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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, 2014-15 and 2015-16

Cm 9320

July 2016

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

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

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

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

Cm 9320 July 2016

TREASURY MINUTES DATED 18 JULY 2016 – PROGRESS REPORT ON THE IMPLEMENTATION OF GOVERNMENT ACCEPTED RECOMMEDATIONS OF THE COMMITTEE OF PUBLIC ACCOUNTS: SESSIONS 2010-12, 2012-13, 2013-14, 2014-15 AND 2015-16.

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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.

Recommendations fully resolved.

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Recommendations fully resolved

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Seventeenth Report of Session 2010-12

Department for Education

The Academies Programme

Summary of the Committee's findings

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

Background resources

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

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 recommendation:
The department has failed to collect all the financial contributions due from sponsors.

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

6.1 The Government agreed with the Committee's recommendation.

Target implementation date: Autumn 2016.

6.2 Given the very different nature of the agreements made with each of the sponsors, the process has proved both difficult and lengthy. The Department was unable to finalise arrangements with sponsors by March 2013. Nevertheless, some academies do now have regimes in place to collect outstanding sponsorship. In relation to one sponsor, United Learning, the Department has agreed to waive the outstanding sponsorship as part of a wider agreement to move 19 of its academies funded on estimates of pupil numbers to census based funding. This agreement represents overall value for money for the public purse and the Department's expectation will be to achieve potential additional savings of £11.1 million at net present value (today's prices) after 10 years of implementation.

6.3 The Department continues in its efforts to ensure that agreements are in place for all academies with outstanding sponsorship and it will only agree any waivers where they provide overall value for money.

Twenty First Report of Session 2010-12

Ministry of Justice

Youth Justice System in England and Wales: reducing offending by young people

Summary of the Committee's findings

The Youth Justice Board has been effective in leading reform within the youth justice system and diverting resources to the offenders most at risk of committing future crimes. Since 2000, the number of young people entering the youth justice system, the number held in custody and the amount of reoffending committed by young people, have all fallen. Youth custody, which is expensive relative to other ways of dealing with young offenders, has fallen during a period when the number of adults in custody has continued to rise. This is a particularly noteworthy achievement, and one in which the Board has played a central part.

Background resources

- NAO report: The youth justice system in England and Wales: Reducing offending by young people - Session 2010-11 (HC 663)
- PAC report: *The youth justice system in England and Wales: Reducing offending by young people* - Session 2010-11 (HC 721)
- Treasury Minute: May 2011 (Cm 8069)
- 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 9 recommendations in this report. As of the last Treasury Minute (Cm 9034), 7 recommendations were implemented and 1 recommendation was no longer being implemented. 1 recommendation remained work in progress, which has now been implemented, as set out below.

6: Committee of Public Accounts conclusion:
The Board lacks sufficient knowledge of what interventions are being used by Youth Offending Teams and how well they are working and, consequently, it cannot disseminate best practice effectively.

Recommendation:
The Board should be much more active in building its knowledge of commonly used interventions, understanding their effectiveness, and disseminating this information to Youth Offending Teams across England and Wales, including by providing example course material and content.

1.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

1.2 The Department has developed a new online knowledge and resources hub which goes live Summer 2016. The hub will host the Youth Justice Board Effective Practice Library and other materials relating to wider research and workforce development issues, including the Youth Justice Interactive Learning Space. The Department will monitor the hub to ensure best practice.

Twenty Fourth Report of Session 2010-12

Department of Health

Delivering the Cancer Reform Strategy

Summary of the Committee's findings

Each year in England, around 255,000 people are diagnosed with cancer and around 130,000 die from the disease. The NHS spent £6.3 billion on cancer services in 2008-09. Tackling Cancer has been a priority for the Department of Health since its ten year NHS Cancer Plan was published in 2000. In 2007 the department published its five year Cancer Reform Strategy to deliver improved patient outcomes.

Background resources

- NAO report: *Delivering the cancer reform strategy* - Session 2010-11 (HC 568)
- PAC report: *Delivering the cancer reform strategy* - Session 2010-11 (HC 667)
- Treasury Minute: May 2011 (Cm 8060)
- 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.

8: Committee of Public Accounts conclusion:
The numbers of cancer survivors is expected to increase from 1.7 million in 2010 to 2 million by 2020, yet the department is unable to measure whether it is delivering on its commitment of more cost-effective provision of follow-up and care outside hospital.

Recommendation:
The department should identify and disseminate examples of good practice where savings and benefits to patients are identified and evaluate what impact alternative approaches to follow-up care have on hospital activity.

8.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

8.2 NHS England has evaluated new models of follow-up for people with cancer and is overseeing their implementation across England. NHS England has published resources to help implementation, including a *How to Guide* and more recently *Implementing the Cancer Taskforce Recommendations: Commissioning Person Centred Care for People Affected by Cancer*. NICE has published the economic assessment of the pilots as a Quality and Productivity case study. The National Cancer Transformation Board will shape further action to transform support for people living with and beyond cancer as a strategic priority within its implementation plan for the independent Cancer Taskforce strategy, *Achieving World Class Outcomes – a Strategy for England 2015-2020*.

Forty Second Report of Session 2010-12

Department for Education

Getting value for money from the education of 16-18 year olds

Summary of the Committee's findings

In 2009, over 1.6 million 16- to 18-year-olds participated in some form of education and training at a cost of over £6 billion. Most of these young people studied full-time for Level 3 qualifications (such as A levels or National Vocational Qualifications) at a general further education college, sixth form college or school sixth form. The Government's approach is to encourage choice and quality of education through a market of providers. Young people choose where they want to study, subject to entry criteria, with funding following the student.

Background resources

- NAO report: *Getting value for money from the education of 16- to 18-year-olds* - Session 2010-12 (HC 823)
- PAC report: *Getting value for money from the education of 16- to 18-year-olds* - Session 2010-12 (HC 1116)
- Treasury Minute: October 2011 (Cm 8212)
- 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 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 remains work in progress as set out below.

6: Committee of Public Accounts recommendation:
Information to measure the performance of providers is not comparable, making it difficult to assess the value for money they offer and inhibiting the operation of a market driven by student choice.

Recommendation:
The department should require all providers to compile and publish comparable performance information to support the assessment of value for money. The information should be sufficient for prospective students to use in choosing the right course, thereby improving student engagement and retention.

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

Target implementation date: January 2017.

6.2 The department plans to publish comparable performance information are on track. The 16-19 accountability consultation document, published on 12 September 2013, proposed publishing clearer and more reliable information for students and parents. The Government response to the 16-19 accountability consultation, published on 27 March 2014[1], set out plans to publish more comprehensive performance information through 2016 performance tables (published in early 2017) to aid student choice. The measures will be applied to all 16-19 providers between 2016 and 2018 to ensure comparable information is available. Furthermore it committed to requiring all 16-19 providers to publish the five headline performance measures (progress, attainment, progress in English and maths, retention and destinations) in a standard format on their websites.

6.3 In March 2016 a new look website was launched to provide parents and others access to clear and comparable performance data. The site was built and tested extensively with parental input, and has been very well received. It provides a clear and user-friendly vehicle through which to deliver the 2016 performance measures in early 2017.

[1] https://www.gov.uk/government/consultations/16-to-19-accountability-consultation

Seventieth Report of Session 2010-12

Department for Education

Oversight of special education for 16-25 year olds

Summary of the Committee's findings

In 2009-10, the Department for Education spent around £640 million on special education support for 147,000 students aged 16-25. The system for delivering and funding post-16 special education is complex and devolved, and students may receive post-16 special education support in schools, further education colleges or independent specialist providers, each of which is funded differently. Most young people with special educational needs make their own choice of where to study, while responsibility for provision and for placing around 30,000 students with higher-level needs is devolved to local authorities. The number of young people with special educational needs in post-16 education has grown in recent years, making it all the more important that the Department makes the best possible use of the funding available for these students.

Background resources

- NAO report: *Oversight of special education for young people aged 16-25* - Session 2010-12 (HC 1585)
- PAC report: *Oversight of special education for 16-25 year olds* - Session 2010-12 (HC 1636)
- Treasury Minute: April 2012 (Cm 8347)
- 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), 4 recommendations were implemented and the department disagreed with 1 recommendation. 1 recommendation remains work in progress, as set out below.

5: Committee of Public Accounts recommendation:
The way students' progress is measured does not allow the long-term impact of special education to be assessed, or the performance of different types of provider to be compared.

Recommendation:
The Committee expects the department to extend its current analysis of students' performance to those undertaking lower level qualifications, and to use information on students' destinations to help monitor performance against its longer-term objectives at a national level.

5.1 The Government agreed with the Committee's recommendation.

Target implementation date: January 2019.

5.2 The government consulted on major reforms to 16-19 performance measures in 2013, including extending these to encompass students studying below level 3. The response to the consultation: *Reforming the accountability system for 16-19 providers*[2] was published on 27 March 2014. This confirmed that a broader range of new measures should be introduced which will report on the performance of students on a consistent basis across different types of providers. These new measures will, for the first time, show the outcomes of students studying below Level 3, who disproportionately are more likely to have special needs or disabilities. Because of the scale of the reforms the department is phasing the new measures in between 2016 and 2019. Outcomes for students studying below level 3 will be available for the first time in 2017 performance tables.

[2] https://www.gov.uk/government/consultations/16-to-19-accountability-consultation

5.3 The department already publishes key stage 4 and key stage 5 destination measures as experimental statistics and uses this information to monitor performance at a national level. The key stage 5 destination measures are limited to students studying at level 3 at present. The reforms include extending the key stage 5 destination measures to include students studying below level 3 and publishing them as a headline performance measure in 16-18 performance tables. Together with contextual information, such as the number of students with special education needs or disabilities, this information will enable the department and the public to compare the performance of different institutions.

5.4 Once the outcomes for students studying below level 3 are published in 2017, the destinations of those students in the following 2017-18 academic year will be tracked. In the 2018-19 academic year, the department will link that information back to the student's previous institution and publish that information in 2019.

Eighty Third Report of Session 2010-12

Department for Work and Pensions

Child Maintenance and Enforcement Commission: structure cost reduction

Summary of the Committee's findings

The role of the Child Maintenance and Enforcement Commission is to support separated families and secure maintenance payments for children affected by separation. Around half of all children in the UK from separated families are being brought up in poverty. In 2010-11 the Commission collected and transferred £1.1 billion to parents caring for more than 880,000 children.

Background resources

- NAO report: *Child Maintenance and Enforcement Commission: cost reductions* -Session 2010-12 (HC 1793)
- PAC report: *Child Maintenance and Enforcement Commission: cost reductions* - Session 2010-12 (HC 1874).
- Treasury Minute: July 2012 (CM 8146)
- 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), 3 recommendations were implemented and the department disagreed with 2 recommendations. 1 recommendation remained work in progress, which has now been superceded by the Committee's 17th report in Session 2014-15.

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

Recommendation:
The Commission should work with stakeholders to monitor whether more separated families agree their own arrangements and understand and service-related reasons for lower than expected applications to the new child maintenance scheme. The first monitoring report should be carried out six months after the introduction of fees.

3.1 The Government agreed with the Committee's recommendation.

Not being implemented in this report.

3.2 Recommendation 3 to this report have been superseded by the Committees 17th report in Session 2014-15, which carries the same recommendation. The response to the 17th report will update this recommendation.

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.

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Recommendations fully resolved.

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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
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10	Implementing the transparency agenda
11	Improving the efficiency of central government office property
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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
17	Management of diabetes in the NHS
18	Creation and sale of Northern Rock
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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 14; Session 2014-15 from page 45 and Session 2015-16 from page 105.

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)
- Treasury Minute – Progress Report: February 2016 (Cm 9202)

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9202), 5 recommendations had been implemented. 1 recommendation remained work in progress, which has now been implemented, as set out below.

3: Committee of Public Accounts recommendation:
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.

Recommendation implemented.

3.2 On 31 March 2016, the Authority changed the commercial model at Sellafield making Sellafield Limited a subsidiary and removing the Parent Body Organisation. Enterprise-wide risks are now firmly owned and managed by a Government-owned subsidiary. This provides greater opportunity to identify delivery risks, which can be effectively transferred to the supply chain.

3.3 In each contract, Sellafield Limited sets out an Acquisition Strategy which determines the intended distribution of risk between it and the supply chain. This has been an area of historic weakness in particular in relation to major project procurements.

3.4 Fundamental to improved risk sharing is the engagement by Sellafield Limited of Strategic Partners to provide expertise in the definition and division of work in such a way that risks can be placed where they are best managed. The Strategic Partners will provide expertise and support in the packaging of work, implementation of risk transfer arrangements and coordination of delivery to ensure the best outcome for the project. The appointment of a new Supply Chain Director at Sellafield has led to the identification of a possible revised approach to engaging the Strategic Partners.

Thirty Second Report of Session 2012-13

Ministry of Defence

Managing the Defence Inventory

Summary of the Committee's findings

The Department has recognised that it is wasting significant amounts of public money buying more inventory - its store of supplies and spares - than it uses. Between April 2009 and March 2011, the Department purchased 38% more raw material and consumable inventory, such as clothing or ammunition, than it used, at a value of £1.5 billion. The Department has also not consistently disposed of stock it no longer needs or does not use regularly. Over £4.2 billion of non-explosive inventory has not moved at all for at least two years and a further £2.4 billion of non-explosive inventory already held is sufficient to last for five years.

Background resources

- NAO report: *Managing the defence inventory* - Session 2012-13 (HC 190)
- PAC report: *Managing the defence inventory* - Session 2012-13 (HC 745)
- Treasury Minute: May 2012 (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), 3 recommendations were implemented. 3 recommendations remained work in progress, all of which have now been implemented, as set out below.

1: Committee of Public Accounts conclusion:
The Department has made little progress in improving its management of inventory over the last 20 years.

Recommendation:
The Department should develop an end-to-end approach, which addresses the underlying causes of poor inventory management by incentivising the right behaviours across all parts of the process, covering the ordering, storage and disposal of inventory.

1.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

1.2 The Vision and Targets articulated in Chief of Defence Materiel's Inventory Management Strategy have been achieved. The original intent to realise, against the FY2011-12 baseline; a reduction of inventory purchasing by £561 million per annum by FY2015-16, and a reduction of inventory stock by Gross Book Value of £9.5 billion from a revised baseline position of £40.3 billion to a strategic target of £30.8 billion, has been exceeded.

1.3 At the close of FY2015-16 (pre-audit) the Department has achieved a cumulative raw materials and consumables purchasing reduction of £2.6 billion against the FY2011-12 baseline. The Department has also delivered a stock reduction in the Defence Inventory to £27.8 billion, which is £3 billion better than the IMS target of £30.8 billion and represents a £12.6 billion overall reduction from the FY 2011-12 baseline. The Department has disposed of £14.9 billion of inventory at the end of its useful life.

1.4 Through established management systems, the Department sets demanding financial control targets and regularly reviews performance in order to maintain the right culture and behaviours to deliver the future inventory need, endorsed by a substantial assurance from the DIA.

4: Committee of Public Accounts conclusion:
The Department does not have the information it needs to manage its inventory effectively.

Recommendation:
To reduce the risk that current expenditure on new inventory systems is wasted, the Department should fully cleanse and reconcile its existing inventory data so that its new inventory management systems hold accurate and complete information.

4.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

4.2 The Department has developed the ability, through a range of Data Quality (DQ) tools, to provide DQ Assurance and a maturity assessment to new inventory management systems, including the implementation of the Base Inventory Warehouse Management System. These processes and standards are accessible through the Defence Logistics Framework and provide the baseline for assurance audits.

4.3 The Department completes, at quarterly intervals, a full end to end reconciliation of inventory holdings held on the DE&S Logistic Information Systems from Warehouse to the Defence Posting Creation Application system, which is subject to NAO audit at AP09 and AP12. Additionally, the Department also completes on a monthly basis a full reconciliation of Inventory holdings at NATO Stock Number to the General Ledger.

4.4 The Logical Data Model is in production and has addressed the transactional and demand view for the complete supply chain. This model will continue to be refined and improved as the Department's support activities evolve.

6: Committee of Public Accounts conclusion:
Skills gaps are delaying the Department's progress in improving inventory management.

Recommendation:
The Department should identify where skills gaps are delaying progress in improving inventory management, and discuss with the Cabinet Office how to improve its ability to recruit staff with the commercial skills required.

6.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

6.2 As part of the successfully completed Inventory Management Transformation project, the Department established an Inventory Management professional community of interest, which enabled authority, leadership and development across this specialisation. The implementation of the DE&S Balanced Matrix, through DE&S Transformation, will continue to implement Inventory Management good practice as part of the wider Integrated Logistics Function.

6.3 The Suitably Qualified and Experienced Persons (SQEP) management process was introduced in 2015 and has been further improved for 2016 with a mandated objective set for all Inventory Management staff to improve SQEP scores. As at May 2016, 72% of Inventory Management staff are fully qualified in accordance with increased, mandated, requirements.

6.4 Whilst vacancy rates naturally fluctuate, the Department has in place a continuous recruitment programme which, in conjunction with utilisation of the DE&S BTE freedoms, has proved effective in recruiting externally qualified staff into Inventory Management roles at all levels.

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.

Recommendations fully resolved.

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10	Redundancy and severance payments
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20	BBC's move to Salford
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24	Rural Broadband Programme
25	Duchy of Cornwall
26	Progress in delivering the Thameslink Programme
27	Charges for Customer telephone lines
28	Fight against Malaria
29	New Homes Bonus
30	Universal Credit – early progress
31	Border Force – securing the future
32	Whole of Government Accounts 2011-12
33	BBC severance packages
34	HMRC Tax Collection: Annual Report and Accounts 2012-13
35	Access to clinical trial information and the stockpiling of Tamiflu
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

Recommendations fully resolved.

#	Report Title
41	Gift Aid and other tax reliefs on charitable donations
42	Regulatory effectiveness of the Charity Commission
44	Student Loan repayments
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 10; Session 2014-15 from page 45 and Session 2015-16 from page 105.

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 was established by trust deed in March 2009 and the Commission registered it as a charity in April 2009. The Cup 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)
- Treasury Minute – Progress Report: February 2016 (Cm 9202)

Updated Government response to the Committee

There were 4 recommendations to this report. As of the last Treasury Minute (Cm 9202), 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 Cup Trust to remain registered, and should review urgently its conclusion that the Cup Trust meets the legal definition of a charity. If the Commission continues to conclude that the Cup Trust is legally a charity, it should identify ways the law should be changed to ensure that organisations like the Cup 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: Early 2017.

1.3 The Commission cannot, in law, turn down an organisation for registration if it is established for charitable purposes for the public benefit, as required by statute, and otherwise meets the requirements for registration even though there may be concerns about its management or governance.

1.4 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 at registration that the organisation will not operate as a charity, applications are rejected and, where appropriate, the organisation and individuals concerned may be referred HMRC and / or other regulators.

1.5 In addition, the Charities (Protection and Social Investment) Act 2016 has introduced new measures to close loopholes and improve the Commission's compliance powers. This includes a power to direct 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. These measures will be introduced from Summer 2016.

1.6 The more recent legal proceedings involving the Cup Trust have now been brought to a successful conclusion. On 21 April 2016, the High Court handed down a judgment that agreed with the Commission that the interim managers were entitled to withdraw the charity's gift aid claim. The ruling permits the Cup Trust charity to withdraw its £46 million tax claim. The interim managers implemented that decision by withdrawing the tax claim on 15 June 2016. The Commission's statutory inquiry is now proceeding. The Commission expects to be in a position to complete the remaining aspects of the inquiry and publish its findings and conclusions in an inquiry report in early 2017. 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 both the Tribunal and the Court on the basis that the Cup Trust was, in law, a charity.

Eleventh Report of Session 2013-14

Department of Health

Managing NHS Hospital Consultants

Summary of the Committee's findings

NHS consultants, the majority of which work in hospitals, treat patients, manage clinical work in hospitals and undertake work that benefits the NHS (for example, training future doctors). At September 2012, the NHS employed 40,394 consultants (38,196 on a full time equivalent basis) across a range of speciality areas, making up 4% of the NHNS workforce. In 2011-12, the total employment cost of consultants was £5.6 billion, some 13% of NHS employment costs.

Background resources

- NAO report: *Managing NHS hospital consultants* – Session 2012-13 (HC 885)
- PAC report: *Serious Fraud Office - redundancy and severance arrangement*s - Session 2013-14 (HC 358), incorporating HC 1030 of Session 2012-13.
- Treasury Minute: September 2013 (Cm 8697)
- 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), 6 recommendations remained work in progress. 1 recommendation has been implemented, as set out below.

1: Committee of Public Accounts conclusion:
The significant increase in consultant pay did not improve productivity.

Recommendation:
In its business case supporting any future renegotiation of the contract, the department should set ambitious targets that deliver significant productivity growth.

1.1 The Government agreed with the Committee's recommendation.

Target implementation date: April 2017.

1.2 The department's intention is to introduce amended contractual arrangements for consultants that do more to support productivity growth as well the delivery of a seven day service for patients with urgent and emergency care hospital needs. Consultants' play a key role in productivity and this should be considered as part of their role in wider multi-disciplinary teams. The department therefore wants to measure productivity across the team and at organisational level.

1.3 In July 2015, the Independent Review Body on Doctors and Dentists Remuneration (DDRB) published observations that broadly supported proposals put forward by NHS Employers to reform the contract. In September 2015 the BMA agreed to return to negotiations that have been ongoing in some form since 2013. The renewed talks have been constructive, and the parties continue develop an amended contract offer to put to the BMA's membership in due course.

2: Committee of Public Accounts conclusion:
The contract does not facilitate the provision of around-the-clock care and trusts continue to pay too much to secure work above contracted levels.

Recommendation:
In order to improve services for patients, the department must ensure that any future contract is flexible enough to allow seven day working and should set a maximum limit on payments for additional work.

2.1 The Government agreed with the Committee's recommendation.

Target implementation date: April 2017.

2.2 There have been extensive discussions between NHS Employers and the BMA on contractual changes that would support the delivery of a seven day service for patients with urgent and emergency care hospital needs. This includes working within a cost neutral funding envelope (that will increase as the consultant workforce grows) and exploring how the contract can do more to support those specialities and individuals with the most onerous working patterns.

2.3 The discussions have also explored more flexible and professional approaches to working that would support consultants as clinical leads of multi-disciplinary teams. This includes the replacement of the clause which enables consultants to opt out from non-emergency evening and weekend work (and in some cases planned emergency work) with a suite of contractual safeguards that applies to all of a consultants' NHS work.

3: Committee of Public Accounts conclusion:
Information on consultants' performance is inadequate.

Recommendation:
The department urgently needs to make sure that individual consultant performance is measured consistently and published in every speciality area, and support this with appropriate national guidance.

3.1 The Government agreed with the Committee's recommendation.

Target implementation date: February 2020.

3.2 NHS England plans to publish consultant-level outcomes data from all appropriate NHS funded national clinical audits by 2020. Consultant Outcomes Publication began with ten national clinical audits in June 2013, which were also made available through the NHS Choices website. This data has been refreshed in the 2014 publication and is available on the MyNHS service. The number of quality indicators has also been expanded to include other measures, such as length of stay, where appropriate. NHS England will improve the way in which data is published and has supported the development of patient-friendly guidance which has been issued to CCGs.

3.3 NHS England is working with the Healthcare Quality Improvement Partnership and all national clinical audit providers to consider the opportunities to extend the publication of consultant outcomes data in a wider range of specialties and indicators and is also considering the opportunities for publishing outcomes at surgical team level given the importance of team working in delivering high quality patient care.

3.4 This work will also support NHS England's commitment in the NHS Five Year Forward View to publish all major pathways of care measurements by 2020 going forwards.

4: Committee of Public Accounts conclusion:
Consultants' performance is not managed effectively.

Recommendation:
All trusts should improve the value for money of consultants by linking the achievement of job plan objectives and good clinical outcomes with the appraisal process and pay progression.

4.1 The Government agreed with the Committee's recommendation.

Target implementation date: April 2017.

4.2 The department is seeking contractual changes that would clearly link pay progression to an objective based performance assessment processes. A strong emphasis on improving the quality of job planning would also be required. Mandatory revalidation also engages doctors in a process that provides a framework for continuous improvements on the quality of their practice.

5: Committee of Public Accounts conclusion:
Clinical Excellence Awards do not always reflect exceptional performance.

Recommendation:

The department must review the criteria for giving a Clinical Excellence Award to make sure it truly reflects exceptional performance above the norm and introduce more routine reviews of awards already made.

5.1 The Government agreed with the Committee's recommendation.

Target implementation date: April 2017.

