)
Treasury Minute: November 2012 (Cm 8467)
Treasury Minute - Progress Report: July 2014 (Cm 8899)
Treasury Minute – Progress Report: March 2015 (Cm9034)

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9034), 5 recommendations were implemented. 1 recommendation remained work in progress, which has now been implemented, as set out below.

**6: Committee of Public Accounts conclusion:**
***There is no up-to-date business case to demonstrate in which circumstances use of the Government Procurement Card represents good value for money. The most recent assessment of the value-for-money of the GPC was conducted 14 years ago, and, due to significant advances in procurement systems since that time, this assessment is outdated.***

**Recommendation:**
***The Cabinet Office should conduct a comprehensive assessment of the costs and benefits of using the cards compared with other procurement methods, and communicate its findings to all departments by autumn 2012.***

6.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

6.2 The Government Procurement Card framework was replaced in August 2014 with a new centralised commercial arrangement, 'Electronic Purchasing Card Solutions'. The business case that was developed to inform decisions on the replacement arrangement outlined annual savings of circa £4.5m to customers. The new deal was established through an open competition to secure value for money for the taxpayer.

6.3 The new deal is integral to the implementation of a strategy to reduce the number of physical plastic cards being used for low value purchases and to promote their use as part of electronic payment mechanisms as "lodged" cards in order to improve process efficiency. An additional benefit of this approach is that it supports Government's prompt payment policy. The new arrangement also provides comprehensive management information in order for departments to strengthen controls on use and to determine whether each department's use of cards is both limited and optimal in relation to alternative procurement approaches. All customers transitioned to the new deal in December 2015.

## Tenth Report of Session 2012-13

### Cabinet Office

### Implementing the transparency agenda

**Summary of the Committee's findings**

The Government's objectives for transparency are to strengthen public accountability, to support public service improvement by generating more comparative data and increasing user choice, and to stimulate economic growth by helping third parties develop products and services based on public information. The Government announced a programme of information release in two open Prime Minister's letters in May 2010 and July 2011, and made further commitments as part of the Autumn Statement in November 2011.

**Background resources**

- NAO Report: *Implementing transparency* - Session 2010-2012 (HC 1833)
- PAC Report: *Implementing the transparency agenda* - Session 2012-2013 (HC 102)
- Treasury Minute: November 2012 (Cm 8467)
- Treasury Minute: Progress Report: July 2014 (Cm 8899)
- Treasury Minute: Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 7 recommendations in this report. As of the last Treasury Minute (Cm 9034), 5 recommendations were implemented. 2 recommendations remained work in progress, all of which have now been implemented, as set out below.

**2: Committee of Public Accounts conclusion:**
***The presentation of much Government data is poor.***

**Recommendation:**
***The Cabinet Office should ensure that the publication of data is accessible and easily understood by all; and where Government wants to encourage user choice, there are clear criteria to determine whether Government itself should repackage information to promote public use, or whether this should be done by third parties.***

2.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

2.2 As a founder member of the Open Government Partnership and a signatory to the G8 Open Data Charter, the Government is committed to being open by default. The Government Data Programme continues to strengthen the Government's ability to use data assets to transform public services and drive economic growth. Data.gov.uk continues to be recognised internationally as a leading example of open data accessibility - recently being nominated for an award by the German Federal Government - while the Government Digital Service's Performance Platform and Data Science teams help Government departments visualise data to make it accessible to all.

2.3 The department recently brought together its data work under a dedicated Director of Data within the Government Digital Service, increasing the department's ability to enhance open data that the Government provides to the public. The department will continue to work towards the modernisation of Government's data infrastructure and to help departments to improve the quality of the data they publish.

**5: Committee of Public Accounts conclusion:**
***The Government has not got a clear evidence based policy on whether or not to charge for data.***

**Recommendation:**
***The Cabinet Office should work with the Department for Business, Innovation and Skills to establish whether the economic benefits from making traded data freely available would outweigh the revenue lost.***

5.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

5.2 The Cabinet Office continues to work closely with the Department for Business, Innovation and Skills to open up access to traded data and consider the impact of open data on businesses, so that future priority areas for action can be identified. Ordnance Survey recently announced a new open data package, while the conclusion of the government-funded, ODI / Nesta-run Open Data Challenge Series has provided further evidence of the potential of open data to drive economic growth and public service reform. The department will continue to work with government-owned bodies to expand the range of open data available and to ensure its maintenance in future.

## Seventeenth Report of Session 2012-13

### Department for Health

### Management of Diabetes in the NHS

**Summary of the Committee's findings**

In 2009-10, there were 2.3 million adults diagnosed with diabetes in England and up to a further 800,000 people suffering from diabetes who remained undiagnosed. The percentage of the population diagnosed with diabetes doubled between 1994 and 2009 and is continuing to increase. The Department of Health projects that the number of people with diabetes (diagnosed and undiagnosed) will rise from 3.1 million to 3.8 million by 2020. The NAO estimates that, in 2009-10, NHS spending on diabetes services in England was at least £3.9 billion, although this figure is likely to be an underestimate. The projected increase in the diabetic population could have a significant impact on NHS resources.

**Background resources**

- NAO report: *The Management of Adult Diabetes Services in the NHS – Session 2012-13* (HC 21) (HC 682)
- PAC report: *The Management of Adult Diabetes Services in the NHS – Session 2102-13* (HC 289)
- Treasury Minute: April 2013 (Cm 8556)
- Treasury Minute – Progress Report: July 2014 (Cm 8899)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 7 recommendations in this report. As of the last Treasury Minute (Cm 9034), 4 recommendations were implemented and the Department disagreed with 1 recommendation. 2 recommendations remained work in progress, all of which have now been implemented, as set out below.

**4: Committee of Public Accounts conclusion:**
***The Department is not effectively incentivising delivery of all aspects of its recommended standards of care through the payments systems***

**Recommendation:**
**The Department needs to ensure that its payment systems effectively incentivise good care and better outcomes for people with diabetes.**

4.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 The NHS Five Year Forward View 2014 describes a number of proposed new models of care, including multispecialty community providers (MCPs) that will bring together GPs with nurses, other community health services, hospital specialists and potentially mental health and social care. This will create integrated out-of-hospital care, and primary and acute care systems that will combine general practice and hospital services into a single integrated model of care.

4.3 NHS England and Monitor published *Reforming the payment system for NHS services: supporting the Five Year Forward View* in December 2014 which sets out suggested payment approaches to support the new models of care. It gives information about the building blocks needed to reform the payment system and outlines a phased timetable for doing so. It sets out the intention to further develop 'year of care' payment approaches for services for people with long term health conditions – such as diabetes – that require ongoing care.

4.4 NHS England is working with the Health and Social Care Information Centre to develop the dataset for community services which will facilitate the use of payment approaches for pathways of care.

**7: Committee of Public Accounts conclusion:**
***The projected increase in the diabetic population could have a significant impact on NHS resources.***

**Recommendation:**
***The Department and Public Health England should set out the steps they will take to minimise the growth in numbers through well-resourced public health campaigns and action on the risk factors for diabetes, such as the link with obesity, and the complications they can cause.***

7.1 The Government agreed with the Committee's recommendation

**Recommendation implemented.**

7.2 The NHS Five Year Forward View sets out a commitment to implement a National Diabetes Prevention Programme. The programme is being delivered through a partnership between Public Health England, NHS England and Diabetes UK. It will provide behaviour change programmes to people identified with non-diabetic hyperglycaemia to reduce the risk of developing diabetes.

7.3 Work with 7 demonstrator sites began in March 2015. These will provide practical lessons to help inform national implementation of the programme. Currently, 5 of the sites are offering evidence based behaviour change interventions. The remaining 2 sites are implementing case finding processes ready for the introduction of a nationally procured intervention.

7.4 A procurement process is underway to contract for 10,000 to 30,000 places on evidence based behaviour change interventions to reduce people's risk of type 2 diabetes in 2016-17.

7.5 The Government continues to take wide ranging action to tackle the risk factors which lead to type 2 diabetes including: mandating the NHS Health Check programme to people aged 40-74 to identify serious conditions such as diabetes early; helping consumers to make healthier choices and increase physical activity through the successful Change4Life campaign; giving local authorities a ring-fenced budget of £8.2 billion over 3 years (2013-2016) to help them tackle public health issues such as obesity; and developing a childhood obesity strategy to be published in 2016.

## Twenty Fourth Report of Session 2012-13

### Department of Energy and Climate Change

### Nuclear Decommissioning Authority: managing risk at Sellafield

**Summary of the Committee's findings**

The Nuclear Decommissioning Authority, an arm's-length body of the Department of Energy and Climate Change, was set up in 2005 with the specific remit to tackle the UK's nuclear legacy. Sellafield is the largest and most hazardous site in the Authority's estate and is home to an extraordinary accumulation of hazardous waste, much of it stored in outdated nuclear facilities. It is run for the Authority by Sellafield Limited, the company licensed by regulators to operate the site. In November 2008, the Authority contracted with an international consortium - Nuclear Management Partners Limited – to improve Sellafield Limited's management of the site, including the development of an improved lifetime plan.

**Background resources**

- NAO report: *Managing risk reduction at Sellafield* – Session 2012-13 (HC 630)
- PAC report: *Nuclear Decommissioning Authority: Managing risk at Sellafield* - Session 2012-13 (HC 746)
- Treasury Minute: May 2013 (Cm 8613)
- Treasury Minute – Progress Report: July 2014 (Cm 8899)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9034), 5 recommendations had been implemented. 1 recommendation remains work in progress, as set out below.

**3: Committee of Public Accounts conclusion**

***Because of the uncertainty and delivery challenges at Sellafield, taxpayers currently bear almost all of the financial risk of cost increases and delays.***

**Recommendation:**

***The Authority should determine how and when it will have achieved sufficient certainty to expect Sellafield Limited to transfer risk down the supply chain on individual projects and then to reconsider its contracting approach for the site as a whole.***

3.1 The Government agreed with the Committee's recommendation.

**Target implementation date:** June 2016.

3.2 Following a thorough review of the contracting approach, the Authority concluded that the commercial model for the site should change and that Sellafield Limited should be managed as a subsidiary of the Authority, removing the Parent Body Organisation. The Secretary of State for Energy and Climate Change announced in Parliament, in January 2015, his endorsement of the Authority's recommendation to move away from the current PBO arrangements.

3.3 The new approach will bring in specific expertise from the supply chain through the "Market Enhanced Model" and will seek to transfer risk at a more appropriate programme and project level to the supply chain by using suitable standard forms of contract with pricing mechanisms such as Target Cost or where applicable, Fixed Cost arrangements

## Twenty Fifth Report of Session 2012-13

### Department for Transport

### Funding for local transport: an overview

**Summary of the Committee's findings**

The Department for Transport works with local partners to deliver many of its policies. Local authorities play a key role in planning and commissioning transport services, such as bus and light rail, and providing and maintaining roads and other local infrastructure. They spent a total of £8.5 billion on transport in 2010-11. The Department provided around a quarter of this (£2.2 billion), with the rest raised locally from council tax, from the £411 million surplus raised from parking levies, or from the Department for Communities and Local Government formula grant.

**Background resources**

- NAO report: *Funding for local transport: an overview* - Session 2012-13 (HC 629)
- PAC report: *Funding for local transport: an overview* - Session 2012-13 (HC 747)
- Treasury Minute: March 2013 (Cm 8586)
- Treasury Minute – Progress Report: July 2014 (Cm 8899)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 5 recommendations in this report. As of the last Treasury Minute (Cm 9034), 1 recommendation was implemented and the Department disagreed with 2 recommendations. 2 recommendations remained work in progress, all of which have now been implemented, as set out below.

**2 and 3: Committee of Public Accounts conclusion:**
***2: Better local transport data is needed to monitor local authority performance and drive value for money.***
***3: The department is not clear when or how it will intervene in cases of local transport failure.***

**Recommendations:**
***2: The Department should specify what data are needed to assess local performance and take the necessary steps to ensure it is available, whether working in partnership with others or mandating minimum data requirements. The Department should ensure that transparent mechanisms are in place to ensure that funds raised from parking charges are spent on transport.***

***3: The Department should clearly set out, in its accountability systems statement, the information it will use to identify a failure or an unacceptable reduction in the standard of provision, the circumstances under which it would intervene, and what form that intervention would take.***

2.1 The Government agreed with the Committee's recommendations.

**Recommendations implemented.**

2.2 The Accountability System Statement has been updated and was published by the Department for Transport on 11 November 2015.[1]

2.3 The Department monitors data using various tools such as LG Inform.[2] This tool organises transport related data such as transport expenditure, service provision, road conditions and accidents for all local authorities. If data is not publicly available the Secretary of State may direct a local traffic authority to provide information on the performance of its network management duties.

[1] www.gov.uk/government/publications/accountability-system-statement
[2] http://lginform.local.gov.uk/

2.4 Transport failure occurs over a relatively long period of time. Consequently the Department's approach is to engage regularly with local authorities to monitor and provide assistance before ultimate failure occurs and the Department is required to intervene. For example, the Department identified the shortcomings of highways maintenance and put remedial actions into place in conjunction with the sector via a £6 million Highways Maintenance Efficiency Programme (HMEP). This programme provides best practice, tools and resources to help transform the delivery of roads and services through greater efficiencies.

2.5 If a local authority is failing to deliver its statutory duties, the Secretary of State can take action by issuing an intervention notice. If the response to the intervention notice is unsatisfactory and the authority is still failing to perform its duties, as a last resort an intervention order can be issued to appoint a traffic director for that authority.

## Thirty Eighth Report of Session 2012-13

### Department for Work and Pensions

### Managing the impact of Housing Benefit reform

**Summary of the Committee's findings**

Housing Benefit helps those on a low income in social or private housing to pay all or part of their rent. It is overseen by the Department for Work and Pensions and administered by local authorities. Housing Benefit supported some five million households in Great Britain in 2011-12 at a cost of £23.4 billion. As part of the measures announced in the Emergency Budget of June 2010 and the Spending Review of October 2010, the Government is reforming Housing Benefit to reduce annual expenditure. Changes include reductions in the rates paid for private rented sector claimants and deductions in payments to social sector tenants in under-occupied homes.

**Background resources**

- NAO report: *Managing the impact of Housing Benefit reform*- Session 2012-2013 (HC 681)
- PAC report: *Managing the impact of Housing Benefit reform* – Session 2012-2013 (HC 814)
- Treasury Minute: June 2013 (Cm 8652)
- Treasury Minute – Progress Report: July 2014 (Cm 8899)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 7 recommendations in this report. As of the last Treasury Minute (Cm 9034), 5 recommendations were implemented and the Department disagreed with 1 recommendation. 1 recommendation remained work in progress, which has now been implemented, as set out below.

**3: Committee of Public Accounts conclusion:** ***The department does not seem to have thought through adequately the impact of its position on income from lodgers.***

**Recommendation:**
***The department must monitor the impact of this change.***

3.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

3.2 Under Housing Benefit, sub-tenants and boarders are entitled to a bedroom allowance when determining any Local Housing Allowance restriction or whether the removal of the spare room subsidy should apply. The department disregards the first £20 of income and takes the balance into account (for boarders, only half of the balance is taken into account). In Universal Credit, the department does not make a bedroom allowance for sub-tenants or boarders, so the claimant will usually receive a lower housing allowance. However, all income received is disregarded. Overall, the department expects this change to be cost-neutral.

3.3 A fundamental principle underlying the introduction of Universal Credit was simplification. A simpler system is easier for claimants to understand and for the Department to administer and the work incentives are clearer. This change represents a considerable simplification. Incentivising sub-letting offers a viable means of mitigating the impact of removing the spare room subsidy. It also aligns with the 'rent-a-room' tax break, encouraging the more efficient use of housing stock in a period of significant under-supply.

3.4 As part of the department's on-going evaluation of Universal Credit, the department will undertake large scale surveys of claimants, exploring their views and experiences of the system. As a result, the department is able to monitor the impact of the different elements of UC policy. The department's research to date has not highlighted income for lodgers as an issue.

## Forty First Report of Session 2012-13

### Department for Education

### Managing the expansion of the Academies Programme

**Summary of the Committee's findings**

Academies are publicly funded independent state schools. They are funded directly by central Government, directly accountable to the Department for Education, and outside local authority control. They have greater financial freedoms than maintained schools, for example to set staff pay and conditions. In May 2010, the Government announced its intention to allow all schools to seek academy status. By September 2012 the number of open academies had increased tenfold, from 203 to 2,309.

**Background resources**

- NAO report: *Managing the expansion of the Academies Programme* - Session 2010-12 (HC 682)
- PAC report: *DFE: Managing the expansion of the Academies Programme -* Session 2010-12 (HC 787)
- Treasury Minute: June 2013 (Cm 8652)
- Treasury Minute – Progress Report: July 2014 (Cm 8899)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9034), 5 recommendations were implemented. 1 recommendation remained work in progress, which has now been implemented, as set out below.

**5: Committee of Public Accounts conclusion:**
***Forthcoming staff cuts at the department and its agencies may threaten effective oversight as the Programme continues to expand.***

**Recommendation:**
***The department should review the Programme's central resource requirements, and the extent to which efficiency savings expected from new IT systems and assurance processes are being realised, and are sufficient to offset the need for further resources.***

5.1 The Government partly agreed with the Committee's recommendation.

**Recommendation implemented.**

5.2 The department's 2015 Spending Review took account of the central resource requirement for the academies programme ensuring that resources were related to the growth in the numbers of academies and free schools. In making the most effective use of those resources the department is giving priority to better use of technology. The department is continuing to develop its systems to discharge its duties on commissioning, intervention and funding of schools and colleges. This development incorporates change to its technology, people and processes.

5.3 At the heart of this work is improvement of the Education Funding Agency's (EFA's) online account for academies. This enables the department to manage relationships and interact with its customers more efficiently and effectively by presenting each academy trust with a digital space to work with government. To facilitate this way of working the department is continuing to change how its staff are structured and operate; this is underpinned by a significant investment in technology of £7 million in 2015-16. The department's main expected benefit is the scalability of its operations; this has enabled it to manage the expansion of the number of academies in the last three years without a commensurate increase in the number of staff working on funding and dealing with enquiries from open academies.

5.4 In the EFA's assurance work, it has invested in analytics as well as technology. To meet the challenge of providing an appropriate level of assurance on an increasing number of academies, the EFA adopts a risk-based approach to providing assurance. It has developed an IT and analytics based Risk Assessment Tool which makes better use of data to make sure that EFA resources for monitoring and intervention are focused on those academies which require most support or challenge.

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

## Updates on recommendations, previously reported as work in progress, are included in this update:



## The reports below have implementation dates falling after February 2016. Therefore, these reports are not included in this update.

| # | Report Title |
|---|---|
| 11 | Managing NHS hospital consultants |
| 49 | Confiscation Orders |
| 53 | Managing the prison estate |
| 59 | Criminal Justice System |

## The recommendations in the reports below were previously fully resolved and are not included in this update:

| # | Report Title |
|---|---|
| 1 | Equipment Plan 2012-2022 and Major Projects Report 2012 |
| 3 | Financial Sustainability of Local Authorities |
| 4 | Tax Credits error and fraud |
| 8 | Regulating consumer credit |
| 9 | Tax avoidance – Google |
| 10 | Redundancy and severance payments |
| 12 | Capital funding for new school places |
| 13 | Civil Service Reform |
| 14 | Integration across Government / Whole Place Community Budgets |
| 15 | Provision of the out of hours GP service in Cornwall |
| 16 | FiReControl – update report |
| 19 | Dismantled National Programme for IT in the NHS |
| 20 | BBC's move to Salford |

**The recommendations in the reports below were previously fully resolved and are not included in this update:**

| # | Report Title |
|---|---|
| 23 | Progress in tackling tobacco smuggling |
| 24 | Rural Broadband Programme |
| 25 | Duchy of Cornwall |
| 26 | Progress in delivering the Thameslink Programme |
| 29 | New Homes Bonus |
| 30 | Universal Credit – early progress |
| 33 | BBC severance packages |
| 34 | HMRC Tax Collection: Annual Report and Accounts 2012-13 |
| 36 | Confidentiality clauses and special severance |
| 37 | Supporting UK exporters overseas |
| 38 | Improving access to finance for small and medium sized enterprises |
| 39 | Sovereign Grant |
| 42 | Regulatory effectiveness of the Charity Commission |
| 45 | Excess Votes 2012-13 |
| 50 | Rural Broadband Programme |
| 52 | BBC Digital Media Initiative |
| 54 | COMPASS – provision of asylum accommodation |
| 56 | Establishing free schools |
| 57 | Ministry of Defence Equipment Plan 2013-2023 and major Projects Report 2013 |
| 58 | Probation Landscape Review |
| 60 | Promoting economic growth locally |
| 61 | Education Funding Agency and the Department for Education 2012-13 Financial Statements |

**Progress on the implementation of Government accepted recommendations of the Committee of Public Accounts - Session 2010-12 can be located from page 1, Session 2012-13 from page 16; and Session 2014-15 from page 74.**

## Second Report of Session 2013-14

### HM Treasury

### Early Action Landscape Review

**Summary of the Committee's findings**

Early action is a preventative measure. It involves providing public services to address causes rather than symptoms. It is where Government departments, local authorities or other organisations use resources to help prevent or reduce, demand on costly public services in the future. Classic examples of early action include acute health conditions; by encouraging walking and cycling to improve health, and reduce reliance on carbon-intensive transport. Or making homes more energy efficient to help reduce carbon emissions and conserve energy.

**Background resources**

- NAO report: *Early action: landscape review* - Session 2012-13 (HC 683)
- PAC report: *Early action: landscape review* – Session 2013-14 (HC 133)
- Treasury Minute: November 2013 (Cm 8744)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 5 recommendations in this report. As of the last Treasury Minute (Cm 9034), the department had disagreed with 2 recommendations. 3 recommendations remained work in progress, all of which have now been implemented, as set out below.

**1: Committee of Public Accounts conclusion:**
***There is a lack of leadership on early action, especially at the centre.***

**Recommendation:**
***The Treasury should take an active leadership role, in close partnership with the Cabinet Office, in driving and coordinating early action in central government. As a first step the Treasury should establish an agreed, common definition of early action and undertake an exercise to quantify the potential of early action to reduce public spending and increase economic growth.***

1.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

1.2 The Early Intervention Foundation has been established as the What Works centre responsible for defining and quantifying the potential of early action spend. The Treasury has continued to meet regularly with the centre to understand that potential. In preparation for the Spending Review, and in conjunction with Departments, the Treasury looked at options to reduce public spending and increase economic growth, which included the potential of early action spend. The Government has since made commitments to continue the Troubled Families programme, set up a new £80m Life Chances Fund for localised Social Impact Bonds, and confirm continued investment in early education for disadvantaged two year olds.

**4: Committee of Public Accounts conclusion:**
***The case for early action is hindered by the lack of evidence on the impact and cost effectiveness of early action programmes.***

**Recommendation:**
***In collaboration with the 'What Works' centres, the Treasury should provide clear guidance to departments of how to evaluate the cost-effectiveness of early action programmes, and what types of evidence it expects to see.***

4.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 The current *Green Book* guidance covers the issues of monitoring and evaluation of policies, programmes and projects. The Department is undertaking a successful programme to build and sustain improved capacity across the public sector to develop spending proposals such as business cases. In addition, Departmental Spending Review settlement letters clearly state that Departments must gather evidence, and highlight specific projects and areas of spend they should examine.

**5: Committee of Public Accounts conclusion:**
***Joint working remains poor.***

**Recommendation:**
***The Treasury, working with Departments, should set out how early action budgets could be pooled between Departments to bring about the required step change in joint working.***

5.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

5.2 The Treasury continues to monitor the implementation of pooled budgets, such as those created for the Better Care Fund and Troubled Families programme. The Treasury will continue to work with Departments to identify where and how pooled budgets can facilitate joint working. The Treasury has agreed devolution deals with a number of places, allowing local areas to pool their budgets and effectively work together.

## Fifth Report of Session 2013-14
### Department for Work and Pensions
### Responding to change in jobcentres

**Summary of the Committee's findings**

The Department for Work and Pensions (the department) is responsible for the management of jobcentres, which provide critical support to the unemployed, including those on Jobseeker's Allowance. In 2011-12, nearly 37,000 jobcentre staff across 740 jobcentres supported a caseload of some five million people at a cost of £1.4 billion. In 2011-12, jobcentres helped around 3.6 million jobseekers set up new claims for Jobseeker's Allowance and helped 3.5 million people to leave Jobseeker's Allowance.

**Background resources**

- NAO report*: Responding to change in jobcentres*- Session 2012-13 (HC 995)
- PAC Report: *Responding to change in jobcentres*- Session 2013-14 (HC 136)
- Treasury Minute: September 2013 (Cm 8697)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 5 recommendations in this report. As of the last Treasury Minute (Cm 9034), 3 recommendations had been implemented. 2 recommendations remained work in progress, both of which have now been implemented, as set out below.

**1: Committee of Public Accounts conclusion:**
***The number of people who stop claiming benefits is a flawed measure of job centres effectiveness***

**Recommendation:**
***The Department should identify which indicators it will use to ensure it has a full understanding of the performance of jobcentres under Universal Credit and the destination of claimants, and use this information to better understand whether its interventions are delivering a long term reduction in the number claiming benefits.***

1.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

1.2 The Department has introduced new labour market measures in Universal Credit (UC) to measure individuals moving into work, sustaining work and increasing earnings within work. These were tested initially in the North West before being rolled out across all live service sites in accordance with the UC expansion schedule. Analysis of labour market outcomes in the live service areas (as published in the 'UC at Work' report[3]) confirmed that claimants spend more time looking for work, move into work faster and, earn more. The Department will continue to review the measures and their impact on jobcentre performance.

**5: Committee of Public Accounts conclusion:**
**Technology can improve the services available to jobseekers, but some claimants will struggle with online access and need more support from third parties**.

**Recommendation:**
***The Department should ensure that there is sufficient support in place to assist vulnerable claimants. It should also include an assessment of the burden on third party advisers in helping people online as part of its monitoring of online take-up under Universal Credit and helping predecessors such as Jobseekers Allowance Online.***

[3] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/405921/uc-at-work-spring-2015.pdf

5.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

5.2 The Department always recognised that some claimants would require additional help to apply for and manage their Universal Credit claim online. The type of help needed ranges from the simple (for example: public internet access) to addressing more complex individual needs.

5.3 The Department has spoken to a number of organisations with an interest in supporting claimants, including Local Authorities, Devolved Administrations, Citizens Advice and many others. Trials of a local support service were launched in 11 locations across Great Britain during Autumn 2014, for those identified as requiring additional assistance. Learning from these trials will help the Department to develop best practice in delivering Universal Credit as the Department extends it to all working age claimants. Over the next 6 years, the Department plans to invest £240 million to deliver partnership working with local authorities and their local delivery partners. This includes £52.5 million for online support for Universal Credit claimants.

## Sixth Report of Session 2013-14

### Cabinet Office

### Improving government procurement and the Impact of Government's ICT savings initiatives

**Summary of the Committee's findings**

Central Government spent a total of around £45 billion on buying goods and services in 2011-12. These range from items common across departments, such as energy, office supplies and travel, through to specialist areas such as defence equipment and welfare to work services. Since 2010, the Government has introduced a range of procurement reforms intended to achieve savings, to take advantage of Government's buying power to stimulate growth and innovation, and to improve the Government's approach to commissioning ICT services.

**Background resources**

- NAO report: Improving government procurement - Session 2012-13 (HC 996)
- NAO report: The impact of government's ICT savings initiatives - Session 2012-13 (HC 887)
- PAC report: Improving government procurement and the impact of government's ICT saving initiatives – Session 2013-14 (HC 1024)
- Treasury Minute: November 2013 (Cm 8744)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 7 recommendations in this report. As of the last Treasury Minute (Cm 9034), 4 recommendations were implemented. 3 recommendations remained work in progress, all of which have now been implemented, as set out below.

**2: Committee of Public Accounts recommendation:**
***The procurement and ICT reforms lack the discipline of stretching targets over time and proper data to inform decisions. Despite efforts management information, considerable gaps remain.***

**Recommendation:**
***The Cabinet Office and the Government Procurement Service should work with departments to improve the quality of procurement data, and use this to agree detailed plans and targets with each department for the next three years.***

2.1 The Government agrees with the Committee's recommendation.

**Recommendation implemented.**

2.2 The Crown Commercial Service (CCS) is working with departments as part of the Interdepartmental Spend and Standards Working Group to continually improve spend data across government. The group (chaired by CCS) meets quarterly and is attended by representatives from the systems providers; Bravo, Dunn & Bradstreet and NQC, to drive continuous improvement. An assessment of the quality of spend analytic data returns has been carried out by the group in order to define and agree areas for improvement. Individual departmental improvement plans are now being worked on in conjunction with departmental representatives.

**6: Committee of Public Accounts recommendation:**
***Government still lacks the capability and capacity to commission services, and in the past has acted as if simply buying ICT is a solution in itself.***

**Recommendation:**
***The Cabinet Office should strengthen its capability and capacity to challenge departmental proposals for ICT procurements, identify failure quicker, and work with departments to accelerate the change in culture from buying ICT to commissioning services.***

6.1 The Government agrees with the Committee's recommendation.

**Recommendation implemented.**

6.2 The Cabinet Office is now working with Departments at an early stage to derive technical and commercial strategies for large ICT procurements. Departments are encouraged, through the use of agile methods, to build early prototypes of novel solutions, and through alpha and beta releases test these solutions with real transactions and real users. This leads to modification of systems before major investments are committed; and flawed concepts can fail earlier and more cheaply.

6.3 In addition, the Government Digital Service (GDS) led design approach encourages implementing Departments to commission services that users need, rather than buy ICT systems that fit requirements written by officials.

**7: Committee of Public Accounts recommendation:**
***There is much more to do if the government is going to realise lasting and significant savings from its reforms.***

**Recommendation:**
***The Cabinet Office should set out in its Treasury Minute response the improvements it expects in these areas, the money it hopes to save, how it will measure progress, and how the initiatives will be integrated.***

7.1 The Government agrees with the Committee's recommendation.

**Recommendation implemented.**

7.2 The Government's commercial reforms, including the creation of CCS to centralise the procurement of common goods and services, helped Departments to save £5.9 billion in 2014-15 compared to a 2009-10 spending baseline. Departments will set out their efficiency targets in Single Departmental Plans. CCS is agreeing savings targets for common goods and services for the Spending Review period.

