HM Treasury

Treasury Minutes

Government response to the Committee of Public Accounts on the First to the Sixth reports from Session 2019-21

CP 270 July 2020

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by the Exchequer Secretary to the Treasury
by Command of Her Majesty

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Government responses to the Committee of Public Accounts Session 2019-21

First Report of Session 2019-21

Department for Education

Support for children with special educational needs and disabilities

Introduction from the Committee

A child or young person has special educational needs or disabilities (SEND) if they have a learning difficulty or disability which calls for special education provision to be made for him or her. At January 2019, 1.3 million school-age children in total were recorded as having SEND. Of these 270,800 pupils (20.6% of pupils with SEND) had legally enforceable entitlements to specific packages of support that are set out in formal EHC (EHC) plans. These were children whom local authorities had assessed as needing the most support. The remaining 1,041,500 children with SEND did not have EHC plans but had been identified as needing some additional support at school. At January 2019, 87.5% of pupils with SEND attended mainstream state primary and secondary schools.

The Department for Education (DfE) is accountable to Parliament for the support system and for securing value for money from the money it provides (£9.4 billion in 2018-19) for schools in England to support pupils with SEND. Local authorities, working with other national and local bodies, have a statutory responsibility to ensure that children with SEND receive the support they need. In September 2014, under the Children and Families Act 2014, the government made substantial changes on how children with SEND are supported. Among the aims for the changes were that children's needs would be identified earlier, families would be more involved in decisions affecting them, and EHC services would be better integrated.

Based on a report by the National Audit Office, the Committee took evidence on 9 March 2020 from the Department for Education (the Department), about support for children with Special Educational Needs and Disabilities (SEND). In September 2019 the previous Committee took evidence from the Council for Disabled Children and the Special Educational Consortium; the Disabled Children's Partnership and Sense; the National Network of Parent Carer Forums; and a parent carer and contributor to the Special Needs Jungle website. The Committee published its report on 6 May 2020. This is the Government response to the Committee's report.

Relevant reports

- NAO report: *Support for pupils with special educational needs and disabilities in England* – Session 2017-19 (HC 2636)
- PAC report: *Support for children with special educational needs and disabilities* – Session 2019-21 (HC 85)

Government responses to the Committee

1: PAC conclusion*: Many children with SEND are being failed by the support system.*

1: PAC recommendation: ***The Department should, as a matter of urgency, complete and publish its SEND review. The review should set out the actions that the Department and others will take to secure the necessary improvements in support for children with SEND, and the timescale within which families will see practical changes. We expect the Department to explain the evidence it has used to support its conclusions, and to set out what quantified goals it will use to measure success in the short, medium and long term.***

1.1 The Government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020

1.2 The Department agrees that it should, as a matter of urgency, complete and publish its SEND review.

1.3 The Review aims to improve the services available to families who need support across the country. The issues the SEND system is facing are significant and complicated. The Department is determined to introduce genuine and lasting improvements, but the COVID-19 pandemic has brought a further layer of change and complexity to a system that reaches across health, education, social care, and transition into employment. It is too big a risk to rush into making lasting change in a system, and indeed society, in such considerable flux. It would neither be practical nor proper, therefore, to publish the Review until it has been possible to reflect on the past months, to design reform that will work in the post-pandemic system. The Department is clear that future policy needs to reflect this new environment rather than the pre-crisis system.

1.4 It is too early to say what form the Review's report will take but the Department is committed to delivering it as soon as is practicable, to deliver ambitious change which makes a real difference to children and young people's outcomes. And the Department wants to co-produce it with children, young people with SEND, and families, and service providers across education, transition into employment, health and care.

2: PAC conclusion: ***There are significant unexplained disparities between difficult groups of children in the support they receive.***

2: PAC recommendation*: The Department should use the data it already collects to develop a better, evidence-based understanding of why there is so much variation between different groups of children in identifying SEND. In particular, it should be able to explain why more boys than girls are identified with SEND, and whether needs are consistently identified in boys and girls, and in certain ethnic groups. The Department should publish the results of its analysis and details of the action it plans to take in response.*

2.1 The Government agrees with the Committee's recommendation.

Recommendation implemented

2.2 The Department agrees it should use the data it already collects to develop a better, evidence-based understanding of why there is so much variation between different groups of children in identifying SEN. It wants to be able to explain why more boys than girls are identified with SEN, and whether needs are consistently identified in boys and girls, and in certain ethnic groups.

2.3 Since 2002, the Department has collected pupil level data in the school census from all state-funded schools in England. This data collection, which is matched to outcomes information within the National Pupil Database provides a rich data source to analyse patterns in pupil characteristics and the impact of these on outcomes.

2.4 The Department publishes a wide range of information on the rates of SEN identification for different groups of pupils, including its annual statistical release and an annual summary document summarising this information alongside other data published across Government on children and young people with SEND.

2.5 Understanding why variation in SEN between different groups occurs is a complicated issue and requires additional analysis beyond our existing publications. As part of the SEND review the Department is exploring this issue and have built a longitudinal database to investigate further. Results of this analysis will be published alongside the review. The 'SEND Futures' programme of research and analysis is also working to develop a longitudinal study, which would allow a more holistic understanding of pupils' journeys through the education system.

3: PAC conclusion: ***Too many pupils with SEND are excluded from school meaning their education is disruption.***

3: PAC recommendation: ***The Department should set out the steps it proposes to take to reduce the number of children with SEND who are permanently or temporarily excluded from school. In doing so, it should explain what action it will take in response to the recommendations in the Timpson review of school exclusions, and the reasoning for its decisions.***

3.1 The Government disagrees with the Committee's recommendation.

3.2 The Department is committed to taking forward an ambitious programme to improve school behaviour and improve the availability of good Alternative Provision, so that permanently excluded children and children at risk of exclusion receive high quality education suited to their needs. The SEND Review is actively considering how we can identify and support children and young people with SEN earlier before those issues escalate. We will report as quickly as is practicable.

3.3 The Department will always support schools to address the needs of children with SEN, in order to reduce their risk of exclusion and the SEND review will consider the support given to schools. However, Edward Timpson's review of exclusion concluded there is no optimum rate of exclusion.

3.4 The Department's statutory guidance on exclusions is clear that head teachers should avoid permanently excluding pupils with an Education, Health and Care (EHC) Plan, as far as possible, and consider factors contributing to poor behaviour before excluding. Head teachers should also consider what extra support might be needed to identify and address the needs of children with SEN, to reduce risk of exclusion.

3.5 Ofsted's education inspection framework includes consideration of exclusion. The Department is clear that off-rolling is unacceptable and works with Ofsted to tackle the practice. Since September 2019 there has been a strengthened focus on off-rolling. Ofsted has used DfE school census data to identify schools with exceptional levels of pupil movements and is using this during school inspections and local area SEND inspections.