5.2 Proposals for a revised approach to local performance are being developed with the BMA. The approach would clearly link performance to annual objective based performance assessment process that would reward those consultants who contribute the most. The proposals have also looked at linking a proportion of performance pay to the achievement of team and organisational objectives - recognising the critical role that consultants play in the success of an organisation.

5.3 The department is also committed to working with key stakeholders to take forward the recommendations on National Clinical Excellence awards, as set out in the 2012 DDRB report '*Review of compensation levels, incentives and the Clinical Excellence and Distinction Award schemes for NHS consultants*'.

6: Committee of Public Accounts conclusion:
Consultants are not incentivised to work in the areas where they are most needed.

Recommendation:

The department should give consideration to stronger incentive mechanisms to attract consultants to geographical areas and specialities where there are shortages, without financially disadvantaging the organisations concerned.

6.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

6.2 With its £5 billion budget, Health Education England (HEE) ensures that the NHS has the right numbers of staff with the right skills, values and behaviours in the right location. HEE continues to publish annual workforce plans, which set out HEE's commitment to increasing appointments in shortage specialty areas.

6.3 HEE also leads the Workforce Advisory Board, which brings together the most senior leaders from across the health system to act as a co-ordinated catalyst for finding solutions to workforce challenges, including those areas with shortages. HEE has worked, and will continue to work, with experts such as the Royal Colleges, and NHS Improvement, to develop proposals to incentivise consultants, and trainees, into under-represented specialty areas. An example of an HEE initiative is its work in partnership with the College of Emergency Medicine to increase numbers going into emergency medicine. They are seeking to boost numbers going into Higher Speciality Training (ST4) through a commitment to 75 Acute Care Common Stem (ACCS) posts in emergency medicine. The new contract for doctors and dentists in training includes (within a cost-neutral redistribution of the paybill) additional payments for hard-to-fill training programmes in emergency medicine, psychiatry and general practice to support recruitment and retention in these specialties.

Seventeenth Report of Session 2013-14

HM Treasury

Administering the Equitable Life Payment Scheme

Summary of the Committee's findings

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

Background resources

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

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9202), 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: Summer 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 closed to new claims in January 2016 and the final few payments to policyholders will be made by the end of June. The report will be completed in summer 2016 following this.

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)
- Treasury Minute: February 2016 (Cm 9202)

Updated Government response to the Committee

There were 8 recommendations in this report. As of the last Treasury Minute (Cm 9202) 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:
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.

Recommendation Implemented.

6.2 The Association of Police and Crime Commissioners (APCC) and the National Police Chiefs Council (NPCC) have jointly established a Police Reform and Transformation Board (PRTB) to support the service in making changes, aiming to transform policing by 2020. The changes are needed to tackle new threats and improve the service for the public. To reflect the PRTB's priorities it has commissioned a Business Enablers sub-group to consider improvements and collaboration opportunities in business support services, which includes procurement. This sub-group will make recommendations to the Board on which areas of reform should be prioritised by the PRTB to deliver the greatest level of public value.

6.3 The PRTB's Business Enablers sub-group is well placed to consider what role the Hub should play in transformation. In the meantime, the NPCC is undertaking further work to clarify the costs and benefits of the Hub, which will contribute to consideration of its future role.

6.4 The Collaborative Law enforcement Programme (CLEP) will act as an enabler for further increased usage of the Hub by publishing commodity catalogues which provide best value for policing, to be accessed in a streamlined, efficient and consistent manner.

Twenty Second Report of Session 2013-14

Department for Transport

High Speed 2: a review of the early programme preparation

Summary of the Committee's findings

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

Background resources

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

Updated Government response to the Committee

There were 5 recommendations in the Committee's report. As of the last Treasury Minute (Cm 9202) 3 recommendations had been implemented. 2 recommendations remained work in progress, of which 1 recommendation has now been implemented, as set out below.

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

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

5.1 The Government agreed with the Committee's recommendation.

Target implementation date: December 2016.

5.2 The hybrid Bill for Phase 1 of High Speed 2 was deposited in Parliament on schedule 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.

5.3 The Department has put in place systems of assurance over the delivery of the Bill. The Accounting Officer is provided with ongoing assurance of the Bill and overall project timetable through a well-developed governance structure which includes regular reports to, and scrutiny at, the Department's Board Investment and Commercial Committee and appropriate structured reviews of the project's construction timetable, costs and specifications.

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 agreed with the Committee's recommendation.

Recommendation implemented.

6.2 The Department understands clearly what capabilities are needed to sponsor and oversee the programme. It has established a Development Agreement with High Speed 2 Limited (HS2 Ltd), which sets out the roles of the Department and HS2 Ltd. The Department has recruited two additional, highly experienced directors and has expanded its team of commercial and project specialists, which has further improved its ability to sponsor and oversee the programme.

6.3 The Department developed a prioritised people plan to mature its capabilities further in readiness for Review Points (RP) 1, 2 and 3. The Department's capabilities were assessed and assured by Internal Audit in January 2016 using the Infrastructure UK (now part of Infrastructure and Projects Authority (IPA)) framework and by IPA Project Assessment Review in March 2016. These reviews confirmed that the Department and HS2 Ltd have achieved the capabilities required for RP1. The Department and HS2 Ltd will continue to mature and fully intends to meet the required level of capabilities for RP2 and RP3.

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)
- Treasury Minute – Progress Update: February 2016 (Cm 9202)

Updated Government response to the Committee

There were 7 recommendations in this report. As of the last Treasury Minute (Cm 9202), 2 recommendations had been implemented and the department disagreed with 1 recommendation, 4 recommendations remained work in progress, of which 2 have now been implemented, as set out below.

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 2017.

4.2 Guidance on NHS England's 'Saving Babies' Lives', a bundle of clinical interventions intended to reduce litigation through preventing stillbirth and other adverse outcomes was published in March 2015. An external evaluation will analyse its impact with trusts and the final care bundle will be published by March 2017.

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.

4.4 In February 2016, the independent National Maternity Review published *Better Births,* which made recommendations on seven themes to improve maternity services. The report identified that the culture of some maternity services needs to change to break down barriers between midwives, obstetricians and other health professionals to reduce avoidable harm and the money spent on litigation. This requires several initiatives including: investment in multi-professional education and training; standardised investigations when things go wrong; and a rapid resolution and redress scheme. The Government is considering the potential for such a scheme. The launch of a Maternity Transformation Programme to implement the *Better Births* recommendations is planned for July 2016.

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.

Recommendation implemented.

5.2 The report of the National Maternity Review makes clear that women need to be able to make choices based on unbiased information and their decisions must be respected. It recommends that every woman should develop a personalised care plan with her midwife, built on her decisions and informed by a risk assessment. It proposes that an NHS personal maternity care budget will ensure women are empowered to make choices. In line with these recommendations, NHS England will now work with a small number of pioneers to develop and test ways of improving choice and personalisation in maternity services. NHS England will work with pioneers to co-develop and implement ways of improving the offer of choice, its take up and operation, and personalisation in maternity services, and will spread the learning for wider adoption across the NHS in England. NHS England invited expressions of interest in April 2016 and the successful pioneers will be announced shortly.

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 agrees with the Committee's recommendation.

Recommendation implemented.

6.2 NHS England has rolled out the Equality Delivery System (EDS2) as a tool to support all patients and communities, including black and minority ethnic women, in improving the healthcare services that they receive. Use of this tool was mandated in the NHS standard contract for the first time in April 2015 and the target of 95% was achieved.

6.3 The report of the National Maternity Review was informed by a comprehensive programme of engagement, which heard from nearly 9,000 people including service users, NHS staff and charities and held focus groups with women from groups that tend to experience poorer outcomes. This engagement highlighted areas for improvement within maternity services and showed that there is pressing need to reduce inequality in health outcomes.

6.4 The report recommends that maternity care should be personalised, centred on the woman, her baby and her family, based around their needs and decisions, where they have genuine choice, informed by unbiased information. When implemented, evidence suggests there will be inequality reductions in outcomes including for women from black and ethnic minority groups, for lower socio-economic status and for other groups who experience poorer birth outcomes. NHS England plans to develop a dashboard to annually monitor and report against all NHS organisations.

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 agrees with the Committee's recommendation.

Target implementation date: April 2018.

8.2 The Maternity Services Data Set (MSDS), commissioned by the department, collects and reports key information from NHS maternity services for monitoring local and national outcomes and addressing health inequalities. Monthly publication of MSDS data began in November 2015, but submitted data quality requires improvement. The Health and Social Care Information Centre expects that data quality will be sufficient for monitoring progress against objectives by spring 2018.

8.3 The report of the National Maternity Review recommended the development of a nationally agreed set of indicators and a dashboard to help local maternity systems track, benchmark and improve the quality of maternity services. NHS England is working with partners to implement this recommendation by March 2017.

8.4 The National Maternity and Perinatal Audit will evaluate the quality of care received by women and newborns. The Audit will deliver a continuous prospective clinical audit comparing data on care provided with outcomes using a comprehensive set of indicators. The first annual report is expected in 2017.

8.5 The department and NHS England continue to ensure they are aware of pertinent research such as the AFFIRM study on reduced fetal movement and the INFANT study which relates to use of electronic cardiotocograph (CTG) during labour, both of which are relevant to the Saving Babies' Lives care bundle.

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)
- Treasury Minute – Progress Report: February 2016 (Cm 9202)

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9202), 4 recommendations had been implemented and 1 recommendation had not been implemented. 1 recommendation remained work in progress, which has now been implemented, as set out below.

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 agreed with the Committee's recommendation.

Recommendation implemented

4.2 Reviews conducted by the Authority of the performance of Sellafield Limited and NMP during the first term of the Parent Body Agreement concluded that it was not possible to reliably transfer the risk of a complex and uncertain programme such as Sellafield from Government to a single private sector organisation. It was thus difficult to demonstrate value for money for the taxpayer.

4.3 Although short term performance at Sellafield had begun to show some improvements, a fundamental review of the contract (commenced in March 2013 and completed in November 2014) concluded that the commercial model for the site should change. The Authority developed proposals for the new model and subsequently discussed and reviewed these with a wide range of stakeholders. A Business Case was developed for the Department and the Treasury and subsequently approved for implementation. 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 Parent Body arrangements. The Parent Body Agreement was consequently terminated on 31 March 2016 and Sellafield Limited is now operating as the Authority's subsidiary. The Authority continues to monitor and report on performance to the Department.

Forty Sixth Report of Session 2013-14

Department of Health

Emergency admissions – managing the demand

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: June 2014 (Cm 8871)
- Treasury Minute – Progress Report: March 2015 (Cm 9034)
- Treasury Minute – Progress Report: February 2016 (Cm 9202)

Updated Government response to the Committee

There were 7 recommendations in this report. As of the last Treasury Minute, 5 recommendations were implemented. 1 recommendation remains work in progress, as set out below.

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 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 seven days a week. Hospitals will achieve this by meeting four priority standards developed by the *NHS Services, Seven Days a Week Forum*. There is a phased approach to implementation. A first phase of hospital trusts, covering a quarter of population, will achieve the four standards by March 2017. By 2018 this will increase to 50% of the population rising to complete coverage by 2020.

6.3 NHS England and NHS Improvement are working with local health and care systems to ensure that seven-day services can be implemented affordably and sustainably, recognising that different solutions will be needed in different localities. Working closely with the Phase 1 trusts will ensure we understand how best the NHS can deliver seven-day services and provide high-quality care for patients across all days of the week.

6.4 Every health and care system is working together to produce a multi-year Sustainability and Transformation Plan, showing how local services will evolve and become sustainable over the next five years - ultimately delivering the Five Year Forward View vision, including seven-day hospital services. The Government has committed an extra £10 billion a year by 2020-21 to fund the *Five Year Forward View*.

6.5 In addition to improving hospital services across the week, the Government's ambition for a seven day NHS also includes ensuring that everyone has access to a GP at evenings and weekends by 2020 and 24/7 access, online or on the phone, to a new integrated urgent care service.

Forty Seventh Report of Session 2013-14

Cabinet Office

Contracting out public services to the private sector

Summary of the Committee's findings

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

Background resources

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

Updated Government response to the Committee

There were 23 recommendations in this report. As of the last Treasury Minute (Cm 9202), 17 recommendations were implemented and the department disagreed with 3 recommendations. 3 recommendations remain work in progress as set out below.

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

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

3.1 The Government agreed with the Committee's recommendation.

Target implementation date: December 2016.

3.2 The new Commercial Standards were published on 4 February 2016, with Standard 13 covering supplier management. This standard states that "*supplier meetings should also include conversations with the supplier to ensure that their corporate governance and controls are fit for purpose and upheld*". Commercial Standards also outline that Departments should prepare Contract Management Plans prior to Award. This encourages early development of management practices in the Department and how controls operated by contractors will operate in relation to that particular contract.

3.3 Cabinet Office is currently engaging with Departments to embed the Commercial Standards into commercial delivery. The Commercial Standards are undergoing a planned review, to create an iteration 2 by the end of July 2016. Future reviews will ensure the Commercial Standards remain current, and that adherence to standards and commercial delivery in Government continuously improves. Recruitment is underway for an SCS2-level continuous improvement resource.

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 agreed with the Committee's recommendation.

Target implementation date: Autumn 2016.

9.2 The published Government Commercial Standards require that commercial decisions are made by experienced senior commercial professionals who have the competence and confidence to ensure the best value for money for the Government. Commercial Standard 4 ensures that business cases have the necessary senior commercial and business governance. This includes ensuring that the business case aligns with an organisation's Governance Statement, and gives the Accounting Officer adequate insight into the business of the organisation and its use of resources to allow the Accounting Officer to make informed decisions about progress against business plans and if necessary steer performance back on track. It also states that there should be sufficient level of visibility of contract management and related decision-making at board level, to ensure oversight, senior engagement, challenge and scrutiny.

9.3 Standard 9 ensures that Contract Management Plans are signed off by appropriately senior people at each level. A forthcoming amendment to Standard 9 will clarify that departments should put in place sufficient resourcing in their wider business units as well as in their commercial team, in order to effectively manage contracts both from a performance perspective and from a contract amendment perspective.

9.4 Standard 11 requires that Government will maintain senior engagement throughout the procurement process, with all commercial activity on its pipeline having a senior officer (or SRO if appropriate) appointed or identified. This senior individual should be appointed to oversee commercial activity, and be regularly consulted through the commercial cycle. Their commercial capability should be tested for the important business areas.

9.5 Departments have been tasked to complete a blueprint, which will outline their future target-operating model, defining the skills and people they need to deliver against their pipeline. They will also outline governance structures, processes and ways of working. The Cabinet Office will be working closely with Departments to ensure plans for blueprints are credible and robust. This process should conclude in Summer 2016.

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.

9.6 The Government agrees with the Committee's recommendation.

Target implementation date: Summer 2016.

9.7 The Commercial Capability Programme is progressing well and is addressing key capability gaps through the ongoing recruitment of senior commercial staff. New senior recruits are being assessed against our new Professional Standards to ensure they have the experience, acumen and capability to perform their roles effectively, including the management of contracts. In addition, the Ministry of Defence is developing new contract management training aimed at more junior staff and all departments will be encouraged to draw on this as required. The central Government Commercial Function will be supporting the adoption of contract management best practice and will be monitoring the effect of these initiatives in terms of the quality of day-to-day contract management.

9.8 The Cabinet Office is working with Departments on their Commercial blueprints to help determine and optimise their future target operating models. This will provide an accurate assessment of roles that require commercial specialists and the effort needed to develop incumbent specialists while recruiting externally any additional specialists needed to fully staff these roles.

9.9 A number of initiatives are also being developed to build capability across government:

- A new learning and development programme is being established, with new courses built into a new 'Commercial College' platform, while existing courses will also be available via this platform where they have proven value. The first phase of the Commercial College went live in April 2016 and further iterations will deliver additional targeted material over the course of 2016-17.

- Other elements of the L&D programme are also being taken forward, including plans for a new mentoring offer for commercial fast-streamers and commercial specialists. This mentoring offer will be in place in July 2016 with widespread use planned for the end of 2016-17. Mentors will be available to in-scope staff in all departments and any arms-length body that a departments asks to be brought in-scope. In addition, the Cabinet Office will be working to build up the number of commercial mentors available in the CSL mentor database, which is available for any part of government to draw on.

- A new talent management process has also been developed, which will unlock further career opportunities for commercial staff, giving them exposure to a broader range of commercial activities across government, allowing them to enhance their development through secondments and managed moves.

9.11 A standard approach to 'open book contract management' has been developed, which should be adopted by departments and applied where there are net benefits from its application. Commercial Standard 8 states that: "*Open Book Contract Management (OBCM) principles, which give greater transparency of the costs of running services and margins being charged, should be applied to both the procurement and management of new contracts (except where the chosen procurement route does not allow them, for example some frameworks on the digital marketplace)*".

9.12 A suite of resources has been developed to assist departments in implementation of OBCM where appropriate. Under this approach, departments will use a decision tool to establish whether and how OBCM should be applied. The application of OBCM will range from a light touch approach at its lowest level to detailed scrutiny of costs and joint working between supplier and customer to reduce costs. The use of OBCM should be proportionate and appropriate to ensure cost does not outweigh potential benefits. It is intended that both parties are clear on the supplier's charges, costs and planned return. OBCM is designed to provide a basis to review performance, agree the impact of change and bring forward ideas for efficiency improvements. This technique is expected to help improve value for money as well as build mutual understanding and trust between the Government and its suppliers.

Forty Eighth Report of Session 2013-14
Department for Communities and Local Government
Council Tax Support

Summary of the Committee's findings

In April 2013, the Government transferred responsibility for Council Tax Support to 326 local authorities. The Government 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 Government 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)
- Treasury Minute – Progress Report: February 2016 (Cm 9202)

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9202), 3 recommendations had been implemented. 3 recommendations remained work in progress, all of which have now been implemented, as set out below.

5. Committee of Public Accounts recommendation:
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.

Recommendation implemented.

5.2 The Local Government Finance Act 2012 required the Secretary of State to make provision for an independent review of all Council Tax reduction schemes. The final report was published April 2016.[3] As part of the independent review, information was collected concerning the financial impact of Council Tax support schemes on vulnerable groups. The data used included a comprehensive list of components of all schemes in England, supplied by the New Policy Institute, as well as data on claimants and collection, collected by the Department. This was supported by national data collection including regional workshops run by the Institute of Revenues Rating and Valuation and a public call for evidence, which received 105 responses.

3 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/514767/Local_Council_Tax_support_schemes_-_review_report.pdf

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

Recommendation:
The Department and the Department for Work and Pensions 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.

Recommendation implemented.

6.2 The Department has worked closely with the Department for Work and Pensions to develop the Local Authority Data Sharing solution. The Department for Communities and Local Government contributed £5 million to the funding of the solution during the 2015-16 financial year. The system will be rolled out nationally in Summer 2016.

6.3 The solution means that Universal Credit claimant data can be shared with local authorities for the administration of Local Council Tax Support schemes (LCTS). This means that local authorities will know when a Universal Credit claimant has asked for a reduction in their Council Tax. The data is now shared both for new claims to Universal Credit, and where a change of circumstances has occurred. Claimant data is sent from Universal Credit to a Local Authority Data Hub. The relevant local authority will now be able to access the Data Hub to extract the data, which is updated on a daily basis by Universal Credit. Work has also been carried out by the Local Authority IT suppliers so the data sharing for LCTS can be automated between Universal Credit and Local Authorities.

7. Committee of Public Accounts recommendation:
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 the 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 its policy objectives for this reform.

7.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

7.2 On 2 December 2015, Marcus Jones MP announced the appointment of Eric Ollerenshaw OBE to lead an independent review into Local Council Tax Support schemes. Terms of reference were established, including the requirements set out in the Local Government Finance Act 2012, to look at whether the schemes are efficient, effective, fair and transparent, to consider their impact on the localism agenda, and to make recommendations as to whether or not the schemes should be brought within Universal Credit. The final report was published in April 2016 and the terms of reference are included as Appendix A in the report.

7.3 The independent review used data on collection and claimants, held by the Department, as well as external sources, to address the requirements set out in the Act. The independent report recognised the successful implementation of LCTS schemes by local government, and also made a number of recommendations to improve their efficiency and effectiveness, which the Department will consider.

Forty Ninth Report of Session 2013-14

Home Office

Confiscation Orders

Summary of the Committee's findings

Confiscation orders are the main way through which the Government carries out its policy to deprive criminals of the proceeds of their crimes. The intention is to deny criminals the use of their assets and to disrupt and deter further criminality, as well as recovering criminals' proceeds. The Home Office leads on confiscation policy, but many other bodies are involved including the police, the Crown Prosecution Service and HM Courts and Tribunal Service. The overall system for confiscation orders is governed by the multi-agency Criminal Finances Board. The annual cost of administering confiscation orders is some £100 million. In 2012-13 the amount confiscated was £133 million.

Background resources

- NAO Report *Confiscation Orders* - Session 2013-14 (HC 738)
- PAC Report *Confiscation Orders* - Session 2013-14 (HC 942)
- 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), 4 recommendations had been implemented. 2 recommendations remained work in progress, of which 1 has now been implemented, as set out below.

6: Committee of Public Accounts recommendation:
The bodies involved with confiscation orders do not have the information they need to manage the system effectively.

Recommendation:
All the bodies involved in confiscation need to develop a better range of cost and performance information to enable them to prioritise effort and resources to best effect. They also need to improve their existing ICT systems and their interoperability, as well as cleanse the data they hold.

6.1 The Government agreed with the Committee's recommendation.

Target implementation date: December 2017.

6.2 From April 2014 to March 2016, the Home Office invested £2.74 million in the Joint Asset Recovery Database (JARD), including the three year improvement plan to ensure that it can provide a modern platform for current and future enhancements and also improving the data quality across agencies. The work by HM Courts and Tribunal Service, with the support of the National Crime Agency, to cleanse outstanding confiscation order records was completed by March 2015. 5,000 records were cleansed, reducing the notional value of outstanding confiscation orders by £13 million. The improvement plan delivered immediate technical improvements to JARD by June 2015, and further work to complete the original planned enhancements to the confiscation orders section of JARD will continue until the end of 2017.

6.3 As development work continues to JARD, further enhancements are being identified beyond the original planned programme, which will mean work may continue on an on-going basis into 2018 and possibly beyond. Work to develop a better range of costs and performance information will continue as part of the improvement plan.

7: Committee of Public Accounts recommendation:
The sanctions imposed on offenders for failing to pay confiscation orders do not work.

Recommendation:
The Home Office, in conjunction with the Ministry of Justice, must set out how, and by when, it will strengthen the confiscation order sanctions regime. The Joint Committee on the draft Modern Slavery Bill might include this in their deliberations.

7.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

7.2 The Serious Crime Act, which received Royal Assent in March 2015, included provisions which strengthened sanctions for those who do not pay their confiscation orders. The Act amended the Proceeds of Crime Act 2002 to increase the maximum default sentence from five to seven years for orders between £500,000 and £1 million, and from ten to fourteen years for orders over £1 million. The Act also ends automatic early release at the halfway point for offenders with orders over £10 million. In addition, the Act contained a provision which requires Judges to consider implementing a travel ban when a confiscation order is made, and enables Judges to make any order that they feel is appropriate to make the confiscation order effective. The provisions of the Act were commenced on 1 June 2015.

7.3 The Modern Slavery Act 2015 made both modern slavery offences – slavery, servitude and forced labour and human trafficking - criminal lifestyle offences, making perpetrators subject to the most robust confiscation regime available under the Proceeds of Crime Act. The Modern Slavery Act received Royal Assent in March 2015.

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)
- Treasury Minute – Progress Report: February 2016 (Cm 9202)

Updated Government response to the Committee

There were 5 recommendations in this report. As of the last Treasury Minute (Cm 9202), 4 recommendations were implemented. 1 recommendation remained work in progress, which has now been implemented, 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.

Recommendation implemented.

6.2 As part of the national evaluation of the first programme, the evaluators, in partnership with the Department for Communities and Local Government Troubled Families team, developed an online cost savings calculator which was used by local authorities to estimate cost savings generated by their local programme, and provided practical support and guidance to enable all local authorities to evidence the fiscal, economic and social benefits of the programme (including cashable savings).

6.3 In March 2015 the Department for Communities and Local Government published *Benefits of the Troubled Families programme to the taxpayer*, which reported the savings made by seven local authorities delivering the Troubled Families programme. Further reports focussed on the wider learning from the first programme are planned for summer 2016.

6.4 The new Troubled Families programme evaluation has built upon and strengthened the ability to demonstrate cost savings and wider benefits by developing an online information system for local authorities that automatically calculates cost-savings for local authorities based on outcomes for families as tracked and recorded in cross-government national administrative datasets. Those calculations include estimates of cashable savings. This information will be provided biannually during the course of the programme to local authorities. Following the introduction of the Welfare Reform and Work Act 2016, the Secretary of State for Communities and Local Government will report annually to Parliament on the progress of the Troubled Families Programme.