## Seventh Report of Session 2013-14
### Charity Commission
### Cup Trust and tax avoidance

**Summary of the Committee's findings**

The Charity Commission registers and regulates around 160,000 charities in England and Wales, with 20-25 organisations seeking to register as new charities every day. The Commission decides whether to register organisations as charitable according to their stated purposes. If an organisation's purposes are exclusively charitable and those purposes are in the public benefit then they qualify as charities under the Charities Act 2011.

The Cup Trust (the Trust) was established by trust deed in March 2009 and the Commission registered it as a charity in April 2009. The Trust has a single trustee, a company called Mountstar, registered in the British Virgin Islands.

**Background resources**

- NAO report: *Cup Trust* - Session 2013-14 (HC 814)
- PAC report: *Charity Commission: Cup Trust and tax avoidance* – Session 2013-14 (HC 1027)
- Treasury Minute: September 2013 (Cm 8697)
- Treasury Minute – Progress Report: march 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 4 recommendations to this report. As of the last Treasury Minute (Cm 9034), 3 recommendations were implemented. 1 recommendation remains work in progress, as set out below.

**1: Committee of Public Accounts recommendation:**
***The Committee does not believe that the Cup Trust ever met the legal criteria to qualify as a registered charity***

***The Commission should publish the evidence that led it to register the Cup Trust in the first instance and to allow the Trust to remain registered, and should review urgently its conclusion that the Trust meets the legal definition of a charity. If the Commission continues to conclude that the Trust is legally a charity, it should identify ways the law should be changed to ensure that organisations like the Trust are not granted charitable status.***

1.1 The Charity Commission agreed with the Committee's recommendation to publish the evidence that led it to register the Cup Trust in the first place and to review its conclusion.

1.2 The Commission will publish detail regarding its decision to register The Cup Trust after its statutory inquiry has concluded.

**Target implementation date:** Summer 2016 (subject to legal proceedings).

1.3. The Commission cannot, in law, turn down an organisation for registration if it meets the statutory test for registration, even though there may be concerns about its management or ability in the future to comply.

1.4 However, the Commission has improved processes to ensure that there is better post-registration monitoring of charities where we have specific concerns or where the Commission has required certain actions as a condition of registration. Where there is evidence of wrongdoing, applications are rejected and the organisation and individuals concerned are referred to the police and / or other prosecuting authorities such as HMRC.

1.6 Amendments to the Charities (Protection and Social Investment) Bill are currently being considered in the House of Lords. This Bill will introduce new measures to close loopholes and improve the Commission's compliance powers. This includes a power to wind up charities where there has been misconduct and mismanagement and, when either the charity does not operate, or, when its purposes can be promoted more effectively if it ceased to operate. The Commission would also be required to show that exercising the power is in the public interest.

1.7 The conclusion of The Cup Trust statutory inquiry is still dependent on legal proceedings. On 19 January 2016, the High Court heard an application for directions under s78(5)(b) Charities Act 2011 permitting the Interim Managers, appointed by the Commission, to withdraw the charity's gift aid claim. Judgment was reserved and is awaited. The Commission's statutory inquiry cannot be concluded until these legal proceedings have concluded. Both Mountstar's appeal in the First-tier Tribunal against the appointment of an Interim Manager by the Commission and the application in the High Court proceeded and were dealt with by the both the Tribunal and the Court on the basis that The Cup Trust was, in law, a charity.

## Seventeenth Report of Session 2013-14

### HM Treasury

### Administering the Equitable Life Payment Scheme

**Summary of the Committee's findings**

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

**Background resources**

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

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9304), 4 recommendations were implemented and the department disagreed with 1 recommendation. 1 recommendation remains work in progress, as set out below.

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

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

2.1 The Government agreed with the Committee's recommendation.

**Target implementation date:** August 2016.

2.2 An Interim Lessons Learned Report was completed in November 2013. This exercise focused on lessons gathered by NS&I, Atos and the Treasury, which would provide improvements for the current Scheme. A number of enhanced approaches have been developed and implemented such as improvements to customer service, correspondence and complaints handling, and improved transparency of and challenge to Atos costs. A final Lessons Learned Report will cover the whole of the Scheme. The Scheme will begin the process of closing down from January 2016 and the report will be completed after full closure in July 2016.

## Eighteenth Report of Session 2013-14

### Ministry of Defence

### Carrier Strike: the 2012 reversion decision

**Summary of the Committee's findings**

The Carrier Strike programme comprises two new aircraft carriers, the aircraft that will operate from them, and a new helicopter-based early warning radar system (known as 'Crowsnest'). As part of the 2010 Strategic Defence and Security Review, the department decided to change the type of aircraft to be flown from the carriers from the Short Take-Off and Vertical Landing (STOVL) variant of the Joint Strike Fighter to the carrier variant. In 2010 the decision was justified by claiming the alternative aircraft would both save money and enhance capability.

In May 2012, the department asserted that the benefits expected from switching to the carrier variant of the aircraft would not be achieved, the costs of switching would be significantly higher than projected, and it would delay the operation of the new carriers. Accordingly, the Department decided to revert to the original aircraft type and announced that it would once again be buying the STOVL variant. That change of mind will cost the taxpayer at least £74 million more, though final costs will only be known in 2014.

**Background resources**

- NAO report: *Carrier Strike: the 2012 reversion decision* - Session 2013-14 (HC 63)
- PAC report: *Carrier Strike: the 2012 reversion decision* – Session 2013-14 (HC 113)
- Treasury Minute: November 2013 (Cm 8744)
- Treasury Minute: Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9034), 4 recommendations were implemented and 1 recommendation was directed towards the NAO. 1 recommendation remained work in progress, which has now been implemented, as set out below.

**4: Committee of Public Accounts conclusion:**
***The component elements of the programme will be delivered piecemeal, reducing the benefits from the sums invested***

**Recommendation:**
***The department needs to align the delivery of the various component projects of Carrier Strike to make the most effective use of its significant investment. It must provide decision makers with the necessary information to prioritise and allocate appropriate funding for the programme and the support shipping to operate the carriers, as part of the 2015 Strategic Defence and Security Review.***

4.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 The Department has implemented a process to align the components of the Carrier Strike Programme to make the most effective use of its significant investment. Carrier Strike as a part of Carrier Enabled Power Projection (CEPP), has been retained in the Department under a 3* Senior Responsible Owner (SRO), as a Strategic Programme with regular reporting to the Armed Forces Committee and Defence Board. The SRO is held to account by MOD Permanent Secretary to ensure coherency is maintained across the portfolio of individual programmes by identifying, analysing and mitigating risks, issues and opportunities.

4.3 The Department has produced a portfolio of evidence to support decisions on prioritisation and investment for the Carrier Strike Programme in SDSR. This work included development of routine deployment cycles, manpower requirements, F-35B aircraft numbers, support shipping, aircraft delivery profiles, interoperability with allies, and littoral manoeuvre with Royal Marines and battlefield helicopters. Drawing on these coherent choices, the SDSR determined that F-35B aircraft delivery would be advanced; the second carrier would be manned and operated; some enhancements for Battlefield helicopter operations in the carriers would be implemented; and the purchase of 3 Fleet Solid Support Ships was announced.

## Twenty First Report of Session 2013-14
### Home Office
### Police Procurement

**Summary of the Committee's findings**

In 2010-11, the 43 police forces in England and Wales spent nearly £1.7 billion procuring a wide range of goods and services. The department oversees the police service and central government provides most of its funding. The department is responsible for providing Parliament with assurance on the value for money of police expenditure, but individual forces buy most goods and services independently. So there is an institutional tension between local autonomy and effective value for money in buying everything from uniforms to paper. The recently elected Police and Crime Commissioners are responsible for value for money locally. With reduced central government funding to police forces, both individual forces and the department have recognised the need to make procurement savings, for example through more collaboration between forces.

**Background resources**

- NAO report: *Police Procurement* – Session 2012-13 (HC 1046)
- PAC report: *Police Procurement* – Session 2013-14 (HC 115)
- Treasury Minute: November 2013 (CM 8744)
- Treasury Minute – Progress Report: March 2015 (CM 9034)

**Updated Government response to the Committee**

There were 8 recommendations in this report. As of the last Treasury Minute (CM 9034) 7 recommendations were implemented, 1 recommendation remains work in progress, as set out below.

**6: Committee of Public Accounts conclusion:**
***Use of the national police procurement hub by police forces is woefully below the department's expectations, reducing the scope to make significant savings.***

**Recommendation:**
***The department must act to accelerate progress towards its target for items being bought through the national procurement hub. It should set out in its response to this report actions to renew its strategy and in addition publish comparative data showing improvement in performance over time by each force.***

6.1 The Government agreed with the Committee's recommendation.

**Target implementation date:** July 2016.

6.2 Following completion of the Pathfinder projects in Hertfordshire and Cheshire the two forces have been making substantial use of the Hub. The latest estimate is that 80% of Hertfordshire's orders and 81% of Cheshire's are flowing through the Hub.

6.3 The Kent and Essex Police and Crime Commissioners (PCCs) made a successful bid on behalf of their forces and six others to the 2015-16 Police Innovation Fund (PIF). They were awarded up to £625,860 which is intended to drive up utilisation and provide a foundation for wider roll out by enabling other forces to apply learning from those involved in the PIF bid.

6.4 The Home Office will consider what further action to take in relation to the Hub, taking into account the views of police forces and PCCs and drawing on the evidence from the PIF funded work.

## Twenty Second Report of Session 2013-14

### Department for Transport

### High Speed 2: a review of the early programme preparation

**Summary of the Committee's findings**

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

**Background resources**

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

**Updated Government response to the Committee**

There were 5 recommendations in the Committee's report. As of the last Treasury Minute (Cm 9034), 2 recommendations were implemented. 3 recommendations remained work in progress of which 1 has now been implemented, as set out below.

**3: Committee of Public Accounts conclusion:**
***So far, the department has made decisions based on fragile numbers, out of date data and assumptions which do not reflect real life.***

**Recommendation:**
***The Department's decision on phase two, due by the end of 2014, should be based on a business case for the Y-network prepared using up-to-date information and realistic assumptions, particularly on the benefits to business travellers.***

3.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

3.2 The Department continues to update the Business Case for High Speed 2 (HS2) to reflect the latest evidence available. All supporting economic analysis is based upon the Department's published transport appraisal guidance which provides a comprehensive framework for consistent modelling and appraisal by providing key methods, assumptions, and values.

3.3 In November 2015, the Department announced the proposed way forward on Phase 2 of HS2, including an updated assessment of the benefits and costs of the Y-Network. This evidence included a substantial research project into the values of travel time savings, which forms a key element of the benefits of HS2 to business passengers. Another update of the Economic Case for HS2 will be published as further decisions on Phase 2 are made.

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

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

5.1 The Government agrees with the Committee's recommendation.

**Target implementation date:** December 2016.

5.2 The hybrid Bill for Phase 1 of High Speed 2 was laid in Parliament in November 2013. Progress to date in Parliament continues to be positive and is in line with the Government's current Royal Assent assumption of December 2016.

**6: Committee of Public Accounts conclusion:**
***The department has a shortage of the commercial skills it needs to protect taxpayer's interests on a programme of the scale of High Speed 2.***

**Recommendation:**
***The Department should set out how and by when it will secure the right level of resources and mix of expertise to enable it to oversee a programme of this magnitude, and challenge HS2 Limited and its contractors effectively.***

6.1 The Government agrees with the Committee's recommendation.

**Target implementation date:** April 2016.

6.2 The Department has a Development Agreement with High Speed 2 Limited (HS2 Ltd), which clearly sets out the roles of the Department and HS2 Ltd. The Department has recruited two additional highly experienced directors and is expanding its team of commercial and project specialists, which will further improve its ability to sponsor and oversee the programme.

6.3 The Department has also developed a prioritised people plan to develop its capabilities further for Review Points (RP) 1, 2 and 3. As part of its preparation for RP1, which is scheduled for April 2016, the Department has initiated an assessment against the Infrastructure UK framework for the key capabilities required from a client team, alongside a programme of internal audit activity.

## Twenty Seventh Report of Session 2013-14

### Cabinet Office

### Charges for customer telephone lines

**Summary of the Committee's findings**

In 2012–13 central Government handled at least 208 million telephone calls. The Department for Work and Pensions received 100 million calls and HM Revenue and Customs received 68 million calls. Some 63% of calls to central Government were to higher rate telephone numbers. The estimated cost to callers of these calls in 2012–13 was £56 million. Callers to higher rate lines paid £26 million in call charges while waiting to speak to an adviser. Costs of phone calls using 0845 or other higher rate phone numbers hit the poorest the hardest, particularly because they are most likely to be using mobile phones where the charges are even higher. Departments do not have a clear idea of the extra revenue generated from higher rate numbers. Despite Cabinet Office guidance, departments do not monitor the call revenues that third party providers receive.

**Background resources**

- NAO report: *Cross-Government: charges for customer telephone lines* - Session 2013-14 (HC 541)
- PAC report: *Charges for customer telephone lines* - Session 2013-14 (HC 617)
- Treasury Minute: February 2014 (Cm 8819)
- Treasury Minute: Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 4 recommendations in this report. As of the last Treasury Minute (Cm 9034), 1 recommendation was implemented and the department disagreed with 1 recommendation. 2 recommendations remained work in progress, all of which have now been implemented, as set out below.

**3: Committee of Public Accounts conclusion:**
***Higher rate telephone lines have a disproportionate impact on vulnerable and low-income groups who are deterred from calling, limiting access to essential services.***

**Recommendation:**
***The Cabinet Office should mandate that telephone lines serving vulnerable and low-income groups should never be charged above the geographic rate and ensure that 03 numbers are available for all government telephone lines within 6 to 12 months, prioritising any which predominantly serve vulnerable and low-income groups.***

3.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

3.2 The Government has published guidance, which set out clear principles for departments, noting that it is inappropriate for callers to pay substantial charges for accessing core public services, particularly for vulnerable and low income groups, and that departments should use prefixes offering a geographic rate call as a default policy position. Departments remain responsible for their number prefix choice.

3.3 To help monitor on-going implementation, the guidance requires each department to publish an annual status report. The departments, who operate customer service lines, have published their annual status reports on GOV.UK. The reports show that departments have migrated lines to lower cost alternatives or are offering dual numbers in parallel, allowing callers a choice based on their individual call package arrangements. They also indicate that departments have ensured that where dual numbering systems exist, the 03 number is advertised as the primary contact number.

3.4 Updated guidance, agreed with key departments has now been published. This strengthens the guidance for departments, recommending which prefixes departments should use, in order to minimise call charges for the public and costs for departments.

**5: Committee of Public Accounts conclusion:**
***The Government has not got a clear evidence based policy on whether or not to charge for data.***

**Recommendation:**
***The Cabinet Office must require open-book arrangements for all government contracts where suppliers generate extra money from higher rates. Contracts should require a consistent set of metrics so performance levels can be compared. The Cabinet Office should establish transparent benchmarking arrangements to help departments achieve value for money***

5.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

5.2 Departments are required to use Crown Commercial Service Framework Agreements to buy numbering services unless there are exceptional circumstances.

5.3 With regard to open-book arrangements, a standard approach has been developed, that should be adopted by Departments and applied where there are benefits from its application. A suite of resources has been developed to assist departments. Under this approach, Departments will use a Decision Tool to establish whether and how Open Book should be applied. Where it should be applied, an Application Model will be used to establish the activities to be undertaken.

5.4 Application will range from a light touch approach at its lowest level to complex scrutiny of costs and a collaborative approach to reducing costs at its highest and most intense. Application should be proportionate and appropriate to ensure cost does not outweigh potential benefits, using sound commercial judgement. Transparency from implementation should allow both parties to be clear on the supplier's charges, costs and planned return. It should provide a basis to review performance, agree the impact of change and bring forward ideas for efficiency improvements. This technique should help improve value for money and build mutual understanding and trust between government and its suppliers.

## Twenty Eighth Report of Session 2013-14

### Department for International Development

### Fight Against Malaria

**Summary of the Committee's findings**

Malaria is a mosquito-borne infectious disease. It is transmitted by mosquitoes drawing infected blood from one person and transmitting it to others. In 2010 there were around 219 million malaria cases worldwide, leading to some 660,000 deaths. Malaria particularly affects low-income countries with weak public health systems; it is also a significant factor in constraining their economic growth. The department's spending to combat malaria will increase from £138 million in 2008-09 to nearly £500 million by 2014-15. In the absence of a fully effective vaccine, the department's strategy is to reduce new infections through distributing proven malaria controls, such as insecticide treated bed nets, and to reduce deaths and illness through supplying drugs to treat infected people. The department plans to undertake a midterm review of its malaria programme by the end of 2013.

**Background resources**

- NAO report: *Malaria* – Session 2013-14 (HC 534)
- PAC report: *The fight against Malaria* - Session 2013-14 (HC 618)
- Treasury Minute: April 2014 (Cm 8847)
- Treasury Minute – Progress Update: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 7 recommendations in this report. As of the last Treasury Minute (Cm 9034), 2 recommendations were implemented. 5 recommendations remained work in progress, all of which have now been implemented, as set out below.

**4: Committee of Public Accounts conclusion:**
***The department has not been sufficiently selective in allocating money to its country offices.***

**Recommendation:**
***The department should make clear that it expects its country based teams to consider wider options across well-targeted malaria prevention, diagnosis and treatment activities, and it must allow sufficient time for these teams to develop their funding bids.***

4.1 The Government agreed with the Committee's recommendation.

**Recommendation Implemented.**

4.2 In July 2015, the department began a Bilateral Aid Review (BAR) to determine with its country-based teams the shape of its bilateral portfolio, including on malaria spend, for the next five year Spending Review period. Through the BAR, the department will decide on overall country allocations as well as strategies within countries, deciding on what it does and how it does it (types of programme and different partners).

4.3 A key tool for informing in-country resource allocation is the Country Poverty Reduction Diagnostic which is used to diagnose the key barriers to poverty reduction, and assess how the department can best intervene, given what others are doing, and its comparative advantage. When deciding on bilateral malaria programmes, the department determines the disease burden, feasibility and impact of any programme as well as looking at what other partners are doing. The department has also produced a guidance note for its staff on assessment and evaluation of value for money for its malaria control investments at the country level.

**5: Committee of Public Accounts conclusion:**
***The department's on-going growth in expenditure to combat malaria risks creating protracted dependency on UK funding.***

**Recommendation:**
***The department should require country-based staff to design programmes that require the government of each country to contribute to the programmes funded, and to seek additional non-UK resources.***

5.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

5.2 The department continues to encourage countries to increase their share of funding and it works closely with partners to achieve this. As part of the UK's contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), countries are already required to provide counterpart financing in order to access their full allocation. Over the period 2015-2016 this has unlocked additional commitments of US$4.5 billion from government resources compared with the 2012-2014 period.

**6: Committee of Public Accounts conclusion:**
***The mass distribution of free or subsidised bed nets suppresses local commercial markets.***

**Recommendation:**
***The department should develop its programmes to avoid suppressing local commercial markets for "paid-for" bed nets, through targeting its free distributions on those who would not otherwise pay for bed nets.***

6.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

6.2 In order to achieve high coverage with bed nets, the department supports a range of distribution channels. In September 2014, the department commissioned an expert review of policies and practice on long lasting insecticide-treated nets. This indicated that most countries in Africa rely primarily on campaigns and that many of the locally produced nets for sale are untreated and therefore not recommended for procurement. However, new technologies may offer opportunities to convert existing local net production to long lasting insecticide-treated nets. There is considerable interest in finding a system that can provide nets only as and when needed, as an addition to routine distribution or possibly using commercial market supplies. The department will continue to engage on this issue.

6.3 GFATM is increasingly trying to target its resource on the poorest and most marginalised. For bed net distribution, GFATM has a focus on those with the highest needs including in high transmission settings, rural areas and to pregnant women and children.

**7: Committee of Public Accounts conclusion:**
***The Committee also heard evidence that nets secured from western suppliers were often of an unsuitable size despite the availability of more appropriate products within the local market.***

**Recommendation:**
***The department should aim to procure bed nets on a local basis where a failure to do so might have a damaging long term impact on the objectives of the project being supported.***

7.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

7.2 The large majority of anti-malarial commodities funded by the department are procured indirectly through organisations such as GFATM. The department works to ensure increasing local procurement is reflected in their approaches. In 2014, the department, GFATM and other partners developed a strategy for bed net procurement. Integral to this strategy was consideration of how to recognise and encourage national production. The strategy set out the required quality criteria and the tender process focused on achieving overall value and not just better unit cost. As a result of implementation the largest share of procurement is through a developing country supplier.

7.3 The department commissioned analysis on the local production of anti-malarial commodities. The resulting report recommended that the department should not engage directly in building local production capacity, but instead focus on the wider private sector enabling environment (political, economic, regulatory) as well as on leveraging funding for health commodities to shape markets to support these policy goals. The department agrees with this approach.

**8: Committee of Public Accounts conclusion:**
***The department has not yet made the most of easy to use rapid diagnostic tests to increase the number of people who can be quickly and correctly diagnosed for malaria.***

**Recommendation:**
***The department should extend its support for rapid diagnostic tests to the private sector on a national or regional scale as well as using public sector outlets. It should do so in countries where competent private sector vendors exist, to seize the unquestionable benefits this would bring.***

8.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

8.2 The availability of rapid diagnostic tests (RDTs) has improved enormously in the public sector, but in the private sector, where much malaria treatment takes place, they are largely unavailable or are more expensive than Artemisinin-based Combination Therapy. According to the World Health Organisation, there is presently little experience to guide countries on the scale up of malaria RDTs in the private sector including how best to address issues such as storage, ensuring the tests are working correctly.

8.3 The department is supporting RDTs for the private sector through a variety of means. This includes through support to UNITAID which has provided financial support to Population Services International (PSI) in five countries through UNITAID's 'Creating a Private Sector Market for Quality-Assured RDTs' project. The project is designed as a catalytic market intervention to develop methods and to learn and disseminate experience and project lessons learned to accelerate the introduction and scale up of malaria RDTs in the private sector, and will come to an end in 2016.

8.4 The department's Burma office funds the 'Artemisinin Monotherapy Replacement' project implemented by PSI. In 2013, PSI undertook a pilot to investigate the different incentives and interventions that would be increase the use of RDTs in the private sector. After gaining approval from the Burmese Ministry of Health, PSI have now begun implementing the RDT strategy. This involves the provision of free RDTs to private sector providers combined with training and intensive supervision of providers. PSI expects to increase RDT availability in the private sector from 10% at baseline (2014) to 30% by the end of 2016.

## Thirty First Report of Session 2013-14

### Home Office

### The Border Force: securing the border

**Summary of the Committee's findings**

The Border Force's 7,600 staff operate immigration and customs controls at 138 air, sea and rail ports across the UK, and in France and Belgium, to prevent 'harmful' individuals and goods entering the UK. In March 2012, the Border Force was transferred from the then UK Border Agency to the Home Office to strengthen management oversight following criticism around relaxation of border controls. The Border Force had five different heads in the 18 months to March 2013, when the current Director General, Sir Charles Montgomery, was appointed. The Border Force has a budget of £604 million for 2013-14, but is facing cuts as part of wider reductions in the Home Office's resources agreed in the Spending Review settlement for 2015-16.

**Background resources**

- NAO report: *The Border Force: securing the border* - Session 2013-14 (HC 540)
- PAC report: *The Border Force: securing the border* - Session 2013-14 (HC 663)
- Treasury Minute: February 2014 (Cm 8819)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the last Update Treasury Minute (CM 9034), 5 recommendations were implemented. 1 recommendation remained work in progress, which has now been implemented, as set out below.

**3: Committee of Public Accounts conclusion:**
***It is not clear how the Border Force will cope with the growing demands placed on it to secure the border given the limited resourcing at its disposal.***

**Recommendation:**
***The Border Force must demonstrate through effective, realistic planning that it can deliver its workload within the resources available.***

3.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

3.2 Border Force has developed a strategic planning process designed to test the realism of growth estimates and other assumptions made when developing its corporate and regional plans. Investment continues to be made in enablers such as automation, improved intelligence and targeting, rostering and deployment tools, to ensure that best use is made of the resources available. The planning horizon also reaches beyond the next financial year to consider activities scheduled for delivery in future years, to identify where investment may be needed.

3.3 Border Force also participates in planning at a border system level. These are centrally controlled processes designed to ensure that the impacts on the border and immigration system of decisions made by the operational commands are identified in advance, and to examine where collaboration and partnering may reap additional benefits from planned business change.

## Thirty Second Report of Session 2013-14

### HM Treasury

### Whole of Government Accounts 2011-12

**Summary of the Committee's findings**

The Treasury published the WGA for 2011-12 in July 2013. It presents the combined financial activities of some 3,000 organisations across the public sector (an increase from the 1,500 covered last year) to produce the most comprehensive accounting picture of the public sector across the UK currently available. The WGA 2011-12 reports net expenditure for the year (the current deficit) at some £185 billion compared to £94 billion the previous year (£196 billion before taken into account one-off adjustments that occurred in 2010-11). It also reports net liabilities-the difference between the government's assets and liabilities-of £1.34 trillion compared to £1.19 trillion last year. These figures are at variance with those used by the Chancellor in the National Accounts.

**Background resources**

- NAO report: *Whole of Government Accounts 2011-12* - Session 2013-14 (HC 531)
- PAC report: *Whole of Government Accounts 2011-12* - Session 2013-14 (HC 667)
- Treasury Minute: February 2014 (Cm 8819)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9034), 3 recommendations were implemented and the department disagreed with 1 recommendation. 2 recommendations remained work in progress, all of which have now been implemented, as set out below.

**2: Committee of Public Accounts conclusion:**
***Despite some progress the public sector is not yet making sufficient use of the information in the WGA.***

**Recommendation:**
***The Treasury should set out how it will ensure that the Government makes much better use of the WGA to inform decisions, particularly in areas that involve long term liabilities, such as the costs of nuclear decommissioning, PFI and pensions.***

2.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

2.2 The Treasury continued to use WGA data to challenge departmental spending and consider the impacts of policy decisions on the long-term financial position. The Treasury increasingly used WGA as an aid to oversight of both these processes and to set and maintain standards of reporting that enable strategic risks to be identified and managed. The OBR continued to use WGA data for the fiscal sustainability report. The Treasury used the underlying WGA data as part of the 2015 Spending Review (SR) negotiations to inform future SR planning and Government policy. A control total has been introduced that would limit payments under Private Finance Initiative (PFI) contracts in nominal terms in each future Parliament. As reported by the Office for Budget Responsibility, the Treasury is on track to meet this target.

**4: Committee of Public Accounts conclusion:**
***Taxpayer losses due to fraud and error are worrying high.***

**Recommendation:**
***The Treasury should develop, publish and implement an action plan setting out a co-ordinated strategy to tackle fraud and error and report cross-government figures within the WGA which can be used to show the impact of the government's counter-loss activities. This work should be clearly prioritised across Government because of the impact on the deficit.***

4.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 The Cabinet Office Fraud, Error and Debt (FED) team is working across Government with the Treasury to improve identification, reporting, prevention and recovery of fraud and error losses. The FED team has agreed definitions and a typology for the reporting of fraud, error and debt losses and is working to improve quality of reported data. The FED team has carried out a capacity review across Government and, working with departments, is developing standards for the delivery of counter-fraud work.

4.3 Initiatives within the Department for Work and Pensions' fraud, error and debt programme include the Local Authority Fraud and Error Reduction Incentive Scheme, wider use of Real Time Information, and the Single Fraud Investigation Service. When Universal Credit is fully rolled out, the Government expects savings through reduced fraud, error and overpayments, and increased ability to monitor changes in income.

4.4 HM Revenue and Customs have reduced fraud and error in tax credits through improved compliance strategy, more access to different data sources, and changes to the design of tax credits. The 2014-15 WGA will include a section in the performance report on fraud, error and debt.

## Thirty Fifth Report of Session 2013-14

### Department of Health

### Access to Clinical Trial Information and the Stockpiling of Tamiflu

**Summary of the Committee's findings**

The Department of Health spent £424 million on stockpiling Tamiflu, an antiviral medicine used in the treatment of influenza, for use in a pandemic, but had to write off £74 million of its Tamiflu stockpile as a result of poor record-keeping by the NHS. There is a lack of consensus over how well Tamiflu works, in particular whether it reduces complications and mortality. Discussions over this issue among professionals have been hampered because important information about clinical trials is routinely and legally withheld from doctors and researchers by manufacturers. This longstanding regulatory and cultural failure impacts on all of medicine, and undermines the ability of clinicians, researchers and patients to make informed decisions about which treatment is best. There are also concerns about the information made available to the National Institute for Health and Care Excellence (NICE) which assesses a medicine's clinical and cost–effectiveness for use in the NHS.

**Background resources**

- NAO report: *Access to clinical trial information and the stockpiling of Tamiflu* Session 2013-14 (HC 125)
- PAC report: *Access to clinical trial information and the stockpiling of Tamiflu* Session 2013-14 (HC 295)
- Treasury Minutes April 2014 (Cm 8847).
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9034), 2 recommendations were implemented and the Department disagreed with 3 recommendations. 1 recommendation remained work in progress, which has now been implemented, as set out below:

**4: Committee of Public Accounts conclusion:**
***The case for stockpiling antiviral medicines at the current levels is based in judgement rather than evidence of their effectiveness during an influenza pandemic.***

**Recommendation:**
***Once the Cochrane Collaboration has completed its review of Tamiflu using all clinical study report information, the Department, MHRA and NICE should consider whether it is necessary to revisit previous judgements about the efficacy of Tamiflu.***

4.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 Following discussions with the Department, the Academy of Medical Sciences and the Wellcome Trust undertook an independent assessment of the scientific evidence on the use of antivirals to treat influenza. Their report was published on 8 October 2015.[4] The Department asked the Government's independent New and Emerging Respiratory Virus Threats Advisory Group, (NERVTAG), to consider the report and provide it with advice on the current UK policy of stockpiling antivirals for use in an influenza pandemic. The Department will consider the report's findings, advice from NERVTAG and any other available scientific evidence, including an updated cost/benefit analysis, to inform its recommendations on appropriate antiviral stockpile levels for a future influenza pandemic.

4.3 NICE reconsidered the case for reviewing its current guidance on the use of Tamiflu, and having consulted with stakeholders, concluded that it does not need to review its guidance. Its findings were published in November 2014.[5] The European Medicines Agency's Committee on Human Medicinal Products (CHMP) considers that the benefits of Tamiflu in its approved indications continue to outweigh its risks. As for all medicines, any new data that may become available will be considered and appropriate action will be taken.