4: PAC conclusion: ***The Department relies too heavily on periodic inspection for assurance that children, particular in mainstream schools, are being properly supported.***

4: PAC recommendation: ***The Department should supplement inspection evidence by drawing on other information to get a rounded, timely assessment of the quality of support for children with SEND. This information should include, for example, intelligence from regional schools commissioners, parent carer forums, schools forums, and head teachers. To give parents confidence that the Department is drawing on all relevant information in carrying out its system oversight role, the Department should explain on its website what information it collects and how it uses it.***

4.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

4.2 The Department agrees it should supplement inspection evidence by drawing on other information to get a rounded, timely assessment of the quality of support for children with SEND. The Department also agrees that it should give parents confidence that the Department is drawing on all relevant information in carrying out its system oversight role, and that it should explain on its website what information it collects and how it uses it.

4.3 In *SEND: supporting local and national accountability*, the Department sets out how it uses feedback from local and national partners; data, analysis and research; and independent inspection to understand how the system is performing, hold partners to account and support self-improvement.

4.4 Alongside close engagement with local authorities, parents, teaching unions, teacher and Headteacher reference groups and specialist SEND organisations, the Department conducts regular surveys of teachers, pupils and parents which provide valuable evidence on the support received by pupils with SEND. The Department's team of SEND advisers and delivery support partners provide support and challenge to local authorities on their SEND performance.

4.5 Regional Education and Children's Teams brings together expertise and intelligence from education and children's services and Ofsted to provide support for local authorities in responding the pandemic.

4.6 The Department is also developing its 'SEND Futures' programme of research and analysis, including plans for a longitudinal study that would provide up-to-date, in-depth evidence on outcomes for the SEND cohort. The 'Discovery Phase' for this work has been procured and will inform the methodology and feasibility of such a study.

5: PAC conclusion: ***Mainstream schools have little financial incentive to be inclusive of pupils with SEND.***

5: PAC recommendation: ***The Department should work with schools and other stakeholders, and draw on good practice, to identify how funding mechanisms can be used more effectively to strike the right balance between incentivizing schools to be inclusive without encouraging over-identification of SEND.***

5.1 The Government agrees with the Committee's recommendation.

Recommendation implemented

5.2 During 2019 the Department called for evidence on how the financial arrangements are working in making provision for children and young people with special educational needs and disabilities (SEND), and those who need alternative provision.

5.3 The Department conducted an online survey and held a number of workshops, gathering a wide range of views from schools, local authorities, parents of young people with SEND and other stakeholders, about how the funding system could be helping or hindering the support that is made available for pupils and students with SEND, and about improvements that could be made.

5.4 There was no clear consensus on making specific funding changes and many responses drew attention to other aspects of the SEND system that would need to be addressed alongside the financial arrangements. Improvements to the SEND system, including how mainstream schools are best supported to make appropriate provision for pupils with SEND, and the associated funding mechanisms, are now being considered as part of the SEND review.

6: PAC conclusion: ***There are not enough state special school places in some parts of the country, meaning local authorities must cover the high cost of places in independent special schools and spend ever larger amounts on SEND transport.***

6: PAC recommendation: ***The Department should carry out a systematic analysis of current and future demand for school places and facilities suitable for pupils with complex needs, and develop a costed plan for meeting those needs. In doing so, it should take account of potential savings in local authorities' transport costs in areas where children currently have to travel a long distance to attend special schools.***

6.1 The Government agrees with the Committee's recommendation.

Target implementation date: March 2021

6.2 The Department agrees that it should carry out a systematic analysis of current and future demand for school places and facilities suitable for pupils with complex needs, and develop a costed plan for meeting those needs.

6.3 The last decade has seen significant growth in pupil numbers across the board, including children with SEND. £7.8 billion has been committed to create new school places between 2015 and 2022, on top of investment in free schools. 1 million places have been created from 2010 to 2020. This includes £365 million being invested through the Special Provision Capital Fund from 2018-19 to 2020-21, intended to help local authorities create new places/ improve facilities for pupils and students with EHC plans.

6.4 The legal duty to ensure there are sufficient good school places for all pupils, including those with SEND, sits with local authorities. However, the Department recognises that there is a need for further investment, including more places for children with SEND.

6.5 The Department is working to better understand future demand for SEND provision, and recognises capital investment's potential to help local authorities manage cost pressures on their High Needs budgets.

6.6 The Department is currently focussed on the upcoming Spending Review, where it will have opportunity to discuss capital funding for education in the round, and to consider how we can best support the sector going forwards, including the distances children travel to get to their educational setting.

Second Report of Session 2019-2021

Ministry of Defence

Nuclear Defence Infrastructure

Introduction from the Committee

The Ministry of Defence (the Department) maintains a submarine-based nuclear deterrent, which relies on a network of programmes, equipment and people, including specialised infrastructure. Poor management of three on-going critical infrastructure projects on nuclear-regulated sites has contributed to a combined cost increase of £1.35 billion and delays of between 1.7 and 6.3 years. Each project suffered significant problems in its early stages and the Department said it immensely regretted the amount of taxpayers' money lost. It accepts that poor contracting had made it difficult to incentivise better performance from contractors, and that it had not engaged effectively with the nuclear regulatory bodies. It also describes its arrangements for the Nuclear Enterprise in the past as 'fragmented and balkanised', with insufficient recognition of the interdependencies between projects.

Since 2016, the Department has negotiated some changes to the contract at one of the three programmes—MENSA—to reduce its financial risk exposure. It has also made some improvements to the oversight of the nuclear enterprise, including the infrastructure projects, through creation of the Defence Nuclear Organisation and the Submarine Delivery Agency. As a result, the Department considers it now has a better understanding and control of the programmes. It has also worked to develop better relationships with the regulators to ensure there is a more effective discussion about the balance between risk and value for money, although it is too early to assess whether all these reforms have been effective. The Department acknowledges that it still has shortages of the specialist skills it needs.

Based on a report by the National Audit Office, the Committee took evidence, on 11 March 2020 from the Ministry of Defence. The Committee published its report on 13 May 2020. This is the Government response to the Committee's report.

Relevant reports

- NAO report: *Managing infrastructure projects on nuclear regulated sites* Session 2019-20 (HC19)
- PAC report: *Defence Nuclear Infrastructure* Session 2019-21 (HC 86).