6.5 The Department for Work and Pensions commissioned Ecorys UK Ltd to evaluate the European Social Fund (ESF) Families Provision. The report *European Social Fund (ESF) Support for Families with Multiple Problems Evaluation*[4] was published on 28 January 2016 and outlines lessons learnt from this approach to funding. The report describes wider benefits for participants including improved health and wellbeing, management of debt, reduced social isolation and increased work-related activity.

[4] https://www.gov.uk/government/publications/european-social-fund-esf-support-for-families-with-multiple-problems-evaluation

Fifty Third Report of Session 2013-14

Ministry of Justice and National Offender Management Service

Managing the Prison Estate

Summary of the Committee's findings

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

Background resources

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

Updated Government response to the Committee

There were 8 recommendations in this report. As of the last Treasury Minute (Cm 9034), 4 recommendations were implemented and the department disagreed with 1 recommendation. 3 recommendations remained work in progress of which 2 have now been implemented as set out below.

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

Recommendation 3c:
The Agency should ensure the factors that resulted in the poor performance at these prisons, particularly HMP Oakwood, are not replicated at the new prison being built in Wrexham.

3.1 The Government agreed with the Committee's recommendation as far as it relates to an establishment's performance, but does not agree that this is necessarily caused by its size.

Recommendation implemented.

3.2 In the design of the North Wales prison in Wrexham (HMP Berwyn), the department has taken lessons learned and best practice from both the public and private sector. As an example, the department has incorporated large, flexible workshop spaces which may be divided up as required for a variety of uses. This will mean that as many prisoners as possible will be able to access rehabilitation activities.

3.3 The focus of HMP Berwyn is about reducing reoffending. The prison is a modern, purpose-built establishment; safe, secure and effective in helping prisoners deal with their offending and develop the work, education and life skills that they need to effectively rehabilitate. In order to ensure the safety and security of prisoners and staff in the opening of the new prison, there will be a mix of experience working alongside newly trained staff.

3.4 In recruitment of staff, including those who do not deal directly with prisoners, values-based Interviews were introduced to support the desired rehabilitative culture. This involved focusing the weighting of competencies in the selection process to enable NOMS to recruit those individuals with higher values in those areas that support the focus on rehabilitation through engagement with prisoners. Values-based interviews select people who will be more likely to have a rehabilitative focus and remain with the organisation.

3.5 The prison is scheduled to open on a phased basis with the first house-block opening in February 2017 and the prison fully operational by the end of 2017. The recommendation has been confirmed as Implemented as the design and approach to operational readiness have both addressed factors that resulted in the poor performance at both Thameside and Oakwood.

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

3.6 The Government agreed with the Committee's recommendation as far as it relates to an establishment's performance, but does not agree that this is necessarily caused by its size.

Target implementation date: December 2016.

3.7 Hours worked in production workshops have increased from 13.1 million in 2012-13 to 14.2 million in 2013-14 and 14.9 million in 2014-15 (the 2015-16 figures will be published in the NOMS Annual Report, Management Information Addendum in July 2016). The department will continue to monitor progress. Additionally, private sector prisons have reported delivering over 1 million hours of work per annum. Prisoners also take part in a large number of other activities including education, training and offending behaviour programmes.

3.8 The department's programmes are supporting the introduction of additional activity. One of the main drivers of benchmarking and the new core day is to increase the time that prisoners can undertake appropriate and meaningful work, training and education to enable employment on release to their home areas. Work had been ongoing to increase the volumes and this has been successful. Since this further engagement to agree the criteria for assessing good quality activity has been ongoing. It is the measurement of quality that has been the main challenge and a meeting has been scheduled between NOMS and HMIP to agree how the quality of purposeful activity is assessed and also to explore how the quality may be improved.

5: Committee of Public Accounts conclusion:
More could be done to reduce the prison population by ensuring prisoners are prepared for release at the earliest opportunity.

Recommendation:
The Agency should provide more programmes to help prisoners on indeterminate sentences become safe to release.

5.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

5.2 NOMS has increased investment in accredited programmes in 2014-15 to £17.99 million compared to £17.11 million in 2013-14.[5]

5.3 Of those prisoners serving indeterminate sentences for public protection, 89% of post-tariff and 68% of pre-tariff prisoners have completed a treatment programme and the department will continue to give appropriate priority for this group. The department has increased funding for programmes and developed better systems to ensure the most effective programmes are provided and achieve maximum benefit.

[5] Investment is calculated using a static cost per programme developed as part of NOMS specifications, benchmarking and costing programme.

5.4 Indeterminate sentenced offenders will also have access to appropriate and stable accommodation, access to education, training and employment and support from professionals as well as family and friends. An example of alternative interventions is the NOMS and the Department of Health co-commissioned programme of services to improve the management and psychological health of offenders with personality disorders who also present a high risk of serious harm to others. The programme has provided up to 300 new treatment places at 5 adult male prisons in March 2016. These new Personality Disorder treatment services have been commissioned at the following establishments: Garth (48 places), Swaleside (30 places), Belmarsh (41 places), Wayland (48 places), Aylesbury (20 places), Swinfen Hall (30 places). In addition, the Democratic Therapeutic Community Plus service provides treatment for offenders with Learning Disability (LD) at Gartree, Dovegate & Grendon (52 places across the three prisons).

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 elated 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)
- Treasury Minute – Progress Report: February 2016 (Cm 9202)

Updated Government response to the Committee

There were 5 recommendations in this report. As of the last Treasury Minute (Cm 9202), 4 recommendations had been implemented. 1 recommendation remained work in progress, which has now been implemented, as set out below.

6: Committee of Public Accounts recommendation:
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.

Recommendation implemented.

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, the Health and Social Care Information Centre (HSCIC) has taken action to help address these. The new service is now stable. A renewed focus is now being placed on increasing the use of the service to 100% of all referrals to elective appointments by September 2018, from 53% in April 2016. This has been supported by the introduction of a Clinical Commissioning Group Quality Premium incentive for 2016-17 to encourage CCGs to work with GPs and Providers to improve use. Recent releases have begun to introduce enhancements into the system, such as features designed to better utilise available elective capacity.

Fifty Ninth Report of Session 2013-14

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

Criminal Justice System

Summary of the Committee's findings

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

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

Background resources

- NAO report: Criminal Justice System Landscape Review – Session 2013-14 (HC 1098)
- PAC report: Criminal Justice System – Session2013-14 (HC 1115)
- Treasury Minute - Progress Report: July 2014 (Cm 8900)
- 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. 2 recommendations remain work in progress, as set out below.

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

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

3.1 The Government agreed with the Committee's recommendation.

Target implementation date: March 2019.

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

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

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

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

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

5.1 The Government agrees with the Committee's recommendation.

Target implementation date: September 2016.

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

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

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

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

Updates on recommendations previously reported as work in progress.

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Recommendations fully resolved

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Recommendations fully resolved

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Progress on the implementation of Government accepted recommendations of the Committee of Public Accounts - Session 2010-12 can be located from page 1; Session 2012-13 from page 10; Session 2013-14 from page 14 and Session 2015-16 from page 105.

Sixth Report of Session 2014-15

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

Adult Social Care in England

Introduction from the Committee

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

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

Background resources

- NAO report: *Adult social care in England: overview* - Session 2013-14 (HC 1102)
- PAC report: *Adult social care in England* - Session 2014-15 (HC 518)
- Treasury Minutes: September 2014 (Cm 8938)

Updated Government response to the Committee

There were 10 recommendations in this report. As of the last Treasury Minute, 1 recommendation had been implemented. 9 recommendations remained work in progress, of which 8 have now been implemented, as set out below.

2: Committee of Public Accounts conclusion:
Successful implementation of the Care Act depends on an unprecedented amount of collaboration at every level of Government.

Recommendation:
The departments should set out how they intend to support local authorities, the organisations that represent authorities and the wider adult care sector, including providers and voluntary organisations, to collaborate, share and learn from good practice. They should consider whether and what action they will need to take if efforts to spread best practice are not effective.

2.1 The Government agreed with the Committee’s recommendation.

Recommendation implemented.

2.2 The Care and Support Reform Programme Board, which oversaw the reforms, included representatives from local government, the Care Provider Alliance and the voluntary sector, and was chaired by the Department of Health’s Director General for Social Care Local Government and Care Partnerships. Stakeholder working groups oversaw each of the implementation workstreams.

2.3 A joint programme office was established with the Local Government Association and the Association of Directors of Adult Social Services. Councils have been responsible for implementing the Care Act and adopting good practice from April 2015, supported by the Programme Office and the resources made available. In 2014-15 councils were allocated £19 million for change management, and £4 million for targeted support, in addition to £2.7 million in 2013-14 to strengthen regional infrastructure.

2.4 £1,399,900 was provided in 2016 for learning networks in the nine local authority regions, supporting learning amongst frontline staff in crucial areas of policy and practice. The Programme has now formally closed. Implementation support products remain available, including e-learning for staff and interactive tools for providers. New governance arrangements support joint working across the sector including ongoing engagement about sharing best practice and supporting benefit realisation.

3-5: Committee of Public Accounts conclusion:

3: The departments do not know whether the care system can become more efficient and spend less while continuing to absorb the increasing need for care.

4: The Departments do not have the information and evidence to understand fully the challenges that local authorities face in commissioning and providing adult social care and supporting carers.

5: It may not be feasible for local authorities to implement all the proposed changes to the intended timetable.

Recommendation:

The departments should quantify the new burdens the Care Act will introduce for local authorities, establish a realistic timetable given the financial constraints, and acknowledge the limits on the sector's capacity to absorb the growing need for care with falling public funding. Departments must address gaps in evidence, information and evaluation in relation in particular to the effectiveness of preventative services, the needs of and quality of care to self-funders, and spending by direct payment recipients.

3.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

3.2 An initial risk assessment in March 2014 highlighted concerns about Care Act affordability. The Department of Health, with the Local Government Association and other local government networks, reviewed demand assumptions and estimated costs through a costing exercise with 120 councils in summer 2014. This led to revisions of the impact assessment and funding streams, agreed at the Care and Support Reform Programme Board in October 2014. This was reported on by the NAO.

3.3 Evidence has developed showing the effectiveness of different interventions on maintaining people's wellbeing and independence. The Department has published evaluated evidence on the impact of low level interventions, re-ablement services, and telecare.

3.4 The Department has funded the Social Care Institute for Excellence to develop the Prevention Library, launched in January 2015, containing examples of interventions implemented locally. Many of these have been evaluated, some including evidence of cost-effectiveness. The Library provides examples and evidence to support local prevention strategies.

3.5 The Personal Social Services Research Unit at the London School of Economics is carrying out a study, to report in 2018, to develop an evaluation framework enabling local authorities to use local information to assess the impact of different preventative interventions on future costs and outcomes.

Recommendation:

Departments must take account of the impact that local authorities driving down providers' fees is having on service quality, the charges to those who fund themselves and use the same care services, and the financial sustainability of providers.

3.6 The Government agreed with the Committee's recommendation.

Recommendation implemented.

3.7 The future funding requirements for state-funded social care and providers of social care services were considered as part of Spending Review 2015. This work considered Local Authority fee rates and changes in costs and demand for commissioned services. The Spending Review announcement gave Councils access to up to £3.5 billion of additional funding by the end of the Parliament. The social care precept and additional funding provided to the Better Care Fund allows social care funding to increase in real-terms by 2019-20.

3.8 Through its care market stewardship function, the Department will continue to improve its understanding of the risks to providers' finances and quality and what the potential drivers are, including the extent to which local authorities are holding down fee rates. This will include engaging with providers and their trade bodies, who have come together as a new taskforce to understand local authority fee offers for 2016-17.

Recommendation:
Departments must assess the nature, extent, impact and implications of the growing burden on informal carers and the extra cost they place on benefits paid out by the Department for Work and Pensions.

3.9 The Government agreed with the Committee's recommendation.

Recommendation implemented.

3.10 The Department for Work and Pensions monitors expenditure in this area and has worked to understand the drivers behind the increase in Carer's Allowance expenditure over the forecast period, forecasted to rise to around £3.1 billion in real terms by 2020-21. This work suggests expenditure increases are overwhelmingly down to an increase in the number of people receiving disability benefits that can trigger Carer's Allowance. Monitoring will continue in this area.

3.11 Departments continue to work closely together to support carers, and to understand impacts of their caring role on themselves, their families, and society. The Department of Health is developing a cross-Government Carers Strategy for publication by the end of 2016. The Strategy will recognise the substantial contribution that unpaid carers make, and the detrimental impacts that caring can have on carers' health and wellbeing, education, employment, and financial prospects. The Strategy will identify what more Government, the NHS, local services, employers and others can do to support carers. It will be based on an extensive Call for Evidence including views from carers themselves. It will build on the evidence base established by the Department for Work and Pensions and new research on the economic drivers for individuals' decisions to care.

Recommendation:
Departments must assess the scope for local authorities to make further efficiency savings, taking account of both best practice benchmarking of costs and of wider social, economic and demographic trends over which local authorities have little control.

3.12 The Government agreed with the Committee's recommendation.

Recommendation implemented.

3.13 The Department of Health commissioned a report from Professor John Bolton which considers how councils in England have delivered savings over the past five years in adult social care and what options they might have going forward, which was used alongside other evidence in preparing for and informing the 2015 Spending Review bid.

3.14 The review covered 6 case studies, concluding that there should be scope for councils to introduce or refine models of care which look to avoid the use of formal care where safe and help people maintain independence, avoiding institutional solutions where feasible. It also recommends that councils collaborate with the NHS to deliver improved outcomes for people at risk of needing social care. This work builds on a range of Sector Led Improvement and the Local Government Association's Adult Social Care Efficiency programme, which are supported by the Department.

3.15 Significant internal analytical work was carried out on adult social care savings and efficiencies and the impact on adult social care finances and performance, looking at wider social, economic and demographic trends, and including academic views on productivity. This broad range of work was used in support of adult social care funding bids for the Spending Review 2015.

Recommendation:
Departments must determine ways to ensure the local authorities do learn from best practice and achieve best value.

3.16 The Government agreed with the Committee's recommendation.

Recommendation implemented.

3.17 The Department has worked with the local government sector and other system partners to develop a culture of Sector-led Improvement (SLI) in adult social care. This is in line with the increasing use of SLI across other Local Government services including corporate and financial management, and children's services. SLI is based on the principles that councils are primarily accountable to their local communities; they are responsible for their own performance and improvement; and have a collective responsibility for the performance of the sector as a whole.

3.18 The Department is committed to working in partnership with the local government sector to support local authorities to meet the challenges of adult social care delivery and reform. The Department and the LGA have been working in co-operation since 2012 on a support programme for local government. The support programme recognises the current context, Government priorities and the feedback from the sector regarding the support it requires and ensures that local authorities learn from best practice and are supported to improve outcomes for local people and make health and care services sustainable locally.

Recommendation:
The departments should define what progress is expected under the Act by when, how they will measure progress and how they will judge success. For example, to work with greater numbers of self-funders than they have historically, local authorities will need to understand their number and what needs they have, and set up new systems. The departments should monitor local authorities' progress and make their expectations clear on what should be achieved in what timescale.

3.19 The Government agreed with the Committee's recommendation.

Recommendation implemented.

3.20 The Local Government Association and the Association of Directors of Adult Social Services in partnership with the Department of Health have conducted stocktake surveys to assess the progress of implementation. This supports councils and regions by providing information to facilitate local strategic discussions, map progress and identify support needs and opportunities for shared learning.

3.21 Stocktake themes include: programme management, governance, people (including mapping of self-funders), money, systems, communications, strategy and planning, commissioning and support. The data is aggregated to provide evidence of progress nationally, areas of slower progress, and priority areas for support. A further stocktake is planned to evaluate implementation a year on from the Act coming into force.

3.22 Prior to the decision to delay the funding reforms, a second Impact Assessment was published in February 2015. This used findings from a 2014 local authority cost modelling exercise which provided insight for local authorities into drivers of demand for early assessments for the cap and carers, including methodology to estimate numbers of self-funders locally. This was followed by a further pilot cost modelling exercise from March 2015. The output from this pilot scheme and feedback from local authorities was captured, analysed and presented to the participating local authorities.

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

Recommendation 6a:
The Department of Health needs to be assured that the Care Quality Commission is adequately prepared and staffed to monitor both the quality of services and the sustainability of providers under the new oversight regime.

6.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

6.2 The Care Quality Commission (CQC) took on responsibility for Market Oversight from April 2015.

6.3 The Department of Health extended an existing contract with financial consultants to monitor the finances of the five largest residential care providers until the end of September 2015 to allow CQC time to undertake a first round of financial risk assessments for remaining providers in the Market Oversight Scheme and make key in-house appointments. Once transitioned, CQC continued to procure the services of financial consultants to ensure cover whilst the rest of the team was appointed. The team has now reached full complement and the contract with the financial consultants came to an end in in April 2016.

6.4 As the operation of the Scheme has only recently come fully in house, resourcing requirements will be kept under review. The Department will continue to work closely with CQC to understand requirements through regular accountability meetings.

6.5 A panel of investigating accountants has been put in place following a competitive tendering process. Eight firms have been appointed to the panel, all of whom are capable of performing Independent Business Reviews (IBRs), appraising risk mitigation plans as well as performing other ad hoc consultancy services as and when the need arises.

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

6.6 The Government agrees with the Committee's recommendation.

Target implementation date: October 2016

6.7 The Safeguarding Adults Return October 2016 report will cover the first year in which safeguarding adults became a statutory duty under the Care Act. It can help stakeholders understand where abuse may occur, informing local planning to prevent abuse and respond effectively.

6.8 Anecdotal reports suggest that referrals increased substantially in the first six months of implementation. This is probably due to the statutory duty biting and increased awareness of adult safeguarding, rather than increased abuse. The Department has made clear that a number of behaviours can constitute abuse, not just physical abuse. Financial scams are increasing exponentially and people with care and support needs are being targeted. The Department is working with partners including researchers, local authorities, banks, the Police, the Royal Mail and Trading Standards to understand the problem and devise effective solutions.

6.9 The Department continues to fund the Local Government Association and the Association of Directors of Adult Social Services to work with local authorities experiencing particular problems with safeguarding.

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

Seventeenth Report of Session 2014-15

Department for Work and Pensions

Child Maintenance 2012 Scheme: early progress

Summary from the Committee

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

Background resources

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

Updated Government response to the Committee

There were 5 recommendations in this report. As of the last Treasury Minute (Cm 8988) 2 recommendations were implemented. 3 recommendations remained work in progress, of which 2 have now been implemented, as set out below.

1: Committee of Public Accounts conclusion:
The good practice evident in the way the department designed and introduced the first phase of the 2012 scheme reflected lessons learned from previous programmes.

Recommendation:
The department should evaluate the introduction of Phase 1, in particular the roll-out and pathfinder approach, to identify good practice to apply when planning future programmes and share this more widely in the public sector.

.
1.1 The Government agrees with the Committee's recommendation

Recommendation implemented.

1.2 The Department's evaluation of Phase 1 and pathfinder approach enabled the Child Maintenance 2012 Scheme Programme to identify and share good practice with other internal initiatives and, more widely, with other government departments. The Department launched a new database in Microsoft SharePoint in April 2014 providing a system that is easier and quicker to use to capture, collate, retain and retrieve programme lessons that have been identified.

1.3 The Child Maintenance 2012 Scheme Programme shared the results of the evaluation through facilitated master classes for all programme Senior Responsible Owners and Programme Management Office functions. The Department also supported the introduction of a standardised set of reporting data, embedded good practice and lessons learned. This activity completed in March 2015.

1.4 The Department has used similar pathfinder approaches to programme delivery for Universal Credit Programme and Personal Independence Payment Programme. The Department has shared its learning with other Government Departments, including Cabinet Office and Infrastructure and Projects Authority, HM Revenue and Customs, Department for Transport, Offices for Scotland, Wales and Northern Ireland.

3: Committee of Public Accounts conclusion:
The impact that charging to use the statutory service will have on the number of parents willing to adopt family-based arrangements instead is uncertain.

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

3.1 The Government agrees with the Committee's recommendation.

Target implementation date: December 2016.

3.2 The number of family-based arrangements is currently monitored through quarterly surveys of Child Maintenance Options customers and the results are published. Analysis of the results of these surveys has led to the development of new call standards for Child Maintenance Options aimed at facilitating parents to make their own arrangements where possible.

3.3 The Child Maintenance Options Outcome surveys deal with customers who have contacted Child Maintenance Options. Currently, no robust information is held on customers who do not contact Child Maintenance Options. However, as outlined in the Department's Evaluation Strategy, the *Understanding Society Survey*[6] provides a means of measuring maintenance arrangements in the wider UK population. Child Maintenance modules are included within this survey every two years and some information covering the number of family-based arrangements in the UK population will be available in late 2016. This evidence will feed into the 30 month review which is on track to be completed by 31 December 2016.

3.4 The Department engages regularly with a range of external stakeholders to help understand their perceptions, issues and expectations, in order to support and influence any changes or improvements to the Child Maintenance Service.

5: Committee of Public Accounts conclusion:
Delays in setting up the 'data warehouse', required to close the legacy cases from the previous systems, have resulted in increased costs to the department.

Recommendation:
The department should be transparent about the progress of case closure, ensure that it has the necessary systems in place by the time it closes complex cases, and monitor the performance of its contingency arrangements in the meantime.

5.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

5.2 The Department has closed 154,000 out of the 852,000 cases held within the 1993 and 2003 child support schemes. The automated selection of cases in segment 4 (where parents are paying maintenance without enforcement actions) began in May 2015 and a pathfinder for segment 5 cases (cases subject to Child Support Agency (CSA) enforcement actions, including collection of maintenance from client employers) is due to start in August 2016. The Department plans to complete ending liabilities on all old CSA cases by 31 December 2017. Planning is now underway for the CSA arrears only caseload closure, to be completed by 2019.

5.3 The Department has continued to be open and consulted external stakeholders on the client journey for the most challenging cases; with regulations for segment 5 cases debated and approved by Parliament in March 2016. The Department continues to monitor the level of client reaction to both case closure and contingency arrangements. Rates of contact remain lower than anticipated and progress in ending CSA maintenance liabilities, cleansing CSA maintenance arrears balances and finally closing CSA cases remains on track. The Department commenced publication of quarterly statistics in May 2016.

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[6] https://www.understandingsociety.ac.uk/research

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)
- Treasury Minute – Progress Report: February 2016 (Cm 9202)

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9202), 5 recommendations were implemented. 1 recommendation remains work in progress, as set out below.

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

Recommendation:
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 agrees with the Committee's recommendation.

Target implementation date: Autumn 2016.

5.2 The details of the functional model continue to be developed. Functions are finalising business plans during summer 2016, which will set out each function's operating model, and address how resource will be balanced between the centre and departments. The level of centralisation will vary between functions depending on their specific challenges. Functional plans will then be updated as necessary to reflect changes to the operating environment.

Twenty Second Report of Session 2014-15

Department of Health

Out of hours GP Services in England

Summary of the Committee's findings

Out-of-hours GP services provide urgent primary care when GP surgeries are closed, typically from 6.30pm to 8.00 am on weekdays and all day at weekends and bank holidays. In 2013-14, out-of-hours GP services in England handled around 5.8 million cases at an estimated cost of £400 million. Since 2004,GPs have been able to opt-out of responsibility for ensuring there are out-of-hours GP services in place and most have done so. NHS England has devolved responsibility to clinical commissioning groups for securing these services. Around 10% of GPs have retained responsibility for out-of-hours GP services and are accountable for ensuring they are in place. The Department of Health (the Department) is ultimately responsible for securing value for money for spending on health services and has set national quality requirements for all out-of-hours GP services. NHS England is accountable to the Department for the quality and value for money of out-of-hours GP services.

Background resources

- NAO report: *Out-of-hours GP services in England* – Session 2014-15 (HC 439)
- PAC report: *Out-of-hours GP services in England* – Session 2014-15 (HC 583)
- 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 had been implemented. 5 recommendations remained work in progress, of which 4 have now been implemented, as set out below.

1: Committee of Public Accounts conclusion:
NHS England's oversight of the value for money of out-of-hours GP services has been inadequate.

Recommendation:
NHS England should adopt a proportionate oversight regime which provides it with assurance on the value for money of out-of-hours GP services and allows it to identify poorly performing services and make targeted interventions.