[4] http://www.acmedsci.ac.uk/snip/uploads/561595082cd83.pdf

[5] http://www.nice.org.uk/guidance/ta168/documents/influenza-zanamivir-amantadine-and-oseltamivir-review-review-decisionnovember-2014

## Fortieth Report of Session 2013-14

### Department of Health

### Maternity Services in England

**Summary of the Committee's findings**

Having a baby is the most common reason for admission to hospital in England. In 2012, there were nearly 700,000 live births, a number that has risen by almost a quarter in the last decade. There has also been an increase in the proportion of 'complex' births, such as multiple births or those involving women over 40. Maternity care cost the NHS around £2.6 billion in 2012-13. The Department is ultimately responsible for securing value for money for this spending. Since April 2013, maternity services have been commissioned by clinical commissioning groups, which are overseen by NHS England. Maternity care is provided by NHS trusts and NHS foundation trusts.

**Background resources**

- NAO report: *Maternity Services in England* - Session 2013-14 (HC 794)
- PAC report: *Maternity Services in England* - Session 2013-14 (HC 776)
- Treasury Minute: April 2014 (Cm 8847)

**Updated Government response to the Committee**

There were 7 recommendations in this report. As of the last Treasury Minute (Cm 8847), the Department disagreed with 1 recommendation. 6 recommendations remained work in progress, of which 2 have now been implemented, as set out below.

**2: Committee of Public Accounts conclusion:**
***There is confusion around the Department's policy for maternity services, what it wants to achieve and who is accountable for delivery.***

**Recommendation:**
***The Department should set out clearly its objectives for maternity care, explicitly stating who is accountable for their implementation and how success against its objectives will be measured.***

2.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

2.2 The Government set out its objectives for improving maternity care in its Mandate to NHS England, first published in November 2012 and last updated in December 2014. In March 2015, NHS England published its refreshed business plan for 2015-16, which explains how it proposes to achieve these objectives including specific deliverables.

2.3 The Department holds NHS England to account for achieving the Mandate objectives through an assurance process that includes periodic assurance reports and monthly formal accountability meetings between the Senior Departmental Sponsor and NHS England's National Director of Policy. Bimonthly formal accountability meetings are held between the Secretary of State for Health and the Chair of NHS England, and maternity services were discussed in depth at the meetings in December 2013, March 2014, and February 2015.

**4: Committee of Public Accounts conclusion:**
***The clinical negligence bill for maternity services is too high.***

**Recommendation:**
***The Department and NHS England should build on recent research to address the main causes of maternity clinical negligence claims and to stop so many claims coming forward. They should also investigate the variations in performance between trusts to see how services can be improved so that fewer tragic mistakes occur.***

4.1 The Government agrees with the Committee's recommendation.

**Target implementation date:** April 2016.

4.2 NHS England is leading a national policy initiative called 'Saving Babies' Lives', a care bundle that focuses on reducing stillbirths and neonatal deaths. The care bundle includes elements on fetal growth restriction and fetal monitoring which are intended to impact on litigation through reducing stillbirth and cases of Hypoxic-Ischemic Encephalopathy and cerebral palsy. The programme of work has entered the pilot phase, where testing of the care bundle with volunteer maternity care providers will inform the refining of the bundle prior to national roll out. An external evaluation will be commissioned which will analyse the impact of the bundle amongst those trusts that implement it, with a view to it informing future refinement of the bundle's interventions.

4.3 In November 2015, the Health Secretary announced a new ambition to halve stillbirths, neonatal and maternal deaths, and intrapartum brain injuries in babies by 2030. The Government pledged to work with consultants, midwives and other experts across the country and internationally to ensure the very best practice is applied consistently across the NHS. Following the Triennial Review of the NHS Litigation Authority (NHS LA), the DH will lead work with NHS LA to review and articulate the role of NHS LA. The outputs should include a single narrative on scope, purpose and objectives.

## 5: Committee of Public Accounts conclusion:
***Women want more choice about where to give birth.***

**Recommendation:**
***NHS England should build on recent research to investigate the factors that affect women's choice of place of birth, including closures of maternity units, and what inhibits women from exercising choice in practice.***

5.1 The Government agrees with the Committee's recommendation.

**Target implementation date:** April 2016.

5.2 Clinical Commissioning Groups (CCGs) are responsible for commissioning maternity services in line with NHS England commissioning guidance, taking into account the views of local maternity services users and factors such as demography and geography. Service improvements will take into account what is appropriate locally; understanding what drives women's choice of care; and reflecting the balance between choice and safety.

5.3 As set out in the *Five Year Forward View*[6], NHS England commissioned Baroness Julia Cumberlege to lead an independent review of future models for maternity units. The Review will develop proposals for the future shape of modern, high quality and sustainable maternity services across England; paying particular attention to models of care, professional culture and accountability, choice, incentives and levers and engagement of users. Women centred care is integral to the focus of the Review, which is expected to publish its final report by spring 2016.

## 6: Committee of Public Accounts conclusion:
***The NHS has failed to address persistent inequalities in maternity care.***

**Recommendation:**
***NHS England should set out what it intends to do to reduce inequalities, take the appropriate action as a matter of urgency, and report annually on progress.***

6.1 The Government agreed with the Committee's recommendation.

**Target implementation date:** April 2016.

6.2 NHS England, responsible for overseeing the delivery of NHS services, has rolled out the Equality Delivery System (EDS2) as a tool to support all patients and communities, including Black and

[6] http://www.england.nhs.uk/wp-content/uploads/2014/10/5yfv-web.pdf

Minority Ethnic women, in improving the healthcare services that they receive. They are on target for 95% of services to have EDS or EDS2 in place by March 2016.

6.3 NHS England continue to monitor trends through the vital signs data for early access to services and other data including the Friends and Family Test. NHS England are also undertaking a national review of maternity services, including a survey with the Heads of Midwifery at provider organisations, to identify interventions targeted to improve the experiences and outcomes for socially disadvantaged women from black and minority ethnic backgrounds.

**7: Committee of Public Accounts conclusion:**
***Local maternity networks are an important way of sharing good practice and reducing variation, but they are not obligatory and those that do exist tend to be less well developed than other NHS networks.***

**Recommendation:**
***NHS England should actively manage the development of maternity networks across the NHS, and set out what arrangements it will put in place to ensure the sharing of good practice between, as well as within, networks to improve quality and eradicate unacceptable variations across the country.***

7.1 The Government agrees with the Committee's recommendation.

**Recommendation implemented.**

7.2 NHS England has set up and funded 12 Maternity and Children's Services Strategic Clinical Networks, each with dedicated network managers and clinical leads, to improve maternity and children's services through an integrated whole system approach.

7.3 All networks work with their relevant CCGs to use information from the local strategic needs assessment to inform the commissioning of maternity services, taking into account the standards recommended by professional groups. Each network identifies priorities annually, reflecting the needs and characteristics of the local area and also by translating national-level priorities into improvement projects that are fit for local context. Different networks have therefore prioritised different areas of work, including reducing stillbirth and improving perinatal mental health.

7.5 The networks are led nationally by NHS England's National Clinical Directors for 'maternity and women's health' and 'children, young people and transition to adulthood' who are working to ensure links are formed between the networks and that individual networks are able to lead on areas of work on behalf of all.

**8: Committee of Public Accounts conclusion:**
***The Department lacks the data needed to oversee and inform policy decisions on maternity services.***

**Recommendation:**
***The Department and NHS England should make better use of existing and emerging data, and of research, to monitor progress against its policy objectives and to inform decisions.***

8.1 The Government agreed with the Committee's recommendation.

**Target implementation date:** April 2016.

8.2 NHS England is developing, with the Healthcare Quality Improvement Partnership (HQIP), a maternity and perinatal National Clinical Audit, which will focus on identifiable areas for improvement in outcomes including stillbirths, maternal mortality and maternal morbidity. NHS England continues to ensure it is aware of forthcoming research and studies pertinent to its areas of focus and beyond, for example, the AFFIRM study on reduced fetal movement and INFANT, which relates to use of electronic cardiotocograph (CTG) during labour, both of which are relevant to the Saving Babies' Lives care bundle.

8.3 The Department provided funding for *Each Baby Counts*, the Royal College of Obstetricians and Gynaecologist's five-year project, launched in October 2014, to collect and analyse data from hospitals with the aim of improving future care and reducing by 50% by 2020 the number of stillbirths, neonatal deaths and brain injuries as a result of incidents occurring during term labour.

## Forty First Report of Session 2013-14

### HM Revenue and Customs

### Gift Aid and other tax reliefs on charitable donations

**Summary of the Committee's findings**

Successive Governments have legislated to exclude charities from income tax, including income from donations, and there is cross party support for measures that will simplify and increase charitable giving. Gift Aid allows charities to reclaim the basic rate of tax paid on donations. Other reliefs allow the donor, rather than the charity, to receive all of the tax benefit on donations. These reliefs on donations provide a tax incentive to donors by allowing them to reduce their tax liability. In 2012-13, charities received just over £1 billion in tax repayments through Gift Aid donations; and individuals and companies also received a tax benefit on their donations worth almost £1 billion.

**Background resources**

- NAO report: *Gift Aid and reliefs on donations*- Session 2010-12 (HC 733)
- PAC report: *Gift Aid and other tax reliefs on charitable donations* - Session 2013-14 (HC 835)
- Treasury Minute: April 2014 (Cm 8847)

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the Treasury Minute (Cm 8847), 1 recommendation had been implemented and the Department disagreed with 1 recommendation. 4 recommendations remained work in progress, all of which have now been implemented, as set out below.

**2: Committee of Public Accounts conclusion:**
***HMRC has not collected data to enable it to evaluate if Gift Aid is working as Parliament intended.***

**Recommendation:**
***HMRC should work with the charity sector to gather better evidence of the impact of the reliefs on donor behaviour. In future HMRC must ensure that when it commits to evaluating the impact of a new tax relief, or a change to an existing relief, it collects the data it needs to undertake a robust assessment.***

2.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

2.2 The Department has carried out research into Gift Aid declaration has and also worked with charities to better educate donors to ensure more effective take up of Gift Aid. The Department has completed additional research into wealthy donors and Gift Aid, and received funding for quantitative research into Gift Aid, with the results due in March 2016.

2.3 The Department has worked with Datalab to explore merging the Department's databases to help understanding donor behaviour, and released a new model Gift Aid declaration to simplifying the wording and help donors understand their obligations.

**4: Committee of Public Accounts conclusion:**
***The sharing of information within HMRC and with other bodies, such as the Charity Commission, has been inadequate.***

**Recommendation:**
***HMRC must set out a plan to improve how it shares its information internally. It must also set out more clearly how it will work better and more closely with the regulators of charities.***

4.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 A cross-Department Closer Working Project Team was established in November 2015 to facilitate closer working between the Department and the Charity Commission of England and Wales (CCEW). The Departments will share their high level structures shortly and following on from this further secondments and go and see visits will be planned to help staff understand each organisation's structures/processes. This builds on reports provided by the Department's staff who have previously benefited from secondments with CCEW.

4.3 The existing Memorandum of Understanding will be reviewed before May 2016 and will include sign off from lawyers. This needs to address data sharing across Departments, when it is appropriate to share information and intelligence, and who it can be shared with. The Department has introduced internal joint working protocols to ensure relevant compliance cases are shared with our Charities team at the earliest opportunity.

**5: Committee of Public Accounts conclusion:**
***HMRC has not adequately simplified the tax rules for reliefs on donations.***

**Recommendation:**
***HMRC should examine ways in which the rules can be simplified to both reduce abuse and make the system easier and simpler for charities to claim the reliefs.***

5.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

5.2 Review of the tax rules for the full range of reliefs on donations has been completed. Apart from the consultations and possible reforms already announced, the Department did not identify further scope for simplifying the rules, without a complete reform of areas of the tax code, which apply generally and not just to charity reliefs (for example: Capital Gains Tax, and Inheritance Tax).

5.3 Nearly all the complexity and error in the current rules for donations to charity are caused by donor benefits. Consultation on their reform has already commenced, having been announced at Autumn Statement 2014.

5.4 A commitment has been made to undertake a review of the Gift Aid Small Donations Scheme starting in April 2016 when sufficient data is available. A call for evidence consultation will shortly be published ahead of the planned review. The Department has also agreed to critically examine the compliance outputs of its information, sharing this with the Charity Commission early 2016.

**6: Committee of Public Accounts conclusion:**
***HMRC has still not committed enough resources to administering Gift Aid.***

**Recommendation:**
***HMRC should establish what the right staff profile is for administering reliefs on donations and implement it, taking into account its cost effectiveness in relation to other compliance work.***

6.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

6.2 A Compliance resource review will now allow additional staff to be deployed where a relatively high Risk is identified and the potential compliance yield makes it cost effective to use additional staff. The Department and the Charities Commission held a number of "*Go and See*" visits and case conferences during 2015. This enabled the Department to identify several opportunities for closer working that were set out in a report dated August 2015. The recommendations of this report were discussed at a joint meeting in October 2015, where it was agreed that Departments would move ahead and plan a programme of flexible secondments.

## Forty Third Report of Session 2013-14

### Department of Energy and Climate Change

### Progress at Sellafield

**Summary of the Committee's findings**

Sellafield is the largest and most hazardous of the nuclear sites owned by the Authority. Sellafield Limited is the licensed operator of the site and manages the site under a contract with the Authority, which reimburses its costs of around £1.6 billion a year. In 2008, the Authority appointed NMP, a consortium of private sector companies, as the 'parent body organisation' (PBO) of Sellafield Limited to improve performance using its expertise. NMP receives fees earned by Sellafield Limited for improved performance in the form of dividends, receiving some £50 million in 2011-12, totalling £230 million over the 5 years of the initial contract. A report from consultants KMPG commissioned by the Authority in 2013 was very critical of key features of NMP's performance over the initial contract term. Despite these criticisms, the Authority announced in October 2013 that it had decided to extend its contract with NMP for a further five years.

**Background resources**

- NAO report: *Managing risk reduction at Sellafield* – Session 2012-13 (HC 630)
- NAO report: *Assurance of reported savings at Sellafield* – Session 2013-14 (HC 778)
- PAC report: *NDA: Managing risk at Sellafield* - Session 2012-13 (HC 746)
- PAC report: *Progress at Sellafield* - Session 2013-14 (HC 708)
- Treasury Minute: April 2014 (Cm 8847)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9034), 3 recommendations had been implemented. 3 recommendations remained work in progress, of which 1 recommendation has now been implemented and 1 recommendation is not implemented, as set out below.

**2: Committee of Public Accounts conclusion:**
***The Authority has extended its contract with NMP despite the company's poor performance at Sellafield.***

**Recommendation:**
***The Authority should set out how, and when, it will review what progress NMP is making in improving performance at the site. The NAO should review the Authority's approach and report back to the Committee on performance at Sellafield one year into the extended contract.***

2.1 The Government agreed with the Committee's recommendation.

**Recommendation not implemented.**

2.2 Following a thorough review of the contracting approach, the Authority concluded that the commercial model for the site should change and that Sellafield Limited should be managed as a subsidiary of the Authority with specific expertise bought in from the supply chain, removing the Parent Body Organisation (PBO). The Secretary of State for Energy and Climate Change announced in Parliament, in January 2015, his endorsement of the Authority's recommendation to move away from the current PBO arrangements. This supersedes the action to review NMPs progress in improving performance at the site.

2.3 The NAO carried out a review in March 2015 (one year into the extended contract period) and produced their report: *Progress on the Sellafield Site: an update.*

**3: Committee of Public Accounts conclusion:**
***NMP has not provided the leadership and strong contract management skills that are critical for the success of the major projects at Sellafield and the running of such a large and complicated site.***

**Recommendation:**
***The Authority should monitor, and challenge where appropriate, the use made of NMP-appointed executives and experts and the terms on which they are employed. NMP should publicly report its costs, progress and the value it has brought to the site.***

3.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

3.2 Revised contractual arrangements have been put in place for the second contract term. Under these arrangements Sellafield Ltd Executive Payments have been reviewed against relevant benchmarks. The Executive remuneration and Reachback costs will be the subject of an annual review by the Authority.

3.3 The Authority has continued to monitor Reachback costs on a regular basis. Challenges have been made to ensure that value is being derived from the engagement of these resources. The profile of Executive costs has decreased by 39% since the financial year 2011-12 and Reachback costs have also significantly decreased by 58% since the financial year 2012-13.

3.4 The implementation of the Sellafield Model Change will mean that NMP resources (both Executive and Reachback) will reduce further during FY15/16 with only limited retained resources after share transfer and all resources displaced by 30 September 2016.

**4: Committee of Public Accounts conclusion:**
***The Authority has not demonstrated why, given the lack of risk transferred to NMP, this 'parent body' arrangement at Sellafield provides value for money.***

**Recommendation:**
***The Authority should set out how it might transfer more of the delivery risk to contractors under its existing arrangements and how it will ensure that its alternative arrangements are viable to enable it to terminate the current contract should performance continue to prove unsatisfactory.***

4.1 The Government agrees with the Committee's recommendation.

**Target implementation date:** June 2016.

4.2 Reviews conducted by the Authority of the performance of Sellafield Limited and NMP during the first term of the Parent Body Agreement (PBA) concluded that it was not possible to reliably transfer the risk of a complex and uncertain programme such as Sellafield to a single private sector organisation. It was thus difficult to demonstrate that the arrangements with NMP were providing real value for money for the taxpayer. A fundamental review of this position (commenced by the Authority in March 2013 and completed in November 2014) concluded that the commercial model for the site should change and that Sellafield Limited should be managed as a subsidiary of the Authority, removing the Parent Body Organisation.

## Forty Fourth Report of Session 2013-14
### Department for Business Innovation and Skills
### Student Loan Repayments

**Summary of the Committee's findings**

The Government introduced student loans in 1990. The department is responsible for the overall system of collecting loan repayments, which is operated by the Student Loans Company (SLC) and HM Revenue and Customs (HMRC). In 2012-13, the SLC and HMRC spent £27 million operating their systems for collecting £1.4 billion of repayments, the majority of which are collected through HMRC's tax systems. The student loan book is a substantial public asset, and the department estimates that the value of outstanding loans will increase from £46 billion in 2013 to £200 billion by 2042 (in 2013 prices). The department therefore needs to understand which loans are due for repayment and what the outstanding loans are worth, and ensure that it collects all those payments due.

**Background resources**

- NAO report: *Student Loan Repayments* – Session 2013-14 (HC818)
- PAC report: *Student Loan Repayments* – Session 2013-14 (HC886)
- Treasury Minute: April 2014 (Cm 8847)
- Treasury Minute – Progress Report: March 2014 (Cm 9034)

There were 5 recommendations in this report. As of the last Treasury Minute (Cm 9034), 1 recommendation had been implemented. 4 recommendations remained work in progress, all of which have now been implemented, as set out below.

**2: Committee of Public Accounts conclusion:**
***Since student loans were introduced in 1990, there has been no reliable model for forecasting how much will be repaid to the Exchequer.***

**Recommendation:**
***The department must publish clear and easily-understood annual forecasts of what it expects to collect in the year ahead, and explain why any subsequent variances between forecasts and the amounts actually collected. It must also invest in improving its forecasting capability so that action can be taken to reduce the ever-growing write-off figures.***

2.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

2.2 The Department plans to publish a table in February 2016 setting out annual forecast repayments and out-turn, combining the most recent BIS modelling data with financial information from SLC.

2.3 The department has, since April 2013, invested additional resources to improve the model used to forecast repayments. It has now been fully updated with revised forecasts. The revised model has been used to value the loan book in the department's 2013-14 and 2014-15 accounts and to generate a forecast of repayments for publication.

**3: Committee of Public Accounts conclusion:**
***The Committee was reassured by the Permanent Secretary's statement that any sale of the student loan book "has to represent value for money for the taxpayer"***

**Recommendation:**
***The baseline valuation for the sale needs to be determined in advance. The department must demonstrate that it has a robust understanding of: the realistic value of the student loan book; the long-term cost to the taxpayer of any early sale; and the expected level of competition between bidders and what they might pay for the loan book***

3.1	The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

3.2	As announced by the Chancellor in the July 2015 Budget and the November 2015 Autumn Statement, the Government intends to realise value for the taxpayer through sales from the pre-2012 Income Contingent loan book. Work continues to prepare for the first sale, which is now expected to commence in 2016-17. To ensure sales represent value for the taxpayer, a value for money assessment will be made before each sale.

**4: Committee of Public Accounts conclusion:**
***The approach to collecting debt lacks rigour. The department and the SLC need to improve the collection of loan repayments***

**Recommendation:**
***The department should set, and report against, more stretching and meaningful targets for debt expected to be collected, and for measuring the SLC's performance in specific key areas. This will improve transparency and accountability. It should develop a strategy and targets for collecting overdue debt more quickly from all categories including borrowers living overseas.***

4.1	The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2	The department has reviewed and revised SLC's current targets as part of the annual processes for agreeing the Company's Annual Performance and Resource Agreement (APRA), dated July 2015, and the Memorandum of Understanding (MoU) between BIS, HMRC and SLC, dated October 2015. This included a review of existing targets, which were made more challenging wherever possible, with the introduction of 4 measures to the MoU – 2 on unmatched and found borrowers, and 2 on overpayment recoveries.

4.3	SLC is in the process of completing a significant restructure of its repayments operation. This will create new roles and responsibilities as well as introducing process and procedural improvements. The department is therefore reviewing the 2015-16 performance measures alongside other management information to develop additional performance metrics and targets for 2016-17. These will be agreed by April 2016. The department plans to publish a joint Repayments strategy agreed with the Devolved Administrations in February 2016.

**5: Committee of Public Accounts conclusion:**
***Opportunities to share data with other public bodies to track down borrowers have not been exploited by the department and the SLC***

**Recommendation:**
***The department and SLC should work with other Government departments to develop a strategy for sharing data to gain more information on borrowers' whereabouts and earnings and to help identify previously undetected fraud.***

5.1	The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

5.2	The Student Loans Company undertook a pilot data sharing exercise with DWP designed to identify whether borrowers who have not responded to requests from the company to confirm their residency and employment status were be in receipt of benefits and therefore ineligible for repayment. This has now concluded. 26,204 (25%) of 104,317 borrowers sent to DWP were confirmed as being in receipt of benefits and therefore confirmed as ineligible for repayment. Work is now underway to introduce this check on a monthly basis for new borrowers and annually for borrowers who remain in the found and unmatched category for 12 months. The department is also working with the Department of Health, the Cabinet Office and the Home Office to explore whether they could provide data to help trace borrowers who have lost touch with SLC.

5.3 The department has completed a pilot exercise with two EU countries in which the parties assisted each other to track down borrowers living in each other’s territories. The parties have agreed in principle to continue the exercise on a permanent basis and the results have been shared with other interested EU countries. A number of other countries have signalled interest in data sharing for the purposes of tracing borrowers.

5.4 SLC is now using the Debt Market Integrator (DMI) established by the Cabinet Office to provide government with industry leading debt data analytics. This service will provide greater transparency and segmentation of (initially) overpaid grant and loan accounts prior to collection. Income-contingent repayment (ICR) accounts may be brought into this process at a later date.

## Forty Sixth Report of Session 2013-14

### Department of Health

### Emergency admissions to hospital

**Summary of the Committee's findings**

In 2012-13, there were 5.3 million emergency admissions to hospitals, an increase of 47% over the last 15 years. Two thirds of hospital beds are occupied by people admitted as emergencies and the cost is approximately £12.5 billion. NHS trusts and NHS foundation trusts, primary, community and social care and ambulance services work together to deliver urgent care services. Since April 2013, A&E services have been commissioned by clinical commissioning groups, which are overseen by NHS England. However, it is the Department of Health that is ultimately responsible for securing value for money for this spending.

**Background resources**

- NAO report: *Emergency admissions to hospital: managing the demand* - Session 2013-14 (HC 739)
- PAC report: *Emergency admissions to hospital* - Session 2013-14 (HC 885)
- Treasury Minute: April 2014 (Cm 8847)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 7 recommendations in this report. As of the last Treasury Minute, 3 recommendations were implemented. 3 recommendations remained work in progress, of which 2 recommendations have now been implemented, as set out below.

**3: Committee of Public Accounts conclusion:**
***Financial incentives across the system are not aligned, which undermines the coordination of care across the system.***

**Recommendation:**
***The Department, NHS England and Monitor should review the overall system for funding urgent and emergency care, including the impact of the 'year of care' funding, to ensure that incentives for all organisations are coherent and aligned.***

3.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

3.2 NHS England and Monitor published a document on future payment options for urgent and emergency care in August 2014. Following a period of testing and development of these proposals, the proposed future payment approach for urgent and emergency care was published in August 2015.

3.3 The proposed future payment system for urgent and emergency care is closely aligned with development of the new models of care outlined in the NHS Five Year Forward View. NHS England and NHS Improvement are working with local health economies, including the eight urgent and emergency care Vanguard sites, to test the proposed payment approach further. If test sites demonstrate positive results, NHS England and NHS Improvement hope to start transition to the new payment approach as early as 2016-17.

**6: Committee of Public Accounts conclusion:**
***The Committee welcomes the proposed shift to 24/7 consultant cover in hospitals, but is concerned about the slow pace of implementation and the lack of clarity over affordability.***

**Recommendation:**
***The Department should act with urgency to establish the costs and affordability of this measure and develop a clear implementation plan.***

6.1 The Government agreed with the Committee's recommendation.

**Target implementation date:** March 2020.

6.2 The Government elected in May 2015 has set the NHS the objective that patients who have urgent and emergency hospital care needs will have access to the same level of consultant assessment and review, diagnostic tests and consultant-led interventions 7 days a week. Hospitals will achieve this by meeting four priority standards developed by the *NHS Services, Seven Days a Week Forum*. The Government has given a commitment that there will be full implementation of the standards by 2020.

6.3 NHS England and NHS Improvement are working with the NHS to help identify the most cost effective ways of implementing the four priority standards and maximising savings, including through partnership and networking arrangements between hospitals.

6.4 From January 2016, the Care Quality Commission plans to include assessing whether hospitals are meeting the four priority clinical standards as part of its inspection frameworks for urgent and emergency care services, medical care, critical care and surgery.

**7: Committee of Public Accounts conclusion:**
***Commissioners and urgent care working groups lack the quality data needed to manage the emergency care system more effectively.***

**Recommendation:**
***NHS England should ensure that reliable information is available across the urgent and emergency care system and that local information is published collectively in one place.***

7.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

7.2 NHS England monitors the performance of health services to support continuous improvements in the commissioning and delivery of services including of urgent and emergency care. This requires a range of evidence to be routinely and consistently reported across the organisation. NHS England has made a commitment to be an open and transparent organisation and to make the data on its core business openly available for people to review and reuse. To achieve this, it launched the NHS England data catalogue[7] in June 2015, which contains over 1000 separate datasets, including data on emergency admissions. NHS England is able to seek insight through real-time user feedback, which will help NHS England make further improvements to the data catalogue.

[7] https://data.england.nhs.uk/

## Forty Seventh Report of Session 2013-14

### Cabinet Office

### Contracting out public services to the private sector

**Summary of the Committee's findings**

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

**Background resources**

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

**Updated Government response to the Committee**

There were 23 recommendations in this report. As of the last Treasury Minute (Cm 9034), 11 recommendations were implemented and the department disagreed with 3 recommendations. 9 recommendations remained work in progress, of which 6 have now been implemented, as set out below.

**1-2: Committee of Public Accounts recommendation:**
***Transparency: there needs to be far greater visibility to Government, Parliament and the public about suppliers' performance, costs, and revenues.***

**Recommendation:**
***Cabinet Office should mandate the use of open-book accounting for contracts above an agreed level of expenditure.***

1.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented**

1.2 A standard approach to open book has been developed, that should be adopted by Departments and applied where there are benefits from its application. A suite of resources has been developed to assist departments. Under this approach, Departments will use a Decision Tool to establish whether and how Open Book should be applied. Where it should be applied, an Application Model will be used to establish the activities to be undertaken.

1.3 Application will range from a light touch approach at its lowest level to complex scrutiny of costs and a collaborative approach to reducing costs at its highest and most intense. Application should be proportionate and appropriate to ensure cost does not outweigh potential benefits, using sound commercial judgement. Transparency from implementation should allow both parties to be clear on the supplier's charges, costs and planned return. It should provide a basis to review performance, agree the impact of change and bring forward ideas for efficiency improvements. This technique should help improve value for money and build mutual understanding and trust between government and its suppliers.

**Recommendation:**
***Cabinet Office should develop guidance for departments on how and when to use open-book accounting.***

1.3 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

1.4 The Cabinet Office has developed and will publish an application tool and a guidance product to support departments to apply open book effectively in February 2016. The Cabinet Office has also trialled a model Open Book clause which will be incorporated into the Model Services Contract.

**Recommendation:**
***Cabinet Office should explore how the FOI regime could be extended to cover contracts with private providers, including the scope for an FOI provision to be included in standard contract terms.***

1.5 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

1.6 An independent commission has been set up by the Cabinet Office to look at the FOIA, its scope and coverage and how it operates in practice with a view to making recommendations about its future scope. The commission is expected to report in early 2016. CCS will review the findings of the commission's report and its implications for contracts with private providers.

**Recommendation:**
***Neither the Cabinet Office, nor departments, should routinely use commercial confidentiality as a reason for withholding information about contracts with private providers. A clear explanation for any exceptions must be provided and the Cabinet Office should check that departments are treating disclosure as their default position.***

1.7 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

1.8 The Government has worked with key stakeholders to publish a set of transparency principles[8], which set out for the first time a presumption in favour of disclosure by all departments. Only information that genuinely affects a supplier's commercial position should be withheld – for example: in terms of intellectual property.

**Recommendation:**
***Cabinet Office should set out a plan for departments to publish routinely standard information on their contracts with private providers including, for example, contract duration, value and performance against key indicators.***

1.9 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

1.10 The transparency principles, published in March 2015, encourage proper consideration of the types of information that would be usefully made available when Government enters into a contract, including performance information. The principles make it clear that information will be published in an accessible format and as easy as possible for the public to understand. The Government has launched a new version of the Contracts Finder service[9] offering improved search including by location. The site covers current and future public sector contracts above £10,000 in central government and £25,000 in the wider public sector. It also includes information on contracts awarded, and where the contract has been won by small or medium sized businesses or voluntary bodies. It is free to use, and accessible from smartphones and tablets.

[8] https://www.gov.uk/government/publications/transparency-of-suppliers-and-government-to-the-public
[9] www.go.uk/contracts-finder

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

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

3.1 The Government agreed with the Committee's recommendation.

**Target implementation date:** Summer 2016.

3.2 Cabinet Office has developed Commercial Standards to be adopted by each department, to drive strong commercial behaviours and processes. Thorough understanding of, and effective requirements for, good corporate governance in suppliers and client are core to these standards.