Government responses to the Committee

1: PAC conclusion: *The Department's nuclear infrastructure projects have suffered from major cost increases and delays.*

1: PAC recommendation: *In the future, the Department must more explicitly identify and manage the risks of initiating infrastructure projects without a fully mature programme design, and plan using appropriate checkpoints within contracts to assess progress.*

1.1 The Government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The approach to approvals has been strengthened through Project MAID (The Department's Approach to Investment Decisions). This has replaced the Department's Initial Gate and Main Gate system with the 3-stage model laid out in the Treasury's Green Book. The introduction of Strategic Outline Cases means all projects and programmes will include a closer and earlier consideration of risk across several areas. The policy and guidance supports approving authorities in scrutinising, discussing and considering the risks, impacts and mitigations. Each time the approving authority is engaged they can reassess and redirect the project if necessary.

1.3 The Department is managing the identified risks, that need to be allocated under any infrastructure contract, by using contracted meeting schedules with the supplier. These allow checkpoints for decisions where the level of uncertainty is high and provides a forum where changes in requirement, and their impacts, can be assessed alongside the commercial or contractual risks. Therefore, any impacts on delivering capabilities within performance, cost and time are understood, new legislation is reviewed, and any changes are fit for purpose at the point of handover. In addition, Acquisition Teams ensure that the project and commercial risks are identified as early as possible in the procurement process and managed accordingly. Specific checkpoints can be included in all current contracts, via contractual negotiations, and in future contracting strategies to manage risks, when initiating infrastructure projects within an equipment/capability programme that is not fully mature.

1.4 Within the Defence Nuclear Organisation (DNO), the Atomic Weapons Establishment's (AWE) implementation of the RIBA gated reviews, and the introduction of Design Review 5 into the Core Production Capability programme assures a specified level of maturity before the schedule is finalised and funding approval sought.

2: PAC recommendation: ***The Department's previous contracts have been poorly designed, which has left the taxpayer to shoulder the burden of cost increases while doing little to incentivise contractors to improve performance. The defence nuclear field is a monopoly environment and very few companies.***

2: PAC recommendation***: In the 2020 report to Parliament on the Dreadnought programme, the Department should update us on how it is taking full advantage of the Single Source Contract Regulations, making full use of target cost or firm price contracts, and ensuring that it effectively shares risk with site owners when negotiating commercial arrangements.***

2.1 The Government agrees with the Committee's recommendation.

Target implementation date: December 2020

2.2 The Department will provide an update within the December 2020 report to Parliament on the Dreadnought programme.

2.3 The adoption of the Single Source Contract Regulations (SSCR) is Business as Usual across the Defence Nuclear Enterprise. The Department is building upon the principles of SSCR to effectively use contractual controls to drive performance, sharing lessons learned prior to new contracts being placed. In the DNO examples include driving performance at the AWE and the placing of new Devonport infrastructure contracts.

3: PAC conclusion***: The current funding regime does not work for the Nuclear Enterprise due to its uniquely long project timescales and given the impact on the stretched overall defence budget.***

3: PAC recommendation: ***Given its impact on the overall defence budget, the Department should make a case to the Treasury for ring-fencing the nuclear budget in the course of the discussions in 2020 for the current Integrated Review and the Spending Review.***

3.1 The Government agrees with the Committee's recommendation.

Target implementation date: November 2020

3.2 As part of the Spending Review and Integrated Review, discussions are underway between the Department and HM Treasury (HMT) to review the funding model, recognising the particular nature of nuclear. Details on this will be shared once discussions have concluded.

4: PAC conclusion: The Department has belatedly learned through experience the importance of strong relationships between it, the nuclear regulators and the site owners.

4: PAC recommendation: ***To secure performance improvements across infrastructure programmes, the Department must continue the commendable practice of admitting failures early and learning from its mistakes. We expect to see as standard more robust liaison arrangements between the Department, site owners and regulators, including the use of co-location of teams, consistent with practice in the civil sector to accelerate the process of reviewing and learning.***

4.1 The Government agrees with the Committee's recommendation.

Target implementation date: June 2021

4.2 To develop better approaches to designing infrastructure, senior-engagement forums have been created to discuss requirements and progress. In addition, a Deputy Director Enterprise Safety and Security Strategy role has been created and a team is being established to deliver a more strategic approach to safety and security across the Enterprise.

4.3 Building on progress to date, work is underway through the Enterprise Safety and Security team to understand the established regulatory interfaces across the Nuclear Enterprise and to identify further improvements to the strategic and working relationships with the regulator community. In addition, governance structures are being matured to enhance strategic understanding of risks across the Enterprise and enable prioritisation across the programme, directing resources where they are needed most.

5: PAC conclusion: ***It is unacceptable that the Department in other areas has repeated past mistakes and has failed to learn lessons from elsewhere.***

5: PAC recommendation: ***Given the specialist nature of this field, it is essential that the Department has in place effective arrangements to maintain corporate memory, and works with industry and other government departments to develop the skills needed to be able to take forward nuclear work in line with best practice. The Department should update us on the progress it is making in this regard in the 2020 report to Parliament on the Dreadnought programme.***

5.1 The Government agrees with the Committee's recommendation.

Target implementation date: December 2020

5.2 The Department will provide an update within the December 2020 report to Parliament on the Dreadnought programme.

5.3 The creation of the DNO in 2016 and the Submarine Delivery Agency (SDA) in 2018 is ensuring that the Department can focus properly on the Defence Nuclear Enterprise, strengthen capability, and develop stronger corporate memory.

5.4 Within the DNO, the skills strategy and the strategic workforce planning project aim to ensure that the Department has the right people, with the right skills to deliver the Defence Nuclear Programme. In addition, workforce planning across the enterprise is also aligned to departmental ambitions.

6: PAC conclusion: ***Ultimately, the Department retains the risk associated with these programmes and must manage them itself, regardless of whether it owns the relevant sites or not.***

6: PAC recommendation: ***The Department must avoid writing contracts which purport to transfer risk to the private sector when in reality this is illusory. The Department must only write contracts which are explicit about where risks lie and how those risks will be monitored and managed by both the Department and the contractor. The Department should write to us by 31 December 2020 to provide a detailed assessment of whether the current ownership arrangements for nuclear regulated sites are in the best interests of the taxpayer and whether more could be done to exploit the intellectual property arising from developments on the sites in the national interest.***

6.1 The Government agrees with the Committee's recommendation.

Target implementation date: December 2020

6.2 Work on the detailed assessment of current ownership arrangements for nuclear regulated sites is underway. The report will be issued by 31 December 2020.