1.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

1.2 NHS England developed a revised assurance framework which has been applied to clinical commissioning groups (CCGs) from April 2015. CCGs are the principal commissioners of out-of-hours GP services. Within the revised framework there will be a specific focus on the value for money and effectiveness of these services. The approach will be robust but proportionate, with a more intensive assurance process for the most challenged CCGs and a lighter touch for those identified as high performing. In the round, NHS England believes that out-of-hours GP services provide strong value for money to tax payers.

2: Committee of Public Accounts conclusion:
NHS England should do more to understand the reasons for the significant variations in cost and patient satisfaction.

Recommendation:
NHS England should take responsibility for developing an understanding of the significant variations across England in the cost of out-of-hours GP services and in the level of patient satisfaction with these services.

2.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

2.2 In September 2015, NHS England published a set of commissioning standards for integrated urgent care services, including out-of-hours GP services. The intent is to enable commissioners to deliver a functionally integrated 24/7 urgent care service that is the 'front door' of the NHS and which provides the public with access to both treatment and clinical advice. This will include NHS 111 providers and out-of-hours GP services, community services, ambulance services, emergency departments and social care.

2.3 Following benchmarking exercises, and incorporating benchmarked data, NHS England is planning to publish in the near future an Integrated Urgent Care Financial Modelling Tool along with a suite of guidance documents. This is intended to help enable commissioners and providers of integrated urgent care services, including out-of-hours GP services, explore the opportunities and financial implications of different scenarios in relation to the new integrated model of urgent care. The new tool will help commissioners put in place services that improve value for money of integrated urgent care services, including out-of-hours care, and reduce unwarranted cost variation.

4: Committee of Public Accounts conclusion:
The urgent and emergency care system is complex and fragmented and the present financial incentives run the risk of undermining effective integration of the different elements.

Recommendation:
Given the pressures on the NHS budget it is important that NHS England should expedite the redesign of urgent and emergency care services. NHS England, working with Monitor, should urgently identify solutions for paying for urgent and emergency care that address the current misaligned incentives and promote the treatment of patients in the most appropriate setting and the most effective use of NHS resources.

4.1 The Government agrees with the Committee's recommendation.

Target implementation date: April 2017.

4.2 As set out in the *NHS Five Year Forward View,* NHS England is prioritising the reform of urgent and emergency care services, through its Urgent and Emergency Care Review. Urgent and emergency care networks are in the process of finalising geographic boundaries and membership to give strategic oversight of urgent and emergency care. 8 Urgent and Emergency Care Vanguards have been agreed, which will accelerate the pace of redesigning urgent and emergency care in their localities, including testing of payment reform and outcome metrics.

4.3 NHS England published new commissioning standards for a functionally integrated 24/7 urgent care service in October 2015 with NHS 111 being the 'front door' to the NHS providing the public with access to urgent care assessment, advice and treatment. We expect 20% of CCGs to have implemented these new integrated arrangements by March 2017, 50% by June 2018 and 100% by March 2020. NHS England is also working with commissioners to understand future cost compared with current cost of NHS 111 and out-of-hours services which will support commissioners in modelling the costs of an integrated urgent care service in their area and identify the other benefits of the integrated service compared with the current mode of operation.

4.4 To support new models of care set out in the *NHS Five Year Forward View,* NHS Improvement is developing a three-part payment approach for urgent and emergency care. An outline design was published in August 2015 for local areas to use on a voluntary basis within the local pricing rules. Local pricing rules set out a framework for commissioners and providers to implement new local payment approaches that support the shift to new care models.

4.5 Before a new payment approach for urgent and emergency care can be made available nationally, it will need to be tested, evaluated and consulted on. Testing is expected to begin by some vanguard sites later in 2016-17 and further, more detailed, guidance is planned to be available for use on a voluntary basis from April 2017. In the meantime, Monitor (now NHS Improvement) published guidance as a part of the 2016-17 national tariff on local updates to the 2008-09 baseline for emergency admissions to account for significant changes in the pattern of emergency admissions faced by providers in some localities.

5: Committee of Public Accounts conclusion:
Too many people are unaware of the different urgent care options and of how to contact them, meaning they may not receive care in the most appropriate setting.

Recommendation:
NHS England should set targets to increase public awareness of out-of-hours GP services and NHS 111, and collect data to monitor progress. As well as general public awareness, it should focus particularly on those groups with the lowest levels of awareness.

5.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

5.2 NHS England is working with the Department of Health and Public Health England to align winter campaigns, which include ensuring people know which service is right to choose for advice. This will improve the effectiveness of winter communications through ensuring that they are fully integrated and coordinated. This has commenced through the 'Stay Well This Winter' roadshows, which are designed to make sure people have the information they need to help them look after themselves and know where to go for urgent advice – whether it's pharmacies, NHS Choices, NHS111 or A&E. All activity will be organised in close liaison with CCGs.

6: Committee of Public Accounts conclusion:
NHS England cannot at present assess how many GPs will be needed over the coming years.

Recommendation:
The Department and NHS England should develop a model for the GP workforce now, and use the results to inform discussions about the budget the NHS needs and decisions about the number of GP training places required.

6.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

6.2 The Workforce 2020 programme aims to deliver the Government's manifesto commitment of an extra 5,000 doctors and 5,000 other staff working in general practice by 2020. This programme of work was set out in the General Practice Forward View published by NHS England on 21 April 2016.

6.3 NHS England continues to deliver a number of schemes to support the recruitment, retention and return of GPs in England. Following the launch of the Clinical Pharmacists in General Practice Pilot on 7 July 2015, funding for the pilot was increased from £15 million to £31 million. The programme now covers over 90 pilot sites employing over 450 clinical pharmacists and supporting around 700 practices. NHS England and Health Education England (HEE) have launched a new bursary scheme offering financial incentives for GP trainees willing to work in 'hard to recruit' areas.

6.4 In addition, NHS England has agreed funding for 13 Training Hubs pilots across England and, with HEE, delivered a national GP recruitment campaign for the 2015-16 recruitment year. NHS England has also launched GP coaching pilots to support the GP workforce, and provided £1.725 million of funding for practice nurse training. There is now a new Portfolio Route for returning doctors and there will be further schemes launched shortly to support retained doctors and attract returning doctors to areas of greatest need.

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)
- Treasury Minute: February 2016 (Cm 9202)

Updated Government response to the Committee

There were 12 recommendations in this report. As of the last Treasury Minute (Cm 9202), 10 recommendations were implemented. 2 recommendations remained work in progress, all of which have now been implemented, as set out below.

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, but disagreed that there is a case to change arrangements for senior executives' accountability to Parliament.

Recommendation implemented.

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.

7.3 The Government believes that appropriate measures are already in place for Parliament to hold contractors to account. Any changes should not add further burdens that would act as a barrier, especially to SMEs signing contracts.

7.4 Obligations under a duty of care are difficult to define and enforce. A report, published in December 2015, by the Committee on Standards in Public Life (CSPL) identifies for officials, involved in commissioning services, steps to avoid ethical failures, and what explicit ethical standards should be expected from providers. The Government has studied this report and engaged with industry stakeholders, including the Confederation of British Industry (CBI).

7.5 Cabinet Office is currently working with the Crown Representatives to explore the possibility of a duty of care policy. Cabinet Office will also engage with departments and strategic suppliers on the policy to consider a pragmatic solution to address the concerns related to duty of care.

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.

Recommendation implemented.

8.2 A review of the Corporate Renewal process has been carried out by Cabinet Office. The review is being considered internally and will then be shared with suppliers and Departments.

8.3 The review sought input from departments and the suppliers that went through the process, to understand how they believed the process had been implemented, the outcomes of the process and improvements to the process should it need to be utilised again. The review considers the process and actions of Corporate Renewal with reference to the eight principles of corporate renewal, the use of independent external assessors, defining successful corporate renewal and the Government's internal governance structures. There is a focus on whether supplier behaviour has changed in suppliers. The report also looks at whether healthier working relationships have been established and what different behaviours departments expect from suppliers.

Twenty Fifth Report of Session 2014-15

Department of Health

Funding healthcare: making allocations to local areas

Summary of the Committee's findings

In 2014-15, the Department and NHS England allocated a total of £79 billion to local commissioners of healthcare, equivalent to £1,400 per person. Following the reforms to the health system in 2013, there are three separate funding allocations. In 2014-15, NHS England allocated £64.3 billion to 211 clinical commissioning groups for hospital, community and mental health services and £12.0 billion to its 25 area teams for primary care; and the Department allocated £2.8 billion to 152 local authorities for public health services.

The amount of funding that individual commissioners are allocated is calculated using 'funding formulae' that apportion the total funds available. In calculating target funding allocations, the Department and NHS England aim to give those local areas with greater healthcare needs a larger share of the available funding. In deciding actual funding allocations, the Department and NHS England consider that they should only move local commissioners gradually from their current funding levels towards their fair shares, to ensure that local health economies are not destabilised.

Background resources

- NAO report: Funding healthcare: making allocations to local areas - Session 2014-15 (HC 625)
- PAC report: Funding healthcare: making allocations to local areas - Session 2014-15 (HC 676)
- 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), 1 recommendation was implemented. 6 recommendations remained work in progress, of which 5 have now been implemented and 1 is no longer being implemented, as set out below.

2: Committee of Public Accounts conclusion:
The slow progress towards target funding allocations means the Government has not fulfilled its policy objective of equal access for equal need.

Recommendation:
NHS England should confirm its commitment to move clinical commissioning groups to within 5 percentage points of their target allocations and set out a precise timetable. NHS England should also better understand the correlation between funding allocations and poor performance among clinical commissioning groups.

2.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

2.2 NHS England published its allocation of resources to NHS England and the commissioning sector for 2016-17 to 2020-21 in December 2016. As a result, in 2016-17 all clinical commissioning groups (CCGs) are no more than 5% under target for CCG-commissioned services and all CCG areas are no more than 5% under target for the total commissioning streams for their population.

Recommendation:
The Department should develop an evidence base to inform government decisions on how quickly public health allocations to local authorities should move towards their target allocations.

2.3 The Government agreed with the Committee's recommendation.

Recommendation no longer being implemented.

2.4 Following the Spending Review, the Department published public health grant allocations for 2016-17, along with indicative allocations for 2017-18. The grant has been reduced by 2.2% in 2016-17, and will be reduced by a further 2.5% in 2017-18. The Department has decided that the fairest way to make these savings is to ask every local authority to make the same percentage saving, rather than to target the reductions by asking some authorities to find more.

2.5 The Government will shortly consult on options for fully funding local authorities' public health spending for current public health duties from their retained business rates receipts as part of the move to 100% rates retention.

3: Committee of Public Accounts conclusion:
Decisions about funding for the different elements of healthcare and social care have been made without fully considering the combined effect on local areas.

Recommendation:
The Department and NHS England, working with the Department for Communities and Local Government, should carry out work to understand the interaction between the funding of healthcare and social care, and use this information to inform funding decisions.

3.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

3.2 The Department undertook a wide-ranging review of how reductions in adult social care (ASC) funding since 2010 may have impacted on the health and social care system, drawing on case studies in six different localities, interviewing participants from the NHS, councils, clinical commissioning groups (CCGs) and the third sector, supported with analysis of national data sets and a literature review. The Department also commissioned a detailed review of ASC savings, including interaction with health services. The review covered 6 case studies, reviewing, amongst other things, how some savings in either health or ASC moved pressures around the system[7].

3.3 Internal analytical work was carried out on health and care integration and the impact on both ASC and NHS finances. A range of other projects have also informed the Department's understanding of how performance (and funding) on one side of the health and care system impacts on the other, for example with the Emergency Care Improvement Programme and the work of System Resilience Groups. This broad range of work was shared and discussed with the Treasury and the Department for Communities and Local Government in support of funding bids for SR2015.

4: Committee of Public Accounts conclusion:
There is a lack of evidence to underpin the adjustment that is made for health inequalities.

Recommendation:
The Department and NHS England should improve the evidence base for the health inequalities adjustment, including collecting evidence on whether their approach is fair and cost-effective and properly meets the objective of reducing health inequalities.

4.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

4.2 Over the last year, NHS England has undertaken a comprehensive evidence review to investigate whether the evidence base for the health inequalities adjustment has changed. Evidence was found of the benefit of targeting investment at areas with high levels of deprivation, but that evidence about the size of marginal returns is uncertain.

4.3 In setting allocations for 2016-17 to 2020-21, NHS England has:

- maintained the additional inequalities adjustment at the previous levels (10% in the CCG formula and 15% in the primary care formula);

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[7] http://ipc.brookes.ac.uk/publications/publication_839.html

- introduced a new target formula for specialised services, included a 5% inequalities/unmet need adjustment, as it would expect unmet need and the potential to impact on inequalities to be proportionately lower in this area; and
-
- improvements to the targeting of the health inequalities adjustment, on the advice of the Advisory Committee on Resource Allocation (ACRA), ACRA has recommended that the application of the inequalities adjustment moves from a 10 tier to a 16 tier approach that better targets areas with the highest levels of deprivation and this recommendation was implemented in the allocations to local commissioners for 2016-17 to 2020-21.

4.4 Work will continue to develop the evidence base further for future changes to allocations.

6: Committee of Public Accounts conclusion:
The primary care funding formula was developed with limited input from the advisory body and remains an interim approach.

Recommendation:
NHS England should improve the primary care funding formula in time for the next round of funding allocations for 2016-17, with early input from the Advisory Committee on Resource Allocation.

6.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

6.2 An improved primary care formula was recommended by ACRA and implemented by NHS England for 2016-17. The key change is the inclusion of new estimates of stratified workload per patient for GPs based on 2 million patient records from the Clinical Practice Research Datalink 2014, which has allowed the importance of key drivers of primary medical care activity to be re-estimated.

7: Committee of Public Accounts conclusion:
The target funding allocations may be unreliable in some areas due to shortcomings in the GP list data which are used to estimate population size.

Recommendation:
NHS England should take immediate action to ensure that all area teams are complying with its guidance on GP list validation, at the same as taking forward its longer-term plans to gain greater assurance over the data.

7.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

7.2 NHS England conducted a review of GP list validation activity by local teams which concluded in April 2015. This found that all areas were aware of the national policy and that list validation exercises were being carried out in all areas, although of different patient cohorts and to varying degrees and frequencies. NHS England has continued to seek and receive updates from local teams on GP list inflation and local validation exercises.

7.3 NHS England has now completed a procurement process for primary care support services and let a contract to Capita Business Services Ltd. Capita have taken on the service in stages and became responsible for providing the service across the whole of England from 1 April 2016. The contract with Capita includes requirements for them to work to improve the quality of patient data held on national systems which help to combat list inflation. NHS England is working with Capita to address the variation in previous practice and to ensure that checks are being consistently undertaken across all registered populations. This will be in place consistently across all areas by April 2017.

Twenty Sixth Report of Session 2014-15

HM Treasury

Whole of Government Accounts 2012-13

Summary of the Committee's findings

The Treasury published the audited 2012-13 WGA in June 2014. It is the most comprehensive picture of the government's finances currently available, combining the financial activities of some 3,800 organisations across the public sector. The WGA reports net expenditure (total expenditure less income) for the year of some £179 billion compared to £185 billion the previous year. Net liabilities (the difference between the government's assets and liabilities) have risen from £1.3 trillion to £1.6 trillion by 31 March 2013.

Background resources

- NAO report: *Whole of Government Accounts 2012-13* - Session 2014-15 (HC 93)
- PAC report: *Whole of Government Accounts 2012-13* - Session 2014-15 (HC 678)
- Treasury Minute: March 2015 (Cm 9033)

Updated Government response to the Committee

There were 12 recommendations in this report. As of the last Treasury Minute (Cm 9033), 2 recommendations had been implemented and the Department disagreed with 4 recommendations. 6 recommendations remained work in progress, of which 5 have now been implemented, as set out below.

2: Committee of Public Accounts conclusion:
The Government has made progress in reducing the deficit, but the challenges in meeting current and future targets for eliminating the deficit look very challenging.

Recommendation:
The WGA should also set out how Spending Teams have used WGA information to influence the next spending round and beyond.

2.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

2.2 WGA is established within the Treasury as a source of data to inform spending rounds. Treasury spending teams used WGA data during the 2015 Spending Review to inform discussions with Departments through the whole exercise. WGA information was also used to analyse the Governments fixed assets to facilitate decisions on the Government property model and analyse operating expenditure by Department. The Treasury will continue to integrate WGA data in the spending control processes to enable spending teams to challenge Departmental expenditure and manage longer term fiscal risks.

3: Committee of Public Accounts conclusion:
The Treasury does not currently assess the level of fraud and error across the whole of Government.

Recommendation 3a:
The Treasury should collect information across the whole of Government so that it can disclose the totality of monies lost through fraud and error.

3.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

3.2 Based on information provided by the Cabinet Office, the 2014-15 WGA (published 26 May 2016) now contains a disclosure, in the Overview section of the publication, detailing the money lost through fraud and error. This information is obtained from a cross-Government data collection administered by the Treasury on behalf of the Cabinet Office. In addition the NAO has published this data in more detail in their *Cross-Government Fraud Landscape Review 2016*.

Recommendation 3b:
The Treasury should develop a consistent and coherent policy across Government for tackling fraud and error with a view to reducing the losses concerned.

3.3 The Government agreed with the Committee's recommendation.

Recommendation implemented.

3.4 The Cabinet Office's Fraud, Error and Debt (FED) Team is the Government's policy lead for cross-central Government work in this area. The FED team, working with counter fraud experts from across Government, the private sector and third sector, have created a counter fraud framework which identifies each counter fraud specialism. The FED team are creating professional standards for each counter fraud specialism to be used by Departments and to create a counter-fraud profession.

3.5 In the same collaborative approach, the FED team have developed Functional Standards that detail the basic components that should be in place within an organisation to enable them to deal with fraud. The FED team have worked with each Department to make sure their Single Departmental Plan included a commitment to tackling fraud and have developed a standardised approach to collecting and reporting counter fraud management information.

4: Committee of Public Accounts conclusion:
The WGA does not provide Parliament with information on national or regional spending.

Recommendation:
The Treasury should develop and implement an action plan and timetable for the future disclosure of expenditure on a national and regional basis.

4.1 The Government agrees with the Committee's recommendation.

Target implementation date: March 2017.

4.2 The Government already publishes national and regional splits of expenditure data as part of the Public Expenditure Statistical Analysis annual publication.

4.3 The Treasury shares the Committees view regarding the inclusion of regional spending analysis in the Whole of Government Accounts. The Treasury is currently working through the data collection and analysis implications and will provide an update on the feasibility of including regional level data in the 2015-16 WGA accounts

5: Committee of Public Accounts conclusion:
The Treasury has not demonstrated sufficient oversight in ensuring that all parts of the public sector comply with the government's expectations on pay restraint.

Recommendations:
The Treasury should publish a clear picture of pay trends across the whole public sector within the WGA. The Treasury should enhance accountability for the decisions made by public bodies by expanding the scope of the WGA Remuneration Report to include senior banded salary details for other WGA sectors as well as those for the civil service

5.1 The Government agreed with the Committee's recommendations.

Recommendations implemented.

5.2 In line with the Simplifying and Streamlining Accounts project, supported by the Liaison Committee and the PAC, the content and use of the Remuneration Report within the WGA was reviewed following the Committee's recommendation to publish clear picture of pay trends across the whole of the public sector. Information on pay trends is already published in the following publications: Annual Survey of Hours and Earnings (ONS), Labour Market Statistics (ONS), Civil Service Statistics (ONS) and the Local Government Earnings Survey (Local Government Association). The 2014-15 WGA now contains a much simplified and re-focused Remuneration Report providing a strategic overview of public sector pay policy, total staff costs, key median earnings metrics and numbers of persons employed.

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)
- Treasury Minute - Progress Report: February 2016 (Cm 9202)

Updated Government response to the Committee

There were 5 recommendations in this report. As of the last Treasury Minute (Cm 9202), 2 recommendations were implemented and the Department disagreed with 1 recommendation. 2 recommendations remained work in progress, both of which have 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.

Recommendation implemented.

2.2 Capturing and sharing lessons is an integral part of the Project Management Framework the Department has implemented for delivery of all its infrastructure projects. Ensuring projects build in lessons from past and current projects is encouraged from the project initiation stage, at each business case approvals point, through the Project and Programme Management Centre of Excellence (PPM CoE) and regularly through the life of the project.

2.3 The Department shares lessons learned with the project delivery community through a number of channels, including quarterly Community of Practice events, twice quarterly learning seminars and monthly newsletters. Senior Responsible Owners (SRO) are responsible for ensuring regular evaluation and lessons learned exercises are conducted and shared, both in the delivery and in the outcomes achieved. The Department seeks international learning in its individual project teams for their planning and development.

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.

Recommendation implemented.

5.2 SROs have overall responsibility for ensuring benefits are agreed, captured and delivered. The Department has strengthened its benefits management approach with some areas, such as rail, recruiting benefits managers sitting at portfolio and programme level. The Department has built in more robust scrutiny of benefits realisation plans and strategies at the key business case stages. The Department has initiated a portfolio management maturity plan, which includes the monitoring and evaluation of projects. A project delivery toolkit for benefits management is available for all projects to use as guidance.

Twenty Ninth Report of Session 2014-15

Home Office / Ministry of Justice

Foreign National Offenders

Summary of the Committee's findings

The Government aims to remove as many foreign national offenders as quickly as possible to their home countries, to protect the public, to reduce costs and to free up spaces in prison. At the end of March 2014 there were 8,003 foreign national offenders in prison in England and Wales, and a further 4,247 living in the community pending removal action, having finished their sentence. The Home Office has overall responsibility for the removal of foreign national offenders, and works with the Ministry of Justice, the National Offender Management Service, the Foreign and Commonwealth Office and the police to expedite removal. The National Audit Office estimates that in 2013–14 the cost of managing and removing foreign national offenders was some £850 million, £100 million more than managing an equivalent number of British national prisoners.

Background resources

- NAO report: *Home Office, Ministry of Justice and Foreign & Commonwealth Office, Managing and removing foreign national offenders* - Session 2014-15 (HC 441)
- PAC report: - *Managing and removing foreign national offenders* - Session 2014-15 (HC 708)
- 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), 1 recommendation had been implemented. 5 recommendations remained work in progress, of which 3 recommendations have now been implemented, as set out below.

1: Committee of Public Accounts recommendation:
There has been very little progress in removing foreign national offenders from the UK, despite firm commitments in 2006 to remove more and a substantial increase in resources to do so.

Recommendation:
The Home Office should set out how it will improve the management of foreign national offenders, the specific measures against which it expects to be held accountable, and the progress it expects to make against each measure in the future. The Committee expects to see significant progress in managing and removing foreign national offenders by the end of 2015.

1.1 The Government accepts the Committee's recommendation.

Recommendation implemented.

1.2 The Department removed over 2,000 foreign national offenders (FNOs) during their Early Removal Scheme period in 2015-16. This is an increase of over 300 on 2014-15 performance and represents a significant saving for the Ministry of Justice. Performance has been driven primarily by both a more robust approach to European Economic Area criminality and continued benefits from "deport now, appeal later" provisions of the 2014 Immigration Act.

1.3 Before the commencement of the Act, the Department had seen a significant increase in the number of challenges to deportation. The Act now allows the Department to deport FNOs at the earliest opportunity by only enabling FNOs to appeal from abroad if there is no real risk of serious irreversible harm. More than 3,400 FNOs have been removed under these powers since July 2014. In country appeals have reduced from 2,351 in 2013-14 to 1,419 in 2015-16.

2: Committee of Public Accounts recommendation:
The Home Office still lacks the data it needs to manage foreign national offenders effectively.

Recommendation:
The Home Office needs to fundamentally rethink what management information strategy it needs, including identifying the data it needs across all its immigration information systems. It must then act to implement the required changes without further delay.

2.1 The Government agrees with the Committee's recommendation.

Target implementation date: December 2017.

2.2 Senior officials from the Home Office and Ministry of Justice meet fortnightly to discuss the cross-government FNO agenda, aligning departmental priorities and coordination of operational processes.

2.3 The Home Office and NOMS have established a bilateral performance group which meets monthly to improve and review management information and performance. Analysts from both departments attend to foster greater collaboration and data sharing.

2.4 Mobile finger print devices were rolled out nationally, but were of limited use due to issues of connectivity. Work is underway to replace all mobile devices with a wireless device. This will enable access to all IT systems and capture, enrol and check biometrics. The device is expected to be rolled out from September 2017. Further, the Departments are working to build a case to install livescan machines in prisons to replace the manual process.

2.5 The Home Office are investing in replacing IT systems to enable smarter working. Whilst this is being developed, the department has introduced a new workflow tool to track and better manage cases through the deportation process.

3: Committee of Public Accounts recommendation:
Opportunities to prevent foreign nationals committing offences and going to prison are being missed.