**Recommendation:**
***Cabinet Office should seek to standardise the information that Government requests from contractors as far as possible and improve the consistency, accuracy and efficiency of information collection.***

3.3 The Government agrees with the Committee's recommendation.

**Recommendation implemented.**

3.4 In addition to the transparency principles published in March 2015, Government's biggest suppliers have been asked to provide revenue and margin information on the contracts they hold with Government over a value threshold (although this information will not be disclosed).

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

**Recommendation:**
***Cabinet Office and departments should ensure that there is appropriate Accounting Officer and board level engagement in all major contracting decisions.***

9.1 The Government agrees with the Committee's recommendation.

**Target implementation date:** Summer 2016

9.2 The Government's strengthened functional leadership model will help consolidate the way in which the centre works with Accounting Officers to improve performance and delivery. The functional heads have a cross-cutting responsibility for the running of expert corporate functions, from IT to HR, digital to finance. They take a leading role in recruiting talent and agreeing standards within their cross-departmental functions.

9.3 The Government Chief Commercial Officer is leading work to manage talent better and build capability within his function. This includes setting standards for departments to follow; setting career pathways and the learning curricula for the commercial profession; and establishing a central recruitment hub. Commercial Directors have a dotted line responsibility to the Government Chief Commercial Officer and this relationship will be clarified.

9.4 The Government is currently reviewing progress with each Department on embedding commercial strategy within their governance structures; good progress has been made in a number of departments.

**Recommendation:**

***Cabinet Office should explicitly require departments to ensure that those who are responsible for day-to-day contract management have sufficient authority, commercial skills and experience. This includes having the expertise to put open-book accounting into practice.***

9.5 The Government agrees with the Committee's recommendation.

**Target implementation date:** Summer 2016.

9.6 The Government has completed its analysis to improve the capability and authority of commercial staff. These actions are being undertaken under the Commercial Capability Programme, managed by the Cabinet Office in conjunction with Departments. Improved contract management will result from the introduction of new professional standards, clear and attractive career paths, improved learning and development and the assessment of the capability of commercial specialists in Commercial Function Development Centres.

9.7 Senior contract managers are being recruited into Government by the programme on behalf of Departments. The programme has the support of the Cabinet Secretary and Chief Executive of the Civil Service. The design phase of the programme has been completed. Recruitment activities have already delivered a number of high-quality new joiners with contract management experience and more are expected in the near future. The Development Centres have been piloted and are about to commence routine assessment of commercial specialists. New Commercial Profession Standards have been agreed and are in the process of being embedded in Departments. The new learning and development offer is being designed to be ready for delivery in 2016. Commercial specialists, including contract managers will be trained and supported in the application of commercial standards, including open-book accounting.

## Forty Eighth Report of Session 2013-14

### Department for Communities and Local Government

### Local Council Tax Support

**Summary of the Committee's findings**

In April 2013, the department transferred responsibility for Council Tax support to 326 local authorities. The department had four main objectives for this policy: to transfer the system to local control; to make savings; to protect vulnerable people; and to support work incentives for claimants created by the Government's wider welfare reforms. Each local authority now has a duty to design and implement a local Council Tax support scheme. Previously Council Tax Benefit, a national scheme, had been claimed by five million people in 2011-12, at a cost of £4.3 billion. Alongside transferring responsibility, the department also reduced funding to local authorities for Council Tax support by 10% in 2013-14, delivering a £414 million saving for central Government. Local authorities have differed in how much of the reduced funding they have passed on to claimants through reduced entitlements.

**Background resources**

- NAO report: *Local Council Tax Support* - Session 2013-14 (HC 882)
- PAC report: *Council Tax Support* - Session 2013-14 (HC 943)
- Treasury Minute: June 2014 (Cm 8871)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9034), 2 recommendations were implemented. 4 recommendations remained work in progress, of which 1 has now been implemented, as set out below.

**3: Committee of Public Accounts conclusion:**
***The department does not yet fully understand the combined impact of the new Council Tax support schemes and other welfare changes on the demand for local services and the funding of local authorities.***

**Recommendation:**
***The department should assess the combined impact of Council Tax support and other welfare changes on demand for local authority services and the funding of local authorities to help inform Government's future decisions on funding changes affecting local authorities, including how the impact varies across local authorities.***

3.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

3.2 The Department has a key role in bringing together the full impact of all Government policies on local government. In preparing for the Spending Review, there was a rigorous process with other Government departments and external stakeholders, such as the Local Government Association, to understand those impacts. In reaching the funding decisions announced in the Spending Review in November 2015, the Government had regard to a wide range of factors that may impact on local government over the spending period. This analysis took into account a range of financial and economic factors as well as changes in demand for services. The Spending Review was also informed by the Department for Work and Pensions' (DWP) evaluation of the various welfare reforms and statistics on households affected by these reforms.

**5: Committee of Public Accounts conclusion:**
***The department does not have enough information about what impact local scheme choices have had on vulnerable groups.***

**Recommendation:**
***The department should collect information that supports a comprehensive analysis of the financial impact of Council Tax support schemes on vulnerable groups, including the number of people and types of claimants affected, and regional variations.***

5.1 The Government agreed with the Committee's recommendation.

**Target implementation date:** March 2016.

5.2 The Government has commissioned an independent review of Local Council Tax Support which will conclude by March 2016. The department will consider how best to respond further following the conclusion of the review.

**6: Committee of Public Accounts conclusion:**
***Ensuring that Council Tax support schemes interact effectively with Universal Credit is a significant challenge for the departments involved.***

**Recommendation:**
***DCLG and DWP must develop and publish clear plans for establishing data sharing arrangements between Universal Credit and Council Tax support schemes.***

6.1 The Government agreed with the Committee's recommendation.

**Target implementation date:** May 2016.

6.2 DCLG and DWP are working closely to ensure that a secure data sharing solution is in place for the transferring of customer data between Universal Credit and Local Authorities by May 2016. DCLG are contributing £5 million to the funding of a solution in the financial year 2015-16.

**7: Committee of Public Accounts conclusion:**
***The department's planned review of Council Tax support is an opportunity for it to reassess the programme and ensure it meets the Department's objectives.***

**Recommendation:**
***The department must set out a timetable and terms of reference for an independent review, which should include coverage of the points we have raised. It must also establish and collect the information the review will need, both to answer the questions set by legislation, and to assess the extent to which the department has met is policy objectives for this reform.***

7.1 The Government agreed with the Committee's recommendation.

**Target implementation date:** March 2016.

7.2 The independent review was launched on 2 December 2015, and will report by the end of March 2016. The review's terms of reference are published online. The review will focus on the effectiveness, efficiency, fairness and transparency of the different LCTS schemes. It will also consider their impact on the localism agenda, and will make recommendations as to whether or not the schemes should be brought within Universal Credit.

# Fifty First Report of Session 2013-14

## Department for Communities and Local Government / Department for Work and Pensions

## Programmes to help families facing multiple challenges

**Summary of the Committee's findings**

In 2006, the Government estimated that there were 120,000 families in England facing multiple challenges, such as unemployment and poor housing. It subsequently included other challenges, such as crime and antisocial behaviour. The estimated cost to the taxpayer of providing services to support these families is £9 billion a year, of which £8 billion is spent reacting to issues and £1 billion in trying to tackle them. In 2012, DCLG and DWP each introduced separate programmes to help these families. DCLG's Troubled Families programme, with a central government budget of £448 million, aims to 'turn around' all 120,000 families by May 2015. DWP's Families with Multiple Problems programme, with a budget of £200 million, seeks to move 22% of those joining the programme into employment by March 2015. Both programmes look to support families rather than individuals and to join up the activities of local service providers, who receive payment-by-results.

**Background resources**

- NAO report: *Programmes to help families facing multiple challenges* - Session 2013-14 (HC 878)
- PAC report: *Programmes to help families facing multiple challenges* - Session 2013-14 (HC 668)
- Treasury Minute: June 2014 (Cm 8871)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were 5 recommendations in this report. As of the last Treasury Minute (CM 9034), 4 recommendations were implemented. 1 recommendation remains work in progress, as set out below.

**6: Committee of Public Accounts conclusion:**
***The departments need to demonstrate that the programmes deliver value for money.***

**Recommendation:**
***Both departments should publish, alongside details of the programmes' progress against their respective targets, details of the wider benefits and financial savings that they have identified. They should make clear what proportion of any financial savings are cash savings.***

6.1 The Government agreed with the Committee's recommendation.

**Target implementation date:** April 2016.

6.2 An independent evaluation of the Troubled Families programme is being delivered by a consortium led by Ecorys UK Ltd. As part of this, the evaluators and the DCLG Troubled Families team have developed an online cost savings calculator and provided practical support and guidance to enable all local authorities to evidence the fiscal, economic and social benefits of the programme.

6.3 In addition to this, DCLG publishes regular progress information on the Troubled Families programme. The latest in June 2015 covered the numbers of families identified, being worked with and turned around by each local authority. DCLG has already published several reports, including: *Benefits of the Troubled Families programme to the taxpayer* in March 2015, setting out the savings made by 7 local authorities delivering the Troubled Families programme, and an interim evaluation report on the characteristics and problems of families within the Troubled Families Programme in July 2014, summarised in the report *Understanding Troubled Families*.

6.4 DWP published its Experimental Official Statistics on Troubled Families in September 2015 which present insight into the benefit and employment status of Troubled Families programme participants on an individual basis.

6.5 DWP has commissioned Ecorys UK Ltd to evaluate the Economic Social Fund (ESF) Families Provision. Their report will be published in due course, and will outline lessons learnt from this approach to funding.

## Fifty Fifth Report of Session 2013-14

### Department of Health

### NHS waiting times for elective care in England

**Summary of the Committee's findings**

NHS patients have the right to receive elective pre-planned consultant-led care within 18 weeks of being referred for treatment. In 2012–13, there were 19.1 million referrals to hospitals in England, with hospital-related costs of around £16 billion. The waiting time performance standards are set by the department, which has overall accountability for service provision and value for money, while trusts' performance against the standards is collated and published by NHS England. The standards introduced in 2008 are that 90% of patients admitted to hospital, and 95% of other patients, should have started treatment within 18 weeks of being referred. In April 2013, NHS England introduced zero tolerance of any patient waiting more than 52 weeks.

**Background resources**

- NAO report: *NHS waiting times for elective care in England* - Session 2013-14 (HC 964)
- PAC report: *NHS waiting times for elective care in England* - Session 2013-14 (HC 1002)
- Treasury Minute: June 2014 (Cm 8871)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)

**Updated Government response to the Committee**

There were five recommendations in the PAC's report. 5 recommendations remained work in progress, of which 4 have now been implemented, as set out below.

**2: Committee of Public Accounts conclusion:**
***The Department cannot be sure that the waiting time data NHS England publishes is accurate***

**Recommendation:**
***The department must work with NHS England, Monitor and the NHS Trust Development Authority to agree clear actions, responsibilities and a timetable for obtaining assurance that trusts' systems and processes for monitoring waiting lists are producing consistent and reliable data. The data should be audited by someone independent of the trust it relates to.***

2.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

2.2 The NHS Trust Development Authority's (TDA) planning guidance for 2015-16 requires NHS trusts' plans to confirm that they: undertake an annual review of data quality; publish and annually review a patient access policy; and have their waiting list management practices reviewed independently every 3 years. The TDA requires NHS trusts to provide supporting evidence demonstrating the action taken to assure their waiting time data.

2.3 Monitor has already introduced a requirement for every NHS foundation trust's annual governance statement to include a disclosure on how it assures and addresses risks to the quality and accuracy of its elective waiting time data. Additionally, NHS England piloted a national data validation programme to help NHS organisations improve and maintain the quality of waiting time data, which will be expanded into a broader programme during 2015-16.

**3: Committee of Public Accounts conclusion:**
***The guidance is complex and allows variations between trusts in the way they manage and record waiting times***

**Recommendation:**
***NHS England must work with trusts to identify weaknesses in current guidance and inconsistencies in the way it is applied, and simplify it by the end of 2014.***

3.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

3.3 Following testing with NHS providers and commissioners, revised NHS England recording and reporting guidance was published on 1 October 2015. At the same time, the department published a revised referral to treatment (RTT) rules suite, setting out the principles and definitions for RTT waiting times. The revised guidance and RTT rules suite reflect the recommendations made by Sir Bruce Keogh, NHS England Medical Director that two of the three RTT waiting time standards should be abolished and the NHS should concentrate on the single standard for patients on incomplete pathways. This further simplified the guidance and rules because patient initiated clock pauses were abolished as a consequence of formally removing the standards from the NHS standing rules regulations.[10]

**4: Committee of Public Accounts conclusion:**
***The current regime of financial penalties for trusts that do not achieve the waiting time standards is not being used to drive improved performance.***

**Recommendation:**
***Whether or not clinical commissioning groups apply fines, they should agree clear performance improvement plans with those trusts which fail to meet waiting time standards.***

4.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 NHS England streamlined the arrangements within the NHS standard contract for 2015-16 for managing breaches of contractual requirements and took action to ensure that clinical commissioning groups (CCGs) understand the requirement to apply mandatory standards. Additionally, on 24 June 2015, NHS England, Monitor and TDA wrote to the NHS about changes to the RTT waiting time standards reminding commissioners that they must continue to apply contractual sanctions where providers fail to achieve the RTT incomplete pathway standard.

4.3 Where NHS trusts fail to achieve against a range of nationally mandated standards, including waiting times, the TDA requires them to agree a recovery plan setting out the actions to be taken and a clear recovery trajectory. The TDA monitors the plan as part of its monthly integrated delivery meetings with each trust.

4.4 Monitor examines NHS foundation trusts' performance against elective waiting time standards. Where foundation trusts fail to achieve standards, Monitor will work with them to understand how well the risks and issues are understood, and provide support to test their proposed recovery plans.

**5: Committee of Public Accounts conclusion:**
***Too much stands in the way of patients making informed choices about their treatment.***

**Recommendation:**
***NHS England must work with clinical commissioning groups and trusts to make sure that patients are clear about their rights and responsibilities under the NHS Constitution.***

5.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

5.2 NHS England is working with commissioners, providers, patients and patient representative bodies across various programmes encompassing work on patients' NHS constitution rights and responsibilities. These programmes are developing awareness amongst patients of their legal rights and responsibilities, and are better embedding NHS constitution rights in the systems and processes of NHS organisations.

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[10] The National Health Service Commissioning Board and Clinical Commissioning Groups (Responsibilities and Standing Rules) (Amendment) (No. 2) Regulations 2015

5.3 To ensure the rights and responsibilities of the NHS constitution are clear to patients and staff, NHS England is working with hospitals, CCGs and a range of partners on a programme for nurses called *'Compassion in Practice'* that champions the 6Cs (care, compassion, competence, communication, courage, commitment), in line with the values and behaviours set out in the NHS constitution.

**6: Committee of Public Accounts conclusion:**
***NHS England faces a challenge to gain acceptance for the new e Referrals system, given the difficulties with Choose and Book.***

**Recommendation:**
***To realise the full benefits of e-Referrals, NHS England must develop clear plans for how it intends to build up confidence in and utilisation of the new system.***

6.1 The Government agreed with the Committee's recommendation.

**Target implementation date:** September 2018.

6.2 The NHS e-Referral Service went live as planned on 15 June 2015. Whilst there have been issues affecting the stability and performance of the new system, action has been taken to help address these and the new service is now stable.

6.3 NHS England is working closely with the Health and Social Care Information Centre (HSCIC) on establishing a dedicated programme working with regional teams to increase confidence in the new system and raise take up of paperless referrals. This is being highlighted as a priority programme for the National Information Board.

6.4 The NHS England Elective Care Oversight Group has responsibility for governance of this work. To ensure delivery of the NHS e-Referral Service and drive take-up to 100% of all referrals to elective appointments by September 2018 it will: develop the strategic direction of the NHS e-Referral Service in line with the strategy for transforming elective care; improve the reporting capability of the electronic referral system to support increased intelligence around capacity and demand forecasting; and enable the electronic referral system to be used, wherever possible, for referrals to independent sector providers.

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

## Updates on recommendations, previously reported as work in progress, are included in this update:



## The reports below have implementation dates falling after February 2016. Therefore, these reports are not included in this update.

| # | Report Title |
|---|---|
| 6 | Adult social care in England |
| 17 | Child Maintenance 2012 Scheme: early progress |
| 22 | Out of hours GP services in England |
| 25 | Funding healthcare – making allocations to local areas |
| 26 | Whole of Government Accounts |
| 29 | Managing and removing foreign national offenders |
| 31 | 16-18 year old participation in education and training |
| 36 | Implementing reforms to civil legal accountancy firms |
| 37 | Planning for the Better Care Fund |
| 43 | Public Health England's grant to local authorities |
| 44 | Children in care |
| 45 | Progress in improving cancer services and outcomes in England |
| 46 | Update on Hinchingbrooke Health Care Trust |
| 48 | Strategic flood risk management |
| 50 | Improving tax collection |
| 51 | Caring for people with learning difficulties and children's behaviour |

**The recommendations in the reports below were previously fully resolved and are not included in this update:**

| # | Report Title |
|---|---|
| 3 | Tax reliefs |
| 11 | Army 2020 |
| 12 | Update on preparations on smart metering |
| 14 | DEFRA: oversight of three PFI waste projects |
| 15 | Maintaining strategic infrastructure: roads |
| 24 | Procuring new trains |
| 38 | Tax avoidance: the role of large accountancy firms (follow up) |
| 40 | Excess Votes 2013-14 |
| 42 | Universal Credit |
| 52 | Work of the Committee of Public Accounts |

**Progress on the implementation of Government accepted recommendations of the Committee of Public Accounts - Session 2010-12 can be located from page 1, Session 2012-13 from page 16; and Session 2013-14 from page 28.**

## First Report of Session 2014-15

### Department for Work and Pensions

### Personal Independence Payment

**Summary of the Committee's findings**

In April 2013, the Department introduced Personal Independence Payment, a new benefit to replace Disability Living Allowance, to support disabled people with the extra costs of living so that they can live independently and in some cases work. The department administers and awards claims for Personal Independence Payment but it pays private sector contractors to assess claimants' needs. Atos Healthcare (Atos) and Capita Health and Wellbeing (Capita) conduct face-to-face consultations, or paper-based assessments, against criteria set by the department.

The department began to reassess the 1.7 million Disability Living Allowance claimants from October 2013, but then postponed this for most claimants when it realised that claimants already faced long delays, and that significant backlogs had developed.

**Background resources**

- NAO report: *Personal Independence Payment: early progress* - Session 2013-14 (HC 1070)
- PAC report: -*Personal Independence Payment* - Session 2014-15 (HC 280)
- Treasury Minute: September 2014 (Cm 8938)

**Updated Government response to the Committee**

There were 5 recommendations in this report. As of the last Treasury Minute (Cm 8938), 3 recommendations were implemented. 2 recommendations remained work in progress, both of which have now been implemented, as set out below.

**3: Committee of Public Accounts conclusion:**
***Claiming Personal Independence Payment can be cumbersome and difficult for claimants, increasing the risk of delays and incorrect decisions.***

**Recommendation:**
***The Department should make the process easier for claimants by, for example, making paper claim forms available through recognised voluntary organisations, such as Citizens Advice. The Department should also ensure that third parties supply information on claimants where relevant and do this in good time.***

3.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

3.2 The Department is committed to making the Personal Independence Payment claims process as straightforward as possible. The majority of claimants continue to make claims by phone, although paper claim forms are available on request to claimants unable to make the initial call. More specifically, at the request of Macmillan, the Department now provides paper claim forms for making claims under the special rules for terminally ill people. The number of paper claims received is low, suggesting there is little evidence that this service should be extended wider. Following engagement with organisations representing people with hearing impairments, the department also introduced an email solution to request a paper claim form. The Department is also testing an on-line process for making the initial claim.

3.3 The Department and assessment providers continue to work with the health sector to encourage health professionals to respond to requests for further evidence in a timely way. This includes engaging with professional bodies locally to reinforce the importance of providing further evidence. Changes have been made to guidance notes included with the claim form to provide claimants with information on the types of supplementary evidence which might help in determining their claim.

**4: Committee of Public Accounts conclusion**
***There have been unacceptable delays in making benefit decisions, placing unwarranted pressure on claimants, disability organisations, and other services.***

**Recommendation:**
***The Department must speed up all stages of the process to ensure benefit decisions are made on a timely basis and tackle the backlog of cases that has arisen.***

4.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 The Department, working closely with assessment providers, has introduced a range of actions to speed up all parts of the Personal Independence Payment claims process. As at July 2015, the average new claimant now only waits 5 weeks for an assessment, down from 29 weeks in summer 2014 and well within the 16 week expectation set by the Secretary of State. A reassessment claimant now only waits 4 weeks, a reduction of more than three quarters since June 2014. The average clearance time from the point of registration to a decision for new claims is 11 weeks, a reduction of more than two thirds since summer 2014. The Department continues to make improvements to the process including ensuring that claimants are aware of what they need to do to enable claims to be progressed.

4.3 In July 2015, the Department began the final stage of rollout, reassessing existing Disability Living Allowance claimants with long-term or indefinite awards, in specific post-code areas to test and learn from the process. From October 2015, in line with published plans, roll-out began across all areas of Great Britain. The Department is closely monitoring roll-out, particularly assessment provider capacity.

## Second Report of Session 2014-15

### Department for Communities and Local Government

### Help to Buy equity loans

**Summary of the Committee's findings**

The department introduced the Help to Buy equity loan scheme in April 2013, with the objectives of increasing demand for new homes, making mortgage finance more accessible and affordable and encouraging developers to build more new homes. Under the Scheme, the department makes equity loans to buyers financing up to 20% of the purchase price of newly-built properties that cost £600,000 or less, which supplements the buyers' own deposit of normally at least 5%. Buyers then raise a repayment mortgage of, typically, 75% of the property's value. The equity loan is interest-free for the first five years, and is paid back within 25 years, or when borrowers redeem their mortgage, for example when they sell their home.

The department initially aimed to spend up to £3.7 billion to help 74,000 households buy a new home by 2015-16. In the 2014 Budget the Government decided to extend the Scheme to March 2020, and was providing an extra £6 billion to support the purchase of a further 120,000 homes. The Scheme is administered by the Homes and Communities Agency (the Agency), through its network of Help to Buy agents.

**Background resources**

- NAO report: *Help to Buy equity loan scheme* - Session 2013-14 (HC 1099)
- PAC report: *Help to Buy equity loans* - Session 2013-14 (HC 281)
- Treasury Minute: September 2014 (Cm 8938)

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 8938), 4 recommendations were implemented and the department disagreed with 2 recommendations. 1 recommendation remained work in progress, which has now been implemented, as set out below.

**5: Committee of Public Accounts conclusion:**
***The department should be mindful of the need to demonstrate that the Scheme is value for money to the taxpayer.***

**Recommendation:**
***For its planned evaluation of the Scheme, the department must develop a robust methodology to assess the Scheme's impact on both demand for, and supply of, new homes. To do so, it must collect sufficient data directly from buyers to quantify how many would not have bought a property without the Scheme, and from builders on how many additional homes they are building because of the Scheme.***

5.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

5.2 In March 2015, following a tendering process, the department commissioned Ipsos Mori in partnership with Peter Williams, Christine Whitehead and the London School of Economics to undertake an evaluation of the Help to Buy Equity Loan scheme. The research was undertaken over the summer and used existing secondary data sources along with primary data collection (qualitative interviews with developers, lenders, Help to Buy Agents and other key stakeholders; and a representative telephone survey of Help to Buy Equity Loan house buyers) to produce a robust assessment of 'additionality', and to provide evidence of the experiences and implementation of the scheme from the perspective of providers and consumers. The evaluation report is currently being finalised and the department hopes to publish the report shortly.

## Fourth Report of Session 2014-15

### Department for Health

### Monitor: regulating NHS Foundation Trusts

**Summary of the Committee's findings**

Monitor was created in 2004 as the independent regulator for NHS foundation trusts. It determines whether NHS trusts are ready to become foundation trusts and operates a regulatory regime designed to ensure that the 147 trusts that have achieved foundation status continue to be financially sustainable, well-led and locally accountable. It intervenes where there is evidence that an NHS foundation trust is in breach of its regulatory conditions. Monitor's remit is expanding, with significant new responsibilities, including setting prices for NHS-funded care jointly with NHS England, and preventing anti-competitive behaviour by healthcare commissioners and providers. Monitor is independent of government in terms of its regulatory decisions, but is accountable to Parliament and the Department of Health for its performance and value for money.

**Background resources**

- NAO report: Monitor: regulating NHS Foundation Trusts – Session 2013-14 (HC 1071)
- PAC report: Monitor: regulating NHS Foundation Trusts – Session 2014-15 (HC 407)
- Treasury Minute: September 2014 (Cm 8938)

**Updated Government response to the Committee**

There were 9 recommendations in this report. As of the last Treasury Minute (Cm 8938), 3 recommendations were implemented. 6 recommendations remained work in progress, all of which have now been implemented, as set out below:

**2: Committee of Public Accounts conclusion:**
***Some NHS foundation trusts have been allowed to struggle for far too long in breach of their regulatory conditions.***

**Recommendation:**
***Monitor should investigate quickly, to diagnose the underlying causes of the problems which each trust in difficulty faces, and then take faster, more decisive action to address them, to turnaround failing trusts sooner.***

2.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

2.2 Monitor has updated existing tools and created new ones to allow it to take faster, more decisive action. Monitor's new Diagnostic Framework is an internal tool allowing it to diagnose problems within eight weeks and identify appropriate remedial action. Its new Investigations Centre of Excellence uses the framework to support regional teams in their regulatory decision making. The Risk Assessment Framework has been adapted to extend the risk factors that trigger regulatory action, which gives Monitor earlier awareness of sustainability issues and also allows for faster intervention to address risks around finance and care quality.

2.3 The NHS Five Year Forward View outlined the intention of the Department's arm's length bodies to increase support available to challenged health economies. This support from the success regime, is being provided by Monitor, the Trust Development Authority and NHS England to: North, East and West Devon; North Cumbria; and Essex. Monitor anticipates that further areas will receive support from the success regime as they see results from the initial three areas and adapt their approach accordingly. Going forward Monitor and the NHS Trust Development Authority (TDA) will continue to support challenged health economies as they come together as NHS Improvement.

**3: Committee of Public Accounts conclusion:**
***Monitor's job is becoming harder as more foundation trusts get into difficulty.***

**Recommendation:**
***Monitor should evaluate the cost-effectiveness of different regulatory interventions, and use this information to direct its work and make the best use of its resources.***

3.1 The Government agrees with the Committee's recommendation.

**Recommendation implemented.**

3.2 Monitor undertook a review of its regulatory interventions between October 2014 and January 2015. This led directly to establishing its Investigations Centre of Excellence and Diagnostic Framework. In addition to this, it established a new Provider Sustainability Directorate to support providers with a range of improvement and development functions.

3.3 Monitor works with national and local partner organisations to make sure it makes the most effective use of available resources to support providers as they tackle clinical, financial and operational challenges. This builds on the support that Monitor and the TDA provide to help trusts build leadership capabilities and address performance issues, including sending diagnostic experts into specific trust services.

**4: Committee of Public Accounts conclusion:**
***Monitor's effectiveness is hampered by a lack of clinical expertise and frontline NHS experience.***

**Recommendation:**
***Monitor should set out how it will: fill gaps in its capacity and expertise; exploit the skills and knowledge from the consultants it employs; and develop a staffing model which sets out the balance of clinical, financial and other expertise it requires.***

4.1 The Government agrees with the Committee's recommendation.

**Recommendation implemented.**

4.2 The creation of NHS Improvement, by bringing together under shared leadership Monitor, the NHS Trust Development Authority and some NHS England functions, provides an opportunity to combine complementary skills and expertise. NHS Improvement will be launched formally in April 2016. Monitor recruited a Medical Director in April 2014, who is supported by a Deputy Medical Director and a Nursing Director, both appointed in March 2015. A further 12 clinical staff make up the Patient and Clinical Engagement Directorate. In addition to this, its Provider Sustainability Directorate has a number of clinical specialists in its operational improvement teams who can go into trusts and directly provide support and expertise.

4.3 Monitor continues to use consultancy staff, where appropriate, to cope with peaks in activity. However, it is undertaking more work in-house to ensure that knowledge is retained within the organisation.

**5: Committee of Public Accounts conclusion:**
***The movement of staff between the NHS, local government and the civil service is hindered by the differing terms and conditions of service, limiting the transfer of skills and knowledge and inhibiting integration.***

**Recommendation:**
***The department, in conjunction with the Cabinet Office and HM Treasury, should set out what steps they are taking to remove disincentives, such as the inability to transfer accrued rights, to the flow of staff between different parts of the health and social care system, and to facilitate and encourage the free flow of staff.***

5.1 The Government agrees with the Committee's recommendation.

**Recommendation implemented.**

5.2 The Department has been working closely with the Cabinet Office and the Treasury about removing disincentives to the flow of staff between different parts of the health and social care system. Unlike other arm's length bodies (ALBs) (NHS England and the NHS Trust Development Authority) Monitor was originally unable to recognise NHS reckonable service. This presented a barrier to recruiting NHS staff with the clinical and operational skills and knowledge it required. In July 2015, the Cabinet Office gave approval for Monitor to recognise NHS service for Civil Service Compensation Scheme purposes, when staff move from the NHS to Monitor.

**8: Committee of Public Accounts conclusion:**
***The Department confirmed that it was still the Government's policy intention that all trusts should become foundation trusts, but it had not set a target date for this to be achieved.***

**Recommendation:**
***The Department should set out how it intends to meet the objective of all NHS trusts achieving foundation trust status.***

8.1 The Government agrees with the Committee's recommendation.

**Recommendation implemented.**

8.2 The Government wants all NHS Trusts to achieve foundation trust status in time or become another organisational form where this could help to ensure the delivery of sustainable NHS services.

8.3 In bringing together Monitor and TDA, NHS Improvement is aligning its approach to the regulation and oversight of NHS foundation trusts and NHS trusts. NHS Improvement will support both NHS providers and wider local health economies in determining the most appropriate means of ensuring clinically and financially sustainable services for patients.

8.4 The NHS Five Year Forward View outlines how the NHS needs to deliver care in new and innovative ways to: reduce variability in quality of care; meet rising demand; and break down barriers in how care is provided. The Department published Sir David Dalton's report, *Examining new options and opportunities for providers of NHS Care*[11], in December 2014, offering recommendations for providers who may need to consider new forms of collaboration, partnership or organisation to address these challenges. NHS England, NHS Improvement and other arm's length bodies are supporting a number of vanguard local health communities to develop and test new models of care. It will be important that decisions about organisational form flow from the priority objective of integrating care more effectively around the needs of individual patients.