Third Report of Session 2019-21

Department for Transport

High Speed 2: Spring 2020 update

Introduction from the Committee

The High Speed Two programme aims to construct a new high-speed, high-capacity railway between London, Leeds and Manchester, via the West Midlands. This will join with the existing rail network to enable journeys to Liverpool, Newcastle, Edinburgh and Glasgow. With an original budget of £55.7 billion set in 2015, it is the Government's largest infrastructure programme by value. The Department for Transport (the Department) is the programme sponsor and High Speed Two Limited (HS2 Ltd) is its dedicated arm's-length body responsible for delivering the programme. The Department and HS2 Ltd are planning for partial Phase One services from Old Oak Common to Birmingham Curzon Street to start between 2029 and 2033, with full services from Euston starting between 2031 and 2036. HS2 Ltd estimates the full network to Leeds and Manchester will open between 2036 and 2040.

Following cost increases and schedule delays, the Government announced an independent review of the programme ('Oakervee Review') in August 2019. In February 2020, the Government published the outcome of the review and announced that Phase One of the programme would go ahead, combined with Phase 2a which connects Birmingham and Crewe. The Government also announced that it would publish an Integrated Rail Plan for the North and Midlands by the end of 2020 that would identify the best way to sequence investments and how to integrate Phase 2b of High Speed Two, Northern Powerhouse Rail and other rail investments.

On the basis of a Report by the Comptroller and Auditor General, the Committee took evidence, on 4 March 2020 from the Department for Transport (the Department) and High Speed Two Limited (HS2 Ltd) on the current status of the High Speed Two programme.1 The Committee published its report on 17 May 2020. This is the Government response to the Committee's report.

Relevant reports

- NAO report: *High Speed Two: A progress update* – Session 2019-20 (HC 40)
- PAC report: *High Speed 2: Spring 2020 update* – Session 2019-21 (HC 84)

Government responses to the Committee

1: PAC conclusion: *The Department and HS2 Ltd's lack of transparency has undermined public confidence in the programme.*

1: PAC recommendation*: Within three months of this report, the Department must set out the form of its regular reporting to Parliament on High Speed Two. This must cover: how the Department will ensure a realistic appraisal of the programme's likelihood of delivering to budget and schedule is given at the reporting date; how it will keep Parliament informed of crucial milestones over the short to medium term to inform the timing of future scrutiny; and how it will report on the significant risks to successful delivery.*

1.1 The Government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020

1.2 A *letter* from Andrew Stephenson MP, Minister of State at the Department for Transport, to the Transport Select Committee [15 June 2020] outlined how Parliament will be kept informed of the project's progress in order to hold the Government to account for its delivery; and stated the commitment of the Department of Transport to be transparent. The Department can confirm that six-monthly reports will update Parliament on the programme delivery for all Phases, including on cost, schedule and risks. The data included in the publication will be provided by HS2 Ltd. The reports will be published twice a year, starting this Autumn for the period April to September 2020, with the second in Spring 2021.

1.3 A Ministerial Task Force for Phase 1 and 2a, chaired by the Secretary of State for Transport, has been established to oversee delivery by HS2 Ltd against schedule and budget.

1.4 The Department will write to confirm the form of its regular reporting following planned discussions on this matter between the Minister of State and the Chair of the Transport Select Committee and the Permanent Secretary and the Chair of the Public Accounts Committee.

2: PAC conclusion: ***The Department failed to provide Parliament with clear warning that the programme was going off-course and value for money was at risk.***

2: PAC recommendation***: The Department must publish the summaries of its Accounting Officer assessments for all projects and programmes in line with HM Treasury guidance, including those already made and future assessments on High Speed Two. If the programme is going off-course, there must be no delay in informing Parliament.***

2.1 The Government agrees with the Committee's recommendation.

Target implementation date: August 2020

2.2 The Department notes that HM Treasury's *Accounting Officer Assessments: Guidance* document makes clear that, in determining the publication of Accounting Officer assessments, Departments should balance the public interest in transparency with the general public interest in maintaining a confidential space for internal policy discussions within government. The guidance also makes clear that the timing of publication of such assessments needs to take account of other aspects of the public interest test, such as respecting commercial confidentiality. The Department will publish summaries on GOV.UK of assessments for projects in the Government's Major Projects Portfolio (GMPP), including High Speed 2, in line with this guidance.

3: PAC conclusion: ***Having raised concerns in the past, we are not yet convinced that the Department and HS2 Ltd have the skills and capability they need now or in the future.***

3a: PAC recommendation***: In its response to this report, the Department must set out its Plan for and progress in obtaining robust assurance that it and HS2 Ltd have the capability to manage the programme and its supply chain into construction and through to completion.***

3b: PAC recommendation***: In its response to this report, the Department must set out its assessment of areas where capability is below that needed to manage the programme and how this gap will be addressed, including on commercial skills.***

3c: PAC recommendation***: In its response to this report, the Department must set out its plan to refresh its skills strategy as the project progresses, balancing the need to retain key staff and knowledge, whilst ensuring that it has the skills and new ideas needed for future stages of the programme.***

3.1 The Government agrees with the Committee's recommendations 3a, 3b and 3c.

Recommendations implemented

3.2 Maintaining skills and capability is a continuous process that the Department and HS2 Ltd will keep under review so that capability matches the demands of the project through its lifecycle.

3.3 DfT already has a strong cadre of project and commercial leaders. Recruitment is currently underway to increase further the number of senior officials with project delivery experience. Both professions also run development programmes to increase this capacity, focusing on those with the potential to become senior leaders in their professions and the Department: the Commercial Development Programme (CDP), and Project Delivery Development Programme (PDDP). The project delivery profession also invests in senior leaders by supporting them to participate in the Project Leadership Programme (PLP) and the Major Projects Leadership Academy (MPLA).

3.4 The Department has carried out a Project Delivery Improvement Programme jointly with the IPA, led by the DfT lead Non-Executive, Ian King and overseen by the Infrastructure Steering Group chaired by the Chief Executive of the Civil Service. As part of the implementing that programme, the Department has introduced a Portfolio and Project Delivery Directorate led by a dedicated Chief Portfolio Officer. The Department's Investment Committee has been strengthened to increase the focus on oversight of the delivery of the delivery of the Department's major projects once underway, including HS2.

3.5 The Department has produced a *Transport and Infrastructure Skills Strategy* in collaboration with the transport sector, to ensure the labour market is well placed to respond the Government's transport agenda. The Department will continue to work with the transport sector, via the Strategic Transport Apprenticeship Taskforce (STAT), to help deliver the strategy and review ambitions. The Department reports annually on progress.