Recommendation:
The Home Office, working with the police, needs to make much better use of existing information from overseas and at home, to prevent more potential foreign national offenders from entering the UK, to ensure all arrested foreign nationals not entitled to remain in the country are removed, and to help other criminal justice bodies better manage foreign national offenders throughout the system.

3.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

3.2 The Government continues to ensure that more information from overseas is available across the criminal justice system. Most UK forces can now check fingerprints automatically against immigration fingerprint records, and new powers, introduced in the Policing and Crime Bill, will help the police establish the identity of foreign nationals on arrest.

3.3 The department has increased criminal records exchange since 2010, are leading calls in Europe for the sharing of criminal records, and have opted in to proposals to share criminal records of third country nationals held in the EU. The department connected to the Schengen Information System in April 2015 giving it access to about 35,000 people wanted for offences across Europe. This allows Border Force to identify and detain them as they arrive in the UK preventing potentially dangerous individuals entering the community. New arrangements are being trialled to require visa applicants to provide a criminal record certificate when they apply. The Department will review this trial to decide whether to roll this out further.

4: Committee of Public Accounts recommendation:
Processing foreign national offender cases for removal takes too long and costs too much.

Recommendation:
The Home Office and the Ministry of Justice should undertake a full review of the end-to-end process for foreign national offender removal, focusing on where procedures can be streamlined and made more efficient.

4.1 The Government agrees with the Committee's recommendation.

Recommendation Implemented.

4.2 The Cabinet Office reviewed the end-to-end process in removing FNOs and made a number of recommendations, such as the creation of a performance and coordination group to improve data and agreeing shared priorities, and engaging further with the police and internationally to establish identity as early as possible. The National Security Council agreed the key actions for cross-government focus.

4.3 Immigration Enforcement are working with NOMS and the Behavioural Insights Team (BIT) to increase FNO compliance. BIT has identified several opportunities to improve compliance by offering special privileges, experimenting with communication styles and improving information about the different removal options.

4.4 Immigration Enforcement and prison staff work closely together to induct FNOs within five days of arrival within the hub and spoke network. This is to promote removal compliance at an early stage, and obtain documentary evidence to support nationality and identity. This has contributed to the rise in removals within Early Removal Scheme and maximised the effectiveness of the non-suspensive appeals) provisions.

4.5 The department has improved processes around identifying and reducing the administration in removing those who want to leave the UK. In 2015-16, the department removed 845 FNOs who wanted to leave the UK, enabling the Department to streamline the process and focus resources on tackling the more non-compliant FNOs.

6: Committee of Public Accounts recommendation:
Schemes designed to remove foreign national offenders from the UK have not delivered the required results.

Recommendation:
The Home Office needs to assess which schemes work best in removing foreign national offenders early and quickly. The department should revisit its current assumptions and expectations so that policy and resource decisions are evidence based, and reflect both political and practical issues.

6.1 The Government agrees with the Committee's recommendation.

Target implementation date: April 2017.

6.2 The Home Office, the Ministry of Justice and NOMS continue to work closely to manage the FNO population to maximise removals under the ERS and prisoner transfer schemes. The eligibility criterion for the Facilitated Returns Scheme (FRS) has been amended to ensure it is targeted against those who most need the support to return home. In 2015-16, 67 FNOs were removed from the UK to serve their remaining sentences abroad. The Departments are focusing on those with longer sentences and continue to work with foreign governments to improve the low take up of this regime. The "deport first, appeal later" provisions of the Immigration Act, introduced in July 2014 are having a positive impact and have been used to remove over 3,400 foreign national offenders so far.

Thirty First Report of Session 2014-15

Department for Education

16 to 18-year old participation in education and training

Summary of the Committee's findings

More 16- to 18-year-olds continue in education, although the UK still lies behind other OECD countries. Whether this is because of changes in legislation or more effective interventions is debatable. At the end of 2013, 148,000 out of the cohort of 2 million 16- to 18-year-olds in England were NEET (not in education, employment or training). Some within this NEET group have been reached by the Youth Contract, but this is expected to only support half the number it was originally predicted to assist, will end soon and the department has no plans to replace it.

Background resources

- NAO report: *16- to 18-year-old participation in education and training* - Session 2014-15 (HC 624)
- PAC report: *16- to 18-year-old participation in education and training* - Session 2014-15 (HC 707)
- Treasury Minute: 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, of which 3 have now been implemented, as set out below.

1: Committee of Public Accounts recommendation:
The department is still learning how best to use its resources to prevent young people falling out of education, training or employment at 16.

Recommendation:
The department should evaluate the relative effectiveness of its individual initiatives and use the results to shape future decisions about how to engage hard-to-reach young people.

1.1 The Government agreed with the Committee's recommendation.

Target implementation date: Spring 2017.

1.2 Separating out the impacts of the many reforms being made at the same time is difficult. In general, the Department monitors data on trends and patterns in participation, attainment and destinations of learners. In addition, where the Department can isolate specific impacts it commissions robust research to inform decisions on policy design and strategy.

1.3 The Department for Business, Innovation and Skills (BIS) commissioned an evaluation of the traineeships programme and the final report is due for publication in spring 2017. The Department for Work and Pensions (DWP) commissioned studies on Jobcentre Plus pilots and on the Innovation Fund. The pilots concluded in March 2016, with an evaluation report due to be published in summer 2016. Evaluation of the innovation fund is still ongoing with qualitative research due to be published summer 2016 and quantitative research autumn 2016. The Department will continue to work with other Departments to improve its evidence base throughout the period.

1.4 The Department has developed a strategy which includes plans for filling key evidence gaps and evaluating reforms of post-16 education and training. This will be regularly reviewed and updated to reflect policy developments.

2: Committee of Public Accounts recommendation:
The department and local authorities have more to do to identify over 100,000 young people who are off the radar. Too many young people simply disappear from all the relevant public systems.

Recommendation:
The department should work urgently with local authorities to identify and disseminate good practice on the most effective ways to track young people's education and training activities.

2.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

2.2 Local Authorities (LAs) are required to maintain tracking systems to identify young people who are not participating. LA officials already exchange ideas and practices with support from the department. Authorities are generally aware of good practice and use the existing tracking guide which draws on local practice.

2.3 The Department continues to encourage the exchange of good practice by taking a key role in regional meetings and publishing data. The Department first published its annual scorecard of LA performance in July 2015 encouraging authorities to pay attention to tracking and supporting young people, including the sharing of good practice. The Department also published a range of good practice case studies in 2015 and adds to this regularly. Measures have been introduced to improve local data and, in addition to the existing data sharing arrangement with DWP, a new arrangement has been agreed with the Skills Funding Agency.

2.4 These measures have contributed to improvements in tracking young people. Data published in May 2016 shows further falls in the number of young people recorded by LAs as NEET in all 9 regions of England, and the proportion of young people whose activity was recorded as not known has continued to fall.

3: Committee of Public Accounts recommendation:
The key intervention for the hardest-to-reach young people, the Youth Contract, is ending in 2016 and the department has no plans to replace it.

Recommendation:
The department should establish how it will build on the positive impacts the Youth Contract has achieved and set out how young people will receive similar help in the future.

3.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

3.2 The Youth Contract for 16 and 17 year olds, managed by the Education Funding Agency, was a time-bound programme to help reduce NEET numbers, through extra support. NEET rates have fallen significantly and are at a historic low; in light of this evidence the department reviewed the Youth Contract and decided not to replace it directly.

3.3 Investment will continue in other ways to support vulnerable young people. In addition to the duty on LAs to support young people, and improvements to careers advice and guidance, pathfinders to test Jobcentre Plus support for in schools have started and will be rolled out across England by March 2017. Youth Engagement and Fair Chance Fund projects are underway to help improve the prospects of 9,600 young people and an additional £80 million will be invested in Social Impact Bonds to help deal with issues including youth unemployment.

3.4 Further support is available. LAs continue to work with the Voluntary and Community Sector and local businesses to support young people. Other support is available via European Social Fund provision, and support for vulnerable groups such as care leavers. The Troubled Families Programme and National Citizenship Scheme will be expanded, and a new campaign led by the Careers and Enterprise Company will increase the number of business mentors working with young people at risk of under-achieving.

4: Committee of Public Accounts recommendation:
Longer and better quality apprenticeships are welcome, but it will also be important to guard against increasing barriers to young people and smaller firms participating.

Recommendation:
The Government needs to learn from the early pilots and trials of its new model for apprenticeships, particularly if they create new barriers that prevent the engagement of SMEs in the scheme. They will need to adjust their plans to have regard to this.

4.1 The Government agreed with the Committee's recommendation.

Target implementation date: April 2017**.**

4.2 The Government is engaging employers of all sizes in reforming apprenticeships. This includes developing new apprenticeships standards, designing the digital apprenticeship service, and establishing the Institute for Apprenticeships. More than 1,300 employers are involved in designing apprenticeship standards: 216 have been published with 160 more in development. All new standards must have the support of smaller businesses at all stages – from design to assessment – to ensure that they work for them.

4.3 An apprenticeship levy is being introduced from April 2017 to fund an increase in the quantity and quality of apprenticeship training in England. Only 2% of businesses will pay the levy – so smaller employers will not be in scope. Smaller employers not paying the levy will still have access to Government funding for apprenticeship training, but will be expected to make a financial contribution. These reforms come into effect from April 2017 and the revised target date for implementation reflects this.

4.4 To support small businesses to hire younger apprentices, the Apprenticeship Grant for Employers was extended to the end of the 2016-17 academic year. The Government has abolished employer National Insurance contributions for apprentices under the age of 25 on a salary of less than £16,000.

5: Committee of Public Accounts recommendation:
Many local authorities do not help 16- to 18-year-olds with the costs of travelling to school or college, which means some young people are disadvantaged.

Recommendation:
The department should examine the impact of variation in local authority transport policies on its objective to increase participation and should review whether and how to intervene where this is a significant barrier to participation.

5.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

5.2 Responsibility for transport to education and training for young people rests with LAs who are required to publish an annual transport statement. The Department reviews these statements, and local steering groups, who are responsible for area reviews of post-16 education and which include LAs and colleges, are expected to take account of travel to learn patterns.

5.3 The Department has reviewed the available evidence and there is no clear indication that availability of transport is a major factor in whether or not young people participate. The 16-19 Bursary Fund is available for those who most need help with transport costs. The proportion of 16 and 17-year olds participating in education has continued to rise, and is at a historic high.

5.4 It is for LAs to consider what transport arrangements are appropriate based on local circumstances and resources. This is in keeping with policy around area reviews, devolution of adult skills budgets, local city and growth deals, and Further Education capital funding. Most young people already have a discount / concession from their LA, transport provider, or school / college.

6: Committee of Public Accounts recommendation:
Despite many different approaches over the years, most young people still do not receive the careers advice they need.

Recommendation:
The department should articulate what actions it will take in future when a school's careers advice is shown to be poor. It also needs to find ways to encourage schools to work together to provide advice with more employer involvement.

6.1 The Government agreed with the Committee's recommendation.

Target implementation date: September 2016.

6.2 The Careers and Enterprise Company has made excellent progress in its work to transform the provision of careers, enterprise and employer engagement experiences for young people. This includes rolling out their Enterprise Adviser network, currently to 35 Local Enterprise Partnerships, and announcing 33 successful bidders to their £5 million careers and enterprise fund.

6.3 The Department will be adopting the 8 Gatsby benchmarks for good careers guidance as a common national approach, these will be reflected in statutory guidance to help schools identify and address weaknesses.

6.4 Following recent improvements to destination measures data, the Department will include destination measures as a headline measure in the 2016 key stage 4 and 5 performance tables (based on 2013-14 cohort going into 2014-15 destinations). These measures show the proportion of students staying in education or employment for at least 2 terms after key stage 4 and key stage 5.

6.5 The Department intends to bring forward legislation that will require schools to allow other education and training providers the opportunity to talk to pupils about their offer on school premises. Ensuring young people hear more consistently about the merits of alternatives to academic and school-based routes. The forthcoming careers strategy will provide more detail.

Thirty Second Report of Session 2014-15

Department for Education

School oversight and intervention

Summary of the Committee's findings

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

Background resources

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

Updated Government response to the Committee

There were 7 recommendations in this report. As of the last Treasury Minute (Cm 9202), 4 recommendations were implemented and the Department disagreed with 2 recommendations. 1 recommendation remains work in progress as set out below.

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

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

6.1 The Government agreed with the Committee's recommendation.

Target implementation date: Autumn 2016.

6.2 The Department expects to be able to publish its findings in autumn 2016. The work analyses the effect on academic attainment and the cost of specific interventions by local authorities and the Secretary of State in poorly performing maintained schools. It would never be possible to compare definitively the cost effectiveness of different interventions as they are not assigned randomly or used discretely, and reflect the different characteristics and capacities to improve of each underperforming school. The work is currently undergoing final internal quality assurance.

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)
- Treasury Minute – Progress Update: February 2016 (Cm 9202)

Updated Government response to the Committee

There were 7 recommendations in this report. As of the last Treasury Minute (Cm 9202), 4 recommendations were implemented. 3 recommendations remained work in progress, of which 2 have now been implemented, as set out below.

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 agreed with the Committee's recommendation.

Recommendation implemented.

2.2 The new care models programme is working with vanguards, other local health systems, the Department, and national arm's-length bodies to support the spread of new care models in line with the *NHS Five Year Forward View*[8]. The *Forward View* aims for at least 50% of the population to be covered by the new care models by 2020. Based on learning from the vanguards, the new care models programme is supporting the spread of new care models through the Sustainability and Transformation Plan process. Through the sustainability and transformation plans, each transformation footprint will identify how the local system will pursue the triple aim – better health, transformed quality of care delivery, and sustainable finances – as laid out in the *Forward View*.

2.3 During 2016-17 and 2017-18 the Multispecialty Community Providers and Primary and Acute Care Systems aim to implement a whole population payment approach based on local GP lists. NHS Improvement and NHS England are working together to support these vanguards.

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[8] https://www.england.nhs.uk/ourwork/futurenhs/

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 agreed with the Committee's recommendation.

Target implementation date: April 2017.

3.2 Urgent and emergency care is changing in response to the recommendations of the Keogh review. Monitor (now NHS Improvement) published guidance as part of the 2014-15 national tariff on local updates to the 2008-09 baseline for emergency admissions to account for significant changes in the pattern of emergency admissions faced by providers in some localities. A further change was introduced in the 2016-17 national tariff, whereby the marginal rate at which providers are reimbursed for increases in the value of emergency admissions is changed from 30% to 70%.

3.3 To support new models of care set out in the *NHS Five Year Forward View*, NHS Improvement and NHS England are developing a new payment approach for urgent and emergency care. An outline design was published in August 2015 for local areas to use on a voluntary basis within the local pricing rules. Local pricing rules set out a framework for commissioners and providers to implement new local payment approaches that support the shift to new care models. Before a new payment approach for urgent and emergency care can be implemented nationally, it will need to be tested, evaluated and consulted on. Testing is anticipated to begin by some vanguard sites later in 2016-17 and further guidance is planned to be available for use on a voluntary basis from April 2017.

3.4 NHS Improvement and NHS England are considering how they may be able to provide greater certainty on the national tariff to aid long-term planning and investment for future years.

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 agreed with the Committee's recommendation.

Recommendation implemented.

5.2 There are 82 NHS trusts as of May 2016. Of these, 8 are with Monitor for assessment and 5 are in a transaction process which could lead to merger with another organisation. NHS Improvement continues to work with the remaining 69 NHS trusts in support of the Government's policy for all NHS trusts to either achieve foundation trust status in time or become another organisational form, while at the same time also supporting both NHS providers and wider local health economies in ensuring clinically and financially sustainable services for patients. In bringing together Monitor and TDA, NHS Improvement is aligning its approach to the regulation and oversight of NHS foundation trusts and NHS trusts.

5.3 The *NHS Five Year Forward View* outlines how the NHS needs to deliver care in new and innovative ways. NHS England and NHS Improvement 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.

5.4 While applications for foundation trust status continue to be considered, provider leadership needs to focus on local and national challenges including quality, financial and operational performance and delivering 7-day services. Any specific trusts that are well advanced in the foundation trust pipeline will continue to be considered on a case by case basis.

Thirty Sixth Report of Session 2014-15

Ministry of Justice

Implementing reforms to civil legal aid

Introduction from the Committee

Legal aid pays for legal services for people who meet eligibility criteria set by the Government. In November 2010, the Ministry set out plans for reforms to civil legal aid and these took effect in April 2013. The reforms had four objectives: to make significant savings to the legal aid budget; to discourage litigation at public expense; to target legal aid to those who need it most; and to deliver better overall value for money. To achieve this the Ministry introduced reforms including: removing many areas of law from eligibility for legal aid; tightening the financial eligibility criteria for legal aid; cutting fees paid to providers by 10%; and providing more legal advice over the telephone.

The Ministry is responsible for legal aid policy and the Legal Aid Agency (the Agency) is responsible for the operation of the legal aid system, including managing contracts with legal aid providers and monitoring the quality and accessibility of legal aid. The Agency spent £801 million on civil legal aid in 2013-14, £141 million less than in 2012-13.

Background resources

- NAO report: Implementing Reforms to Civil Legal Aid – Session 2014-15 (HC784)
- PAC report: Implementing reforms to civil legal aid – Session 2014-15 (HC 808)
- 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), 5 recommendations were implemented and the department disagreed with 1 recommendations. 1 recommendation remained work in progress, which has now been implemented, as set out below.

3: Committee of Public Accounts conclusion:
Contrary to its assurances to Parliament, the Ministry does not know whether people who are eligible for legal aid are able to get it.

Recommendation:
The Agency should, as promised in its 2012 impact assessment, establish a robust mechanism to identify and address any shortfalls in provision, building on the NAO's analysis, so it can be confident those still eligible are able to access legal aid.

3.1 The Government agreed with the Committee’s recommendation.

Recommendation implemented.

3.2 The Legal Aid Agency (LAA) already takes steps to identify and address shortfalls in provision across England and Wales through quarterly reviews, covering every procurement area. These consider whether clients have access to organisations who undertake legal aid work in their local area in each category of law, and that organisations are allocated enough work under their contracts to cope with demand.

3.3 The Agency also takes focussed action in particular categories of law where an issue is identified outside of the regular reviews to ensure access to services is maintained. These regular and ad-hoc reviews enable the Agency to identify the drivers for lack of provision within an area and take appropriate action. This can include running interim tender rounds or inviting existing providers to apply for more work. The LAA has a successful track record of quickly securing provision where access issues have been identified.

3.4 There are geographical variations in the take up of legal aid that the department needs to investigate further. Three pieces of research have been commissioned: a report on the not for profit sector was published in December 2015, as was one half of the work on resolving justice issues. The other half is expected to be published in summer 2016. Further analysis in relation to the legal aid market will be carried out as part of the planned post-implementation review of LASPO, due to take place three to five years after implementation.

3.5 The LAA continues to undertake capacity reviews and to take action as required. For example, in May 2016 it ran ad-hoc tenders for housing providers in Hull and Surrey.

Thirty Seventh Report of Session 2014-15

Department of Health and Department for Communities and Local Government

Planning for the Better Care Fund

Summary of the Committee's findings

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

Background resources

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

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9091), 3 recommendations were implemented. 3 recommendations remain work in progress, as set out below.

1-2: Committee of Public Accounts conclusion:

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

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

Recommendations:

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

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

1.1 The Government agrees with the Committee's recommendations.

Target implementation date: October 2016.

1.2 The Spending Review in November 2015 announced new Government ambitions on integration of health and social care for the years to 2020. The Department of Health, Department for Communities and Local Government, the Treasury and the Cabinet Office are in the process of developing a policy framework for implementation of these ambitions, and will include NHS England, the Local Government Association and the Association of Directors of Social Services in these discussions at the appropriate time. The financial objectives associated with the policy form a key component of the ongoing discussions of the policy framework, and will be clearly and unambiguously defined between all partners.

1.3 The intention is to publish the agreed policy framework by October 2016 along with any operational planning guidance necessary. The final framework and any guidance associated with it will include a clear articulation of the objectives that Government expects local health and care systems to meet, including any financial objectives.

3: Committee of Public Accounts conclusion:

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

Recommendation:

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

3.1 The Government agrees with the Committee's recommendation.

Target implementation date: September 2016.

3.2 There will always be limits to the ability of Departments to predict all eventualities, particularly in the case of complex system transformations. However, the Departments will ensure opportunities for review are built into the implementation process on the forthcoming policy framework for health and social care integration by 2020. Departments are in the process of putting appropriate programme governance in place in order to oversee the management of the policy, and this includes work to identify risks and issues associated with its implementation, and any mitigating actions for them.

Forty Third Report of 2014-15 Session

Department of Health

Public Health England's grant to local authorities

Summary of Committee's findings

The Health and Social Care Act 2012 made fundamental changes to the system for funding and delivering public health. Responsibility for commissioning local public health services returned to local authorities from the NHS. Local authorities now have a statutory duty to improve the health of their populations. The Department of Health also created Public Health England (PHE), a new national executive agency. PHE is intended to have an authoritative and expert voice on protecting and improving the nation's health. It provides local authorities, the Department and the NHS with advice and evidence on what works on public health interventions. It also directly provides a range of central services, such as social marketing campaigns and health protection. PHE is accountable for securing improved public health outcomes.

Background resources

- NAO report: *Public Health England's grant to local authorities* - Session 2014-15 (HC 888)
- PAC report: *Public Health England's grant to local authorities* - Session 2014-15 (HC 893)
- 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), 7 recommendations remained work in progress, all of which have now been implemented, as set out below.

1: Committee of Public Accounts conclusion:
Many local authorities do not yet receive a proportion of public health funding that fairly reflects their needs.

Recommendation:
The Department should set out clear plans for how quickly it will move local authorities to their target funding allocations for public health.

1.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

1.2 The 2015 Spending Review Settlement confirmed reductions in the public health grant. In February 2016, the Department published public health grant allocations for 2016-17, along with indicative allocations for 2017-18. The grant will be reduced by 2.2% in 2016-17, and a further 2.5% in 2017-18.

1.3 The Government decided that the fairest way to make these savings is to ask every local authority to make the same percentage saving, rather than to target the reductions by asking some authorities to find more.

2: Committee of Public Accounts conclusion:
The Department has not yet decided whether the public health grant to local authorities will remain ring-fenced after 2015–16.

Recommendation:
The Department should do all it can to provide more certainty to local authorities, by prioritising a quick decision on whether the ring-fence will remain. If the ring fence is lifted it needs to implement other levers to protect investment in public health.

2.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

2.2 The 2015 Spending Review Settlement confirmed that the ring-fence grant on public health spending will be maintained in 2016-17 and 2017-18. The Government will shortly consult on options for funding local authorities' public health spending from their retained business rates receipts as part of the planned move to 100% business rates retention. The Department, with support from PHE, will continue to work across Government to ensure that health needs are taken into account in business rates retention work.

3: Committee of Public Accounts conclusion:
PHE does not yet have a prioritised approach to influencing wider government policies.

Recommendation:
PHE should set out a prioritised strategy for influencing Whitehall, and the measures to review its success.

3.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

3.2 Good progress has been made on the PHE cross Government engagement strategy. Following a review from the first phase of activity, PHE have broadened the scope of the strategy to include a broader range of Departments to maximise synergies and opportunities for collaboration across government, considering their policy links to the priorities of PHE. PHE's work will now focus on how they can help them to achieve their priorities, using their public health expertise to inform wider Government policy. Progress will be monitored on an ongoing basis.

4: Committee of Public Accounts conclusion:
PHE does not target its support sufficiently well to those local authorities that most need it.

Recommendation:
PHE should target its advice and support on those areas which would benefit most from such support. It should encourage local authorities to use the tools it has developed to improve public health outcomes.

4.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

4.2 PHE has restructured its Centre footprint to better align to local government. A Centre Director Network has been established, while a time-limited Improvement Hub has been created to embed new ways of working and enable improved tailoring of national products to local needs. Knowledge and intelligence teams are also part of the new footprint to provide high quality tools, products, expert advice and support to local authorities.

4.3 PHE provides support to the Association of Directors of Public Health to deliver sector led improvement programmes through which local authorities work together to improve their performance, and also supports local authorities under the ADPH, LGA and PHE protocol where there is demonstrable risk of underperformance. PHE also provides support by seconding staff to local authorities to support specific areas of work. This enables local authorities to receive person-to-person support in addition to the tools and processes available. For example, secondment of staff to London local authorities has supported work on sexual health, and PHE has provided targeted support through structured thematic reviews on areas such as drug recovery and bespoke support to reduce alcohol harm.

4.4 In addition, PHE has produced a single list of the products and services that it provides to local government. This list will be reviewed and updated in 2016-17.