**9: Committee of Public Accounts conclusion:**
***It is wholly inappropriate that the same person acted as both Chair and Chief Executive of Monitor between March 2011 and January 2014.***

**Recommendation:**
***The Department should appoint a permanent non-executive Chair of Monitor through an open, competitive process by the end of 2014 at the latest.***

9.1 The Government agrees with the Committee's recommendation.

**Recommendation implemented.**

9.2 Baroness Hanham was appointed in January 2014 as interim Chair of Monitor. This arrangement was extended and continued until July 2015. These decisions were taken, with the permission of the Commissioner for Public Appointments, to give Monitor continuity and stability as the roles of the Chair and Chief Executive had only recently been separated.

9.3 As part of the arrangements to bring Monitor and the TDA together as NHS Improvement, Ed Smith was appointed as Chair of Monitor replacing Baroness Hanham and Chair designate of the TDA in July 2015. Given the need to move as quickly as possible to a single leadership model for NHS Improvement, the Commissioner for Public Appointments agreed that this appointment could be made without a competitive process for a period of up to 3 years. Ed Smith formally took on the role of Chair of the TDA from 1 December 2015.

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[11] https://www.gov.uk/government/publications/dalton-review-options-for-providers-of-nhs-care

## Fifth Report of Session 2014-15

### HM Treasury; the Department of Energy and Climate Change; the Department for Environment, Food and Rural Affairs; Ofgem; and Ofwat

### Infrastructure Investment: the impact on consumer bills

**Summary of the Committee's findings**

The Treasury has identified more than £375 billion of planned investment in economic infrastructure that the UK needs to replace ageing assets, replace assets, which don't comply with EU regulation, help meet policy commitments such as climate change targets, support economic growth, and meet the long-term needs of a growing population. Around two-thirds of this investment is expected to be financed and delivered by private companies, but paid for by consumers through utility bills and user charges, such as rail fares. Energy and water bills have risen considerably faster than incomes in recent years, and high levels of new investment in infrastructure mean that bills and charges are likely to continue to rise significantly.

**Background resources**

- NAO report: *Infrastructure investment: the impact on consumer bills* - Session 2013-14 (HC 812)
- PAC report: *Infrastructure investment: the impact on consumer bills* - Session 2014-15 (HC 406)
- HM Treasury: *National Infrastructure Plan 2013*
- Treasury Minute: September 2014 (Cm 8938)

**Updated Government response to the Committee**

There were 4 recommendations in this report. As of the last Treasury Minute (Cm 8938), the department disagreed with 1 recommendation. 3 recommendations remained work in progress, all of which have now been implemented, as set out below.

**2: Committee of Public Accounts conclusion:**
***The complexity and changing nature of Government policies, particularly in the energy sector, risk delaying much needed investment.***

**Recommendation:**
***Departments should explicitly factor in the potential impact of complexity and uncertainty on investors when making or changing policies affecting infrastructure. DECC needs to act quickly to give certainty and unlock much needed energy investment or the consequences for consumer bills will be worsened.***

2.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

2.2 The 2013 Energy Act established the Electricity Market Reform (EMR) framework to incentivise investment in low carbon energy infrastructure, cleaner power stations and reliable networks.

2.3 Contracts for Difference (CfD) give greater certainty and stability of revenues to low carbon electricity generators by reducing their exposure to volatile wholesale prices, whilst protecting consumers from paying for higher support costs when electricity prices are high. They have allowed the Government to support low carbon electricity projects at the lowest cost to the consumer. The first competitive CfD auction for renewables support, completed in March 2015, awarded 25 contracts worth over £300 million per year, which could deliver over 2GW of new renewable energy capacity, enough to power 1.4 million homes. Competition in allocating CfDs has driven down the costs to consumers; and delivered savings of around 20% against the administrative price for offshore wind. The Secretary of State announced in November that funding will be made available for three further CfD auctions before 2020.

2.4 The Capacity Market will ensure security of electricity supply by providing a payment for reliable sources of capacity, alongside their electricity market revenues, to ensure they deliver energy when needed. This will encourage the investment to replace older power stations and provide backup for more intermittent and inflexible low carbon generation sources. The Capacity Market has held two successful auctions, securing electricity generating capacity for 2019-20.

2.5 EDF and its Chinese partner China General Nuclear Corporation (CGN) have committed to Hinkley Point C during the landmark China State Visit in October, and plan to construct the first new nuclear power station in the UK for a generation in Somerset. The Secretary of State expects to be in a position to take her final decision on the Contract for Difference and associated agreements for Hinkley Point C once the documentation relating to equity investment into the project is finalised.

**4: Committee of Public Accounts conclusion**
***Regulators are not getting sufficient assurance on the long-term sustainability of companies' operations.***

**Recommendation:**
***Regulators need to improve their protection of consumers' interests by paying closer attention to the financial structures of regulated companies and by verifying, in a proportionate way, whether infrastructure has been built to the standards expected. They must have robust plans to address any gaps in their capacity and skills to do this.***

4.1 Regulators agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 Ofwat published the first annual report on monitoring financial resilience of water companies in October 2015. In addition, it has put in place a financial monitoring framework and developed a suite of financial metrics, which companies are being asked to publish with their Annual Performance Reports, which will provide further transparency on companies' actual financial position. Ofwat also set expectations for companies to provide appropriate transparency and assurance as to their long-term financial resilience in their published financial statements for 2015-16 onwards. Ofwat will further consult on how companies will meet these expectations in the first quarter of 2016.

4.3 A successful re-organisation, in March 2015, re-profiled Ofwat's capability model to deliver its outcomes into a set of eight programmes that are resourced through a set of six skills-based resource pools. As part of Ofwat's business transformation programme, a strategic workforce plan is being created to be delivered in April 2016. This will give Ofwat a clear understanding of the skills required to deliver against its priorities. Any gaps will be addressed via a strategic recruitment plan; partnership and collaborative working; buying in expertise; and a learning and development programme to grow the skills in house.

4.4 New licence conditions setting out data assurance requirements for energy network operators came into effect on 1 April 2015 and will bolster Ofgem's monitoring of the output achievements of regulated businesses. Annual remodelling of revenue allowances under RIIO price controls for energy networks now means that adjustments for incentive performance and the cost of finance are applied in near real time.

**5: Committee of Public Accounts conclusion**
***Regulators have been unacceptably slow to respond to earlier calls for more joined-up working.***

**Recommendation:**
***Regulators must ensure their reformed joint-working arrangements deliver a coordinated approach to assessing the impact on bills and affordability of infrastructure investment, and that this is carried out in collaboration with Government.***

5.1 Regulators agreed with the Committee's recommendation.

**Recommendation implemented.**

5.2 In January 2015, the UK Regulators Network (the group of UK economic regulators) published a report into affordability issues across regulated sectors with a specific focus on the energy, communications and water sectors. Following this the UK Regulators Network published an assessment of impacts on future bills in September 2015. This work included significant collaboration with relevant Government departments. The UK's economic regulators working through the UK Regulators Network will continue to working collaboratively with Government to further understand cross sector affordability issues.

## Seventh Report of Session 2014-15

### HM Treasury; HM Revenue and Customs; Cabinet Office; and the Department for Work and Pensions

### Managing debt owed to central Government

**Summary of the Committee's findings**

Individuals and businesses are in debt to the Government for overdue tax liabilities, benefits or tax credits overpayments and for other reasons, including outstanding fines and court confiscation orders. There is no official figure for the total amount owed to central Government that is overdue. However, the NAO estimated that overdue debt (money owed that is in arrears and legally collectable) was at least £22 billion at 31 March 2013.

Responsibility for debt management lies in departments, while at the centre of Government, HM Treasury (the Treasury) and the Cabinet Office are expected to provide strategic oversight. Since 2011, the Fraud, Error and Debt Taskforce, an expert panel chaired by the Minister for the Cabinet Office, has been developing a cross-Government view of debt management. The Cabinet Office's Efficiency and Reform Group has set out an ambition for Government to save £10 billion by 2014–15 from initiatives on fraud, error and debt combined.

**Background resources**

- NAO report: *Managing debt owed to central Government* – Session 2013-14 (HC 967)
- PAC report: *Managing debt owed to central Government* – Session 2014-15 (HC 555)
- Treasury Minute - *Managing debt owed to central Government* – September 2014 (Cm 8938)

**Updated Government response to the Committee**

There were 5 recommendations in the report. As of the last Treasury Minute (Cm 8938) 1 recommendation was implemented. 4 recommendations remained work in progress, all of which have now been implemented, as set out below.

**3: Committee of Public Accounts conclusion:**
***The Cabinet Office struggled to explain what savings it is seeking to achieve through better debt management.***

**Recommendation:**
***The Cabinet Office should set out clearly what savings it expects both government as a whole, and individual departments and agencies, to achieve over a defined period from managing debt better.***

3.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

3.2 The Treasury and Cabinet Office agreed the expected debt management savings for the Debt Market Integrator (DMI) in November 2014. The DMI will manage private sector debt collection activity, including analytics and enforcement, for the main debt owing departments, and negotiate debt collection contracts with the private sector on behalf of the Government.

3.3 Fraud, error and debt targets were agreed with Department for Work and Pensions (DWP) for 2014-15 and will continue to be set over the Spending Review period. The Treasury and Cabinet Office agreed tax credits cash collections targets for 2014-15 with HM Revenue and Customs (HMRC), and will continue to work with HMRC to set these targets for the forthcoming year throughout the Spending Review period.

3.4 The Treasury and Cabinet Office are working with departments to develop and identify debt management savings for each year of the Spending Review. The delivery of the Spending Review debt management savings will be monitored through the relevant Treasury Spending Teams, and the joint Treasury and Cabinet Office Fraud, Error and Debt (FED) Steering Group.

**4: Committee of Public Accounts conclusion**
***Departments have not focused sufficiently on debt management, allowing overdue debt to accumulate and age unnecessarily, so that it becomes much more difficult to collect.***

**Recommendation:**
***The Treasury should ensure appropriate key performance indicators for debt management are applied across government. Departments and agencies should be required to report performance in this area to their Boards and in their annual reports and accounts.***

4.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 The Treasury and Cabinet Office collaboratively worked with departments to devise clear and consistent definitions of debt for Government. Subsequently, debt management key performance indicators (KPIs) were identified to monitor debt stocks and flows; age of debt; bad debt provision; and the value of write-offs and remissions. Departments and their agencies are required to provide quarterly debt management information based on these KPIs.

4.3 The Treasury strengthened[12] its Financial Reporting Manual[13] to provide additional guidance for the reporting of debt in annual accounts, where it is material. Departments are now also required to report debt management performance to their Boards. This was implemented as part of the Financial Management Review.

**5: Committee of Public Accounts conclusion:**
***Departments lack the information needed to target their debt collection activities and resources appropriately.***

**Recommendation:**
***Departments should implement systems that collect the data they need to manage and target their debt recovery resources effectively and reflect debtors' circumstances and ability to repay. The centre should ensure that departments share information and coordinate their debt management activities with a view to developing a single view of what each debtor owes to Government as a whole.***

5.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

5.2 The debt management KPIs have improved debt data collection, and these are helping departments to manage and target their debt collection activity more effectively. Alongside this, departments can transfer debts to the DMI, which provides additional private sector capacity to analyse, identify, and recover debts. The DMI offers data analytics to provide information on debtors' propensity and ability to repay their debts. This enables departments to develop targeted recovery action based on debtors' circumstance and ability to repay their debts.

5.3 The Treasury and Cabinet Office are exploring how departments can best share information and coordinate their debt management activities. Universal Credit will also create a single view for debtors who have been overpaid benefits, by managing the debt recovery of social fund, housing benefit, benefit overpayments and tax credit debt and overpayments from a claimant's Universal Credit award, alongside third party deductions for Council Tax payments, fines, and utilities costs.

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[12] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388184/FReM_2014-15_amendment_record_December_2014.pdf
[13] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388182/FReM_2014-15_final_version_3_for_December_2014_publication.pdf

**6: Committee of Public Accounts conclusion:**
***Departments and the centre were not able to demonstrate that they had sufficient understanding of the benefits and risks of using debt collection agencies.***

**Recommendation:**
***Departments need to be intelligent customers of debt collection agencies, and must be vigilant in monitoring agencies' performance and ensuring appropriate standards are followed in their interactions with debtors. The Cabinet Office should ensure departments are aware of the benefits and risks attached to using debt collection agencies and monitor the risk of the market being captured by a small number of suppliers.***

6.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

6.2 The Cabinet Office-led DMI programme and governance now procures the main debt collection services for Government, ensuring suitable capacity and capability across a range of debt collection agency (DCA) providers within the market. This ensures visibility, transparency, and leverages collective intelligence to strategically engage with the market as one customer. The DMI also gathers market intelligence, and measures and benchmarks DCA performance in collecting Government debt.

6.3 All contracted DCAs must adhere to a strict standard of security, industry best practice, and customer service standards. The DMI places contractual requirements on the panel members to ensure compliance with the Government and industry standards. In addition, the DMI monitors the DCA contracts and handles any complaints.

## Eighth Report of Session 2014-15

### Department for Transport

### Crossrail

**Summary of the Committee's findings**

The Department and Transport for London are jointly sponsoring the Crossrail programme to deliver a new rail service for London and the South East. When complete, the railway will run from Reading and Heathrow Airport in the west, to Abbey Wood and Shenfield in the east. The programme involves construction and improvement works costing up to £14.8 billion, including: building a new underground railway across central London; improving existing tracks to the east and west of London, and building and upgrading stations. It also includes buying a new fleet of trains at a cost of £1 billion, and appointing a new operator for the service. Crossrail Limited is delivering most of the programme, with Network Rail undertaking the work on existing sections of railway.

**Background resources**

- NAO report: Crossrail - Session 2013-14 (HC 965)
- PAC report: Crossrail - Session 2013-14 (HC 574)
- Treasury Minute: November 2014 (Cm 8958)

**Updated Government response to the Committee**

There were 5 recommendations in this report. As of the last Treasury Minute (Cm 8958), 4 recommendations were implemented. 1 recommendation remained work in progress, which has now been implemented, as set out below.

**2: Committee of Public Accounts conclusion:**
***Crossrail is a textbook example of how to focus on the essentials of programme management, including defining a realistic scope, establishing a management team with the necessary skills and securing the required funding.***

**Recommendation:**
***The Department should capture the lessons it has learned from the Crossrail programme and apply these to its other projects, most notably High Speed 2. It should also promote the lessons from Crossrail, which are applicable to other major projects, widely across government.***

2.1 The Government agrees with the Committee's recommendation to implement a process for the Department to capture and share lessons internally and support further sharing across Government.

**Recommendation implemented.**

2.2 The Department continues to embed a process to capture and share identified lessons from project and programme delivery. The Project and Programme Management Centre of Excellence hosts project specific lessons learned presentations to ensure lessons learned are implemented elsewhere.

2.3 Building on the London 2012 Learning Legacy, Crossrail Limited has established a Learning Legacy programme to collate and share lessons learned, best practice and innovation from the Crossrail project for the benefit of future projects.

2.4 The team leading this work is working within Crossrail, industry and academic partner organisations and Crossrail's supply chain to review and publish lessons learned and best practice material. A website is planned to be launched in early 2016. This work is involving projects such as HS2 and Crossrail 2. They are also working with the Infrastructure and Projects Authority (IPA), Major Projects Association and other project delivery organisations on a longer term project to establish an industry Knowledge Hub. The team is participating in the IPA's cross Government Sharing Knowledge Working Group to promote knowledge sharing more widely across Government.

## Ninth Report of Session 2014-15

### Cabinet Office

### Whistleblowing

**Summary of the Committee's findings**

Whistleblowing is when an employee raises a concern about wrongdoing, malpractice or poor practice in the workplace that has a public interest aspect to it. Whistleblowers mostly act because they have ethical or professional concerns about what is happening in their workplace. The Committee has seen these concerns raised across the spectrum of the public realm, from tax collection to the quality of health and social care to the roll-out of rural broadband. Careful and appropriate treatment of whistleblowers is important to protect and reassure the workforce, and to encourage openness that is vital to supporting better public services. Whistleblowing has become much more high profile in recent years, as well-publicised cases such as Hillsborough and the Mid Staffordshire NHS Foundation Trust inquiry have shown.

**Background resources**

- NAO report: Making a whistleblowing policy work - Session 2013-14 (HC 1152)
- PAC report: Whistleblowing - Session 2013-14 (HC 593)
- Treasury Minute: December 2013 (Cm 8988)

**Updated Government response to the Committee**

There were 7 recommendations in this report. As of the last Treasury Minute (Cm 8988), 2 recommendations were implemented and the Government disagreed with 1 recommendation. 4 recommendations remained work in progress, all of which have now been implemented, as set out below.

**2: Committee of Public Accounts conclusion:**

**Recommendation:**

***Where the identity of whistleblowers is known, departments must ensure that they are protected, supported and have their welfare monitored. This should include: ownership from the top by assigning a board member who is accountable for the proper treatment of whistleblowers; providing whistleblowers with appropriate support and advice, such as access to legal and counselling services; and appropriate and swift sanctions against employees, at all levels in the organisation, if they victimise whistleblowers.***

2.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

2.2 The Government believes that employees should be able to raise issues and concerns, and that they can do so in a supportive and protective environment. All staff should feel comfortable that they can raise concerns without fear that they will suffer detriment or victimisation. Departments should investigate complaints of whistleblowers being victimised. All departments identified a board member accountable for whistleblowing or indicated when one was to be appointed when surveyed.

2.3 In 2013, the National Audit Office approved the model Whistleblowing and Raising a Concern Policy developed by Civil Service Employee Policy (CSEP) in 2012. CSEP updated and periodically reissued the Policy and guidance in 2014 in response to legal changes, customer feedback and the Committee's recommendations. The model policy covers 90% of the Civil Service. The Policy and supporting products provide information on sources of support available to whistleblowers, including access to employee assistance programmes where available, and advice on accessing legal support in accordance with the CS Management Code.

2.4 CSEP refreshed the Guidance for Nominated Officers and launched a supporting toolkit in 2015. This product reinforces consistency of approach in supporting whistleblowers; highlights the importance of protecting their welfare, and signposts Nominated Officers to relevant guidance and learning and development activities.

2.5 Cabinet Office developed a data collection tool to enable HR Directors to collect information on whistleblowing cases including how cases have been resolved, identification of systemic issues or lessons learned. Departments will use this tool to report back to their Departmental Board and also to Cabinet Office on a six monthly basis. The Cabinet Office received the first detailed returns in January 2016.

**4: Committee of Public Accounts conclusion:**
***There is a lack of transparency on how departments address concerns raised by whistleblowers***

**Recommendation:**
***Departments should: have clear arrangements for reporting back in a timely fashion to whistleblowers on how their concerns have been addressed; publicise to their workforce and tell the whistleblower about changes they have made to processes and policies as a result of whistleblowing; and report on the effectiveness of whistleblowing arrangements in their governance statements in their Annual Report and Accounts.***

4.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 The Treasury issued a *Dear Accounting Officer* letter to all Government departments and bodies in December 2015 on the requirement to report on the effectiveness of their whistleblowing arrangements in their Annual Report and Accounts. This requirement will be reflected in 2015-16 departmental Annual Reports and Accounts.

4.3 The updated CSEP model policy provides suggested timescales for reporting back to a whistleblower on how their concern has been addressed with their department.

**5: Committee of Public Accounts conclusion:**
***There is a startling disconnect between the generally good quality of whistleblowing policies in theory and how arrangements actually work in practice.***

**Recommendation:**
***Departments should assess whether whistleblowing arrangements are effective by making better use of currently available measures, such as the civil service survey, and introducing others, such as trends in the number of whistleblowing cases and the timeliness of investigations. Departments should also consider how they can enhance their support for whistleblowers, looking for instance at measures like tracking employment skills and career progression and asking whistleblowers about their views on the whistleblowing process.***

5.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

5.2 The Government agrees that the Civil Service People Survey is one of a number of tools to assess whether whistleblowing policies and practices are working effectively and known within individual departments. The Government is pleased that awareness and understanding of the complaints procedure has produced positive and steadily improving responses since the survey began. However, it is not complacent and will continue to monitor and analyse these results, learn lessons and update processes.

5.3 The departmental data collection tool continues to be refined to collate information on whistleblowing cases tracks how cases are resolved, timeliness of investigations and feedback from whistleblowers where possible. This will enable HR Directors to identify any systemic issues or identification of trends and report back to their Departmental Board. Departments will use this tool to report their findings back to the Cabinet Office on a 6 monthly basis.

5.4 The updated model whistleblowing and raising a concern policy and supporting products ensure that whistleblowers are supported throughout the process when raising a concern. The products clarify what constitutes a relevant concern, how it should be raised and how it will be handled. Whistleblowers are signposted to the support available to them including access to legal support and the option to raise a concern with Civil Service Commission. Managers and Nominated Officers are made aware of their responsibilities to protect employees throughout the process, and guidance is provided to ensure Departmental records are maintained securely.

## 8: Committee of Public Accounts conclusion:

**Recommendation:**

***The Committee reiterates its previous recommendation that public sector organisations should secure approval from the Cabinet Office for all special severance payments, and associated compromise agreements, where they relate to whistleblowing. The Committee expects to see this included in the Cabinet Office guidance.***

8.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

8.2 The Cabinet Office guidance on Settlement Agreements, Special Severance Payments and Confidentiality Clauses, was published for implementation from 1 February 2015. It applies to all Civil Service Departments and their arm's length bodies. It sets the following out clearly:

> *Confidentiality clauses should not seek to stifle or discourage staff from raising concerns with a regulatory or other statutory body about wrongdoing or poor practice in the Department, or give the impression that they affect the protection provided to an employee who acts as a "whistleblower" under the Public Interest Disclosure Act 1998 (PIDA). Employees who disclose information about matters such as wrongdoing or poor practice in their current or former workplace are protected under PIDA, subject to set conditions which are given in the Employment Rights Act 1996. This means that confidentiality clauses cannot and should not prevent the proper disclosure of matters of public interest. If a confidentiality clause is to be used, departments must expressly remind the individual of their rights under the PIDA.*

8.3 The guidance provides standard wording to be used for confidentiality clauses. As set out in the guidance, Departments and their arm's length bodies must seek approval for all confidentiality clauses from departmental Ministers, and in certain cases by the Minister for the Cabinet Office. The MCO must approve the use of confidentiality clauses where it deviates, in respect of whistleblowing or protected disclosures, from the standard wording provided (at any grade).

## Tenth Report of Session 2014-15

### Cabinet Office

### Major Projects Authority

**Summary of the Committee's findings**

The MPA was established in March 2011 as a partnership between the Cabinet Office and HM Treasury with a Prime Ministerial mandate to improve project delivery across government through robust assurance measures. Since then the MPA has developed a range of interventions to give assurance over government major projects and to support HM Treasury approval and funding decisions. It has also established the Major Projects Leadership Academy to train senior project leaders in the civil service. In September 2013, the Government Major Projects Portfolio consisted of 199 major projects covering a wide range of activities, from transforming how departments do their work to building ships and motorways. These projects represent a considerable and rising cost to the taxpayer: the MPA reported in May 2014 that the whole-life cost of these projects was £488 billion, an increase of some £134 billion on the previous year.

**Background resources**

- NAO report: *Major Projects Authority Annual Report 2012-13 and Government Project Assurance* Session 2013-14 (HC 1047)
- NAO report: *Major Projects Authority Annual Report 2013-14*
- PAC report: *Major Projects Authority* - Session 2014-15 (HC 147)
- Treasury Minute: November 2014 (Cm 8958)

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 8958), 1 recommendation was implemented and the department disagreed with 1 recommendation. 4 recommendations remained work in progress, all of which have now been implemented, as set out below.

**3: Committee of Public Accounts conclusion:**
***The MPA provides welcome visibility of the Government Major Projects Portfolio, but despite the scale and the cumulative risk to the taxpayer, it is managed as a series of individual projects rather than a portfolio.***

**Recommendation:**
***The Treasury should take ownership and responsibility for overseeing the government portfolio. It should ensure that decisions about whether, and how, individual projects should proceed are based on each project's impact on the total portfolio's value and risk, and the relevant department's delivery capability and existing portfolio of projects.***

3.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

3.2 The Government agrees that oversight of the Government Major Projects Portfolio should be further strengthened. But the Government does not agree that the Treasury should take sole ownership and responsibility for the Portfolio. The Treasury is responsible for overseeing spending across Government. It works in conjunction with the Cabinet Office to oversee the operation of Government as a whole, with the Cabinet Secretary and the Chief Executive of the Civil Service working to ensure effective coordination and cooperation between government departments.

3.3 MPA, in consultation with Cabinet Office and the Treasury, has taken steps to strengthen oversight across the whole Government Major Projects Portfolio. With effect from 01 January 2016, The Infrastructure and Projects Authority (IPA) is a new organisation formed by bringing together Infrastructure UK (IUK) and the Major Projects Authority (MPA). The IPA will be a joint unit of HM Treasury and the Cabinet Office. The new, shared body will bring together Government expertise in infrastructure and the financing, delivery and assurance of major projects, to support more effective management and delivery for the Government.

3.4 IPA will intervene earlier in the policy-to-project planning stage to assess the viability of projects and has developed a systematic approach to pre-announcement engagement with Departments. Through the preparation of Single Departmental Plans, MPA - now IPA - is also providing active assistance to departments with the strategic prioritisation of their portfolios.

**5: Committee of Public Accounts conclusion:**
***The Major Projects Leadership Academy (MPLA) is a welcome development but there is scope for it to target top decision-makers as well as project managers.***

**Recommendation:**
***The MPA should develop and implement a tailored approach to improving the project delivery skills and awareness of ministers, shadow ministers, and permanent secretaries.***

5.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

5.2 MPA, in conjunction with the Oxford Said Business School, developed a one-day workshop for Ministers and Permanent Secretaries, with the first workshop in September 2015. 8 Ministers, 2 Permanent Secretaries and 1 Non-Executive Director attended. A second workshop is being planned. MPA has also delivered departmental workshops through the Major Project Leadership Academy for Ministers and Permanent Secretaries at the Ministry of Justice and the Department for Transport.

**6: Committee of Public Accounts conclusion:**
***The MPA's assessment of major projects does not cover value for money considerations.***

**Recommendation:**
***The MPA assessment should include explicit consideration of whether the project is likely to deliver good value for money, alongside its existing assessment criteria.***

6.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

6.2 The Treasury currently makes an assessment and appraisal of value for money alongside IPA project reviews, so that a complete evaluation of individual projects is presented to Ministers before a decision to approve a business case is taken. MPA worked with the Treasury to make improvements in specific areas where the Business Case process was not allowing for a sufficient assessment of value for money. In particular, MPA, the Treasury and the Government Digital Service strengthened the assurance of programme business cases and business cases for agile programmes and projects.

**7: Committee of Public Accounts conclusion:**
***Despite welcome progress in extending the range of information published, the data is infrequent and out-of-date, and too much is still withheld.***

**Recommendation:**
***The MPA should publish project data more frequently and continue its efforts to reduce the amount of data exempted from publication. The MPA should publish more information on each project, including spend-to-date, even if this means reviewing the government's transparency policy.***

7.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

7.2 The IPA continues to work to maximise the transparency of the publication of data in accordance with the Transparency Policy. In 2015, there was a further significant reduction in the amount of data exempt from publication by departments. Building on recommendations made by the NAO, the MPA worked intensively with departments in 2015 to improve the quality of the narratives provided by departments alongside the release of the data to make it more insightful.

# Thirteenth Report of Session 2014-15

## Department for Communities and Local Government

## Local Government Funding – assurances to Parliament

**Summary of the Committee's findings**

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

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

**Background resources**

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

**Updated Government response to the Committee**

There were 8 recommendations in this report. At the time of the last Treasury Minute (Cm 8958), 5 recommendations had been implemented. 3 recommendations remained work in progress, of which 2 have now been implemented, as set out below.

**2: Committee of Public Accounts conclusion:**
***The department does not know whether the local accountability system ensures local authorities achieve value for money with government funding.***

**Recommendation:**
***The department should focus on the effectiveness of mechanisms that have a specific value for money role, such as the best value duty, scrutiny committees, local auditor roles, transparency of data and the role of section 151 officers.***

2.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

2.2. The Public Sector Audit Appointments (the company responsible for appointing auditors to local government) was created in 2014. It will deliver annual reports summarising local audit until 2017-18. This means it is no longer necessary for the department to undertake a trawl of publically available information on local audit in future years.

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

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

6.1 The Government agreed with the Committee's recommendation.

**Target implementation date:** Autumn 2016.

6.2 The Government is reviewing the implementation of the Transparency Code. This work should be completed in Autumn 2016. As a first step the department is undertaking a check on local authorities' compliance with the Transparency Code, which was published in February 2015, and which requires local authorities to publish both quarterly and annual information. The compliance exercise (completing March 2016) involves checking a 25% sample of local authorities (103 LA's in different classes geographically) to see the extent to which they are complying with these requirements. Subject to the evidence confirming a high degree of compliance with the Code, the department will then review how well the current data helps residents to scrutinise the performance of local authorities, and consider if alternative data would be of more value.

**7: Committee of Public Accounts conclusion:**
***The accountability system is not aligned with funding for new local bodies such as Local Enterprise Partnerships (LEPs) and Health and Wellbeing Boards***

**Recommendation:**
***The department should ensure that they develop a separate accountability system statement, which makes it clear how new bodies, such as Local Enterprise Partnerships and Health and Wellbeing Boards, will be transparent and accountable for their use of public money. Responsibilities should be defined at both central and local levels.***

7.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented**

7.2 The Government published an Accountability Systems Statement for Local Enterprise Partnerships (LEPs) in March 2015. It describes the local accountability system for LEPs and clarifies where accountability for decisions lie. That Accountability Systems Statement is underpinned by a LEP assurance framework (published December 2014) which sets out principles and expectations which inform how LEPs operate and take decisions. This will ensure that local decision making is accountable, proper, and represents value for money.

## Sixteenth Report of Session 2014-15

### Department for Energy and Climate Change

### Early contracts for renewable electricity

**Summary of the Committee's findings**

In April 2014, the department announced the award of contracts to eight renewable electricity projects under an early version of the new 'Contracts for Difference' scheme. Under the new scheme, the department fixes the price which renewable electricity generators can receive for each unit of electricity they produce (known as the 'strike price'). A newly formed 'Counterparty Body' will pay generators the difference between the market price and the strike price for the electricity they generate, where the strike price is higher. If the market price is higher than the strike price, generators will pay the difference to the Counterparty Body. The Counterparty recoups its costs from energy suppliers who in turn may pass on the cost to consumers, so the consumer picks up the bill.