3.6 HS2 Ltd has put in place an improvement programme to ensure the organisation is equipped with the right skills and capabilities to deliver Phase 1 of the Project. This involved development of an Enterprise Capability Framework comprising a bespoke Capability Model and Five-Point Maturity Scale. Against this scale, the minimum target maturity for Notice to Proceed was previously agreed by the HS2 Ltd Board as Level 3 ('implemented'). To fill capability gaps HS2 Ltd established the HS2 Improvement Programme (HIP) with the objective of providing assurance to the Board and Department that there would be sufficient capability to proceed with main civils construction. This work was undertaken in partnership with Deloitte, was based on industry best practice and subject to external assurance. Target capability for Notice to Proceed was reached and HS2 Ltd has committed to increasing capability in 13 key areas from Level 3 maturity to Level 4 ('enhanced'). Progress will be monitored at Board level and reported as a performance indicator. The Department will seek assurance on Company capability via an annual review process.

3.7 Within HS2 Ltd, a lack of senior leadership capacity has previously been identified. Three new non-executive directors have now been appointed to the Board to increase oversight and HS2 Ltd also aims to expand its senior leadership team as Phase 1 begins main construction.

3.8 HS2 Ltd has its own *Skills, Employment and Education Strategy* which sets out how it is working with the supply chain, colleges and other stakeholders to ensure the there is a pipeline of skills. The Company has already committed, within that document, to regularly reviewing progress and updating the strategy.

4: PAC conclusion: ***Several years into the programme, we are concerned by the huge uncertainty remaining with the design and delivery of Euston station.***

4: PAC recommendation***: The Department must write to the Committee within six months of this report setting out its plan for Euston, including how it will be delivered and how it will ensure effective working between all stakeholders.***

4.1 The Government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020

4.2 The Department has commissioned a study looking into the efficiency of the future Euston station as a whole, with the objective of selecting an optimised design and delivery strategy for the HS2 Euston Station this Autumn.

4.3 Significant progress has been made in setting up new interim delivery arrangements for Euston station. These are centred on closer collaboration and joint working between the HS2 Ltd and Network Rail teams working on Euston, supported by new dedicated executive leadership. In addition, a new Euston Oversight Board will scrutinise the progress and integration of all the projects at Euston. This will be led by Sir Peter Hendy, Chairman of Network Rail. Membership of this Board will include representatives from the Department, together with HS2 Ltd, Network Rail and Lendlease, together with other key stakeholders from the London Borough of Camden, Transport for London and the Greater London Authority.

4.4 As requested by the Committee, the Department will provide an update on its plan for Euston within six months of the Committee's report's publication.

5: PAC conclusion: ***The Department and HS2 Ltd did not understand the consequences of changes made during scrutiny of Phase One legislation.***

5: PAC recommendation*: The Department and HS2 Ltd must write to the Committee within three months of this report to set out how they are learning lessons from the experience of the Phase One hybrid Bill process for Phase Two. This should include how they will ensure that Parliament is provided with sufficient cost information and time to enable effective scrutiny and decision making on current and future high-speed railway related legislation.*

5.1 The Government agrees with the Committee's recommendation.

Target implementation date: August 2020

5.2 Lessons from the Phase 1 Act have been systematically captured and shared to inform the approach to the Phase 2a Bill and similarly for the development of the Phase 2b Bill. This has been aided by continuity of key personnel across the successive Bill teams.

5.3 The Department and HS2 Ltd have amended the approach to estimating the costs of changes and amendments for the Phase 2a hybrid Bill in light of lessons from the Phase 1 Act. For changes that arise as part of the Hybrid Bill process, there is now a rigorous cross-functional approach to assess the direct and indirect costs of proposed changes.

5.4 For changes considered by the Phase 2a Select Committee, the costs of competing solutions were considered openly and in some detail. This was the case both for major changes such as tunnel extensions or changes affecting a single petitioner.

6: PAC conclusion: ***We are concerned, given the scale of the programme and its future impact on the rail network, that if the Department does not give enough attention to managing the interdependencies within the programme and with other rail programmes, passengers will suffer.***

6: PAC recommendation*: As part of its regular reporting on the programme, the Department and HS2 Ltd must set out how they are integrating the different elements of the High Speed Two programme with each other and the rest of the national rail network, and how they will work with other stakeholders to maximise the benefits of the programme as a whole.*

6.1 The Government agrees with the Committee's recommendation.

Recommendation implemented

6.2 The Government recognises the significant technical, geographical and operational dependencies that need to be identified and resolved to ensure the effective integration of HS2 into the existing rail network. The Department has put in place the accountabilities, governance and processes to manage this risk across DfT, HS2 Ltd, Network Rail. This includes deliberately positioning the West Coast Partner so it has the incentive to optimise services across both the conventional and high-speed services from London to Manchester.

6.3 The Department will continue to review and strengthen this as HS2 Phase One moves into construction, following Notice-to-Proceed. These arrangements consider three main integration layers:

- Ensuring alignment of strategic decision-making across the high speed and conventional rail networks, led by a dedicated team within the Department.
- Ensuring development of the full HS2 programme is coordinated through a single view of the future operating state and that design decisions made on individual parts of Phase One, 2a and 2b consider the whole-scheme benefits. This is strengthened by the role of the Shadow West Coast Operator in providing expert advice to the Department on future operations.
- Ensuring integrated delivery of the HS2 phases themselves. This is delegated to HS2 Ltd and there are management incentives in place to ensure that decisions on the different systems within the programme are joined-up: there is a particular emphasis on addressing technical integration risks early in the programme lifecycle, based on lessons learnt from Crossrail and other major projects and from the DfT and IPA 24 lessons work.

6.4 In addition, regarding HS2 Phase 2b, the Government has committed to producing an Integrated Rail Plan for the North and Midlands, informed by an assessment from the National Infrastructure Commission, which will look at how to deliver HS2 Phase 2b, Northern Powerhouse Rail, Midlands Rail Hub and other Network Rail programmes better and more effectively.

6.5 Integration is a key part of the programme and will be reported upon in the six-monthly updates to the Committee.

7: PAC conclusion: *The Department did not convince us that it was making sufficient and meaningful changes to its management of infrastructure programmes.*

7: PAC recommendation*: The Department must write to the Committee within six months of this report providing a plan for how it will embed lessons learned from programme delivery more effectively in current and future major projects and programmes, including the recent learnings from High Speed Two.*

7.1 The Government agrees with the Committee's recommendation.

Target implementation date: November 2020

7.2 The Department will write to the committee in the coming months with the requested information.

7.3 The Department continues to embed lessons from the *'Lessons from Transport for the Sponsorship of Major Projects'* report through the Project Delivery Improvement Programme, established in May 2019 and now in its implementation phase. This Programme is targeted at embedding the lessons from the report and a further four strategic risks to project delivery: portfolio management; clarity of roles and responsibilities; behaviour and culture; and capability and capacity.

7.4 Recognising that there are more lessons to learn beyond those in the report the Project Delivery Improvement Programme has a specific initiative to identify and capture current and future lessons and ensure these are applied and shared across the Department's portfolio of projects and programmes. The initiative is focussed on the behavioural change required, supported by effective tools, and an extensive communication and engagement campaign, to ensure learning is embedded.