5: Committee of Public Accounts conclusion:
PHE works through influence and cannot direct local authorities to act. PHE is accountable for securing improved public health outcomes.

Recommendation:
The Department and PHE should identify how they will improve PHE's influence with local authorities, focusing on how to make progress on PHE's five health improvement priorities.

5.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

5.2 PHE fulfils the role of providing evidence, advice and support to local authorities. Local authorities must have regard to the Public Health Outcomes Framework and local authority Chief Executives and Directors of Public Health must confirm that grant conditions have been met and report annually on their expenditure. The Government is not proposing to change the statutory prescribed measures in respect of local authorities' public health responsibilities for 2016-17.

5.3 External feedback from local authorities and stakeholders (Ipsos MORI Social Research Institute poll) shows PHE is having a positive impact on stakeholders' organisation and work and stakeholders want to see PHE continue this trend in future. There are many examples of PHE improving influence through forming positive and supportive relationships with local government - for example:

- A community-based flexible response is a core part of PHE's work. Each Centre sets out local priority actions in its local business plan and the Centre Network business plan sets out nationwide work on the implementation of national priorities;
- PHE is promoting the adoption of place-based approaches more widely. Providing dedicated support to the Manchester devolution deal to promote public health and is at the forefront of developing the devolution deal for London and the North East where its Chief Executive chairs a Health and Care Commission. PHE is considering how to support other devolution proposals going forward;
- Supporting work on return on investment (ROI); and
- PHE chairs the NHS Prevention Programme Board, bringing together key partners in the health system to provide strategic direction on the prevention agenda which forms part of the NHS Five Year Forward View.

6: Committee of Public Accounts conclusion:
PHE does not provide local authorities with sufficient evidence or support to drive better decision making at the local level.

Recommendation:
PHE should continue to improve its support to local authorities, including helping local authority staff to understand the evidence base for what works best, and addressing the recommendations detailed in the NAO report.

6.1 The Government agreed with the Committee's recommendation

Recommendation implemented.

6.2 PHE has re-organised to provide more dedicated analyst resource locally. During 2015-16, PHE developed its Health Economics Programme to raise awareness and build capacity within local government to use health economics both in decision making and in making the case for investing in prevention. PHE has recruited to all senior posts in its local Knowledge and Intelligence services which are developing plans based on local system priorities, PHE has also produced data and evidence packs to support local systems in developing their Sustainability and Transformation Plans.

6.3 In 2016-17, PHE will focus on the development of more flexible local data tools and further modelling and analysis in priority areas including employment and health and return on investment. PHE continues to work closely with NICE in a number of areas including developing a database of local case studies to share best practice which will be launched in 2016.

7: Committee of Public Accounts conclusion:
The profile and impact of public health work in local authorities is undermined by high staff vacancy rates, particularly for directors of public health.

Recommendation:
The Department and PHE should set out how they are addressing vacancy rates in local authority public health teams, including tackling disincentives in the terms and conditions for public health staff moving from the NHS to local government.

7.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

7.2 Director of Public Health (DPH) vacancy rates have remained reasonably constant over the past 3 years, and all local authorities without a substantive DPH have appropriate arrangements in place. Latest data (Feb 2016) confirms 114 of the 133 (86%) DPH posts (some of which are shared arrangements) are filled with a substantive appointment. This compares to 84% at the end October 2015. This represents 88% of the 152 local authorities having substantive DPHs in place as at February 2016. The majority of DPH vacancies are under active recruitment and PHE Centre Directors are in contact with local authorities to support where there are issues affecting recruitment.

7.3 The Department and PHE are committed to developing the public health workforce and a review of the public health workforce was carried out in 2015-16, which will inform a new public health workforce strategy to develop and sustain a workforce that is fit for the future.

7.4 The Department has funded PHE to develop and deliver the Future Directors programme which creates a "pipeline" for succession planning, and is working with PHE and the local Government Leadership Centre to deliver the Skills for Systems Leadership programme and other programmes to support leadership development and talent management in the system.

Forty Fourth Report of Session 2014-15

Department for Education

Children in Care

Summary of the Committee's findings

The Department for Education sets policy for children in care and has objectives to improve the quality of their care and the stability of their placements. Local authorities look after more than 68,000 children, in line with statutory duties set out by Parliament and the Department. Ofsted regulates and inspects care services and the Department can intervene if local authorities do not deliver services to an acceptable standard. Local authorities look after children in their own foster and residential homes, or pay private or voluntary organisations to do so.

Background resources

- NAO report: *Children in Care* - Session 2014-15 (HC 787)
- PAC report: *Children in Care* - Session 2014-15 (HC 809)
- Treasury Minute: July 2015 (Cm 9091)

Updated Government response to the Committee

There were 10 recommendations in this report. As of the last Treasury Minute (Cm 9091), 2 recommendations were implemented and the department disagreed with 4 recommendations. 4 recommendations remained work in progress, of which all have now been implemented, as set out below.

3: Committee of Public Accounts recommendation:
Too few children are getting the right placement first time and too many are placed away from their home area.

Recommendation:
The Department should set out a strategy and a timetable for improving the commissioning of all care places, including specialised care places.

3.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

3.2 To support improvements in commissioning, a 3 day commissioning academy was held between November 2015 and January 2016, specifically aimed at children's social care commissioners. This pilot, developed by the Cabinet Office's Commissioning Academy with the Department's support, brought together 30 local authority commissioners from across the country. Learning sessions included Developing Diverse Markets and Community Capacity, and Social Value and Co-Production. The events also helped distil and share good practice on areas such as outcomes based commissioning and were supported by a "time bank" to help participants share their expertise with each other even after the academy had concluded.

3.3 All of the projects funded by the Department's Innovation Programme are being evaluated, and the lessons from the commissioning-related innovation projects and their evaluations will inform future commissioning models. Commissioning in children's social care, including commissioning care placements, will also feature in the broader thematic reports due to be published in Spring 2017.

3.4. The Department is considering what further action would add value to the commissioning of children in care services. At the request of the Prime Minister and Secretary of State for Education, Sir Martin Narey has recently undertaken a review of children's residential care, published on 4 July 2016, in which he examined commissioning practices and made recommendations[9]. The government will be

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

taking forward these recommendations in the context of children's homes, and will also be conducting a national stocktake of fostering which will include a thorough examination of the commissioning of foster placements.

8: Committee of Public Accounts recommendation:
The department has recently introduced initiatives to improve educational outcomes for children in care, such as virtual school heads, but it does not know whether its initiatives are working.

Recommendation:
When the Department mandates or directs local authorities to take action and spend public money, it must then take an interest in the outcomes, and develop measures of success, evaluate progress and plan for sharing what proves to be successful, or otherwise, with councils.

8.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

8.2 The Department has undertaken a series of 'deep dive' visits to local authorities across England to understand the impact of the virtual school head role since it became statutory, as well as how they were using pupil premium plus funding to support the education of children looked after by their authority. The series of visits (covering 20 local authority areas) were completed in April 2016. As part of those visits, the Department spoke to virtual school heads and designated teachers in schools. The findings of those visits will be shared with virtual school heads later in 2016, so that they can consider the implications for effective practice.

9: Committee of Public Accounts recommendation:
Without accurate, complete and comparable data about the cost of services provided for children in care, the department cannot hold local authorities to account effectively or test value for money.

Recommendation:
The Department should work with local authorities and the Department for Communities and Local Government to secure reliable, comparable data on costs, and use it alongside existing performance indicators to develop assessments of value for money that are useful both for local authorities and central government.

9.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

9.2 The Department commissioned two research projects on local authority children's services expenditure. Aldaba and the Early Intervention Foundation looked at children's services expenditure decisions in 17 Local authorities. Another study by Boston Consulting Group conducted two research deep-dives with four local authorities to explore how local authorities can maintain or improve children and family services outcomes while reducing costs; and explore expenditure on system process and overheads for safeguarding and variances between authorities. Both research projects have now been completed and are expected to be published in due course.

10: Committee of Public Accounts recommendation:
Finding children who go missing from care, including victims of child sex exploitation, and then keeping them safe is made more difficult by the lack of a national register.

Recommendation:
The Department should set out how it intends to facilitate central commissioning of secure places for the victims of child sex exploitation and the construction of a national database of missing children, and by when.

10.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

10.2 In relation to the commissioning of secure children's homes places specifically, outcomes from the Department's review work with the Association of Directors of Children's Services, the Local Government Association, the Secure Accommodation Network and others across the sector were announced in a letter from Edward Timpson, Minister of State for Children and Families on 1 April 2016[10]. Sector colleagues were clear that moving to a more co-ordinated approach to commissioning was the right way forward, but agreed that much firmer data on welfare demand and detailed cost-modelling would be needed before committing to major structural change. Ministers agreed a series of early measures both to help gather the data and to address some of the more immediate pressures in the system.

10.3 A new co-ordinating point for welfare placements, operated by Hampshire County Council and funded by the Department, is now in place, helping local authorities identify and make placements in a more efficient way and providing a mechanism to gather firmer data on overall demand within the system. The data will be used to support decisions later in 2016 on the best long term commissioning arrangements for the sector, taking account of the two closely-related reviews: Sir Martin Narey's review of residential care, published on 4 July 2016; and Charlie Taylor's report on the youth justice system, expected to be published shortly.

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[10] https://www.gov.uk/government/publications/secure-childrens-homes-reform-edward-timpson-letter

Forty Fifth Report of 2014-15 Session

Department of Health

Progress in improving cancer services and outcomes in England

Summary of the Committee's findings

The number of people diagnosed with cancer in England is increasing by 2% a year on average, driven by better awareness and the ageing and growing population. More than 1-in-3 people will develop cancer in their lifetime. In 2012, around 280,000 people were diagnosed with cancer and an estimated 133,000 people died from cancer. The Department of Health is ultimately responsible for securing value for money for spending on cancer services, estimated at £6.7 billion in 2012-13. Responsibility for commissioning cancer services is shared between NHS England, through its area teams, and the 211 clinical commissioning groups. Public Health England takes the lead in providing access to cancer data to inform commissioners and help improve services. The National Institute for Health and Care Excellence reviews new cancer drugs to assess whether they should be available on the NHS.

Background resources

- NAO report: Progress in improving cancer services and outcomes in England - Session 2014-15 (HC 949)
- PAC report: Progress in improving cancer services and outcomes in England - Session 2014-15 (HC 894)
- Treasury Minutes: 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), 7 recommendations remained work in progress, of which 6 recommendations have now been implemented, as set out below.

1: Committee of Public Accounts conclusion:
The Department and NHS England have allowed a loss of momentum in the drive to improve cancer services.

Recommendation:
The Department and NHS England should review whether the new arrangements for promoting improvements in cancer care (for example, strategic clinical networks and data-sharing arrangements) provide the leadership and support required.

1.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

1.2 The independent Cancer Taskforce was set up to produce a new national cancer strategy to take us through the next five years to 2020, building on NHS England's vision for improving cancer outcomes set out in the NHS Five Year Forward View. The Taskforce, chaired by Sir Harpal Kumar, Chief Executive of Cancer Research UK, worked in partnership with the cancer community and other health system leaders, and published its report, *Achieving World Class Cancer Outcomes: A Strategy for England 2015-2020*, in July 2015.

1.3 NHS England appointed Cally Palmer CBE as National Cancer Director in November 2015. She has set up a new Cancer Transformation Board in order to implement the 96 recommendations in the strategy and published an implementation plan in May 2016. A Cancer Advisory Group, chaired by Sir Harpal Kumar, oversees and scrutinise the work of the Transformation Board.

1.4 From September 2016, NHS England will begin roll out of a national system of Cancer Alliances bringing together key partners at a sub-regional level, including commissioners, providers and patients to drive and support improvement and integrate care pathways, supported by a dashboard of key metrics.

2: Committee of Public Accounts conclusion:
It is unacceptable that NHS England does not understand the reasons why access to treatment and survival rates are considerably poorer for older people.

Recommendation:
NHS England and Public Health England should build on existing initiatives to understand better the impact of age on access to cancer treatment and outcomes and the causes of any discrimination. They should establish the extent to which the variation can be reduced, and encourage commissioners and frontline clinical staff to take action to improve access and outcomes for older people.

2.1 The Government agrees with the Committee's recommendation.

Target implementation date: March 2017.

2.2 The strategy of the independent Cancer Taskforce considered the entire cancer pathway and addressed unwarranted variation, including for older people with cancer. It recommended that NHS England, the Trust Development Authority and Monitor (now both NHS Improvement) should pilot a comprehensive care pathway for older patients (aged 75 and over in the first instance). This pathway should incorporate an initial electronic health needs assessment, followed by a frailty assessment, and then a more comprehensive geriatric needs assessment if appropriate.

2.3 The pilot should evaluate a model in which the multi-disciplinary team consider the outputs of these assessments in the presence of a geriatrician, who would advise on allied health professional needs and co-morbidities, and their implications for treatment and emotional and physical support. This is being taken forward as part of the implementation of the strategy.

3: Committee of Public Accounts conclusion:
There is still unacceptable and unexplained variation in the performance of cancer services across the country.

Recommendation:
NHS England should use the available data to oversee clinical commissioning groups more effectively and to hold them to account for poor performance where it is identified. As part of this process, NHS England should gain assurance that commissioners, both clinical commissioning groups and its own area teams, are using existing benchmarking data and learning from good practice.

3.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

3.2 NHS England monitors outcomes at clinical commissioning group (CCG) level in line with the model of CCG assurance agreed with the Department of Health. Under this model, Health and Wellbeing Boards monitor performance locally, alongside NHS England.

3.3 To strengthen the focus on clinical outcomes, NHS England has published a new CCG Improvement and Assurance Framework for 2016-17 which describes a continuous assurance process. There are four cancer indicators in the Framework: cancers diagnosed at early stage; people with urgent GP referral having first definitive treatment for cancer within 62 days of referral; one-year survival from all cancers; and cancer patient experience.

3.4 The new Cancer Dashboard includes data by CCG on survival, early diagnosis rates, treatment outcomes, patient experience and quality of life. It will be used by Cancer Alliances to pinpoint areas for improvement locally through pathway redesign and changing clinical behaviours. In addition, quarterly CCG data on the proportion of cancers diagnosed at stage 1 and 2 and through emergency presentations is published on MyNHS from May 2016.

4: Committee of Public Accounts conclusion:
The NHS is failing to meet important national cancer waiting time standards for patients.

Recommendation:
NHS England should ensure that its waiting times taskforce pinpoints why cancer waiting time standards are not being met, including assessing whether the NHS has sufficient diagnostic services. The taskforce should set out the action needed to meet the standards, and the date by which it expects the NHS will achieve the standards again.

4.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

4.2 NHS England continues to produce and circulate monthly analytical workbooks to support NHS England and NHS Improvement in monitoring and prioritising improvement work. NHS England regional teams have been monitoring assurance of the Cancer Waiting Times Taskforce's *Eight Priority Actions*, and NHS England has published policies on long waits (backstop policy) and revised breach allocation policy.

4.3 The 2016-17 NHS planning guidance advises CCGs to ensure they plan for appropriate diagnostic capacity. A new National Diagnostics Capacity Fund which will run over the lifetime of the cancer strategy will support commissioners and providers to test new approaches to increase the capacity and productivity of diagnostic services and pathways. Once established, clinical leaders working together in Cancer Alliances will be able to determine how best to direct this national funding to best effect locally.

5: Committee of Public Accounts conclusion:
Progress in improving patients' access to radiotherapy treatment has been slow, and the NHS's current stock of radiotherapy machines now needs replacing.

Recommendation:
NHS England should set out how it will ensure a coordinated national approach to procuring replacement radiotherapy equipment, so that sufficient capacity is available in the right places. It should also set out how it will work with trusts to ensure that the procurement generates the expected savings.

5.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

5.2 In order to provide the very best radiotherapy treatment to patients, we have to urgently address the need to modernise our radiotherapy machines. NHS England's Radiotherapy Service Review will establish exactly what is needed, where and when, focussing on the highest priority replacements/upgrades to result in the greatest patient impact. The Review will produce a plan for a modern national radiotherapy network by September 2016, with a revised radiotherapy service specification by the end of December 2016.

6: Committee of Public Accounts conclusion:
The completeness of staging data still varies significantly across the country and has not met the level we recommended in 2011.

Recommendation:
Public Health England and NHS England should set out when they expect all clinical commissioning groups to have staging data for at least 70% of new cancer cases. Public Health England should also provide an update on staging data completeness for 2013 in its response to this report. This should include both the national position and the extent of local variation.

6.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

6.2 Overall staging completeness continued to improve in 2014, and is now at 76.7% staged, increasing from 51% in 2011, 62% in 2012 and 70.8% in 2013. There are 209 CCGs. The smallest have approximately 200 cancer diagnoses a year, the largest around 6,000. In 2014, 168 CCGs (80%) reported staging completeness of over 70%, an increase from only 62% in 2013. The staging completeness ranged from 45% to 88%.

6.3 In 2015, Public Health England (PHE) stated that it expected over 75% of CCGs to have over 70% of cases staged in 2014. This has been met and surpassed with 80% of CCGs having over 70% of cases staged. PHE expect this progress to continue. Not all CCGs will meet the 70% target - small CCGs may see statistical variation due to case mix. Staging data is produced by trusts, not CCGs, so patient pathways involving many separate trusts may affect CCG level assessments.

6.4 PHE continues to work with any CCG that does not meet the 70% target to identify the trusts treating patients served by that CCG, review their data quality, closely monitor and report on the reasons, and provide support to improve data quality as required. PHE also works with NHS England and the CCGs to improve staging completeness through the National Cancer Registration Service Data Liaison teams.

7: Committee of Public Accounts conclusion:
The Department and NHS England did not have sufficient data to evaluate the impact of the Cancer Drugs Fund on patient outcomes before deciding to extend the Fund until 2016 and increase its budget.

Recommendation:
NHS England should set out how it will use the new data (for 2014-15 patients) to evaluate the impact of the Cancer Drugs Fund on patient outcomes. It should also include in its response a report on the completeness of the data for 2014-15 and, if the data are not complete, it should take action to ensure that trusts comply with the requirement to record data.

7.1 The Government agrees with the Committee’s recommendation.

Recommendation implemented.

7.2 The Systemic Anti-Cancer Therapy Dataset (SACT) has been mandatory for all NHS cancer chemotherapy providers in England to complete from May 2014. The dataset provides details of patient diagnosis, treatment and outcomes across the full spectrum of cancer chemotherapy treatments for England. It applies to all SACT treatments, regardless of funding source. PHE collects the data and produces reports on the performance of all providers, which are used NHS England for monitoring purposes. NHS England and PHE are working with providers to improve submission rates and coverage. 100% of trusts are now submitting data.

7.3 NHS England will review the annual data received for 2014-15 to see if trusts are submitting data for all their relevant patients. Performance measures for SACT data collection will be incorporated into the contracting mechanism for 2016-17 such that trusts not submitting complete datasets for all relevant patients will be penalised.

7.4 NHS England, the Department of Health and PHE are currently working with cancer charities, the pharmaceutical industry and NICE to improve the evaluation of the effectiveness of cancer drugs. This will include designing robust evaluation methods and data collection so that NHS England can better understand patient outcomes and ensure more informed commissioning decisions.

Forty Sixth Report of Session 2014-15

Department of Health

Update on Hinchingbrooke Health Care NHS Trust

Introduction from the Committee

Hinchingbrooke Health Care NHS Trust is a small district general hospital in Cambridgeshire, with some 250 beds and nearly 1,500 staff. In 2013-14, the Trust had an annual income of £111.6 million. It has had a history of financial difficulties and had an estimated underlying deficit of between £3 million and £4 million in 2011-12. In 2007, the Department of Health gave the then Strategic Health Authority approval to explore options to implement a new management structure at Hinchingbrooke, with the aim of making the Trust financially sustainable and enabling it to repay the cumulative deficit. Following a procurement process, the Strategic Health Authority awarded Circle a 10-year operating franchise beginning in February 2012.

Background resources

- NAO report: *Franchising of Hinchingbrooke Health Care NHS Trust* - Session 2012-13 (HC 628)
- PAC report: *Franchising of Hinchingbrooke Health Care NHS Trust and Peterborough and Stamford Hospitals NHS Foundation Trust* - Session 2012-13 (HC 789)
- PAC report: *An update on Hinchingbrooke Health Care NHS Trust* - Session 2014-15 (HC 971)
- 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), 2 recommendations were implemented. 4 recommendations remained work in progress, of which 3 have now been implemented, as set out below.

2: Committee of Public Accounts conclusion:
Despite the Committee's warnings about the risks, oversight of the contract by the various parties who had a role was poor and inadequate and no one has been held accountable for the consequences.

Recommendation:
The Department and the NHS Trust Development Authority should ensure that strong governance and clear accountabilities are put in place for future novel or high-risk ventures, and that there is strong and effective monitoring.

2.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

2.2 The structure of the Hinchingbrooke franchise agreement outlined the governance and reporting arrangements between all parties. The NHS Trust Development Authority (TDA) oversaw the Trust using its Accountability Framework, the oversight process used for all other NHS trusts. The TDA maintained a close relationship with the Trust Executive Management to gain assurance on the management of risks on performance and quality. There was also regular interaction with Circle management through monthly integrated delivery meetings with the Trust Executive team, where the overall Trust performance was reviewed.

2.3 No proposals to introduce a franchise agreement in the NHS have been taken forward since the termination of the contract between Circle and Hinchingbrooke Healthcare NHS Trust. For any future novel or high-risk ventures, the Department will work with Monitor and the TDA, now together known as NHS Improvement, to ensure that strong governance and clear accountabilities are put in place.

4: Committee of Public Accounts conclusions:
The contradictory assessments of the quality of care at Hinchingbrooke risk confusing commissioners, the public and others about the actual quality of care being provided.

Recommendation:
Once the first full round of inspections of hospital trusts has been completed at the end of 2015, the Department and the Care Quality Commission should evaluate the effectiveness of different approaches to monitoring quality and clarify the roles of the different bodies involved. In particular, it should examine whether its monitoring system is resulting in sufficiently accurate ratings.

4.1 The Government agrees with the Committee's recommendation.

Target implementation date: April 2017.

4.2 The Care Quality Commission (CQC) is responsible for inspecting and reaching a judgement on the quality and safety of care, and providers themselves are responsible for making the necessary improvements, supported where necessary by NHS Improvement (Monitor and the NHS Trust Development Authority). The CQC will complete the first round of comprehensive ratings inspections before the end of financial year 2016-17.

4.3 The CQC has an established programme of evaluation to ensure ongoing learning is embedded in its approach. CQC's view remains that it is necessary to combine quantitative and qualitative data alongside inspection findings and feedback from staff and people using services, which remain fundamental, to build a comprehensive assessment of quality. To support its NHS acute inspection programme, CQC identified a suite of indicators to help focus individual inspections. These are being refined on an ongoing basis and will inform a new tool that will be launched later this year. The CQC explored this as part of the development of its new strategy, which was published in May 2016. Establishing a single shared view of quality is one of the four principal objectives of the CQC's strategy, and it has committed to work with the Department and NHS Improvement to ensure assessments of quality are clearer to commissioners, providers and the public.

4.4 The Department will work with the CQC and NHS Improvement to evaluate in greater depth the impact of CQC inspection and the system of special measures on safety and quality of care, once a sufficient number of follow-up inspections for trusts in special measures have been completed. The CQC's Business Plan for 2016-17 states that the CQC will evaluate its benefits, costs and value for money and publish both an assessment in its annual Report 2015-16 in July and an annual impact and value for money report in October 2016. In addition, the NAO completed a review of the CQC's capacity and capability to regulate the quality and safety of health and adult social care in July 2015. The CQC is now reviewing its practices and procedures in light of the NAO's recommendations.

5-6: Committee of Public Accounts conclusion:
The Committee was concerned that lessons on awarding and managing major contracts will not be learnt from this innovative, but ultimately unsuccessful, venture.

Recommendation:
The Department should report back to the Committee at the next Parliament (from May 2015) on what lessons have been learnt from the Hinchingbrooke franchise, which will inform future protocols in dealing with private providers, including on how to assess and manage risks in major contracts. It should also set out how it will communicate these lessons across the health system and explain what steps it is taking to develop the necessary skills within the service required to award and manage contracts.

5.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

5.2 The Department has developed a framework to assess proposals that would result in a franchise. The assessment criteria require that the proposals must clearly set out clear objectives for what the Trust is seeking to achieve through a franchise and what success would look like. This framework was used to assess proposals for both Weston Area Health NHS Trust and Peterborough and Stamford General Hospitals NHS Trust. Neither of these proposals met the criteria and hence they were not taken forward.