**Background resources**

- NAO report: *Early contracts for renewable electricity* – Session 2014-15 (HC 172)
- PAC report: *Early contracts for renewable electricity* – Session 2014-15 (HC 454)
- Treasury Minute: December 2014 (Cm 8988)

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 8988), 4 recommendations were implemented and the Department disagreed with 1 recommendation. 1 recommendation remained work in progress, which has now been implemented, as set out below.

**2: Committee of Public Accounts conclusion:**
***The Committee is not satisfied that sufficient consideration was given to securing value for consumers during the transition from the existing arrangements to the new scheme.***

**Recommendation:**
***Before embarking on future major reforms, the department should consider fully its options for managing the process of transition, weighing up the impact on value for money of different types of transitional arrangements with different scales and durations.***

2.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

2.2 The department already considers fully the options for managing the process of transition before embarking on major reforms. In the case of the Final Investment Decision (FID) Enabling for Renewables process, the department decided that this was the right mechanism to put in place to avert an investment hiatus whilst the enduring Contract for Difference (CFD) regime was implemented as part of Electricity Market Reform (EMR). The recently published independent evaluation found evidence that an investment hiatus was avoided, and that the procurement process was fit for purpose, and concluded that the process had made a significant contribution to the meeting of renewables targets.

2.3 The department's consideration of different options is supported by the business case process using the five case model. Business case guidance has been strengthened further (as part of a broader refresh of project and programme management tools in December 2014) to ensure delivery and transition options are fully considered as part of options analysis. New in-house training on business case development has also been developed and this covers the consideration of delivery and transition options.

## Eighteenth Report of Session 2014-15

### HM Revenue and Customs

### HMRC progress in improving tax compliance and preventing tax avoidance

**Summary of the Committee's findings**

HMRC collects around £500 billion a year from UK taxpayers. Since the 2010 spending review, it has been specifically funded to do more compliance work to secure more tax revenues. HMRC measures the impact of its compliance work by estimating 'compliance yield'—the additional revenue it generates through its activities to identify and prevent tax losses, arising from avoidance, evasion and criminal attack. In 2013-14, it exceeded the target it had agreed with the Treasury, reporting compliance yield of £23.9 billion, £5.3 billion more than in 2011-12.

**Background resources**

- HMRC report: *HMRC Annual Report and Accounts 2013-14* - Session 2013-14 (HC19)
- PAC report: *HMRC's progress in improving tax compliance and preventing tax avoidance* Session 2014-15 (HC 458)
- Treasury Minute: February 2015 (Cm 9013)

**Updated Government response to the Committee**

There were 5 recommendations in this report. As of the Treasury Minute (Cm 9013), 2 recommendations had been implemented and the department disagreed with 2 recommendations. 1 recommendation remained work in progress, which has now been implemented, as set out below.

**5: Committee of Public Accounts conclusion:**
***HMRC's action against tax avoiders continues to be unacceptably slow, putting tax revenues at risk.***

**Recommendation:**
***Parliament has granted HMRC new powers to tackle tax avoidance. HMRC should report on the progress it has achieved by using these new powers (for example, in its Annual Report) and demonstrate to Parliament that it is using its existing powers with sufficient urgency.***

5.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

5.2 The department has reported the progress it has made in using the new powers granted to it to tackle tax avoidance, in its 2014-15 Annual Report published on 16 July 2015. The department will continue to report on progress in future Annual Reports.

## Nineteenth Report of Session 2014-15

### Cabinet Office / HM Treasury

### Centre of Government

**Summary of the Committee's findings**

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

**Background resources**

- NAO report: *Centre of Government* - Session 2014-15 (HC 171)
- PAC report: *Centre of Government* - Session 2014-15 (HC 107)
- Treasury Minute: December 2014 (Cm 8988)

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 8958), 2 recommendations were implemented. 4 recommendations remained work in progress, of which 3 have now been implemented, as set out below.

**3: Committee of Public Accounts conclusion:**
***The centre is not working effectively with departments to maintain a focus on timely implementation of cross-government priorities.***

**Recommendation:**
***The centre should set out how it will improve performance management and incentives, to ensure that departments deliver cross-government priorities successfully and within the intended timescales.***

3.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

3.2 Working with Government Departments and the Treasury, the Cabinet Office is applying a new approach to business planning and monitoring across Government, which will help prioritise effectively, based on a clear understanding of how resources can best be deployed. Departments are developing Single Departmental Plans (SDP) which will provide a clear roadmap for each department, bringing together policy implementation, efficiency, spending round and activity plans into one place. Crucially, since SDPs will be aligned with Spending Review settlements, they bring together inputs (especially funding) with outputs, identifying where departments and the cross-departmental functions can work together to deliver the required outcomes, within the intended timescales.

3.3 The Government has also established a number of Implementation Task forces, alongside the existing Cabinet Committees, to monitor and drive delivery on the Government's most important cross-cutting priorities. These task forces bring together the key Ministers and officials on a regular basis to track progress; spot potential problems and blockages and agree plans for resolving them; maintain momentum and ensure accountability; and make sure that actions are followed through. Each task force reports to the Prime Minister and Cabinet on a regular basis.

**4: Committee of Public Accounts conclusion:**
***The centre does not intervene early enough to prevent major departmental projects and programmes from failing.***

**Recommendation 4a:**
***The centre should draw together its strands of intelligence to form an integrated, single view of strategic risks. Where such risks are identified, the centre needs to robustly challenge departments, intervening earlier and more effectively to prevent project failure.***

4.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 With effect from 1 January 2016, the Major Projects Authority (MPA) and Infrastructure UK were brought together to form the Infrastructure and Projects Authority (IPA). The IPA, which is a joint unit of HM Treasury and the Cabinet Office, monitors delivery risks across the Government's portfolio and has enhanced its strategic oversight at the aggregate level. The MPA played a critical role in the Spending Review and in the development of Single Departmental Plans providing assistance to departments with the strategic prioritisation of their portfolios.

4.3 Through having a more coordinated set of cross-government functions, the Centre has better oversight and intelligence of risk across departments. The governance of the Corporate Management Board allows the Centre to effectively challenge departments and manage cross-cutting risks.

**Recommendation 4b:**
***The centre should explain how it will ensure that lessons from past experience are properly considered when planning new projects.***

4.4 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.5 The Government has taken action to ensure that lessons from past experience are brought to bear when planning new projects. The Infrastructure and Projects Authority's project validation reviews at the outset of a new project continue to be a consistent part of the major project review process. These allow IPA to engage with departments early, so that specialist knowledge and past experience can be brought to bear on projects at the planning stage. IPA has also enhanced its approach to pre-announcement engagement and is now required to intervene earlier in the policy-to-project planning stage to assess the viability of projects.

## 5: Committee of Public Accounts conclusion:
## Key specialist skills are in short supply and are not distributed effectively between departments and the centre.

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

5.1 The Government agreed with the Committee's recommendation.

**Target implementation date:** Summer 2016.

5.2 The Government set out its approach to building functional expertise in March 2015 in the policy paper: *The Functional Model: a model for more efficient and effective Government* published in March 2015.[14] The Centre continues to develop the functional model, including through a review that was completed the end of 2015. The review has provided a range of actions to continue to drive functional expertise and to set a framework for the activities that should be centralised and decentralised. The Centre will consider publishing a further document on the Government's approach to building and deploying functional expertise in early 2016.

[14] Cabinet Office, *Policy Paper: Functional model for more efficient and effective government*, March 2015

## Twentieth Report of Session 2014-15

### Home Office

### Reforming the UK border and immigration system

**Summary of the Committee's findings**

The decision to break up the Agency was prompted by its troubled history. The Agency's responsibilities for immigration operations were passed to three directorates within the department: UK Visas and Immigration decides on applications to visit and stay in the UK; Immigration Enforcement detects and removes those people who break our immigration laws; and Border Force polices the border. These three directorates, which collectively spend some £1.8 billion per year, are responsible for dealing promptly and effectively with over 100 million people that arrive in the UK each year.

**Background resources**

- NAO report: Reforming the UK border and immigration system – Session 2014-15 (HC 445)
- PAC report: Reforming the UK border and immigration system – Session 2014-15 (HC 584)
- Treasury Minute: December 2014 (Cm 8988)

**Updated Government response to the Committee**

There were 5 recommendations in this report. As of the Treasury Minute (CM 8988), 1 recommendation was implemented. 4 recommendations remained work in progress, all of which have now been implemented, as set out below.

**2: Committee of Public Accounts conclusion:**
***The department has failed to get a grip on the long-standing problem of asylum backlogs with older cases remaining unresolved and the number of newer cases awaiting a decision increasing.***

**Recommendation:**
***The department should ensure it has the right number of staff, with the right skills and the right incentives, to resolve outstanding asylum claims promptly and prevent any new backlogs being created. The department should report back to the Committee in early 2015 on what progress it has made in communicating decisions to all outstanding pre-2007 applicants.***

2.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented**.

2.2 The department continues to top up levels of decision makers in order to keep in step with asylum claims. The department has decided straightforward claims from the financial year 2014-15 or earlier. Furthermore, the department has continued to meet the aim of deciding new straightforward claims within six months since 1 April 2014. The department continues to build and retain a skilled workforce, utilising appropriate reward and recognition arrangements and performance management tools that will allow it to effectively manage all new asylum intake.

2.3 The Home Office said that it would review and communicate decisions on the outstanding pre-2007 cases by the end of 2014, other than in exceptional circumstances where an external impediment, such as outstanding criminal investigation or ongoing litigation, prevented the department completing its review. The Home Office met this commitment. When cases that could not be completed before the end of 2014 become workable again, the Home Office arranges to prioritise decisions on these cases. When they become workable we will prioritise them but they might not trump a case which is about to go over day 182, or a security case, or a vulnerable. However we do prioritise if they are supported for example for obvious reasons, over a non-supported pre day 182 case.

**3: Committee of Public Accounts conclusion:**
***IT limitations mean the department cannot track people through the immigration system, or ensure people with no legal right to remain are removed from the UK.***

**Recommendation:**
***The department should, as a matter of urgency, take more steps to identify people that remain in the UK illegally and expedite their removal.***

3.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

3.2 The department is driving cross-government action to reduce the size of the illegal population in the UK, ensuring action is taken at every point to prevent people benefitting from their illegal presence.

3.3 The department, through the work of its contractor, Capita, employs a range of methods to contact individuals within the Migration Refusal Pool (MRP). Where Capita is unable to make contact with an individual who has been refused leave, the case is subject to additional and periodic tracing checks, including searches for flight and financial activity information. Through exit checks, the department will be able to establish an individual's immigration status, confirming those who have departed, and identifying potential over stayers. Exit checks will allow targeted action against those abusing the law and provide valuable information on the sorts of immigration routes and visas that are most subject to abuse.

3.4 Implementation of the 'hostile environment' for people without a right to be in the UK will incentivise people to leave voluntarily. The latest published statistics show a 26% rise in notified voluntary departures year ending June 2015 compared to the year before. This approach is making it much tougher for illegal immigrants to remain in the UK by restricting their access to work, renting property, benefits, bank accounts and driving licences through the Immigration Act 2014. We will go further still through the measures currently before Parliament in a new Immigration Bill. For those who do not voluntarily depart, extending the departments 'deport first appeal later' approach will further streamline our processes so that even more illegal migrants are removed from the UK.

**4: Committee of Public Accounts conclusion:**
***The department lacks good quality data on cases, preventing it from efficiently managing the backlogs and the overall workload, and hindering effective accountability.***

**Recommendation:**
***The department should immediately take steps to improve the quality of the data it collects and holds through cleansing and regular sample checks, and improve the presentation and clarity of data.***

4.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 The Home Office has set up a Data Board chaired by the Chief Digital and Data Officer with membership from all parts of the Department. It has representation from Information Asset Owners, policy, data, and operational areas across the Home Office. The Board has, amongst others, responsibilities for senior decision making forum on activities and actions required to increase the quality of HO data; and delivering on HO Data Strategy and understanding how data quality will develop.

4.3 One of the pillars of the Home Office Transformation Programme is data and as part of that a combined data and digital strategy will be developed.

4.4 The Performance and Risk Directorate continue to improve the presentation of the data in the Department for example through the use of standard templates to present data with a clear and accessible visual style.

4.5 The Immigration Platform Technologies Programme, one of the programmes in place to change IT systems across the Home Office, are addressing data quality issues via a governing set of principles.

Each project stream, architectural approach and design decision is required to adhere to these principles, enforced via a governance process through design authorities.

4.6 Home Office Data Analytics Capability has delivered the technical platform which scores the timeliness, completeness and field level quality of Advance Passenger Information data received. The data is compared against our data quality standards, aviation schedules and aircraft movements to identify flights for which no data have been provided. Failures can be identified quickly and remedy sought.

**6: Committee of Public Accounts conclusion:**
***The Committee is not convinced that the department has a robust plan to improve performance and meet its targets with fewer resources.***

**Recommendation:**
***The department should gather accurate data on the costs of all its activities and develop a robust financial plan that sets out how it will achieve both the necessary level of savings and the improved performance required.***

6.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented**.

6.2 The department is continuing to develop and improve its costing capability and has established a corporate Unit Costing team. The department has invested significant effort in ensuring the costs and cost drivers of its principal activities are understood and inform strategic planning. The department has good data on costs relating to the border and immigration system, including applications for visas and entry clearances, passengers processed and items inspected at the Border, applications for in-country extensions, indefinite leave and nationality. The department also has good cost data on consideration of asylum, immigration appeals and the detention of immigrants. This data helps the department set its fees and was used to underpin the department's financial planning for Spending Review 2015.

6.3 The department's plans for the next Spending Review period are underpinned by a consolidated financial model which provides a clear baseline against which to measure and track delivery of savings. The department is in the process of allocating multi-year budgets to business areas which will allow plans to be monitored both at the business and corporate level so that the financial implications of any deviations from plans are understood and can inform any revision of strategy.

6.4 The department continues to monitor performance and risk at Board level and below, including in light of budget reductions.

## Twenty First Report of Session 2014-15

### Department for Work and Pensions

### The Work Programme

**Summary of the Committee's findings**

The Department for Work and Pensions is responsible for the Work Programme, which aims to help people who have been out of work for long periods to find and keep jobs. Specifically the Work Programme aims to increase employment, reduce the time that people spend on benefit, and to improve support for the hardest-to-help – those participants whose barriers to employment are, relatively, greater than others on the programme. The Department assigns people to one of nine payment groups depending on characteristics such as age and the benefit each person is claiming.

**Background resources**

- NAO report: *The Work Programme* - Session 2014-15 (HC 266)
- PAC report: *The Work Programme* - Session 2014-15 (HC 457)
- Treasury Minute: February 2015 (Cm 9013)

**Updated Government response to the Committee**

There were 18 recommendations in this report. As of the last Treasury Minute (Cm 9013), 10 recommendations were implemented. 8 recommendations remained work in progress, all of which have now been implemented, as set out below.

**6-9: Committee of Public Accounts conclusions:**
***Supporting harder to-help participants into work has been particularly difficult.***

**Recommendations 6-9:**

***The Department should review the impact of differential payments to prime contractors on their support to participants with different barriers to finding employment. Before the Committee takes further evidence in early 2015, the Department should update the Committee on performance in respect of harder-to-help groups, and its progress encouraging prime contractors to work with them.***

6.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

6.2 The Department recognised the growing proportion of Employment Support Allowance (ESA) claimants and has taken action to drive performance for this group, including: undertaking additional ESA focused compliance checks to ensure ESA claimants receive the right support; identifying and sharing best practice across the market, with a special focus on improving ESA performance for those providers performing relatively less well than their competitors; and affording ESA equal weighting when determining, which providers are placed in Departments Enhanced Performance Regime, meaning poor ESA performance is not overshadowed by larger volume Jobseeker's Allowance performance.

6.3 The Department has also improved the way it identifies and tracks performance for ESA participants. For example: by splitting out performance for those with longer and shorter term prognosis and better identifying performance for those claimants needing more support.

6.4 The latest Work Programme official statistics show performance for ESA claimants has improved. Almost 1 in 13 of the last three cohorts to complete a year on the programme for the New ESA Claimants group have had at least three months in work since joining the scheme. This compares to 1 in 25 for the first participants and is above expected levels of 1 in 14.

**14-17: Committee of Public Accounts conclusions:**
***The department needs to tighten up its contract management.***

**Recommendations 14-17:**
***The Department should write to the Committee, as soon as it as certain, to confirm whether Newcastle College Group will or will not receive an incentive payment for 2014-15. Before the Committee takes further evidence in early 2015, the Department should update the Committee on its progress in clawing back from prime contractors the estimated over payment of £11 million for invalid sustainment payments; and update the Committee on its progress renegotiating its contracts with prime contractors, including a summary of the changes it has made to the contracts, the intended impact of the changes, and the cost of making the changes.***

14.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

14.2 Providers, including Newcastle College Group, have received an incentive payment based on the new contractual measure for job outcomes achieved above the incentive payment trigger level. The contractual use of the new performance metric ensures that the incentive payments made were at a reduced rate and paid in line with policy intent - where performance is sufficiently strong.

14.3 The Department identified the issue of potentially invalid sustainment payments and reached agreement with all prime providers by December 2014 to recover, in full, the £11 million. This issue was resolved by the introduction of a contractual right for the Department to extrapolate sustainment failures across an untested caseload as it does with job outcomes. This change and contractual use of the new performance metric were agreed as part of a wider package of contractual changes. The Department provided full details of the package of changes to the Committee in its last update. The changes, which were broadly cost neutral, were agreed with all prime providers, enabling the Department to strengthen its performance management regime and further improve its financial controls.

## Twenty Third Report of Session 2014-15
### Cabinet Office
### Transforming contract management

**Summary of the Committee's findings**

The private sector delivers complex services on behalf of the public sector, to the value of around £90 billion, which represents half of public sector expenditure on goods and services. The public needs to have confidence that contracts are managed well by both Government departments and the contractors themselves. The case of G4S and Serco overcharging the Ministry of Justice for years on electronic tagging contracts was the starkest illustration of both contractors' failure to work in the public interest and Government failure to safeguard taxpayers' money. In the course of the Committee's work, similar cases have been identified and examined where there are allegations of the misuse of taxpayers' money. Led by the Cabinet Office, the Government is now working to improve the way it manages its suppliers and contracted-out providers of public services.

**Background resources**

- NAO report: Home Office and Ministry of Justice – Transforming Contract Management – Session 2014-15 (HC 268)
- NAO report: Cabinet Office – Transforming Government's Contract Management Session 2014-15 (HC 269)
- PAC report: Contracting out of public services to the private sector - Session 2013-14 (HC 777)
- PAC report: Transforming Contract Management - Session 2014-15 (HC 585)
- Treasury Minute: February 2015 (Cm 9013)

**Updated Government response to the Committee**

There were 12 recommendations in this report. As of the last Treasury Minute (Cm 9013), 1 recommendation was implemented. 11 recommendations remained work in progress, of which 9 have now been implemented, as set out below.

**Committee of Public Accounts conclusions 1-5:**
***The Government will not achieve value for money from its contracts until it pays much more attention to contract management***

**Recommendation 2:**
***The Cabinet Office must lead efforts to make sure that the current emphasis on improving contract management is embedded across all departments and that tendering processes did not discriminate against small and medium sized enterprises. It must not lose focus and should report back to this Committee by the end of 2015 on the progress made in implementing reforms across government.***

1.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

1.2 The Cabinet Office has led a cross-Government programme to address weaknesses in commercial and contract management skills and implement measures to ensure a level playing field for suppliers of all sizes. Following the Cross-Government Review of Major Contracts, all departments are implementing improvement plans. The Crown Commercial Service (CCS) has also published supporting materials and updated its standard operating procedures. Commercial experience has been increased within the Crown Representative team by recruiting senior business leaders, capable of carrying out investigations into the Government's important suppliers.

1.3 The Commercial Function reports to the Chief Executive of the Civil Service. The Chief Executive, and the Government Chief Commercial Officer, will have clear roles in managing talent within the Commercial profession and building capability by setting the learning curricula for the profession. The commercial assurance team work with departments to ensure implementation of actions to improve their commercial capability. This is supported by recruitment of commercial specialists. Commercial assurance reviews are being undertaken to ensure capability, pre and post contract. An articulation of commercial standards has been developed. It will be endorsed and championed by Departmental Boards. This will include adherence to policy including those supporting the increased role of SMEs in delivery of services.

**Recommendation 3:**
***Accounting Officers remain accountable for spending throughout the life of contracts. They should put in place an accountability framework for contracts which specifies how senior oversight of major contracts should work in practice - including the information needed to scrutinise and challenge contractor performance, cost and progress in making further savings—and the personal responsibilities of senior managers, with appropriate sanctions and rewards for performance.***

3.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented**.

3.2 The responsibilities of an Accounting Officer are set out in Chapter 3 of Managing Public Money (MPM). Chapter 7 of MPM sets out the requirements for public sector organisations delivering public services. The Government's strengthened functional leadership model will help consolidate the way in which the centre works with Accounting Officers to improve performance and delivery.

3.3 The functional heads have a cross-cutting responsibility for the running of expert corporate functions. They take a leading role in recruiting talent and agreeing standards within their cross-departmental functions. The Government Chief Commercial Officer is leading work to manage talent better and build capability. This includes setting standards for departments; setting career pathways and the learning curricula for the commercial profession; and establishing a central recruitment hub. Commercial Directors have a responsibility to the Government Chief Commercial Officer and this relationship will be clarified. The Commercial Assurance group are working with each department to ensure clear accountabilities and responsibilities have been established, championed by Non-Executive Directors in each area.

**Recommendation 4:**
***The Committee welcomes progress to improve the government's commercial and contract management skills, but this needs to be supported by concerted Cabinet Office action in two areas: to increase the attractiveness of careers in commercial disciplines including pay, status and career development; and do more to raise the commercial awareness of operational managers so they can work with the commercial professionals to achieve value for money throughout the life of contracts.***

4.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 The Government is reshaping the commercial profession through the Commercial Capability Programme, led by the Government Chief Commercial Officer (GCCO). The Capability Programme deals with recruitment of commercial talent and development of existing talent. It is introducing a new pay and reward model to make the commercial profession more attractive to external recruits. Pay scales will be more competitive for senior talent. The Government launched the Commercial Fast Stream scheme, with 61 graduates operating in the Civil Service and over 1,000 applications for the 2016 intake. The GCCO has led a campaign to recruit Senior Commercial Specialists, with 11 recruited to high profile commercial positions across government.

4.3 Departments are pro-actively addressing the commercial awareness of non-specialists, ensuring all senior roles outside commercial management that have commercial responsibilities receive training, support and appropriate oversight. Civil Service Learning (CSL) provides a core curriculum for all grades. 29% of all Senior Civil Servants have undertaken commercial learning in February 2015. MOD has held commercial awareness sessions and workshops which over 120 SCS completed in 2014/15. DFID has trained over 90% of its entire SCS staff through a bespoke commercial leadership programme. The

Massive Open Online Course on 'Building Better Relationships in Contract Management' was commissioned and championed by the Cabinet Secretary. Southampton University, the IACCM, Future Learn, CSL and GCF helped develop the MOOC. The first run of the MOOC took place in April 2015, with more than 20% of 16,000 participants being UK civil servants.

**Recommendation 5:**

***Alongside the Cabinet Office reporting back to us at the end of 2015, both the Ministry of Justice and the Home Office should report back to the Committee specifically on progress with their contract management improvement plans:***

***For the Ministry, the Committee will be particularly interested in arrangements for running the 'Transforming Rehabilitation' contracts (for outsourcing probation services) which we see as a litmus test for better management of high risk and complex contracts.***

***For the Home Office, the Committee will be particularly interested in what it has done to extend improvement plans beyond its commercial directorate and into the operational management of contracts.***

5.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

5.2 Richard Heaton, Permanent Secretary at the Ministry of Justice wrote to the Committee on 11 December 2015 outlining the progress made on its contract management improvement plans, including arrangements for running the 'Transforming Rehabilitation' contracts.

**Committee of Public Accounts conclusions 6-8:**

***Contractors have not shown an appropriate duty of care to the taxpayer and users of public services***

**Recommendation 7:**

***The Cabinet Office should work with industry to define what obligations a duty of care should entail, what sanctions would apply should performance fall short, and require senior executives to attest annually to the strength of their internal controls over public contracts and to be personally accountable to parliament for performance.***

7.1 The Government agreed with the Committee's recommendation.

**Target Implementation date:** March 2016.

7.2 Parliament is able to hold departments to account for service delivery through Accounting Officers and Senior Responsible Owners. Departments are, in turn, holding suppliers to account more effectively through better contract management, the Government's policy to take into account past performance, and management of strategic suppliers. Obligations under a duty of care are difficult to define and enforce. However, new guidelines have also been published in a report, in December 2015, by the Committee on Standards in Public Life (CSPL) that provides officials, involved in commissioning services, with a checklist to avoid ethical failures, and what explicit ethical standards should be expected from providers.

7.3 The Government will study this report and will then work with Industry stakeholders, including the Confederation of British Industry (CBI), to explore the feasibility of introducing such a duty and what it might entail. After careful consideration, the Government does not believe that the benefits of holding senior executives personally accountable to Parliament outweigh the disadvantages. There is a significant risk that smaller companies (SMEs) would be deterred from signing contracts if they would have to appear before Parliament, and such a requirement would be perceived as a new barrier at a time when the Government is dismantling old ones.

**Recommendation 8:**
***The 'corporate renewal' process is a new concept for many. The Cabinet Office and HM Treasury should publish a review of this process and its outcome, and, when disseminating findings, make clear to all departments what it expects them to do differently and what different behaviours departments should expect from the contractors.***

8.1 The Government agreed with the Committee's recommendation.

**Target implementation date:** Spring 2016.

8.2 The Cabinet Office, working with the Treasury, will review the corporate renewal process and its outcomes and make suggestions on improvements to the corporate renewal process. The review will be circulated to all central Government Departments and discussed at the Commercial Function Leaders Group.

**Committee of Public Accounts conclusions 9-12:**
***Public service markets are becoming more difficult for government to manage.***

**Recommendation 10:**
***Led by the Cabinet Office, departments must take concerted action to develop competitive markets for public services. Government must use its contractual powers to intervene in market consolidation - so that taxpayers and public service users benefit from the innovation and competition a thriving market can offer.***

10.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

10.2 Guidance on the appraisal of market creation as an option for delivery of complex public services and its inclusion in consideration of business case design has been developed in consultation with departments and will be included in the refreshed *Green Book.*

**Recommendation 12:**
***The Cabinet Office should look at the barriers to SMEs joining markets and develop a plan to address each barrier. Departments should be required to demonstrate that they have considered disaggregated models for each major contract.***

12.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

12.2 The Government has introduced a range of policy and legal measures to level the playing field for smaller companies bidding for government contracts. The proportion of Government business won by SMEs has increased substantially and the Government exceeded its aspiration in the last Parliament for 25% of total procurement spend to go to SMEs by May 2015, achieving 27.1%. It has set a new challenging aspiration of 33% by the end of the Parliament.

12.3 Under the Public Contracts Regulations 2015, Contracting Authorities are encouraged to break up contracts into lots and are required to explain any decision not to do so.

**Committee of Public Accounts conclusions 13-16:**
***Government's current approach to contracting gives too much advantage to contractors.***

**Recommendation: 14**
***The Cabinet Office standard operating procedures should require departments to set and regularly review KPI regimes, to ensure they are incentivising the right behaviours, with clearly specified indicators that are capable of highlighting poor performance at an early stage.***

14.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

14.2 The Government's transparency principles, published in March 2015, encourage proper consideration of the types of information that would be usefully made available when Government enters into a contract, including performance information. The model services contract, published in January 2014 by CCS, contains service credit provisions and remedies for performance failures or shortfalls. The Terms and Conditions, as well as standard operating procedures for contracts are being updated to address recommendations on Key Performance Indicators. The Cabinet Office continues to support Departments to negotiate and deliver critical Government contracts, supporting contract change and performance issues, and ensuring commercial deals are 'fit for purpose'

> **Recommendation 15:**
> ***The Cabinet Office should mandate the inclusion of open book provisions in all government service contracts and set clear expectations for how these provisions should be utilised to manage the contract throughout its life.***

15.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

15.2 A standard approach to open book has been developed, that should be adopted by Departments and applied where there are benefits from its application. A suite of resources has been developed to assist departments. Under this approach, Departments will use a Decision Tool to establish whether and how Open Book should be applied. Where it should be applied, an Application Model will be used to establish the activities to be undertaken. Application will range from a light touch approach at its lowest level to complex scrutiny of costs and a collaborative approach to reducing costs at its highest and most intense.

15.3 Application should be proportionate and appropriate to ensure cost does not outweigh potential benefits, using sound commercial judgement. Transparency from implementation should allow both parties to be clear on the supplier's charges, costs and planned return. It should provide a basis to review performance, agree the impact of change and bring forward ideas for efficiency improvements. This technique should help improve value for money and build mutual understanding and trust between Government and its suppliers.

> **Recommendation 16:**
> ***The Cabinet Office should require all service contracts to be published, including a clear expression of the performance the service user can expect and then how contractors are performing.***

16.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

16.2 The transparency principles published in March 2015 encourage proper consideration of the types of information that would be usefully made available when Government enters into a contract, including performance information. The new Contracts Finder database, which incorporates enhanced functionality, was launched in February 2015. The site covers current and future public sector contracts above £10,000 in central government and £25,000 in the wider public sector.

# Twenty Seventh Report of Session 2014-15

## Department for Work and Pensions

## Housing Benefit Fraud and Error

**Summary of the Committee's findings**

Housing Benefit is a means-tested benefit to help people on low incomes pay rent. The department and local authorities are responsible for managing Housing Benefit. The department sets policy, entitlement rules and shares data and guidance with local authorities. Local authorities have a statutory duty to undertake the day to day administration of Housing Benefit and pay claimants.

The department ultimately bears the financial cost as it reimburses local authorities for payments and provides funding towards the cost of administering claims. In 2013–14 £23.9 billion was spent on Housing Benefit, 15% of the department's total benefit spending. The department estimates that £1.4 billion was overpaid in 2013–14. Claimant error (£900 million) was the cause of two-thirds of overpayments, due mainly to unreported fluctuations in claimants' earnings. £340 million of overpayments were due to fraud and £150 million of overpayments were due to delay, inaction or mistaken assessment by local authority officials.