7.5 The Project Delivery Improvement Programme continues to report bi-monthly to the Civil Service Chief Operating Officer-chaired Infrastructure Steering Group, and fortnightly to the Department's Lead Non-Executive Director.

Fourth Report of Session 2019-21

Cabinet Office

EU Exit: Get Ready for Brexit Campaign

Introduction from the Committee

The Get Ready for Brexit campaign had a budget of £100 million and was launched on 1 September 2019. It was led by the Cabinet Office with support from civil servants from across government departments. The campaign aimed to ensure that everyone was prepared for the UK leaving the EU on 31 October 2019. The campaign comprised two main parts: an air campaign designed to raise awareness; and a ground campaign which aimed to provide tailored information to encourage specific groups, such as hauliers, to take action. Having cost £46 million, the campaign was stopped on 28 October when an extension to the UK's membership of the EU to 31 January 2020 was agreed. The UK and EU are now in a transition period while a new relationship, including a trade agreement, is negotiated. This transition period is due to end on 31 December 2020.

On the basis of a Report by the Comptroller and Auditor General, the Committee took evidence, on 18 March 2020 from the Cabinet Office. The Committee published its report on 22 May 2020. This is the Government response to the Committee's report.

Relevant reports

- NAO report: *EU Exit: Get Ready for Brexit Campaign*– Session 2017-19 (HC 22)
- PAC report: *EU Exit: Get Ready for Brexit Campaign*– Session 2019-21 (HC 131)

Government responses to the Committee

1: PAC conclusion: ***It will be essential to give businesses sufficient information in good time to enable them to be prepared for the end of the transition period.***

1: PAC recommendation*: The Cabinet Office should set out, as part of its Treasury Minute response, what specifications it has taken to prepare an effective and timely communication campaign for the end of the transition period.*

1.1 The Government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The Government remains committed to providing citizens and businesses with the information they need. The transition period campaign went live on 13 July 2020. We are delivering a phased campaign adding more granularity to our messaging as the negotiations proceed and using GOV.UK to provide targeted, timely updates which will prompt audiences to take action.

1.3 Recent polling shows that knowledge of the transition period remains low and is falling. Most people have heard of transition (90%) but only 50% know it is due to finish on 31 December 2020. The Cabinet Office is running a comprehensive communication campaign that focuses on those businesses and citizens who need to take action to be ready for the UK's new trading and regulatory arrangements. It will increase awareness of the significance of the changes, ensure audiences consider the actions they need to take and motivate them to take a measurable first step. It will target the following business and citizen audiences based on existing action planning and policy direction:

- All businesses in the UK, especially those that trade internationally, have extensive supply chains and employ EU nationals

- The border specific sector that relates to business that trade exclusively with the EU, logistics and infrastructure sector relating to the UK/EU border
- EU citizens living in the UK; UK citizens living in the UK and the EU, and travelling to the EU;
- Recipients of EU funding; and
- Northern Ireland citizens and businesses, specifically focussed on the implementation of the Northern Ireland Protocol.

2: PAC conclusion: ***The Cabinet Office may lack the capacity to successfully deliver campaign messages on preparations for the end of the transition period at the same time as delivering the major public health campaign on Covid-19.***

2: PAC recommendation***: The Cabinet Office should be actively reviewing its ability to deliver simultaneously two major public information campaigns and the ability of citizens to absorb the vital messages on each. As part of its Treasury Minute response, the Cabinet Office should set out what it has done, and is doing, to ensure it has capacity to deliver both campaigns simultaneously.***

2.1 The Government agrees with the Committee's recommendation.

Target implementation date: June 2021

2.2 The Civil Service constantly reviews its capabilities and allocation of resources in order to deliver the Government's agenda effectively. During this time of national crisis, some resources have temporarily been redirected by departments towards COVID-19 priority work. However, preparing for the end of the transition period remains a priority of the Government and departments will prioritise resources accordingly alongside work to tackle COVID-19. Departments have fully staffed COVID-19 and Transition Period Communication Campaign hubs, and are confident that they have the resources required to be able to deliver both campaigns simultaneously. This has been done by building the necessary skills and expertise through drawing in staff from across Government, and running external recruitment campaigns to bring in necessary resource capacity. Additionally, Alex Aiken, as Executive Director of the Government Communication Service, ensures that Directors of Communication across Government dedicate an appropriate level of resource and prioritise this activity.

2.3 To manage citizens' ability to absorb the messages from both the Transition and COVID-19 campaigns, the Cabinet Office will use insight to gather behaviours and perceptions and use these to identify the needs of the target audiences and create the right messaging to maximise cut through. The Cabinet Office will also use behavioural science to better understand audience behaviour and attune the message to ensure it is action consequence focussed.

2.4 The Cabinet Office is also integrating its media planning and buying management for COVID-19 and Transition Period campaigns in order to monitor the response rate to advertising and communication across all relevant campaigns.

3: PAC conclusion: ***The Cabinet Office did not focus enough on what behaviour change it needed to deliver or how to measure it.***

3: PAC recommendation***: Well in advance of the end of the transition period the Cabinet Office should ensure it is clear about the actions that it is seeking from businesses and members of the public, the degree of impact required, and how it will measure that impact across all activity.***

3.1 The Government agrees with the Committee's recommendation.

Target implementation date: Summer 2020

3.2 Government communication is subject to the Government Communication Service Evaluation Framework. This enables the Government to adopt a clear and consistent approach to evaluation across all communication activities. The ‘Get Ready for Brexit’ campaign reached 99.8% of UK adults, with audience recognition of 73%, and more than 42 million checks to the gov.uk website between 1 September to 28 October 2019. There is also clear evidence that it was successful in prompting citizens to take action such as an additional 85,000 passport were applications received, more than 1.1 million new applications to the EU Settlement Scheme were made, and 84,643 International Driving Permits issued.

3.3 Throughout the campaign, the Government had a number of consistent measures that formed the core of reporting. These measures improved understanding of campaign effectiveness and enabled campaign activity to be amended accordingly. The campaign was set up and launched at unprecedented speed. Following launch, our dedicated Insight and Evaluation team quickly established key performance indicators (KPIs) for all 26 priority actions, all of which were in place and being reported on within weeks and by the end of the campaign.

3.4 Using the same unified cross-Government campaign model for the transition communication campaign, the Cabinet Office has worked with departments to identify and develop communication KPIs, for actions including identifying initial baselines. The KPIs are on awareness, understanding and motivation to act and the Department will use them to monitor regularly progress and optimise messaging and delivery. Where clear KPIs do not exist, the Department will develop robust alternative proxy measurements. These were all in place before campaign activity started.