5.3 The recent failure of the Cambridgeshire and Peterborough CCG contract with Uniting Care Partnership illustrates that there is more to be done within the wider NHS to ensure the service has the necessary skills to award and manage complex contracts. NHS England has launched a second review to identify further lessons, and the NAO is expected to publish its report in the summer 2016. The Department will work with NHS England on any recommendations the reviews suggest.

Forty Eighth Report of Session 2014-15

Department for Environment, Food & Rural Affairs

Strategic Flood Risk Management

Summary of the Committee's findings

The Environment Agency estimates that 1 in 6 homes in England are at risk of flooding from coastal, river and surface water. Climate change means that the weather is becoming more unpredictable, leading to increased risk of severe weather. Effective flood risk management is important so that the country is in the best position to protect against these risks, and to safeguard homes, communities, businesses and infrastructure. The Department for Environment, Food and Rural Affairs has national policy responsibility for flood risk management and the Agency has a strategic overview role and is responsible for the management of flood risk from main rivers and the sea.

Background resources

- NAO report: *Strategic Flood Risk Management* - Session 2014-15 (HC 780)
- PAC report: *Strategic Flood Risk Management* - Session 2014-15 (HC 737)
- Treasury Minute: July 2015 (Cm 9091)

Updated Government response to the Committee

There were 7 recommendations to this report. As of the last Treasury Minute (Cm 9091), 7 recommendations remained work in progress. 1 recommendation has been implemented, as set out below.

1: Committee of Public Accounts conclusion:
There are major risks to the sustainability of current levels of flood protection, which could impact on long-term value for money

Recommendation:
The Department should work with the Treasury on lengthening the budget settlements for revenue funding, so that the Agency and others can plan for the longer term. The Agency's new long term investment strategy should be used as a basis to negotiate future settlements.

1.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

1.2 In the Spending Review the Government announced that it would protect flood defence maintenance funding, in real terms, until the end of this Parliament. In addition, in the Budget 2016, the Government announced that it would spend an additional £40 million on maintenance until the end of the Parliament.

1.3 The Environment Agency will publish a long term maintenance plan by April 2017 to enable others to plan for the long term.

2: Committee of Public Accounts conclusion:
Reducing the spend on maintaining some flood defences may be a false economy, as additional spending could be needed if those defences then fail earlier than they would otherwise have done.

Recommendation:
The Agency should review what impact its decisions on reducing or stopping maintenance will have on longer term value for money.

2.1 The Government agreed with the Committee's recommendation.

Target implementation date: December 2017.

2.2 The Environment Agency is introducing new technology and new ways of working through its Creating Asset Management Capacity (CAMC) programme. The Environment Agency will gather more detailed information on individual Flood and Coastal Erosion Risk Management (FCERM) assets, including their maintenance needs, replacement costs and rate of deterioration to implement this programme. This will ensure the Environment Agency continues to improve value for money whilst maintaining flood risk assets.

3: Committee of Public Accounts conclusion:
There is a lack of transparency around the consequences of allowing some defences to fail.

Recommendation:
The Agency should be open and transparent with local communities and communicate clearly to them the consequences of the difficult decisions it has to make around prioritising maintenance, even allowing for the local pressure this may bring.

3.1 The Government agreed with the Committee's recommendation.

Target implementation date: December 2017.

3.2 The Environment Agency's Creating Asset Management Capacity programme is designed to allow a more detailed maintenance programme to be shared in a consistent way. The Environment Agency will publish its maintenance programmes on the GOV.UK website.

3.3 The Environment Agency will continue to engage with interested local parties, including other risk management authorities (Lead Local Flood Authorities and Internal Drainage Boards), Regional Flood and Coastal Committees, Natural England (where their consent is required to undertake maintenance work) and other local community groups and organisations. The Environment Agency will explain what maintenance work can be carried out with FCERM Grant in Aid funding, describe changes to the annual programme and identify opportunities to work with local organisations to co-ordinate maintenance plans.

3.4 The Environment Agency has developed a Maintenance Protocol, which describes the principles for deciding how the Environment Agency will involve local communities in decisions to stop maintaining a defence on a permanent basis and how this should be communicated.

4: Committee of Public Accounts conclusion:
The approach to accessing partnership funding does not yet have the strategic focus needed to match government's ambitions for it.

Recommendation:
The Department and the Agency should implement a clear strategy for accessing partnership funding, which should include understanding what best practice looks like, so the lessons from successful schemes can be applied elsewhere.

4.1 The Government agreed with the Committee's recommendation.

Target implementation date: September 2016.

4.2 The Department expects the 6 year flood and coastal erosion risk management investment programme could attract approximately £660 million of partnership contributions, of which £270 million has been secured, and potential contributions to cover the majority of the remainder are in negotiation. In April 2014, the Department published the *Flood and Coastal Erosion Resilience Partnership Funding Evaluation*, which found the approach was progressing well in meeting policy objectives.

4.3 The Department and the Environment Agency continue to jointly work with partners to identify ways to raise contributions. The Environment Agency has carried out a partnership funding learning programme, to help build capacity across Local Authorities and train local authority staff on how partnership funding works, and identifying the full benefits of flood risk management schemes to identify all beneficiaries, legislation, and assurance of business cases. The Environment Agency has published 19 case studies to share good practice and showcase the different opportunities partnership funding brings. To encourage more private sector contributions, legislation was introduced in Finance Bill 2015 to ensure companies and unincorporated businesses can receive tax relief on their contributions to FCERM schemes.

4.4 The Department and the Environment Agency are working with the Cabinet Office to identify opportunities for Ministers to support negotiations with potential contributors. The Environment Agency has also developed a delivery confidence metric to help target interventions to secure partnership funding

4.5 The Environment Agency has developed and is progressing a set of actions to improve its ability and confidence to secure partnership funding contributions. This will focus on a number of key themes aimed at securing additional funding, including working with others, benefits mapping, improving data reporting and systems, and enhancing skills and resources. The Environment Agency is consulting with the Infrastructure and Projects Authority and other partners on this approach by late summer 2016, with the aim of finalising these actions by September 2016.

5: Committee of Public Accounts conclusion:
The Agency could do more to share flood modelling information so there is a consistent view at a local level of flood risk.

Recommendation:
The Agency should work with partners to build on the sophistication of flood modelling data, so stakeholders can have a shared view of flood risk, both nationally and locally.

5.1 The Government agreed with the Committee's recommendation.

Target implementation date: Summer 2017.

5.2 The Environment Agency already publishes its national assessment of the Risk of Flooding from the Rivers and Sea (RoFRaS) in an Open Data format, which is available to stakeholders and the public. Following the flooding in 2013-14, the Environment Agency is updating this assessment, and the modelling behind it, to take account of new information. The Environment Agency will share this in summer 2017.

5.3 The Environment Agency is producing an assessment of flooding from all sources – rivers, sea, surface water and ground water – which will be shared with the insurance industry by September 2016. As part of this work, the Environment Agency is updating the digital systems supplying the '*What's in your backyard?*' section on Gov.uk to ensure the public are aware on what they need to do to manage flood risk.

5.4 The National Flood Resilience Review has reassessed the current risk of flooding from rivers and the sea in England using a novel approach linking Met Office modelling of plausible extreme rainfall scenarios with Environment Agency flood inundation models in a set of 'stress test' case studies. These have confirmed that the existing published Environment Agency 'Extreme Flood Outlines' remain a robust planning tool for fluvial and coastal flooding now and over the next decade. This analysis will be shared with the public and with stakeholders shortly when the Review is published in summer 2016.

6: Committee of Public Accounts conclusion:
Local authority flood strategies are crucial to the success of flood risk management, but a very significant number are incomplete.

Recommendation:
The Department should use all opportunities available - including working with the Department for Communities and Local Government - to ensure a complete set of plans is in place at local authority level as soon as possible.

6.1 The Government agreed with the Committee's recommendation.

Target implementation date: December 2016.

6.2 The Department and the Environment Agency have continued to work with the Department for Communities and Local Government (DCLG), the Local Government Association and the Regional Flood and Coastal Committees to encourage Lead Local Flood Authorities (LLFAs) to target priority areas and ensure local flood risk management strategies are developed and published. Data on the current status of each LLFA strategy is currently being collated from LLFAs which are required to report on progress with their strategies on an annual basis. The Department expects to have the data by the end of July 2016, which will enable the Department to consider if any further steps are needed.

6.3 The Department has evaluated the effectiveness of local flood risk management under the Flood and Water Management Act 2010. This independent evaluation by external consultants has concluded and will be published shortly. The Department is also taking forward work on developing an action plan for local flood risk management, which is a commitment given to the Committee on Climate Change following its June 2015 Progress Report to Parliament. This will help support local authorities carry out their responsibilities for managing local flood risk including producing strategies.

7: Committee of Public Accounts conclusion:
There is a lack of public awareness of the realities of flood risk management.

Recommendation:
The Agency should consider how to improve the understanding of third parties who have responsibilities for flood defences. It should be more explicit about the realities of flooding and the impact of the choices that are made in removing flood defences.

7.1 The Government agreed with the Committee's recommendation.

Target implementation date: December 2016.

7.2 The Environment Agency inspects the condition of all third party assets on main rivers and notifies third party owners of any concerns. This is explained in the Environment Agency's position statement *Asset management – working with third party asset owners*. The Environment Agency provides information to help third party asset owners, for example, in its Living on the Edge booklet.

7.3 The Environment Agency and other risk management authorities have the power to designate features. This means they can notify owners that they own a flood risk management asset and provides the risk management authority with some control over changes to that asset. This power in the Flood and Water Management Act 2010 commenced in 2012. Risk Management Authorities have the power to require a third party to re-instate a structure if it has been removed. Third party assets that have not been designated are protected from changes by byelaws in some cases.

7.4 The Environment Agency has been developing guidance with other risk management authorities to support designations and this is being tested at a number of pilot locations. Following this, the Environment Agency will revise and publish this guidance.

Fiftieth Report of Session 2014-15

HM Revenue and Customs

Improving tax collection

Summary of the Committee's findings

HMRC administers the tax system and is responsible for putting tax rules into practice. Since 2010, HMRC's primary focus has been to increase the collection of tax revenues, while at the same time reducing the costs of collecting tax and providing a better service to customers. HMRC interacts with over 45 million people and almost 5 million businesses and collects around £500 billion of tax each year. It is important that people have confidence in the way that HMRC works and that it administers the tax system fairly while promoting a culture of compliance. This report draws out some of the major issues the Committee has identified regarding the administration of the tax system and recommends further actions to address the areas of our greatest concern.

Background resources

- NAO report: Increasing the effectiveness of tax collection: a stocktake of progress since 2010 - Session 2014-15 (HC 1029)
- PAC report: *Improving tax collection* 2014–15 (HC974)
- Treasury Minute: July 2015 (Cm 9091)

Updated Government response to the Committee

There were 7 recommendations in this report. As of the Treasury Minute (Cm 9091), 5 recommendations were rejected. 2 recommendations remained work in progress, of which 1 has now been implemented, as set out below.

5 :Committee of Public Accounts recommendation:
The Committee welcomes new powers obtained by HMRC to tackle marketed tax avoidance, but the number of unresolved cases is still a major concern.

Recommendation:
HMRC should set a timetable and a trajectory for bringing down the number of open cases that relate to marketed tax avoidance schemes. HMRC should also consider where else in its business it could strengthen its compliance approach by applying the same principles it has used to address marketed avoidance schemes.

5.1 The Government accepts the Committee's recommendation.

Recommendation implemented.

5.2 The Department wrote to the Committee on 29 April 2016 with details of its work to tackle the stock of marketed tax avoidance cases over the past two years, along with future plans. The report highlights a variety of initiatives including the Accelerated Payment regime (which has now collected over £2.5 billion in disputed tax) and the programme to accelerate cases to litigation.

6 :Committee of Public Accounts recommendation:
The Committees evidence shows that some HMRC customers receive an unacceptable quality of service. HMRC accepts that its recent customer service performance has not been

Recommendation:
HMRC should aspire to provide a service on a par with good practice in the private sector to all its customers, and should set out how and when it will achieve this

6.1 The Government agrees the Committee's recommendation.

Target implementation date: April 2017.

6.2 The Department launched the Personal Tax Account (PTA) in 2015-16, and by the end of April 2016, there were around 1.4million users, which is in line with the Departments profile building target of 7 million PTA users by the end of 2016-17.

6.3 In March 2016, customer service targets were achieved, with 88% Call Attempts Handled (CAH), and an Average Speed of Answer (ASA) of 6 minutes. Post on Hand, at the end on March 2016, stood at 384,000. Although the year finished strongly (CAH for Quarter 4 of 87% and ASA in Quarter 4 of 5 minutes and 30 seconds), performance in the first half of the year impacted on the overall full year result for 2015-16. The results were 72% on CAH, and 12 minutes for ASA. The Department is delivering very good service levels, achieving 87% CAH in April 2016, and 6 minutes ASA, with Post on Hand down to 349,000 at the end of the month.

6.4 The Chancellor announced a further investment in HMRC to deliver service at better levels, including extended opening hours, a dedicated helpline for start-up businesses and the roll-out of a secure email service.

Fifty First Report of Session 2014-15

Department of Health

Care Services for People with learning disabilities and challenging behaviour

The Department of Health has lead responsibility for delivering the commitments made by Government, following the Winterbourne View scandal in 2011. In December 2012, the Government made a commitment that, if a person with a learning disability and challenging behaviour would be better off supported in the community, then they should be moved out of hospital by 1 June 2014. The Department sets the strategy to meet the Government's commitment, improve quality and safety, enable change and measure and monitor progress. In line with the Health and Social Care Act 2012, NHS England, mental health hospitals, and local health and social care commissioners determined how to meet the commitment. However, the Government failed to meet its pledge and the number of patients in hospital has been broadly stable over the last year (3,250 in September 2013 and 3,230 in September 2014).

Background resources

- NAO report: *Care Services for People with Learning Disabilities and Challenging Behaviour* - Session 2014-15 (HC 1028)
- PAC report: *Care Services for People with Learning Disabilities and Challenging Behaviour* - Session 2014-15 (HC 973)
- 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), 1 recommendation was implemented and the Department disagreed with 1 recommendation. 3 recommendations remained work in progress, of which 2 have now been implemented, as set out below.

3: Committee of Public Accounts conclusion:
Current commissioning practice for people with learning disabilities is not delivering the high quality community-based care envisioned by the Department in its model of care.

Recommendation:
NHS England should use its commissioning framework to require local commissioners to comply fully with the Department's stated aim to promote community based services rather than hospital admissions for people with learning disabilities. The Department should set out the responsibilities on local health and social care commissioners to put in place commissioning strategies which ensure an adequate provision of the range of community services and housing required by people with learning disabilities and challenging behaviour.

3.1 The Government agreed with the Committee's recommendations.

Recommendation implemented.

3.2 The cross system new service model (published alongside *Building the right support* in October 2015) sets the approach for commissioners to reduce reliance on in patient care. It provides a consistent framework to be used across England describing the support and services people with learning disabilities and their carers can expect.

3.3 All CCGs, local authorities and NHS England specialised commissioning hubs have mobilised into 48 local Transforming Care Partnerships (TCPs) to deliver a 3-year service transformation programme in line with the new service model.

3.4 NHS England's CCG Improvement and Assessment Framework (March 2016), will provide an annual Ofsted-style assessment on a four-point scale of all CCGs. Two indicators directly relate to people with a learning disability - reliance on specialist inpatient care for people with learning disability and / or autism; and proportion of people with a learning disability on the GP register receiving an annual health check. The Care Act requires local authorities to develop a market that delivers a wide range of sustainable high quality care that will be available to their communities.

5: Committee of Public Accounts conclusion:
Discharges are being delayed because funding does not follow the patient.

Recommendation:
The Department should identify how funding can follow the patient to meet the costs of new community services to keep people out of hospital. It should also set out the arrangements for its proposed 'dowry-type' payments to local commissioners from NHS England to meet the costs of supporting people discharged from hospital.

5.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

5.2 Transitional investment and new funding arrangements will support the move from in patient care to the community. Recurrent dowries, linked to individual patients, will be paid by the NHS to local authorities for people leaving hospital after continuous spells in in patient care of 5+ years at 1 April 2016. Dowries cease on the death of the individual.

5.3 TCPs will use their spending on people with a learning disability and / or autism to deliver care in a different way for better results, for example by shifting money from in patient care to community health services. NHS England will align its budgets for specialised services for people with a learning disability and/or autism with the TCPs from which patients originate.

5.4 The 'Who Pays?' regulations have been updated to support continuity of care in relation to section 117 of the Mental Health Act with responsibility remaining with one CCG. Commissioners will need to invest in new community support before closing inpatient provision. NHS England provided £30 million of transformation funding over three years, to be matched by CCGs, and £15 million in capital funding. This funding is in addition to the £10 million made available to 6 fast track areas in 2015-16.

6: Committee of Public Accounts conclusion:
People with learning disabilities, and their families, have too little influence on decisions affecting their admission to mental health hospital, their treatment and care and their discharge.

Recommendation:
The Department should strengthen the legal rights of people with learning disabilities and their families, to enable them to challenge decisions on the location and nature of their treatment and to ensure that they receive advocacy support in doing so.

6.1 The Government agreed with the Committee's recommendation.

Target implementation date: April 2019.

6.2 The Government published its response to the *No voice unheard, no right ignored* consultation (launched by the previous administration) in November 2015. This set out actions to achieve the vision of people with learning disabilities, autism and mental health conditions enjoying the same rights as everyone else. The overall aim is (in conjunction with a reinvigorated Transforming Care Programme) for a significant change in outcomes and experience of care by 2020.

6.3 This includes changes to the Mental Health Act 1983. Some of these are taken forward by the Policing and Criminal Justice Bill. The implementation date has been revised as previous consultation resulted in no definitive agreement on what other legislative changes were needed. Changes such as enabling people to challenge whether their wishes were appropriately considered, and who should be considered their "nearest relative" for purposes of the Act – are subject to further consultation during the summer 2016 and availability of parliamentary time.

6.4 Other actions include guidance for commissioners on promoting wellbeing; factors to take into account in considering living arrangements, and the exercise of market-shaping duties (October 2016); piloting access to named social workers to improve care co-ordination and help to challenge care and support decisions (to be commissioned by October 2016); and definitive information on rights and how to access support to exercise them (October 2016). There is ongoing commitment to monitoring and further intervention if necessary.

Fifty Third Report of Session 2014-15
Home Office / 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)
- Treasury Minute – Progress Report: February 2016 (Cm 9202)

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9202), 2 recommendations had been implemented and the departments had disagreed with 2 recommendations. 2 recommendations remained work in progress, which have now been implemented, as set out below.

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.

Recommendation implemented.

4.2 The Home Office has strengthened oversight arrangements for all of its policing arms length bodies, including HM Inspectorate of Constabulary (HMIC) as detailed in the Treasury Minute – Progress Report in February 2016.

4.3 The Home Office departmental senior sponsor and liaison team have built a strong working relationship with the ICI. The Home Office receives regular updates on progress on inspections from the ICI three year plan (2016-19).

4.4 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, as detailed in the Treasury Minute – Progress Report in February 2016.

4.5 The new Chief Inspector of Probation, Dame Glenys Stacey, was appointed in March 2016 and has since implemented a new methodology of inspection that will enable a clearer identification of impact. The Chief Inspector is about to consult on changes to the inspection framework and methodologies, to increase impact. HMI Probation are also committing to a more robust system of follow up, post inspection and will be publishing a 2016 Corporate Plan setting out the Inspectorate's objectives for the next three years.

4.6 HM Crown Prosecution Service Inspectorate's Chief Inspector reports to the Law Officers at regular business meetings. The Attorney General approves 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.

Recommendation implemented

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.

5.3 The Home Office continues to receive regular updates on progress of the ICI work plan and engages with the ICI about issues arising from the plan. The Home Office has a tracker database which captures and records progress on the recommendations made by the ICI. The database is under continuous review and the Home Office is working with the Inspectorate to strengthen this process. The ICI has also introduced re-inspections to measure the impact of recommendations. The ICI has announced, in their 2016-19 inspection plan, collaborations with other Inspectorates and similar bodies. HMIC's annual inspection format of PEEL provides a consistent and systematic review of recommendations and assessment on progress. Each subsequent PEEL inspection will review progress against previous recommendations. Outstanding and new recommendations will inform the annual HMI assessment of each of their force areas.

5.4 The Criminal Justice Joint Inspectors' Group has introduced a more systematic and consistent approach to learning from joint inspection findings, and improving how joint inspections are followed up. A post inspection evaluation report is now compiled on each inspection focusing on key findings, lessons to be learnt and proposals for follow up activity and inspections.

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

Updates on recommendations previously reported as work in progress.

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Implementation dates fall after July 2016. Reports not included in this update.

#	Report Title
1	Financial sustainability of police forces in England and Wales
3	Funding for disadvantaged pupils
5	Care leavers transition to adulthood
6	HMRC Standard Report
10	Care Act – first phase reforms and local government burdens
12	Care Quality Commission
13	Overseeing the financial sustainability in the further education sector
15	Economic regulation of the water sector
16	Sale of Eurostar
17	Management of adult diabetes services in the NHS: progress review
18	Automatic enrolment to workplace pensions
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30	Sustainability and financial performance of acute hospital trusts
31	Delivering major projects in Government
32	Transforming contract management: progress review
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35	DFID – responding to crisis
36	Use of consultants and temporary staff
37	Financial management of the European Union budget in 2014
38	Extending the Right to Buy to Housing Association tenants
39	Accountability to Parliament for taxpayers money
40	Managing the supply of NHS clinical staff in England
41	Financial services mis-selling regulation and redress
42	Government spending with small and medium size enterprises

Recommendations fully resolved

#	Report Title
9	Network Rail 2014-2019 rail investment
11	Strategic financial management in defence and military flying training
22	Excess Votes 2014-15
25	Corporation Tax Settlements

Progress on the implementation of Government accepted recommendations of the Committee of Public Accounts - Session 2010-12 can be located from page 1; Session 2012-13 from page 10; Session 2013-14 from page 14 and Session 2014-15 from page 45.

Second Report of Session 2015-16
Department for Communities and Local Government
Disposal of public land for new homes

Introduction from the Committee

In June 2011, the Housing Minister announced that Government planned to *"release enough public land to build as many as 100,000 new, much-needed, homes and support as many as 25,000 jobs by 2015".* The Department for Communities and Local Government holds policy responsibility for the target as a whole, with individual government departments responsible for identifying surplus land, estimating the number of potential dwellings, and disposing of the land.

The Homes and Communities Agency was responsible for collating and reporting data to monitoring boards, and also acted as the property disposal agent for the Department itself. The Department's data shows that, by the end of March 2015, Government had disposed of land with capacity for an estimated 109,950 homes, across 942 sites. The biggest contributors were the Ministry of Defence (around 39,000 homes), the Homes and Communities Agency (around 21,000, on behalf of the Department for Communities and Local Government) and the Department of Health (around 15,000).

Background resources

- NAO report: *Disposal of public land for new homes* – Session 2015-16 (HC 87)
- PAC report: *Disposal of public land for new homes* – Session 2015-16 (HC 289)
- Treasury Minute: December 2015 (Cm 9170)

Updated Government response to the Committee

There were 7 recommendations in this report. As of the last Treasury Minute (Cm 9170), 1 recommendation was noted and the Department disagreed with 2 recommendations. 4 recommendations remained work in progress, all of which have now been implemented, as set out below.

2 Committee of Public Accounts conclusion:
The Committee is sceptical as to whether departments achieved value for money from the sale of all individual sites.

Recommendation:
The Committee will hold the Department to account for the value for money of the new programme. It should, therefore, set out how it will gain assurance that all land-owning departments and public bodies have achieved value for money from all disposals.

2.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

2.2 The Department plans to publish the new Programme Outline soon, which will set the objectives for the Programme - to drive housing supply by releasing surplus land for 160,000 homes, alongside the Government's ambition to raise over £5 billion from the sale of land and property by 2020. It will also set out where the programme accountabilities lie in relation to value for money.

2.3 The Department issued a Programme Document to departments in December and April 2016, which requires departments to confirm they have complied with the relevant guidance, including maintaining records to provide assurance of value for money.

2.4 The Cabinet Office (Government Property Unit) has completed the first phase of work to update the *Guide for the Disposal of Surplus Property* (OGC, 2005). This primarily consisted of reviewing existing guidance. Phase 2 is in progress, and involves engaging with departments and the NAO. The final phase will be redrafting the guidance in readiness for publication in summer 2016.

4 Committee of Public Accounts conclusion:
The Department was unable to confirm how many jobs the programme had created.

Recommendation:
The Department must set out clearer parameters for job creation and collect and audit data to ensure that claimed new jobs are in fact created.