**Background resources**

- NAO report: *Housing Benefit Fraud and Error* – Session 2014-15 (HC 720)
- PAC report: *Housing Benefit Fraud and Error* - Session 2014-15 (HC 706)
- Treasury Minutes: March 2015 (Cm 9033)

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9033), 6 recommendations remained work in progress, all of which have now been implemented, as set out below.

**2: Committee of Public Accounts conclusion:**
***The department has failed to tackle problems with Housing Benefit fraud and error quickly or convincingly.***

**Recommendation:**
***The department should review how it allocates money and resources to tackling Housing Benefit fraud and error. For each of the main sources of fraud and error, it should set out how, and by how much, its fraud and error initiatives aim to reduce Housing Benefit overpayments.***

2.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

2.2 The Department has improved the way it allocates resource to tackle Housing Benefit (HB) fraud and error through the introduction of the Fraud and Error Reduction Incentive Scheme (FERIS) which offers financial incentives to Local Authorities (LA) to find additional overpayments. The Department also commissioned Ipsos MORI to review the subsidy process[15]; following which the Department concluded the process should remain unchanged. LAs are fully subsidised for correctly processed claims and receive subsidy at 40% for claims impacted by fraud and claimant error.

2.3 The Department, in collaboration with LAs, has further developed an approach to tackle the level of fraud and error in HB over the next three years. This identifies the most significant causes of loss and sets out the specific activities that will be taken forward to address these.

2.4 The Department does not break down initiative savings by source of fraud and error. Instead, it monitors the total actual savings and reviews projects and processes where savings are not meeting expectations. The Department is implementing a number of projects which target multiple sources of

[15] https://www.gov.uk/government/publications/housing-benefit-subsidy-regime-local-authority-insight-survey-wave-30

fraud and error, including HB. The overall positive performance of these initiatives is evidenced in the most recent National Statistics which show improvements in HB fraud and error[16].

**3-6: Committee of Public Accounts conclusions:**
***3: The department is not doing anything to specifically target underpayments or the take-up of Housing Benefit, despite their importance to those most in need.***
***4: The Department has provided weak incentives for local authorities to tackle fraud and claimant error.***
***5: Without a good understanding of local levels of fraud and error, the Department is not able to target efforts effectively.***
***6: The department is expecting significant benefits from HMRC's real-time information, but is doing little else to tackle Housing Benefit fraud and error in the still unclear and very long transition before Universal Credit.***

**Recommendations:**
**3:** ***The department must report back to the Committee within 6 months of this report on what measures it has introduced specifically to target underpayments and encourage legitimate take-up.***

**4:** ***The department should produce a proposal for how to strengthen incentives so that local authorities tackle Housing Benefit fraud and error more effectively. It should work with local authorities and gain approval from the Cabinet Office's Fraud Error and Debt Taskforce before sharing the proposal with us within 6 months.***

**5:** ***Within the next 6 months, the department must provide the Committee with a full analysis of options to identify whether there is a more cost-effective way of producing local estimates of the level of fraud and error, and how it plans to assess the relative performance of local authorities in reducing Housing Benefit overpayments.***

**6:** ***The department must demonstrate it has a convincing response to tackle Housing Benefit fraud and error before Universal Credit is implemented and the use of real-time information is automated. It should report to the Committee within months with a clear plan to tackle the major sources of loss on Housing Benefit. It should also set out what savings it has achieved across benefits against its 1.7% target, and which initiatives have realised these savings.***

3.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

3.2 The Department wrote to the Committee in November 2015 providing an update to recommendations 3 to 6.[17]

**7: Committee of Public Accounts conclusion:**
***The department's introduction of the single fraud investigation service creates risks to other local services through reducing local knowledge.***

**Recommendation:**
***The department should provide a more complete assessment of the wider costs to local authorities of the SFIS programme, and consider how the benefits of local knowledge and data sharing can be maintained in the longer term.***

7.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

7.2 The Department paid Local Authorities (LA) £12.8 million to offset the financial impact of Single Fraud Investigation Service (SFIS) on LA fraud service capacity and capability until 2021-22. In addition, the Department used the New Burdens Assessment (NBA) process to identify the financial impact of

[16] https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-financial-year-201415-estimates
[17] http://www.parliament.uk/documents/commons-committees/public-accounts/Correspondence/2015-20-Parliament/Correspondence-with-Permanent-Secretary-of-Department-for-Work-and-Pensions-relating-to-Fraud-and-Error-in-Housing-Benefit.PDF

additional work created for LAs by implementing SFIS. Local Authority Association representatives were fully involved in the NBA process and given the opportunity to raise further financial impacts at any time. In 2014-15, £516,000 was paid to LAs, incorporating costs of LA HR resource to support transfers plus on-going costs to LAs of providing data to the Department. For 2015-16, the NBA payment to LAs was £1.7million (incorporating costs to LAs of providing data to the department).

7.3 Local knowledge is retained through transferring staff from LAs to the Department and processes are in place to share data according to agreed Service Provision protocols. A Department led working group examined the feasibility of the Department and LAs joint working of non-Housing Benefit fraud cases. The Ministers for both the Department and the Department for Communities and Local Government approved the recommended joint working approach which commenced testing in five sites in November 2015. This supports collaborative investigations, lawful sharing of information between the Department and LA investigators, joint 'Interviews under Caution' and a single prosecution.

## Twenty Eighth Report of Session 2014-15

### Department for Transport

### Lessons from major rail infrastructure programmes

**Summary of the Committee's findings**

Over the last 20 years the Department for Transport has overseen several large rail infrastructure programmes through which it aims to improve services to the public. The Committee has reported on five such programmes over the last decade or so: the modernisation of the West Coast Mainline and the Channel Tunnel Rail Link (now known as High Speed 1), which are now complete; Crossrail and Thameslink which are under construction; and High Speed 2, which is being planned. The programmes are all expensive—costing between £3.6 billion for Thameslink and up to £50 billion for both phases of High Speed 2. They also take a long time to complete, with some taking nearly 30 years from planning to completion, and construction alone taking up to 10 years.

The Department has faced a number of issues during its sponsorship of these programmes, such as setting out a clear case for investment, planning effectively, and evaluating and realising programme benefits. The Department is currently looking at further rail infrastructure programmes, including possible routes linking cities in the north of England, currently referred to as High Speed 3, and Crossrail 2.

**Background resources**

- NAO report: Lessons from major rail infrastructure programmes – Session 2014-15 (HC 267)
- PAC report: Lessons from major rail infrastructure programmes – Session 2014-15 (HC 709)
- Treasury Minute: March 2015 (Cm 9033)

**Updated Government response to the Committee**

There were 5 recommendations in this report. As of the last Treasury Minute (Cm 9033), 1 recommendation was implemented and the Department disagreed with 1 recommendation. 3 recommendations remained work in progress, of which 1 recommendation has now been implemented, as set out below.

**2: Committee of Public Accounts conclusion:**
***The Committee remains concerned about the department's ability to deliver on time and budget.***

**Recommendation:**
***The Department should apply learning from its previous projects and from overseas to speed progress and improve value for money to all projects it sponsors, including High Speed 2.***

2.1 The Government agreed with the Committee's recommendations.

**Target implementation date:** June 2016.

2.2 The Department is currently finalising a structured process to capture, share and implement lessons learned from related transport projects, both domestic and international, on a regular basis.

2.3 The HS2 project has built on lessons from the Crossrail project in the design of its governance framework and approach to seeking independent assurance from a Project Representative function. As well as this, a Tripartite Analytical Group (comprising Network Rail, HS2 Ltd and the Department) has been built into the governance process for the HS2 programme to focus on analysis and value for money.

2.4 The Department actively engages with the Infrastructure and Projects Authority and other government departments to identify areas of learning, which are shared with the community through a number of channels.

**4: Committee of Public Accounts conclusion:**
***There is a risk that industry does not have the capacity to deliver all current and proposed programmes.***

**Recommendation:**
***The Department should work with industry and with other departments responsible for major infrastructure programmes to understand gaps in industry capacity, and put in place plans to manage any gaps to ensure all programmes can be delivered on schedule and within budget.***

4.1 The Government agreed with the Committee's recommendations.

**Recommendation implemented.**

4.2 In 2014, the Department for Transport and the Department for Business Innovation and Skills jointly established the Rail Supply Group to strengthen the UK rail supply chain. The Group published its vision document Fast Track for Growth in January 2015 and will publish a sector strategy on 1 February 2016. The strategy will include plans for government, industry clients and suppliers to work together to provide the supply chain with greater visibility of planned investments.

4.3 In August 2015, the Secretary of State for Transport appointed Crossrail chair Terry Morgan to help develop a Transport Infrastructure Skills Strategy. The skills strategy will set out how government and industry will increase the transport workforce, increase diversity and raise the level of skills, including by delivering on the Government's ambition for 30,000 apprenticeships in roads and rail over the 5 years to 2020. The Department published the strategy in January 2016.

4.4 The Department is also working with rail stakeholders to improve the industry's training capability. For example, the Tunnelling and Underground Construction Academy, sponsored by Crossrail, has already trained 7000 people. The National Training Academy for Rail in Northampton, which was 50% funded by government, will deliver over 270,000 training days each year. In 2017, the National College for High Speed Rail will give 1000 graduates a year a grounding in modern engineering and construction.

**5: Committee of Public Accounts conclusion:**
***The department has a long way to go to prove it is being more active in realising benefits from major programmes.***

**Recommendation:**
***The Department should set out who is responsible for ensuring that benefits are realised, and how that work will be coordinated.***

5.1 The Government agreed with the Committee's recommendations.

**Target implementation date:** March 2016.

5.2 The Department has initiated a major investment portfolio management maturity plan, which includes benefits management, as well as the monitoring and evaluation of projects, as an improvement theme. A central project delivery toolkit for benefits management is available for all projects to use as guidance. Work is underway to further embed benefits management into new and existing projects.

5.3 The Department has worked closely with the Infrastructure and Projects Authority to strengthen the reporting of benefits for major investment projects and ensure that they are tracked and monitored in line with new Government Major Project Portfolio requirements. A new special interests group for benefits management has recently been established within the Department. The purpose of the group is to support practitioners and wider stakeholders to increase collective capability for effective benefits management across the Department. Additionally, a framework for benefits management has been developed in the Rail Executive, which provides a structured approach to planning and realising benefits.

5.4 In January 2016 the Department, working with HS2 Ltd, agreed the five key principles that will underpin the Benefits Management Strategy. The first of these is that accountability follows funding. The strategy will set out the accountabilities and responsibilities involved and provide the foundation for a programme-wide benefits management capability. As part of this work the Department is working with the Department for Communities and Local Government (DCLG), the core sponsor for the delivery of local growth and regeneration, in relation to managing the wider benefits. The Department and DCLG have established governance boards to oversee the management of programme wide benefits.

## Thirtieth Report of Session 2014-15
### HM Revenue and Customs
### Managing and replacing the Aspire contract

**Summary of the Committee's findings**

The Aspire contract between HMRC and Capgemini is the Government's largest technology contract accounting for 84% of HMRC's total spend on information and communications technology (ICT). HMRC let this contract in 2004 for 10 years, but extended it in 2007 for a further 3 years to 2017. The main sub-contractors under the contract are Fujitsu and Accenture. The Aspire contractors maintain and, where necessary, replace ICT hardware and software and carry out new technology projects. The Aspire contract conflicts with current Government policy on how departments should buy technology.

In 2010, the Cabinet Office announced that long-term contracts with a prime supplier do not deliver optimal levels of innovation, value for money or pace of change. In 2014, the Cabinet Office announced new rules to limit the value, length and structure of ICT contracts. These state that no contract should exceed £100 million; that no single supplier should provide both services and systems integration to the same area of Government; and that existing contracts should not be extended without a compelling case. This is based on the view that smaller contracts should allow many more companies to bid, including SMEs, and provide an increase in competition which is expected to drive down costs.

**Background resources**

- NAO report: *Managing and replacing the Aspire contract* - Session 2014-15 (HC 444)
- PAC report:: *Managing and replacing the Aspire contract* - Session 2014-15 (HC 705)
- Treasury Minute: July 2015 (Cm 9091)

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the Treasury Minute (Cm 9091), 1 recommendation was implemented. 5 recommendations remained work in progress, all of which have now been implemented, as set out below.

**1-3 and 5: Committee of Public Accounts conclusions:**

***1: HMRC faces an enormous challenge in moving to a new contracting model by 2017 and appears overly complacent given the scale of the transformation required.***

***2: The end of the Aspire contract and the moves to replace it with many more contracts and suppliers puts both the service HMRC provides to customers and tax collection at risk.***

***3: HMRC has been outmanoeuvred by suppliers at key moments in the Aspire contract, hindering its ability to get long term value for money.***

***5: The consequences of this transition failing are severe and HMRC and the Cabinet Office are jointly accountable for managing the risks to tax revenue and value for money.***

**Recommendations:**

***1: HMRC needs to move quickly to develop a coherent business case, setting out the commercial and operational model it intends to put in place to replace the Aspire contract. This should include a robust transition plan and budget.***

***2: As part of its business case, HMRC should identify the key risks to tax collection and customer service ,both during transition and once operating its new model, and develop a strategy to mitigate them.***

***3: HMRC should develop a clear view of how the new model will support its long term vision for tax collection. It should take a consistent whole-life approach to costs and benefits in both its commercial negotiations and its management of contracts, so that the long-term objectives are both clearly articulated and properly supported.***

***5: HMRC and the Cabinet Office should jointly agree key milestones and warning flags leading up to the end of the contract in June 2017,with contingency plans that manage the risks to value for money should these milestones be missed. HMRC should provide a note to this Committee by the end of February 2015 setting out what plans, including contingencies, it has put in place to manage the transition.***

1.1 The Government agreed with the Committee's recommendations.

**Recommendations implemented.**

1.2 The Department's business case, set out the commercial and operational model, including robust transition plans and budget, it will establish to replace the Aspire contract. In July 2015 the Chancellor of the Exchequer approved the first step in a managed transition from the Aspire contract.

1.3 The Department has worked with Cabinet Office, Treasury and Major Projects Authority (MPA) to develop the business case for the next steps; that is now commencing the Government governance processes. The Department is managing risks that could hamper or prevent the replacement of the Aspire contract. Ensuring operational continuity will be a key consideration in all decisions up to 2017. The business case and supporting plans describe how the department will address risks to tax collection and customer service; contingency scenarios address the impact at worst case scenarios. Senior stakeholders worked with MPA in September 2015 to refresh these risks.

1.4 The Departments technology direction is set through its IT Strategy that was updated in January 2016, to reflect the July 2015 Budget and Spending Review plans. It was also aligned to the Departments Business Strategy that shows clear means to achieve departmental business objectives. The transformation in the Strategy recognises the need to move away from the current supplier model and is fully symbiotic with the Department's business case.

**4: Committee of Public Accounts conclusions:**
***HMRC's experience in managing multiple ICT suppliers, the essential ingredient of the new approach, is limited.***

**Recommendation:**
***HMRC must produce a realistic plan setting out how it will recruit the necessary commercial, technical and operational skills in a market which is likely to be overheated, and act with pace to implement it.***

4.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 The Department has put in place capability and recruitment plans that are reviewed and updated regularly to reflect workforce changes. It is already investing in IT, Digital, Security and Commercial staff and their professional skills. At leadership level, it has externally recruited the Director of Development, Test and Operations, Digital Transformation Director, and Programme Director, as well as permanent or interim Directors for the Design Authority, Finance, Commercial and HR functions, and Cloud Transformation Director for its Columbus Programme (to replace Aspire contract).

4.3 The Department is also employing more technical staff and building a talent pipeline through industry placements for university graduates, apprentices and IT graduates. The Department is confident that the scale of its digital transformation will make it an attractive proposition for those with the required skills. Where necessary, the Department will use specialist external help to address skills gaps during transition to the new model.

4.4 The Department is assessing the technical capability of its current cadre of staff using the industry-standard Skills Framework for the Information Age (SFIAplus) tool. The tool is now operating and informs targeted learning and development spend to bridge capability gaps.

## Thirty Second Report of Session 2014-15

### Department for Education

### School oversight and intervention

**Summary of the Committee's findings**

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

**Background resources**

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

**Updated Government response to the Committee**

There were 7 recommendations in this report. As of the last Treasury Minute (Cm 9033), 2 recommendations were implemented and the department disagreed with 2 recommendations. 3 recommendations remained work in progress, of which 2 have now been implemented, as set out below.

**3: Committee of Public Accounts conclusion:**
***Lack of clarity in the department's guidance has contributed to a situation where some local authorities do not understand their safeguarding duties towards pupils in academies.***

**Recommendation:**
***The department should clarify local authorities' safeguarding responsibilities towards schools in a single document, including whether or not local authorities have the power to direct academies to change their safeguarding arrangements.***

3.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

3.2 In March 2015, the department published revised statutory guidance, *Working Together to Safeguard Children (March 2015)*[18], which is the core departmental guidance on safeguarding. It further highlights in its introduction, the specific duties local authorities have in relation to children in need and children suffering, or likely to suffer, significant harm, regardless of where they are found. It further clarified the responsibilities of all schools, including independent schools, academies and free schools, in relation to safeguarding and promoting the welfare of pupils. Additionally, it made clear that schools and colleges must also have regard to statutory guidance, *Keeping Children Safe in Education (July 2015)*[19], which was reissued and provides further guidance on how they should fulfil their safeguarding duties.

**5: Committee of Public Accounts conclusion:**
***Oversight bodies have not formally intervened in some schools that have been identified as underperforming.***

**Recommendation:**
***The department and the Agency should improve the recording of their decisions to identify and intervene in underperforming schools to ensure consistency in the approach to the schools. The Department must ensure that, as a minimum, all schools eligible for intervention are identified.***

[18] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/419595/Working_Together_to_Safeguard_Children.pdf
[19] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/447595/KCSIE_July_2015.pdf

5.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

5.2 The department and the Education Funding Agency (EFA) have in place the same frameworks for intervention thereby ensuring a consistency of approach. This consideration includes Ofsted's assessment of schools with an assumption that there will be intervention where a school is judged inadequate; performance against nationally specified minimum floor standards; and adherence to the Academies Financial Handbook and the Funding Agreement. The current Education and Adoption Bill broadens the scope of this intervention to coasting schools and makes clear all inadequate schools will become sponsored academies. The provisions of the Bill will also capture academies when their performance meets the same triggers.

5.3 The department's ability to intervene was significantly strengthened by the appointment of eight Regional Schools Commissioners (RSCs) in 2014, each supported by a Head teacher Board (HTB). Both RSCs for educational performance issues and the EFA for financial and governance issues, assess the capacity of schools to improve / remedy their performance and the severity of weaknesses identified. The department publishes a record of all HTB meetings and the decisions taken by RSCs on the GOV.UK website. Pre-warning notices and warning notices issued by RSCs to underperforming academies are published, as are all Financial Notices to Improve issued by the EFA to academies for finance or governance irregularities.

5.4 The EFA has also developed and is now using a revised risk assessment tool (RAT). It is a scalable systematic process of data collection and analysis so that the EFA can effectively identify and intervene where appropriate in cases of financial concern. It is also being used to inform the future development of EFA's approach to intervention.

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

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

6.1 The Government agreed with the Committee's recommendation.

**Target implementation date:** Spring 2016

6.2 The department is on track to complete its assessment of the cost-effectiveness of formal interventions, where it has been feasible to isolate and measure their costs and impact.

# Thirty Third Report of Session 2014-15

## Department for International Development

## Oversight of the Private Infrastructure Development Group (PIDG)

**Summary of the Committee's findings**

The department believes that infrastructure investment stimulates growth, which is a pre-requisite for cutting poverty. It has identified a need for substantial infrastructure investment in developing countries which cannot be met by public funding and aid alone. PIDG, which invests in infrastructure projects in developing companies, is a multilateral agency founded by the department and three other donors in 2002. PIDG is now governed by development agencies from eight countries and the World Bank. The department's total contributions to PIDG, which are expected to reach £860 million by 2017, have represented 70% of PIDG's funding since 2002 and 88% of the funding in the last two years.

**Background resources**

- NAO report: *Oversight of the Private Infrastructure Development Group* - Session 2014-15 (HC 265)
- PAC report: *Oversight of the Private Infrastructure Development Group* - Session 2014-15 (HC 675)
- Treasury Minute: February 2015 (Cm 9013)

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9013), 1 recommendation was implemented. 5 recommendations remained work in progress, all of which have now been implemented, as set out below.

**1: Committee of Public Accounts conclusion:**
***Some of PIDG's investments raise questions over its decision making and the department's oversight.***

**Recommendation:**
***The department must ensure that PIDG has a robust and appropriate approach to due diligence in general and that it receives detailed briefing when concerns are raised about specific investments.***

1.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

1.2 The department has ensured, working with other donors and PIDG, that additional measures have been taken to further strengthen oversight by the PIDG Chief Executive Officer (CEO) and a bolstered Central Management Office (CMO) of the PIDG Facilities' due diligence compliance. As a result, PIDG will be in line with, or better than, market best practice.

1.3 The procedures for managing risk and reporting of it within the organisation have also been strengthened. Risks across PIDG are reviewed weekly by the CEO, CMO and the Deputy Chair of the Supervisory Board, monthly by the CEO, CMO and the Supervisory Board, and quarterly by CEO, CMO and PIDG Members through the Quarterly Reporting process. A model Due Diligence Policy and Procedures for PIDG will be added to the PIDG Operating Policies and Procedures (OPPs). Further work will be undertaken to benchmark the PIDG Facilities' due diligence approaches and highlight any activities that may be required to strengthen Facilities' compliance with the PIDG Code of Conduct and OPPs.

**2: Committee of Public Accounts conclusion:**
***The department's weak oversight of PIDG means that some of PIDG's operational decisions are at odds with the department's objectives.***

**Recommendation:**
***The department should review its oversight mechanisms for PIDG to make sure it has an appropriate level of visibility of operational matters, and that sound financial controls are in place and that money is appropriately spent.***

2.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

2.2 Following an independent Governance Review of PIDG instigated by the department, and supported by other donors, a number of significant changes to strengthen further the oversight mechanisms of PIDG were agreed at its Governing Council in June 2015. These included creating a new CEO position, outside of the CMO, but with responsibility for managing its performance, setting up a Supervisory Board consisting of a Donor Chair, a Deputy Chair (currently the Special Counsellor), two strategic advisors and up to two other PIDG members, and increased resources within the CMO for financial management, legal advice, results monitoring and communications.

**4: Committee of Public Accounts conclusion:**
***The department is not using its position as the dominant funder to drive improvements in PIDG's performance.***

**Recommendation:**
***The department should, when considering increasing its investment in PIDG, identify the operational changes it would like to see alongside the development impact it is looking to secure. The department should use its 2015 multilateral aid review to develop a proportionate and risk-based approach to how it funds and oversees multilaterals, with a clear focus on whether its level of influence in multilaterals is commensurate with its level of funding, both in absolute terms and relative to other donors.***

4.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 The Multilateral Aid Review (MAR) 2015 process is assessing the multilateral agencies the department funds on relevance to UK and international objectives, and organisational effectiveness. The department is taking a focussed and risk-based approach, concentrating on those issues which are of most importance - value for money, transparency, and risk and assurance. The MAR 2015 will also examine why the department works with multilaterals, how it will use this analysis to make future funding decisions and how it will inform the way it works with them.

**5: Committee of Public Accounts conclusion:**
***Public confidence on spending on overseas aid through PIDG requires robust and independent information on the impacts achieved, which is currently lacking.***

**Recommendation:**
***The department should push PIDG to have a robust system to monitor and evaluate impacts using the Department's own expertise to gain assurance over the adequacy of PIDG's approach.***

5.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

5.2 In May 2015, the department commissioned an independent review of the measurement by PIDG of its development impact to validate the credibility of its results. The review compared PIDG's monitoring systems against other Development Finance Institutions (DFIs). It concluded that PIDG's approach to measuring quantitative results was sound and its claimed results were reasonable. The one exception was the methodology used by PIDG to measure the number of people served by the power projects it delivers. However, this is the best available methodology used by all DFIs. PIDG members therefore agreed no changes should be made to the methodology.

5.3 The review also concluded that PIDG needed to develop a more systematic approach to measuring and defining qualitative results such as additionality and demonstration effect. The CMO is now working to strengthen these impact methodologies and, with donor support, an Independent Evaluation Unit is being set up that will report directly to the Supervisory Board. The new unit will look to provide further evidence to support PIDG's development results and help close the evidence gap on the impact of private sector infrastructure provision.

**6: Committee of Public Accounts conclusion:**
***The department has failed to draw sufficiently on the insight of its country teams to influence the investment decisions PIDG is making.***

**Recommendation:**
***In its response to this report, the department should set out how it will apply the expertise of its country teams to improve the value for money of infrastructure investments made by PIDG and other multilateral bodies.***

6.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

6.2 A refreshed 'One PIDG' approach was agreed by the department and other donors at the June 2015 Governing Council. This included agreement to the trialling of a PIDG Country Office in East Africa, one benefit of which will be to improve coordination and contact with local donor offices. In addition, a proposal on the scale-up of the upstream activities of the two technical assistance arms of PIDG (the PIDG's Technical Assistance Facility and DevCo) will result in a more programmatic approach and coordination with the department's country offices and those of other donors.

6.3 The department's new 'Infrastructure and Cities for Economic Development' programme is its supporting country offices with technical expertise as they scale up their engagement on upstream infrastructure issues such as legislation for public-private partnerships, power sector reform or improving municipal planning. This is well aligned with the new PIDG approach and overlap between the two programmes is being strongly encouraged on both sides.

## Thirty Fourth Report of Session 2014-15

### Department for Communities and Local Government

### Financial Sustainability of Local Authorities

**Summary of the Committee's findings**

Since 2010, the Government has reduced funding for local government in England as part of its plan to reduce the fiscal deficit. In real terms, the Government will reduce its funding to local authorities by an estimated 37% over the period 2010-11 to 2015-16. The funding reductions have not hit all local authorities equally, with reductions ranging between 5% and 40%. Local authorities have, on the whole, responded well to the cuts in funding. But the external auditors of local authorities have voiced concerns over whether some authorities will continue, over the medium term, to be financially sustainable and be able to make further savings. This is particularly the case for authorities responsible for adult social care and children's services.

**Background resources**

- NAO report: *Financial Sustainability of Local Authorities* - Session 2014-15 (HC 783)
- PAC report: *Financial Sustainability of Local Authorities* – Sessions 2014-15 (HC 833)
- Treasury Minute: March 2015 (Cm 9033)

**Updated Government response to the Committee**

There were 8 recommendations in this report. As of the last Treasury Minute (Cm 9033), 7 recommendations were implemented. 1 recommendation remained work in progress, which has now been implemented, as set out below.

**6: Committee of Public Accounts conclusion:**
***HM Treasury should endeavour to give more clarity to local authorities about future funding, so that local authorities can plan their delivery of services going forward..***

**Recommendation:**
***HM Treasury should work with the department to introduce multi-year finance settlements for local authorities.***

6.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

6.2 The Government will offer any council that wishes to take it up a four-year funding settlement to 2019-20. As part of the move to a more self-sufficient local government, these multi-year settlements can provide the funding certainty and stability to enable more proactive planning of service delivery and support strategic collaboration with local partners. Councils should also use their multi-year settlements to strengthen financial management and efficiency, including by maximising value in arrangements with suppliers and making strategic use of reserves in the interests of residents.

## Thirty Fifth Report of Session 2014-15

### Department of Health

### Financial sustainability of NHS bodies

**Introduction from the Committee**

In 2013-14, the Department of Health allocated £95.2 billion to NHS England to pay for NHS services. NHS England allocated £65.4 billion of this to the 211 clinical commissioning groups in England, for them to commission health care services from hospitals and other healthcare providers on behalf of their local populations. At 31 March 2014 there were 98 NHS trusts and 147 NHS foundation trusts which provided community, mental health, acute and specialist health services. Monitor regulates NHS foundation trusts, and a new body, the NHS Trust Development Authority, supports NHS trusts that are yet to achieve foundation status. The Department has provided some £1.8 billion of additional cash support to NHS trusts and foundation trusts under financial stress between 2006-07 and 2013-14.

**Background resources**

- NAO report: Financial sustainability of NHS bodies - Session 2014-15 (HC 722)
- PAC report: Financial sustainability of NHS bodies – Session 2014-15 (HC 736)
- Treasury Minute: July 2015 (Cm 9091)

**Updated Government response to the Committee**

There were 7 recommendations in this report. As of the last Treasury Minute (Cm 9091), 1 recommendation was implemented. 6 recommendations remained work in progress, of which 3 have now been implemented, as set out below.

**1: Committee of Public Accounts conclusion:**
***The savings required across the NHS will be difficult to achieve solely by continuing with the same approach used in recent years.***

**Recommendation:**
***NHS England and Monitor should collect consistent and detailed cost data across the NHS to use to set efficiency savings targets for NHS bodies and to assess whether changes to service provision, including new models of care, are achieving measurable and sustainable savings in practice.***

1.1 The Government agrees with the Committee's recommendation.

**Recommendation implemented.**

1.2 Monitor has completed its engagement when establishing the costing transformation programme and received feedback from the sector in 2015. This is being taken into account in the development of new payment systems by Monitor and NHS England. Monitor is on schedule to deliver a phased introduction to using patient-level costing across all providers with acute trusts seeing the change by financial year 2018-19, mental health and ambulance trusts by 2019-20 and community service providers by 2020-21. Preparations have been made and where it is appropriate and practical to do so, Monitor will bring forward these implementation dates.

**2: Committee of Public Accounts conclusion:**
***More effective collaboration between local health bodies is needed to achieve better value for money.***

**Recommendation:**
***NHS England, Monitor and the NHS Trust Development Authority should require all local health economies to submit integrated strategic and operational plans that outline how they will implement locally the proposed new models of care. NHS England and Monitor should implement proposals for changing payment for healthcare, to incentivise the integration of services between local organisations by 2015-16.***

2.1 The Government agrees with the Committee's recommendation.

**Target implementation date:** April 2016.

2.2 NHS England, TDA and Monitor actively encourage and support providers and commissioners to look beyond their institutional boundaries to form partnerships, clinical networks and new models of care that cross their local health economy. The 2015-16 planning guidance, *Forward View into action* requires providers and commissioners within health economies to work together, sharing assumptions to ensure operational plans are aligned and jointly agreed prior to their submissions. The guidance demonstrates an alignment of timetables and expectations while retaining separate statutory responsibilities in line with the Health and Social Care Act 2012.