4: PAC conclusion: ***The Cabinet Office did not focus sufficiently on what value it would derive from spending £100 million.***

4: PAC recommendation***: The Cabinet Office should write to the Committee within three months of this report to provide clear and specific assurance that in future it will use the analysis of options in business cases to drive decision making and deliver better value for the taxpayer.***

4.1 The Government agrees with the Committee’s recommendation.

Target implementation date: September 2020

4.2 For this campaign, the Cabinet Office prepared a business case which presented four options, increasing scale up to the preferred option with a budget up to £100 million. Each option was assessed against its potential reach and the frequency with which people would see campaign messaging end engagement to take action. The development of the initial campaign reach and frequency measures were based on similar scaled campaigns across Government. Increasing the expenditure increased the frequency at which the population would see the messages. The £100 million option was predicted to achieve the greatest reach and the greatest frequency at which the population would see campaign messages and receive direct information via the ground campaign. It was the only option to propose extensive targeted on-the-ground activity - the “ground campaign”. The campaign took a two-pronged approach in seeking to meet its objective of driving audiences to information on how to prepare for Brexit. A paid for multi-channel advertising (air campaign) primed audiences with the key messages, providing high-level action orientated messaging for different audience segments and reminded audiences of the date of EU Exit. Alongside advertising, a ‘ground campaign’ delivered more than 1250 communication activities in the UK and Europe. Roadshows, webinars, direct mailings, SMS, pop-up stands and events were designed to target key audiences with more detailed information about how to prepare. Detailed performance data did show action being taken on some of the priority areas. For example, the number of passport renewal applications was a 24.5% increase compared to business-as-usual forecasts. In addition, the NAO report itself acknowledges that “The impact of the campaign is likely to have been reduced by the public’s reading of political events in the weeks leading up to 31 October 2019 and the likelihood of a no-deal exit.” Although the Cabinet Office sought £100 million to fund the campaign through its business case, the Department was always clear that it would not spend any more than necessary and at the end of 31 October 2019, a total of £46 million had been spent.

4.3 The Cabinet Office has written to the Committee providing assurance about how the Department will ensure proper consideration of options in business cases.

5: PAC conclusion: ***The lessons learnt from running a large and complex integrated cross-government campaign at pace will be essential for future campaigns.***

5: PAC recommendation*: The Cabinet Office should write to the Committee within one month of this report setting out how it plans to act upon the lessons learned.*

5.1 The Government agrees with the Committee's recommendation.

Recommendation Implemented

5.2 The Government Communication Service is constantly and proactively reviewing its practices to ensure that it is delivering a world-class public communication profession. A comprehensive internal evaluation was conducted and a summary evaluation report produced in January 2020. The Government Communication Service will continue to ensure the valuable lessons learned from both 'Get Ready for Brexit' and the COVID-19 campaign are actively fed into future transition communication.

Fifth Report of Session 2019-21

Department for Education

University technical colleges

Introduction from the Committee

University technical colleges (UTCs) are a type of free school in England, focused on teaching students who are mainly 14-19 years old. They provide technical courses and work-related learning, combined with academic studies, so that students receive a rounded education. In introducing UTCs in 2010, the Department for Education (DfE) aimed to improve technical education and thereby meet the needs of local employers and the economy.

UTCs are publicly funded state schools and are independent of local authorities. Each UTC is part of an academy trust, which is directly funded by, and accountable to, the Department, via the Education and Skills Funding Agency. Three-quarters of open UTCs began as single academy trusts, but a growing number of them are now joining multi-academy trusts. The Department supported the establishment of the first UTCs in 2010/11 and spent a total of £792 million on the UTC programme between 2010-11 and 2018-19, excluding the per-pupil funding which all schools receive. A charity, the Baker Dearing Educational Trust (the Trust) owns the UTC brand and issues licences to schools wishing to operate UTCs. The Trust received £893,000 from the Department to support the opening of UTCs and continues to receive an annual fee licence fee, which rose to £10,000 in 2019/20 for every UTC.

Based on a report by the National Audit Office, the Committee took evidence on 16 March 2020 from the Department for Education (the Department), about UTCs. The Committee published its report on 10 June 2020. This is the Government response to the Committee's report.

Relevant reports

- NAO report: *Investigation into university technical colleges* – Session 2019 (HC 101)
- PAC report: *University technical colleges* – Session 2019-21 (HC 87)

Government responses to the Committee

1: PAC conclusion: *UTCs have struggled to attract enough students and three-quarters are less than 60% full.*

1: PAC recommendation*: The Department should work with those UTCs that have higher occupancy levels to identify and share lessons and good practice for other UTCs that are struggling to attract students.*

1.1 The Government agrees with the Committee's recommendation.

Target implementation date: December 2020

1.2 The Department agrees that it should work with those UTCs that have been successful in pupil recruitment. This work will help to identify lessons from their success and how their good practice can help others to secure more pupils.

1.3 Pupil recruitment has been a significant challenge for most UTCs. The main issue is their atypical age range - most recruit at age 14 – together with their specialist technical curriculum. This means young people, most of whom will have begun secondary school at age 11, have to leave their secondary school and join the UTC at the beginning of their GCSE courses, and to embark upon a curriculum which is not widely understood by parents.

1.4 The Department has already introduced two legislative reforms directly aimed at raising awareness of the UTC distinctive curriculum with parents and pupils. First, local authorities are required to write out, each year, to the parents of all year nine pupils about schools with atypical ages of admission in their area, including UTCs, about those schools and their curriculum to students. Second, schools are required to provide UTCs and other training providers the opportunity to talk directly to pupils in years 8-13 about the approved technical education qualifications and apprenticeships that those institutions deliver.

1.5 In addition, UTCs now can submit a business case to change their age range to 11-19 years, where there is a need in the area for new school places.

1.6 Six UTCs are now close to, or at, capacity. It is therefore a good time to look at how their experience can be shared across the UTC network.

2: PAC conclusion: ***The lack of students has meant the Department has been propping up the finances of UTCs for several years, and most of the extra funding will not be paid back.***

2: PAC recommendation***: The Department should set clear three-year financial targets for each UTC. At the end of the three-year period, it should be prepared to close UTCs that are not meeting those targets.***

2.1 The Government agrees with the Committee's recommendation.

Target implementation date: December 2020

2.2 The Department welcomes the Committee's recommendation that it should set three-year financial targets for each UTC and be prepared to close UTCs not meeting those targets, using evidence and key data to make decisions. The Department is now moving to a stage where it can see which UTCs have become or are going to become established and able to balance their budgets on the same basis as all other schools. In response to this, for the fifth and final year, it has halved the additional transitional funding paid to UTCs. For most UTCs, the final year is the academic year 2020-21.