4.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

4.2 The programme scope will be set out in the Programme Outline. Job creation is not, however, an explicit objective of the new programme.

5 Committee of Public Accounts conclusion:
The Department and the Homes and Communities Agency have not provided effective oversight of the programme.

Recommendation:
The Department must be clear with individual departments as to the guidance they are expected to follow, and must set clear documentary and data requirements.

5.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

5.2 The Department has issued guidance to departments in a Programme Document. This sets out the monitoring and assurance requirements of all bodies in scope of the programme. It specifies what records should be kept by departments, and includes a new requirement to confirm at the point of disposal, through the quarterly monitoring process, that there is a full record of key facts associated with the sale, retained by each Government department. This will also be reflected in the Programme Outline.

6 Committee of Public Accounts conclusion:
There were significant omissions in the Department's data collection.

Recommendation:
In addition to setting minimum documentary and data requirements for all landowning departments, the Department must design and implement a data validation process. The Department should also review how it can increase transparency of agreed commercial terms for land disposals to provide greater assurance to the taxpayer that value for money has been achieved.

6.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

6.2 The Department has increased the amount of data that is collected from Government departments. The Department has also provided full guidance in the Programme Document to departments and ALBs on the validation and challenge process.

6.3 The review of commercial terms will report in summer 2016, following consultation with Government departments and also the NAO. It will also reflect the new transparency provisions in the Housing and Planning Act. Given elements of the Act concern transparency of public land disposals, it was felt that there would be a benefit in bringing the review of commercial terms together with this. This is enabling Government to take a wider consideration of the transparency issues as part of implementing the Act.

7: Committee of Public Accounts conclusion:
It is essential that the Department learn lessons for its new programme and deliver value for money from future land disposals.

Recommendation:
Alongside its usual Treasury Minute response, the Department should provide us with a fuller report on its progress with setting up the new programme, including objectives, how it will measure success and monitor progress, and how it has addressed the recommendations in the NAO report.

7.1 The Government noted the Committee's recommendation.

Recommendation implemented.

7.2 The Department will publish the new Programme Outline soon, which will include the objectives. The Programme Outline also will set out how success will be measured and progress monitored. The NAO has completed an investigation into the new programme and their report will be published in due course.

Fourth Report of Session 2015-16

Department for Work and Pensions / HM Revenue and Customs

Fraud and Error Stocktake

Summary of the Committee's findings

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

Background resources

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

Updated Government response to the Committee

There were 9 recommendations in this report. As of the last Treasury Minute (Cm 9190), 4 recommendations were implemented and the Departments did not accept 3 recommendations. 2 recommendations remained work in progress, of which 1 has now been implemented, as set out below.

4: Committee of Public Accounts conclusion:
The departments have made little progress in preventing fraud and error over and underpayments occurring.

Recommendation 4:
Both departments should report back to the Committee in 6 months on progress they have made in relation to initiatives exploiting third party data.

4.1 The Government accepts the Committee's recommendation.

Recommendation implemented.

4.2 The Departments wrote to the Committee on 13 June 2016 with more detail on third party data sharing and achievements. The letter outlined how the Departments share and exploit data and covered both current and potential future activities, including both Cross Government and international initiatives.

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

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

6.1 The Government accepts the Committee's recommendation.

Target implementation date: Summer 2016.

6.2 As part of the Department's enforcement approach, the Department committed to reviewing the use and effectiveness of Civil Penalties, introduced October 2012. The Department is now delivering this work.

6.3 An internal study into the efficacy of Civil Penalties commenced December 2015. This is assessing how the penalties work in practice, including the number of penalties and overpayments being applied as claimants better manage their claims. This evaluation will also help establish whether the Penalties are applied consistently across benefits. This work is drawing on Debt Management and Decision Making and Appeals management information along with real-life observations. Originally to be completed by spring 2016, analysis refinement will now take completion to summer 2016.

6.4 The absolute deterrent effect of penalties cannot be measured. However, the Department advises people about financial penalties throughout their claim and the Penalties Policy is published on GOV.UK.

6.5 Separately, a piece of work commencing summer 2016, will utilise the 2016 British Social Attitudes Survey to assess the public's knowledge of fraud penalties, i.e. the loss of benefit and administrative penalties. This will help the Department assess whether public awareness of penalties is associated with a propensity to commit or report benefit fraud.

Seventh Report of Session 2015-16

Department for Communities and Local Government

Devolving responsibilities to cities in England: Wave 1 City Deals

Introduction from the Committee

In 2012, the Government signed City Deals with eight of the largest cities outside of London. Known as 'Wave 1', these are the first in a line of government deals designed to give cities the powers and tools they need to drive economic growth. The deals were therefore designed to be individual to each area, with each deal made up of separate programmes covering a range of policies such as transport, housing and skills. The Government has committed up to £2.3 billion to the 40 programmes included in deals, mostly in the form of capital funding to enable local authorities to fund infrastructure investments such as buildings and roads. In 2013 and 2014, the Government announced a second wave of City Deals with 18 more places, and a devolution deal with Greater Manchester.

In February 2015, the Government announced that Greater Manchester would gain more devolved control of £6 billion in local healthcare funding. The Department for Communities and Local Government holds policy responsibility for the deals, but a further 8 Government departments play a significant role by providing local areas with funding for specific programmes within the deals or support in implementing their deals.

Background resources

- NAO report: *Devolving responsibilities to cities in England: Wave 1 City Deals* - Session 2015-16 (HC 266)
- PAC report: *Devolving responsibilities to cities in England: Wave 1 City Deals* - Session 2015-16 (HC 395)
- Treasury Minute: January 2016 (Cm 9190)

There were 5 recommendations in this report. As of the last Treasury Minute (Cm 9190), 5 recommendations remained work in progress, of which 3 have been now implemented, as set out below.

1: Committee of Public Accounts conclusion:
The first wave of City Deals show some signs of early success, but they are not necessarily the most appropriate model for wider devolution.

Recommendation:
The Department should actively share the learning and good practice it has gained through City Deals with public bodies involved in the potential devolution of public services, such as NHS England and the Department of Health. It should make a clear statement about how it will determine funding levels for devolved responsibilities.

1.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

1.2 The implementation of devolution deals is coordinated across Government by two cross-Whitehall boards of senior officials from all relevant departments. This is used to track progress on the commitments that places and Government departments have made as part of deals, identify issues and opportunities and share good practice. This joint working is supported by weekly update communications. Additionally, the Cities and Local Growth Unit regularly brings devolution deal areas together with Government departments and agencies through thematic workshops to share learning and experiences.

1.3 Funding levels for devolved responsibilities will differ by policy area but will be in line with the principles for determining funding levels for nationally retained responsibilities. The Government is engaging actively with relevant sectors and professionals in determining how this should work. For example, the Skills Funding Agency has established a Funding Reform and Localism Board with representatives from the Further Education sector and devolution deal areas to explore the options and make joint recommendations.

2: Committee of Public Accounts conclusions:
The Department has not made clear who is accountable for public funds that have been devolved through City Deals.

Recommendation:
Given the increasing pace of devolution, the Department should work with local areas to ensure there are effective and well-resourced local scrutiny arrangements and accountability systems to make certain that funding is well spent so the Department and local taxpayers have a clear understanding about how this money is spent. This is particularly important for devolved healthcare spending.

2.1 The Government agreed with the Committee's recommendation.

Target implementation date: May 2017.

2.2 The Department is undertaking work to ensure that there are strong and sustainable arrangements in place at the local level to scrutinise how devolved funding is spent. This will build on the robust core framework for local government, with the Accounting Officer for local government ensuring that councils will spend their money with regularity, propriety and value for money.

2.3 To ensure that there is scrutiny of local funding decisions, the Cities and Local Government Devolution Act sets out stronger scrutiny arrangements, requiring all combined authorities (including mayoral) to have as a minimum an overview and scrutiny committee and an audit committee to hold both the mayor and the authority to account. Local taxpayers will have a clear understanding about where accountability sits after devolution.

2.4 The Government is working with the local areas which have agreed devolution deals in order to jointly develop written agreements on every devolved power or fund, including agreement on the accountability arrangements between local and national bodies. This will be in place ahead of mayoral elections, the first of which will take place in May 2017. Additionally, relevant departmental systems statements will be updated as needed to reflect any changes to accountability resulting from devolution.

3: Committee of Public Accounts conclusion:
The Department's lack of monitoring and evaluation in the deals makes it difficult to assess their overall effectiveness

Recommendation:
The Department must agree a common approach to measuring and evaluating the outcomes of growth programmes, including job creation, with other Government Departments and local areas, to ensure one geographical area is not 'growing' at the expense of another.

3.1 The Government agreed with the Committee's recommendation.

Target implementation date: May 2017.

3.2 The Department has already implemented a number of improvements for Growth Deals. For the Local Growth Fund, a consistent set of measures has been agreed for all Local Enterprise Partnerships (LEPs) to use in their reporting. These measures have been agreed with the Department for Local Communities and Government, the Department for Business, Innovation and Skills, and the Department for Transport, and harmonised with other programmes including the European Structural Investment Fund, the Regional Growth Fund, and pre-existing monitoring programmes in transport and skills. Beyond this, City Deals, the Local Growth Fund, Growth Hubs, and the Growing Places Fund have all been incorporated into a common monitoring framework that has further enabled the increased harmonisation of metric definitions and selection.

3.3 This is an iterative process which is being taken forward with the close involvement of local areas, both directly and via the BIS Local network, now a critical part of the Cities and Local Growth Unit. The work also draws on lessons from earlier initiatives such as the Growing Places Fund.

3.4 Learning from the experience of City Deals, Devolution Deals contain commitments for local areas to produce clear monitoring and evaluation plans and the Government is working closely with areas to take this forward. Displacement will be a key issue with impact evaluation work and the Department is working closely with the 'What Works' centre for local economic growth to encourage development and spread of better methods for evaluation.

4: Committee of Public Accounts conclusion:
The Department lacks certainty over whether there is enough capacity locally to manage devolved funding effectively and sustainably. The Government has committed £2.3 billion to the first wave of City Deals

Recommendation:
The Department must develop a more evidence-based approach to assessing whether local areas have sufficient and sustainable resources to deliver the City Deals in the wider context of Government funding restrictions.

4.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

4.2 The Department has developed a more systematic approach to collect and analyse a range of information to identify individual local authorities that have the strongest indicators of immediate risk around financial resilience and service delivery. The Local Government Settlement, published in February 2015, provided local government with various flexibilities to allow local authorities to manage their budgets sustainably.

4.3 On the ground, the Cities and Local Growth Unit are in regular contact with LEPs and local partnerships to ensure that capacity and delivery issues can be identified and addressed. Delivery risks to local growth programmes are managed through regular monitoring by local teams at a project level, with significant risks escalated where they cannot be locally resolved. Monitoring outputs are also used as a basis for engaging with and supporting places to take forward their plans for growth, such as through the Annual Conversations with LEPs led by BIS Local.

4.4 The cross-Whitehall implementation process, that has been put in place for Devolution Deals, draws on this experience, seeking to ensure that risks and capacity issues are picked up, escalated and addressed as early as possible and in a systematic way.

5: Committee of Public Accounts conclusion:
Cities valued the role of the Department's Cities and Local Growth Unit in providing a single, coherent access point in Government but the Unit's capacity is limited.

Recommendation:
The Department should maintain its approach of having a single point of contact with local places, and be responsive to local areas that have less experience in managing more devolved funding. It must also work with other departments to ensure a step change in record keeping. Departments must maintain proper records on initial objectives and lessons learned.

5.1 The Government agreed with the Committee's recommendation.

Recommendation implemented.

5.2 The Cities and Local Growth Unit has maintained its approach of providing a single point of contact with local places on devolution and local growth issues. The joint DCLG / BIS team includes BIS Local teams who are based outside London and which provide dedicated contacts for areas to explore opportunities, raise issues and coordinate joint work with Government.

5.3 The Department is able to play a convening role, bringing together local partners and departmental representatives across Government to work through opportunities and issues and set out clear plans for implementation. In addition to thematic meetings on particular areas of devolved policy, a recent example involved a place-based workshop with Greater Lincolnshire partners at their own suggestion, at which the Cities and Local Growth Unit was able to bring together Departmental and local leads to work collaboratively on the implementation plan for the area's Devolution Deal.

5.4 Government departments are working closely with local places to develop clear, mutually agreed implementation plans for all devolution deals, setting out a clear record of the objectives, milestones, actions and the approach that will be taken to meet these. The two cross-Whitehall governance boards convened by the Department record agreements, monitors progress, manages risks, issues and captures lessons learnt. These are maintained both centrally and by departments.

5.5 Implementation plans are now in place for all those deals signed in 2015 and Government is working with those places whose deals were announced in the 2016 Budget to support them in putting in place the governance, assurance and delivery frameworks needed. This has drawn on previous experience of City Deals and other initiatives in order to help sharpen processes including record keeping and the escalation of issues and risks, while the process is also being expanded to include assurance of City Deals within the devolved administrations.

Eighth Report of Session 2015-16

Cabinet Office

The Government's funding of Kids Company

Summary of the Committee's findings

Kids Company was set up in 1996 to enhance the emotional health of young people through counselling, support and art therapy; and to help schools, and other educational institutions address the emotional needs of young people. Kids Company has received significant funding from the public purse - at least £42 million since 1996 from central Government Departments; and at least £4 million from local authorities and lottery bodies. The Department for Education oversaw grant funding for Kids Company until 2013, when the Cabinet Office took on the responsibility. After March 2013, Government funding was through non-competitive, direct grant awards as Kids Company no longer met the criteria and quality standards for competitive grant funding schemes.

In June 2015, the Cabinet Office advised Ministers that a further grant to Kids Company would not be value for money. Despite this, Ministers directed officials to pay £3 million, to support the restructuring of the charity and secure its long term sustainability. The final £3 million was on top of an earlier grant of £4.3 million for 2015-16, which the Cabinet Office had already paid, in full, in April 2015. Payment was made just a week before Kids Company closed on 5 August. Kids Company was given £7.3 million within a period of 16 weeks. Kids Company has so far passed 1,900 case files to local authorities and the Cabinet Office has given £200,000 to the authorities to support the transition of young people to other services.

Background resources

- NAO report: Investigation: the Government's funding of Kids Company - Session 2015-16 (HC 556)
- PAC report: The Government's funding of Kids Company - Session 2015-16 (HC 504)
- Treasury Minute: January 2016 (Cm 9190)

Updated Government response to the Committee

There were 5 recommendations in this report. As of the last Treasury Minute (Cm 9190), 5 recommendations remained work in progress, all of which have now been implemented, as set out below.

1-7: Committee of Public Accounts conclusion:

1: By treating Kids Company as a special case, the Government missed opportunities to help other children.

2: There was insufficient scrutiny of what Kids Company was delivering for taxpayers' money.

3: Government ignored Kids Company's serious cashflow problems and failure to make itself financially sustainable and continued to fund the charity to keep it afloat.

4: Accounting Officers across Government failed to stand up to Ministers.

5: Funding decisions were not based on evidence nor did they follow due process. Kids Company lobbied Government for funding over many years.

6: It is particularly alarming that the Department carried on handing over money for years despite there never being a model that could be replicated across the country.

7: The Government failed to learn lessons from Kids Company until the end.

Recommendation 1:

The Government should undertake a fundamental review of how it makes direct and non-competitive grants to the voluntary sector. The review should consider how it ensures grant making processes are fair and equitable, for example, to properly assess geography and relative funding, so that no organisations are disadvantaged; it assesses the financial sustainability of a charity once the grant period finishes (and not just on the financial data included in the grant application); and when funding a charity that provides innovative services which have the potential to be replicated, it sets clear conditions for how and when this needs to happen. When a national charity is providing services with predominantly local characteristics, advice should be sought from local bodies working in that area to validate value for money.

1.1 The Government accepted the Committee's recommendations.

Recommendation implemented.

1.2 The Cabinet Office undertook a review of grant making under s70. Initial findings were shared with other Government departments who provided input. The review has informed the wider piece of work which the Grants Efficiency Programme are overseeing on standards. The Cabinet Office is now drawing the review to a close and will publish its report in summer 2016.

> **Recommendation 2:**
> ***The Government should develop a register of grants to the voluntary sector so that it can: easily identify charities receiving large amounts of government funding from single or multiple sources; and share intelligence on charities' past performance.***

2.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

2.2 The Government Grants register for 2014-2015[11] was published on 23 February 2016. This provides high-level (grant scheme level) data on all Government grants.

2.3 To improve the granularity and accessibility of Government grants data, the Grants Efficiency Programme in the Cabinet Office has developed the Government Grants Information System (GGIS). The GGIS enables the recording and reporting of grant information across Government in a simple, standardised and scalable way. It improves transparency and provides insight into grant spend enabling departments to manage grants efficiently and effectively while actively reducing the risk of fraud. The GGIS was launched in April 2016 across central government. Departments have now uploaded their grants scheme data. The use of the GGIS is being embedded through new approvals standards for grant funding.

> **Recommendation 3:**
> ***The Government should improve the way it monitors and evaluates the performance of grant-funded organisations including looking at the balance between self-reporting and external evaluation. It should ensure that organisations have robust and transparent mechanisms in place for measuring their own performance.***

3.1 The Government accepts the Committee's recommendation.

Recommendation implemented.

3.2 The Grant Efficiency Programme have developed guidance and minimum standards to strengthen governance, which will lead to increased scrutiny, leadership and accountability in Government grant making. In addition, the Government Grants Information Service and the Grants Centre of Expertise will provide departments with the data and resources they need to ensure consistency, in an accessible digital format which has been built, based on user needs.

> **Recommendation 4:**
> ***The Government should not provide or appear to provide funding commitments without referring the funding request to the appropriate funding department so that the requirements of HM Treasury's manual Managing Public Money are met.***

4.1 The Government accepts the Committee's recommendation.

Recommendation implemented.

[11] https://www.gov.uk/government/publications/government-grants-register

4.2 Minimum standards for grant management have been developed which outline a clear process for the approval of all grant funding based on the staged assessment of a robust business case, as required by *Managing Public Money*. Minimum standards will be supported by guidance and training to ensure all those involved in grant funding understand the process to be followed before any funding commitment can be made.

Recommendation 5:
If the Government decides to use special powers to grant funding, it should provide a transparent case for its decision and report regularly on the use of these powers.

5.1 The Government accepts the Committee's recommendation.

Recommendation implemented.

5.2 Cabinet Office is committed to publishing an annual report to Parliament, setting out how powers under s70 have been used. The Government Grant Information System (GGIS) will track approval process for grant funding. This will enable internal transparency on the use of special powers to fund grants.

Fourteenth Report of Session 2015-16

Department of Health / Cabinet Office

General Practice Extraction Service

Summary of the Committee's findings

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

Background resources

- NAO report: *General Practice Extraction Service- Investigation* - Session 2015-16 (HC 265)
- PAC report: *General Practice Extraction Service* - Session 2015-16 (HC 503)
- Treasury Minute: March 2016 (Cm 9220)

Updated Government response to the Committee

There were 7 recommendations in this report. As of the last Treasury Minute (Cm 9220), 2 recommendations had been implemented. 5 recommendations remain work in progress, as set out below.

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

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

1.1 The Government agreed with the Committee's recommendation.

Target implementation date: Summer 2016.

1.2 Work is underway, through development of a business case, to consider the options for the future of GPES, taking into account the expected requirements of the health and care system for the service. The business case will include options to improve the current system and options to replace the current service. It will be taken through the Department's and Cabinet Office's approvals processes, where appropriate, by June 2016.

1.3. The HSCIC is currently drafting a letter which will be reviewed with the Department and sent to the chair of the PAC in July covering the strategic plan for delivering the business need currently met by GPES, including the cost of any additional investment in the service.

1.4 The Strategic Outline Case is seeking support for the generation of an Outline Business Case which will explore the preferred way forward in more detail with the intent of identifying a recommended detailed preferred option. The Strategic Outline Case is expected to be approved by summer 2016 in order to take the Outline Business Case through approvals in the autumn.

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

Recommendation 2b and 2d:

2b: The Department must appoint a named individual (the SRO or someone nominated by the SRO) who is personally responsible for signing off each stage of the system, so that accountability is clear.

2d: The Department must make certain that systems are tested properly before they are accepted.

2.1 The Government agrees with the Committee's recommendations.

Target implementation date: Summer 2016.

2.2 In accordance with Cabinet Office guidelines, the Department seeks to ensure that each programme has a named SRO or programme director who is accountable for the overall delivery of that programme. The GPES programme now has an experienced programme director.

2.3 The Department is in dialogue with the HSCIC to take forward the appointments of the SROs for each of domains delivered by the HSCIC and are expected to be named by summer 2016. Any changes to the GPES system are now assured through the HSCIC Solution Assurance process and team. Solution Assurance provides an integration, assurance and testing facility for IT across health and social care, including a process for testing and assuring systems as they are developed. The strategic plan for the business need currently met by GPES is part of HSCIC's delivery for Paperless 2020.

2.4 The Department will review current guidance and if necessary work with HSCIC to ensure that guidance for SROs and Programme Directors is strengthened, in particular in relation to signing off systems after appropriate testing at different stages.

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

Recommendation:

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

3.1 The Government agrees with the Committee's recommendation.

Target implementation date: Summer 2016.

3.2 The Cabinet Office will be undertaking a review of all current Atos contracts with central Government with annual spend over £10 million. The Department and HSCIC will provide the Cabinet Office with full details of their relationship with Atos to help inform their review.

3.3 The Terms of Reference for the review have been finalised and the Cabinet Office has issued an information and data request to Departments for contracts in scope. Data collection was completed at the end of April. Interviews with Departments were completed in May and interviews with Atos will be completed by mid-June 2016. The Cabinet Office will report back to the Committee in the summer 2016.

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

Recommendation:

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

4.1 The Government agrees with the Committee’s recommendation.

Target implementation date: Summer 2016.

4.2 Whilst many of the issues highlighted by the Committee took place in parallel with those of the National Programme for IT, they did so in a separate organisation that was not well equipped for technology programme delivery. HSCIC has already summarised the lessons learned from this programme. The Department has shared this work with the Cabinet Office, so that these may be widely disseminated, potentially in conjunction with learnings from other programmes across government.

4.3 The GPES Project Review, commissioned by HSCIC, has now been received by the IPA. The IPA is continuing to explore the best, and most appropriate, way of extracting the report's findings so that these can be shared effectively within the Government's project management community. The Cabinet Office expects to complete in the summer 2016.

Twentieth Report of Session 2015-16

Department of Health

Cancer Drugs Fund

Summary of the Committee's findings

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

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

Background resources

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

Updated Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (Cm 9237), 2 recommendations were implemented. 4 recommendations remained work in progress, of which 3 have now been implemented, as set out below.

1: Committee of Public Accounts conclusion:
The Department and NHS England have not managed the Fund effectively

Recommendation:
In putting in place arrangements for the new Fund to be established from April 2016, NHS England should set clear objectives for what the Fund is seeking to achieve, and be prepared to take tough decisions to ensure that the Fund does not overspend.

1.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

1.2 A Standard Operating Procedure (SOP) for the revised Cancer Drugs Fund was published on 8 July setting out the operational detail for how the Fund will function. The SOP gives an implementation date of 29 July 2016.[12]

[12] https://www.england.nhs.uk/ourwork/cancer/cdf/

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

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

3.1 The Government accepted the Committee's recommendation.

Target implementation date: September 2016.

3.2 NHS England has continued to work with Public Health England to improve outcomes data for CDF drugs. NHS England and Public Health England will jointly report back to the Committee in September 2016.

4: Committee of Public Accounts conclusion:
It is unclear how far regional variations in access have been reduced so that people across the country have equal access to the Fund.

Recommendation:
NHS England should analyse the extent of regional variation in access to the Fund, using data on patient location, and report back to the Committee by March 2016. If significant variation between areas exist, NHS England should set out how it plans to ensure that access to the new Fund is fair across the country.

4.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

4.2 In June 2016 NHS England provided a report to the Committee of its analysis of variation in access to the Fund according to the locations of patients. No significant variation was found.

5: Committee of Public Accounts conclusion:
It is not clear whether NICE has the capacity to evaluate all new cancer drugs, as envisaged in the proposals for the new Fund.

Recommendation:
As a matter of urgency, NHS England and NICE should set out the resource implications of implementing the proposed new arrangements for the Fund and assess specifically whether NICE has the capacity to appraise all new cancer drugs within the proposed timeframes.

5.1 The Government accepted the Committee's recommendation.

Recommendation implemented.

5.2 NHS England has discussed with NICE the resource requirements needed to deliver the additional technology appraisals arising from the new arrangements for the CDF. The required resource has been made available and NICE has confirmed that it is confident that it will be able to appraise all new cancer drugs within the proposed timeframes.

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