2.3 The proposals set out in the *NHS Five Year Forward View*, such as the delivery of care through new multi-specialty community providers and Primary and Acute Care Systems, will guide NHS England and Monitor's redesign of the NHS payment system from 2016-17. Current National Tariff rules already permit commissioners and providers to agree local variations to national prices or currencies - for example: to support innovative clinical treatments or to deliver integrated care pathways.

**3: Committee of Public Accounts conclusion:**
***The current system of payment for emergency admissions hinders, rather than helps, secure the financial sustainability of NHS bodies.***

**Recommendation:**
***Monitor and NHS England should complete their review of the national payment system for emergency admissions promptly and implement the required changes within the next year including updating the 2008-09 baseline, taking into account the impact on patient care and the finances of organisations in deficit.***

3.1 The Government agrees with the Committee's recommendation.

**Target implementation date:** April 2016.

3.2 Payment development work to support new models of urgent and emergency care has not progressed at the pace originally expected. Testing of the new payment approaches will take place from April 2016 and it is likely that a new payment approach will be ready for use across the sector in 2018-19 if test results support it.

3.3 When sourcing appropriate test sites Monitor underestimated how much the development of pricing structures would already be integral to sites that were developing new models of care. This resulted in a delay in identifying appropriate sites that were ready to test and evaluate the proposed new payment approach. Testing will now proceed through the urgent and emergency care vanguard sites that have come online this autumn.

3.4 However, an outline design for a potential new payment model was published in August 2015 to assist local areas in developing new models of urgent and emergency care while the national approach is being developed. Organisations can also apply for a local modification to tariff in order to progress a new model of care.

**4: Committee of Public Accounts conclusion:**
***The Department is not making the most of cost saving opportunities.***

**Recommendation 4a:**
***The Department should accelerate the disposal of surplus capital assets to release cash for upfront investment in new models of care.***

4.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 The Department has identified more than 300 NHS and other sites that are potentially surplus to requirement. The Department is currently building a comprehensive database of all major sites owned by the NHS and will be conducting a site by site analysis starting in January 2016 to consider, with NHS bodies, opportunities for rationalising their use of land and buildings.

4.3 Community Health Partnerships and NHS Property Services are also supporting clinical commissioning groups to develop strategic estate plans which were due by the end of December 2015. These plans will identify ways in which land and buildings can be used more effectively; in line with the wider goals of both commissioners and providers.

4.4 Guidance under section 42A of the *National Health Service Act 2006* sets out the basis on which interim financial support will be provided to NHS organisations. This requires providers in need of support to demonstrate the actions they are taking, to review their estate needs. The Department expects this to identify additional opportunities around releasing surplus land.

**Recommendation 4b:**
***The Department should examine the obligations it places on consultants who are trained at taxpayers' expense and then choose to work as temporary staff at extra cost to the NHS.***

4.5 The Government agrees with the Committee's recommendation.

**Recommendation implemented.**

4.6 It is a matter for NHS providers to decide how they will maintain safe and affordable staffing levels. On 15 October 2015, Monitor and the TDA launched a consultation on proposals for caps on the rates that an NHS trust or foundation trust can pay to an agency for agency staff, including for consultants. Monitor, TDA, NHS England and the Care Quality Commission will monitor the impact of the price caps on workforce, performance and service quality to ensure that any concerns about patient safety are appropriately managed. The consultation closed on 13 November 2015 and the price caps were introduced on 23 November 2015.

**5: Committee of Public Accounts conclusion:**
***There are still 93 NHS trusts that have not yet achieved foundation trust status and a significant number that are unlikely to do so.***

**Recommendation:**
***The NHS Trust Development Authority should set out how, and by when, it will put forward to Monitor each of the remaining 93 NHS trusts for assessment for foundation trust status. It should prioritise its efforts on working with the minority of NHS trusts that will not achieve foundation trust status in their own right.***

5.1 The Government agrees with the Committee's recommendation.

**Target implementation date:** Summer 2016.

5.2 As at January 2016 there were 86 NHS trusts. 13 are currently with Monitor for assessment and 4 are currently in a transaction process which could lead to merger with another organisation. The TDA continues to work with each of the remaining 69 NHS trusts to review their progress towards foundation trust status. The Government wants all NHS trusts to achieve foundation trust status in time or become another organisational form where this could help to ensure the delivery of sustainable NHS services. In bringing together Monitor and TDA, NHS Improvement will be aligning its approach to the regulation and oversight of NHS foundation trusts and NHS trusts. NHS Improvement will support both NHS providers and wider local health economies in determining the most appropriate means of ensuring clinically and financially sustainable services for patients.

5.3 The *NHS Five Year Forward View* outlines how the NHS needs to deliver care in new and innovative ways to: reduce variability in quality of care; meet rising demand; and, break down barriers in how care is provided. The Department published Sir David Dalton's report, *Examining new options and opportunities for providers of NHS Care*, in December 2014, offering recommendations for providers who may need to consider new forms of collaboration, partnership or organisation to address these challenges. NHS England, NHS Improvement and other arm's-length bodies are supporting a number of vanguard local health communities to develop and test new models of care. It will be important that decisions about organisational form flow from the priority objective of integrating care more effectively around the needs of individual patients.

## Thirty Ninth Report of Session 2014-15
### Department for International Development
### The UK's Response to the outbreak of Ebola Virus Disease in West Africa

**Summary of the Committee's findings**

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

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

**Background resources**

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

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9051), the department disagreed with 1 recommendation. 5 recommendations remained work in progress, of which 4 have now been implemented, as set out below.

**1: Committee of Public Accounts conclusion:**
***The initial response of the international community to the Ebola outbreak in West Africa was totally inadequate.***

**Recommendation:**
***The department should take a lead role in the international community's efforts to learn lessons from this Ebola outbreak. It should also seek assurances that World Health Organisation staff in all of its regions are sufficiently capable to identify and respond to future emerging public health emergencies.***

1.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented**.

1.2 The department continues to play a leading role in international lesson-learning from the outbreak, and is feeding in to key international processes (with a particular focus on reform of the World Health Organisation (WHO)). This includes the United Nations High Level Panel on Health Emergencies – which is undertaking an assessment on all aspects of the UN's response in the Ebola outbreak, and is due to report in early 2016. The department is also working with the Advisory Group on the Reform of the WHO's work in Outbreaks and Emergencies.

1.3 Together with the Department of Health, the department has helped to ensure that emergency reform measures, including the Contingency Fund for Emergencies and Global Health Emergency Workforce, were confirmed at the World Health Assembly in May 2015. The UK was the first donor to commit to the Contingency Fund.

1.4 Following the work of the Advisory Group, the department has welcomed steps taken already by the WHO's Director General, Margaret Chan, to bring together work on outbreaks and emergencies. The department will continue to work with the WHO and with other member states to ensure their emerging reforms are coherent with humanitarian principles, the humanitarian architecture, and the wider reforms and are fully implemented. The department will also continue to push for progress on human resources reform in the WHO, including full roll-out of the new staff mobility policy and performance management system.

**2: Committee of Public Accounts conclusion:**
***The department was far too slow to react to the developing situation, missing an opportunity to contain quickly the outbreak of Ebola in at least Sierra Leone.***

**Recommendation:**
***The department should make sure it has procedures and protocols in place which allow a timely and pre-emptive response to developing public health emergencies in countries which receive UK Aid.***

2.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

2.2 In order to improve the department's early warning and early action systems for public health and conflict-related emergencies, it now produces a monthly Humanitarian Early Warning Note which is widely disseminated in the department, including to senior decision-makers. Ad hoc alerts are also issued and communicated directly to the relevant geographical department and during weekly management meetings for urgent matters. This enhanced multi-hazard early warning mechanism draws on a wide range of sources of information, including the Government Office for Science's weekly and monthly natural hazard updates to which the Department of Health and Public Health England contribute.

2.3 As the Prime Minister announced at the G7 summit in June 2015, a new rapid response unit of UK public health specialists is being established. This standing team will deploy internationally to investigate early signs of disease outbreak and recommend early intervention strategies if necessary. The department is providing support to the Department of Health and Public Health England in the creation of this new team.

**3: Committee of Public Accounts conclusion:**
***The Department lacked the experience and capability fully to respond to the outbreak.***

**Recommendation:**
***A capability gap currently exists in building and running specialist facilities necessary to deal with outbreaks such as this. The department should create and maintain a detailed contingency plan for sudden onset medical emergencies to ensure that it can quickly deploy its own and partners' staff and equipment through a structured intervention process.***

3.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

3.2 The department will expand its existing UK International Emergency Trauma Register (UKIETR) programme to create additional on call surge capability. To facilitate increased surge capability, UK-Med[20] will expand to create a trio of UK Emergency Medical Team (UK EMT) registers capable of handling multiple deployments of expert teams and co-ordinating UK health and medical response in an emergency. The new registers will use existing UKIETR processes. Alongside the UKIETR, the programme will create a UK International Emergency Medical Register and a UK International Emergency Public Health Register. Specialisms on these registers will include emergency medicine, primary health response, primary care, prehospital care, radiography, rehabilitation and pharmacy. The new UK EMT programme has been approved and started on 1 January 2016, and will be fully operational by September 2017.

[20] A charity established in 1995 which supports education and training for health workers in developing countries, UK-Med facilitated the provision of volunteer health workers from across the UK to support the Ebola crisis in Sierra Leone.

3.3 The department is exploring options to access engineering expertise as part of its current tender process for Humanitarian Emergency Response Operations Support contract. It has improved arrangements with the Ministry of Defence, including a fast track response mechanism and access to the Engineer and Logistic Staff Corps and engineering troops.

**4: Committee of Public Accounts conclusion:**
***The lack of health infrastructure in Sierra Leone inhibited a quicker response to the crisis.***

**Recommendation:**
***The department should prioritise investment in local health infrastructure of developing countries in receipt of UK Aid so that there is a better capability to respond quickly to emerging public health emergencies. It should also ensure it is doing all it can to support the ability of developing countries to prevent similar disasters in the future.***

4.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 The department is prioritising investments in health systems through its ongoing resource allocation process for 2016-17 through to 2020-21. The UK will continue to prioritise investments at country, regional, and global levels that support countries to build stronger health systems, including capabilities to prevent, detect, and respond to public health threats. This will also be reflected in the department's recent 'one year on' progress update to the International Development Committee on its enquiry into health systems' strengthening. The Health Systems' Strengthening framework has been developed and will be finalised in spring 2016 when the department's Bilateral Aid Review and Multilateral Aid Review are complete.

4.3 The department and the Department of Health have been working with the WHO and other international partners on identifying preparedness needs and prioritised support for International Health Regulations (IHR) implementation. For example, the department funded humanitarian non-governmental organisations in the four countries surrounding the epidemic to help prevent a fourth country outbreak. The department has also agreed new support to the WHO's Africa Regional Office for regional preparedness and is supporting African countries to improve readiness to detect, and act to contain, disease outbreaks (including strengthened surveillance and decision-making).

4.4 As of winter 2015, the department has identified initial opportunities to draw on Public Health England expertise in Sierra Leone and Pakistan. Plans in other countries will be developed once the aid reviews have concluded by summer 2016. This will be in the context of UK support for health systems and includes the UK contribution, collaborating with WHO and other partners, to a collective G7 commitment to support countries with IHR implementation.

4.5 The department continues to work very closely with the Department of Health and other departments across Whitehall on global health security, implementing an updated approach that was agreed with the Prime Minister in August 2015.

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

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

6.1 The Government agreed with the Committee's recommendation.

**Target implementation date:** Autumn 2016.

6.2 In March 2015, the department established a working group to lead a series of lesson learning processes across its teams and country offices. Director-led, the working groups agreed clear actions and next steps, and will continue to take this work forward. In May 2015, a steering committee was set up to discuss the scope of a further evaluation, however, given there was still active transmission of Ebola in Sierra Leone, Guinea and Liberia at the time, the department determined that an evaluation of the UK response should take place once the epidemic was fully under control

6.3 The WHO declared the Ebola epidemic in Sierra Leone over on 7 November 2015, however it has confirmed two new cases in January 2016. The Government of Sierra Leone and the WHO are leading the response, with the UK providing support as part of the UN's inter-agency response plan. There are a large number of reviews, evaluations and events that focus on lessons learning from the crisis, a range of UK Government reviews, plus a study by the National Audit Office on crisis management and an enquiry by the International Development Committee. In view of the number of evaluations currently taking place, the department is currently considering what additional evaluation is likely to be required in order to ensure that any spend on evaluation is proportionate and value for money.

## Forty First Report of Session 2014-15

### Department for Business, Innovation and Skills

### Financial support for students at alternative higher education providers

**Summary of the Committee's findings**

The Department for Business, Innovation & Skills (the Department) has failed to learn lessons from past policies such as Individual Learning Accounts. It failed to heed warnings from organisations such as the Higher Education Funding Council and University and College Union. The Department allowed the rapid expansion of support for students attending private Higher Education providers. The Department allowed £3.84 million of public money to be given to ineligible EU students in the form of student loans and grants. Furthermore the Department has been unable to quantify how much money has been lost when it has funded students who have failed to attend, or failed to complete courses, or were not proficient in the English language, or were not entered for qualifications, or where courses themselves were poorly taught. The Department took over a year to tighten up some of its procedures to control public expenditure more effectively.

**Background resources**

- NAO report: *Investigation into financial support for students at alternative higher education providers* Session 2014-15 (HC 861)
- PAC report: *Financial support for students at alternative higher education providers* Session 2014-15 (HC 811)
- Treasury Minute – July 2015 (Cm 9091)

**Updated Government response to the Committee**

There were 5 recommendations in this report. As of the last Treasury Minute (Cm 9091), 4 recommendations had been implemented. 1 recommendation remained in progress, which has now been implemented, as set out below.

**4: Committee of Public Accounts conclusion:**
***The Department has failed to protect the interests of legitimate students, the taxpayer and the reputation of those alternative providers who may be performing well.***

**Recommendation:**
***The Department needs to ensure that it has a much firmer grip on the quality of teaching and the standard the students can expect in private sector higher education colleges. It needs to identify poor performers and take appropriate action to protect students and the sector as a whole.***

4.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

4.2 Since April 2015, new applicants for specific course designation must achieve a successful Quality Assurance Agency (QAA) Higher Education Review (the Review). The Review assesses providers against all elements of the UK Quality Code for Higher Education, including student recruitment, assessment, and involves students in the review process. From September 2015, all existing providers are undergoing the Review as they are due to be re-reviewed by QAA, or sooner if poor performance is identified through annual monitoring or concerns reviews. Since this policy change was announced, 10 providers have undergone the Review. From September 2015, alternative providers have also been subject to annual monitoring visits, with the extent of monitoring determined by a risk-based approach. 64 providers have undergone QAA annual monitoring visits since January 2015.

4.3 Outcomes of the Review and annual monitoring inform annual designation decisions for alternative providers. The Department can apply sanctions where quality issues arise, including immediate undesignation. The Government is considering its response to the Green Paper consultation[21] on teaching excellence and proposals that will enable good quality alternative providers to enter the Higher Education (HE) sector more quickly, providing greater competition and student choice, whilst focusing greater scrutiny and controls on higher risk providers to weed out poor quality HE provision.

[21] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/474266/BIS-15-623-fulfilling-our-potential-teaching-excellence-social-mobility-and-student-choice-accessible.pdf

## Forty Seventh Report of Session 2014-15

### Ministry of Defence

### Major Projects Report 2014 and the Equipment Plan 2014 to 2024 and reforming defence acquisition

**Summary of the Committee's findings**

Since 2012, the Department has published an annual statement on the affordability of its 10-year plan to deliver and support the equipment that the Armed Forces (the commands) require to meet the objectives set out in the National Security Strategy. This Equipment Plan is based on a detailed forecast of future project costs. From 1 April 2014 to 31 March 2024, the equipment budget is £163 billion. Each year, the Department also presents to Parliament a major projects report, providing data on the in-year cost, time and performance of the largest defence projects. In 2013–14, DE&S, which is responsible for buying and supporting defence equipment, employed some 16,000 permanent members of staff, supplemented with an estimated 3,400 contractors and had running costs of £1.3 billion. The Department launched a programme in May 2011 to improve the performance of DE&S through organisational change.

The Department is seeking to tackle funding pressures by restructuring the Army. Army 2020 is an ambitious programme of change that seeks, for the first time, to integrate fully a regular Army of 82,500 with a larger and more frequently used Army Reserve of 30,000. This represents a significant change from pre-2010 levels of some 102,000 trained regular soldiers and 19,000 trained reserve soldiers. The Department projects that this revised force size will reduce the cost of the Army by £10.6 billion between 2011–12 and 2021–22. On the basis of 2 reports by the National Audit Office, the Committee took evidence, on 2 March 2015, from the Ministry of Defence, on progress in delivering major projects, on the affordability of its Equipment Plan and on the Department's plan to ensure Defence Equipment and Support has the skills to deliver military equipment to budget and time. The Committee published its report on 20 March 2015. This is the Government response to the Committees report.

**Background resources**

- NAO report: *Major Projects Report 2014 and the Equipment Plan 2014-2024* - Session 2014-15 (HC 863-1)
- NAO report: *Reforming defence acquisition* - Session 2014-15 (HC 946)
- PAC report: *Major Projects Report 2014 and the Equipment Plan 2014 to 2024, and reforming defence acquisition* - Session 2014 -15 (HC 1045 )
- Treasury Minute: July 2015 (Cm 9091)

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9091), 4 recommendations were implemented. 2 recommendations remained work in progress, both of which have now been implemented, as set out below.

**4: Committee of Public Accounts conclusion:**
***DE&S still lacks the skills it needs to provide the required level of performance***

**Recommendation:**
***DE&S should set out, as a matter of urgency, how it plans to use the pay freedoms and flexibilities is has negotiated with Treasury to improve its skills***

4.1 The Government agrees with the Committee's recommendation.

**Recommendation implemented.**

4.2 DE&S set out how it plans to use its pay freedoms and flexibilities in a Transformation Plan that was drawn up in June 2015 and subsequently endorsed by the DE&S Executive Board. The resulting programme of work extends to April 2017 and builds on earlier work, already underway, including the design of function-specific reward strategies, career paths and development plans, and the launch of a talent initiative for staff aspiring to reach the Senior Civil Service. The forward plan includes more strategic utilisation of pay and recruitment freedoms, which will be used to attract and retain the skilled individuals DE&S needs.

4.3 The key areas include introduction of a new pay and grading structure (from August 2016), introduction of organisation workforce planning (from December 2016 with full roll-out in February 2017) and a new performance management system (phased in from April 2016 with final roll-out in April 2017). The new people operating model, in which the DE&S workforce will be recruited, developed, managed and deployed, will be implemented through the period from June 2016 to April 2017; this complements the development and utilisation of professional skills within a functional framework that better supports delivery of DE&S outputs.

**6: Committee of Public Accounts conclusion:**
***There remain risks to recruiting the required number of regular and reserve soldiers to deliver Army 2020***

**Recommendation:**
***The department should set out how it intends to address any shortfall in recruiting the required numbers of regular and reserve soldiers***

6.1 The Government accepts the Committee's recommendation.

**Recommendation implemented**

6.2 The Department continues to closely monitor the recruitment of both Regular and Reserve soldiers to ensure that the Army is attracting the right balance of numbers and capability. Scrutiny and assurance processes are in place at Army and Departmental level to track rates of recruitment and retention. Through this, trends and potential issues can be identified and the Army is able apply a range of levers and measures to mitigate or ameliorate the situation.

6.3 In March 2012, a contract was awarded Capita to work in partnership with the Army to deliver recruiting operations and last financial year about 8,000 recruits joined the regular Army and about 5,000 joined the Reserves. The manning environment is challenging at this time and the traditional demographic from which the Army recruits is shrinking. The current size of the regular Army (December 2015) is 80,260 against a target of 82,000. Recruitment into the Army Reserve continues to improve and the trained strength has already exceeded the 2015-16 end of year target by over 2000, however the targets for reserve recruitment rise steeply and the recruitment and retention through the training pipeline of brand new entrants remains a focus area.

6.4 The Army maintain close contact with Capita to identify ways of improving recruiting performance and a number of mitigating actions to improve inflow and reduce outflow have therefore been implemented. For the Regular Army these include establishing a team to target hard to recruit trades, a modest increase to the Ghurkha intake; campaigns to target rejoiners, officers, females and British ethnic minorities and reviewing entry policies. Innovations undertaken in Reserve recruiting including training bonuses, employer engagement and an officer-focussed recruitment campaign are also proving successful. The Chief of the General Staff has also launched an initiative to make the Army a more modern and inclusive employer which will ensure it is able to recruit and retain the best talent.

## Forty Ninth Report of Session 2014-15

### HM Revenue and Customs

### The effective management of tax reliefs

**Summary of the Committee's findings**

Tax reliefs form a distinct part of the tax system. New tax reliefs, and proposed changes to reliefs, are introduced through the annual Finance Bill, at which time their expected costs to the Exchequer are published. The Treasury has lead responsibility for the policy design of tax reliefs, while HMRC is responsible for managing their implementation. Tax reliefs add to the complexity of the tax system and they carry risks, such as the possibility of them being used for tax avoidance. HMRC has the responsibility for ensuring such reliefs are effectively administered and meet the purpose intended by Parliament.

**Background resources**

- NAO report: *Effective management of tax reliefs* - Session 2014-15 (HC 785)
- PAC report: *Effective management of tax reliefs* - Session 2014-15 (HC 892)
- Treasury Minute: July 2015 (Cm 9091)

**Updated Government response to the Committee**

There were 5 recommendations in this report. As of the Treasury Minute (Cm 9091), the department had disagreed with 3 recommendations. 2 recommendations remained work in progress, all of which have now been implemented, as set out below.

**1: Committee of Public Accounts conclusion:**
***HMRC has not recognised fully its responsibilities for assessing the value for money of tax reliefs***

**Recommendation:**
***Government may choose to implement particular policy objectives through tax reliefs. These decisions should be subject to the same examination of economy, efficiency and effectiveness as its pursuit of policy objectives through expenditure. HMRC should draw up a set of principles to guide its management and reporting of tax reliefs which make clear how it will discharge its responsibility to monitor, evaluate, and assess tax reliefs***

1.1 The Government agreed with the Committee's recommendation.

**Recommendation implemented.**

1.2 The Department compiled a Best Practice document, which was shared across the Department and the Treasury to promote the uniform monitoring of tax reliefs. The document was also shared with the Committee of Public Accounts and the National Audit Office on 30 September 2015. This is part of a wider piece of cross-government work that the Department is currently engaged in, which will develop and embed standards for policy making, as part of the *12 Actions to Professionalise Policy Making* - a report by the Civil Service Heads of Policy Profession.

**3: Committee of Public Accounts conclusion:**
***Tax reliefs add to the complexity of the system and may be exploited as a way of avoiding tax. HMRC does not effectively monitor changes in the cost of tax reliefs so is slow in identifying instances where a relief is being exploited for a purpose Parliament did not intend.***

**Recommendation:**
***HMRC should regularly monitor variances between its forecasts of what tax reliefs will cost and what they actually cost. Where costs significantly exceed forecasts, it should seek positive evidence that the relief is working as intended and not being targeted for tax avoidance.***

3.1 The Government agreed with the Committee’s recommendation.

**Recommendation implemented.**

3.2 The Department agrees it would be helpful to show cost estimates based on actual data when these become available, and provide notes on material changes. The Department implemented this change in December 2015 in its annual publication on tax reliefs.

3.3 The Department further agrees that it is useful to compare actual data with forecasts where practical. However, separating the effect of a policy change from the effect of other underlying economic variables or behaviour is not possible with any degree of certainty. For some established reliefs, variances in costs will be clearly due to economic factors and in these circumstances the Department would not always consider it cost effective to undertake further analysis.

3.4 The Department monitors the tax system as a whole and administers tax reliefs as part of that broader role. Both Departments work together through the policy partnership to appraise and evaluate all aspects of the tax system, including identifying if reliefs are being targeted for tax avoidance purposes.

## Fifty Third Report of Session 2014-15

### Home Office and Ministry of Justice

### Inspection in home affairs and justice

**Summary of the Committee's findings**

Inspection plays an important role in providing objective information about performance and people's experience of public services. It can provide independent assurance on the delivery of public services and identify where service performance is at risk of failing or could be improved. In the home affairs and justice sector there are five main inspectorates, together employing around 370 staff, with a combined annual spend of around £35 million: HM Inspectorate of Constabulary and The Independent Chief Inspector of Borders and Immigration (both sponsored by the Home Office); HM Inspectorate of Prisons and HM Inspectorate of Probation (both sponsored by the Ministry of Justice); and HM Crown Prosecution Service Inspectorate (sponsored by the Attorney General's Office). In total, around £20 billion of public money is spent each year on the areas these five inspectorates examine.

**Background resources**

- NAO report: *Inspection: a comparative study* - Session 2014-15 (HC 1030)
- PAC report: *Inspection in home affairs and justice* - Session 2014-15 (HC 975)
- Treasury Minute: July 2015 (Cm 9091)

**Updated Government response to the Committee**

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9091), the department had disagreed with 2 recommendations. 4 recommendations remained work in progress, of which 2 recommendations have now been implemented, as set out below.

**3: Committee of Public Accounts conclusion:**
***The Ministry of Justice mishandled an entirely foreseeable conflict of interest in its appointment of HM Chief Inspector of Probation.***

**Recommendation:**
***The Ministry of Justice should write to us setting out what guidance it applied, and how it has changed its procedures in the light of lessons from this situation, in order to be fully transparent in future with Parliament about potential conflicts of interest in cases like these.***

3.1 The Government agrees with the Committee's recommendation.

**Recommendation implemented.**

3.2 Andrew Selous, Parliamentary Under, Secretary of State for Prisons, Probation and Rehabilitation, wrote to the Chair of the Committee in January 2016, setting out how lessons have been learnt and implemented in respect of the appointment process for the new Chief Inspectors of Prisons and Probation.

**4: Committee of Public Accounts conclusion:**
***Neither the Home Office nor the Ministry of Justice have adequate mechanisms to hold inspectors to account for their impact.***

**Recommendation:**
***The Home Office and the Ministry of Justice should set out how they will measure and hold the inspectorates to account for their performance and impact.***

4.1 The Government agrees with the Committee's recommendation.

**Target implementation date:** Summer 2016.

4.2 The Home Office continues to receive regular updates on progress of the ICI work plan and engages with ICI team about issues arising from it. The Home Office is seeking ways to strengthen the ways the ICI recommendations are tracked. There is more work to do here including seeking information about best practice from other inspectorates in order to devise systems for recording and reporting on ICI impact.

4.3 The Home Office has strengthened oversight arrangements for of all its policing arms-length bodies, including HM Inspectorate of Constabulary (HMIC). Mechanisms have included: agreeing a draft Concordat between HMIC and the Home Office, which sets out high level relationships and responsibilities - including arrangements for sharing HMIC's performance and finance information; regular meetings between HM Chief Inspector of Constabulary and the Home Secretary, Permanent Secretary, and other senior officials; the annual governance statement, which is prepared annually by HMCIC and sets out how he has discharged his responsibility to manage and control HMIC's resources during the course of the year; establishing regular sponsor meetings at which HMIC senior managers report on performance and impact to HO Directors; and a monthly dashboard report to the HO Crime and Policing group board which sets out performance and risk areas.

4.4 PEEL, HMIC's annual, all-force inspection programme, provides a regular mechanism for checking forces' progress against the recommendations made in the previous year and hence their impact.

4.5 The Ministry of Justice continues to work with HM Inspectorate of Prisons and HM Inspectorate of Probation to strengthen accountability and improve the measurement of impact and performance. HM Inspectorate of Prisons now publishes the action plans of the Prisons inspected to enable a clearer measurement of the impact of their reports. HMI Prisons have drawn up a prospective model for an Advisory Board that could provide greater internal challenge on accountability. HM Inspectorate of Probation have continued to develop a new methodology of inspection that will enable a clearer identification of impact. The new methodology is due to be introduced into the adult arena from April 2016 and in the youth justice world from October 2016. All of the above initiatives, will of course, be subject to the leadership of both new Chief Inspectors. The new Chief Inspector of Prisons was formally appointed on 1 February 2016; and the new Chief Inspector of Probation on 1 March 2016.

4.6 HM Crown Prosecution Service Inspectorate's Chief Inspector reports to the Law Officers at regular business meetings. The Attorney General must approve the HM Crown Prosecution Service Inspectorate Annual Report before it is laid before Parliament.

**5: Committee of Public Accounts conclusion:**
***There is no consistency in the way in which inspectorates review implementation of recommendations and amplify learning from inspection findings.***

**Recommendation:**
***Inspectorates, with departments, need to build a more consistent approach to learning from inspection findings, including identifying what works best, and improving how recommendations are implemented and followed-up.***

5.1 The Government agrees with the Committee's recommendation.

**Target implementation date:** Summer 2016.

5.2 The legislative frameworks for HM Inspectorate of Constabulary, Independent Chief Inspector, HM Inspectorate of Prisons, HM Inspectorate of Probation and HM Crown Prosecution Service Inspectorate are all different and require the individual inspectorates to operate and report differently, as reported in the Treasury Minute response in July 2015.

5.3 Work is underway to establish a more systematic and consistent approach to learning from joint inspection findings, and improving how joint inspections are followed up. Proposals will form part of the consultation on the 2016-17 Criminal Justice Joint Inspection Business Plan.

**6: Committee of Public Accounts conclusion:**
***Inspectorates are not yet working together effectively to tackle serious and complex issues of common interest across departments.***

**Recommendation:**
***The Criminal Justice Joint Inspectors Group should set out how it will develop its identification of multi-agency issues that require scrutiny, and how it will demonstrate the impact of inspectorates working together more effectively.***

6.1 The Government agrees with the Committee's recommendation.

**Recommendation implemented.**

6.2 The Chief Inspectors have commissioned the Criminal Justice Joint Inspection Development Group to develop an action plan for taking forward the recommendations of the National Audit Office and the Committee. As part of the process for agreeing the Criminal Justice joint inspection programme, there is a statutory requirement for Chief Inspectors to consult Ministers and partners on the content, which will allow the Group to identify multi-agency issues that require inspection.

6.3 HMIC, CQC, HMI Probation and Ofsted are currently trialling the use of online collaboration software, to help share information on inspection more efficiently and effectively. If successful, this trial will be extended for use in future criminal justice joint inspections of two or more inspectorates.

6.4 The same inspectorates have also worked together to develop information suitable for assessing the risks of child protection and child sexual abuse. This work, which started in summer 2015, assembles all the relevant data and latest inspection results in a single dataset. Its main purpose is to help inspectorates target areas for inspection.

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