2.3 The Department directly supports all academy trusts, including those running UTCs, to get the best out of their budgets, building their own capacity and providing them with tools to assist with good resource management. Academy trusts already submit three-year budget forecasts, setting out their medium-term financial planning. Where they are predicting deficits, the Department proactively intervenes. It is committed to working with all UTCs to support good financial health, encourage robust governance, and considers that the setting of financial targets will complement the work already under way.

2.4 The targets will aim to strengthen the financial health of all UTCs, setting out a timescale within which actions must be met and what evidence is required to satisfy them. The Department will set appropriate review points during this period. It is committed to setting these three-year financial targets for all UTCs by the end of Autumn 2020 and to working with them to ensure they are met.

3: PAC conclusion: ***The Department has still not defined what success looks like for UTCs as distinct from other secondary schools.***

3: PAC recommendation***: The Department should, within three months, write to us to explain how it uses data on student destinations to track the performance of UTCs, and what steps it will take to better inform parents about how they can use these data to assess the benefits of a UTC education.***

3.1 The Government agrees with the Committee's recommendation.

Target implementation date: September 2020

3.2 UTCs, like other secondary schools, are held to account against all the Government's headline Key Stage 4 measures. The Department recognises that some of these measures, as published in the school performance tables, are more appropriate for mainstream schools other than UTCs. For example, Progress 8 is not the most appropriate measure for UTCs with pupils aged 14-19 years as they only educate pupils for two years of the five measured by Progress 8. They also provide a specialist technical curriculum. In addition, the Department does not expect the same rates of English Baccalaureate (EBacc) entry from

UTCs as other mainstream secondary schools. Pupils in UTCs are not included in the calculation of the Government's EBacc ambition.

3.3 The Department recognises that success in destinations is a key performance measure for UTCs. This reflects their aim of preparing young people for careers which require technical skills. The Department therefore currently uses destinations data, together with Ofsted judgements, in monitoring UTC performance.

3.4 The Department agrees that it is vital that parents and potential students are provided with the necessary information to enable them to make a decision about whether a school is the right one for them. For this reason, the Department will consider how it ensures that this is the case for parents considering sending their child to a UTC, or students looking for a different curriculum option for their Key Stage 4.

4: PAC conclusion: ***We are concerned that the Department could not tell us what schools get in return for the £10,000 annual licence fee they pay to the Baker Dearing Educational Trust.***

4: PAC recommendation***: The Department should work with UTCs to obtain the information necessary to gain assurance about the value schools are getting from the licence fee they pay to the Baker Dearing Educational Trust, and write to us with its findings within three months.***

4.1 The Government agrees with the Committee's recommendation

Target implementation date: September 2020

4.2 The Department will write to all UTCs to ask them for details of the services they receive from the Baker Dearing Educational Trust and how they assure themselves that the licence fee represents good value for money. We will write to the committee by 10 September with our findings.

4.3 All academy trusts must be able to show that public funds have been used as intended by Parliament. The Department provides a range of tools to support schools in making informed decisions about spend and resource management such as the Financial Benchmarking Service. This Service allows trusts to compare themselves across a wide range of spending lines and ensure that they are using their resources in an appropriate way to support high-quality teaching and the best education outcomes for their pupils.

4.4 The Baker Dearing Educational Trust charges an annual licence fee to UTCs for the use of the UTC trademark brand and provides a range of resources and services to support UTCs in their delivery. The fee increased from £5,500 to £10,000 in the 2019-20 academic year. The Department has always made clear that the licence fee is a matter for the Baker Dearing Educational Trust and individual UTCs and, as with all spending by academies, it expects UTCs' accounting officers to assure themselves that the licence fee represents good value for money. The Department agrees it is appropriate to ensure accounting officers are doing just that and can evidence appropriate and robust governance in all spending decisions.

Sixth Report of Session 2019-21

HM Treasury

Excess Votes 2018-19

Introduction from the Committee

The Committee of Public Accounts scrutinises, on behalf of Parliament, the reasons individual departments exceeded their allocated resources, and reports to the House of Commons on whether it has any objection to the amounts needed to rectify the reported excesses.

In 2018–19 the Northern Ireland Office breached its Resource Departmental Expenditure Limit by £231,000 as a result of failing to recognise in time legal costs incurred but not yet billed. It also breached its Resource Annually Managed Expenditure Limit by £785,000. The second breach was the result of not realising in time that it had liabilities in respect of compensation for unlawful stop and searches, and not adequately providing for restructuring costs of the Chief Electoral Officer for Northern Ireland.

In 2018–19 the Department for Education breached its Resource Annually Managed Expenditure Limit by £311 million. The breach was a result of inaccurate forecasting assumptions it had made about the future rate of inflation, which meant its effective interest income turned out to be lower than it expected. Because student loans effective interest income is the major determinant of the Department's Resource Annually Managed Expenditure Limit, the lower than anticipated income meant the spending limit was breached.

On the basis of the Committee's examination of the reasons why these bodies exceeded their voted provisions, there is no objection to Parliament providing the necessary amounts by means of an Excess Vote.

Figure 1 shows the excesses incurred in 2018–19. Parliament is being asked to approve additional budget for the excesses reported in the table.

Figure 1: Summary of 2018-19 Excesses

Department	Resource DEL	Resource AME
	Excess / Amount to be voted £	Excess / Amount to be voted £
Northern Ireland Office	**231,000**	**785,000**
Department for Education	**-**	**311,077,000**

The Committee took evidence, from Northern Ireland Office *via letter dated 29 April 2020* and from the Department for Education on 16 March 2020. The Committee published its report on 2 June 2020. This is the Government response to the Committee's report.

Relevant reports

- *Central Government supply estimates 2018-19 – Supplementary Estimates* (HC1966)
- *Northern Ireland Office Annual Report and Accounts 2018-19* (HC 52)
- Department for Education Consolidated Annual Report and Accounts (HC2388)
- *PAC report: Excess Votes 2018-19 - Session 2019-21* (HC 243)

Government responses to the Committee

1: PAC conclusion: ***The Northern Ireland Office breached its Resource Departmental Expenditure Limit by £231,000.***

1.1 The Government notes the Committee's conclusion.

2: PAC conclusion: ***The Northern Ireland Office also breached its Resource Annually Managed Expenditure Limit by £785,000.***

2: PAC recommendation***: Under the terms of the Standing Order of the House of Commons number 55(2)(d), we recommend that Parliament provides the additional resources by means of an Excess Vote, as set out in Figure 1.***

2.1 The Government agrees with the Committee's recommendation.

Target implementation date: March 2021

2.2 The request for additional resources will be presented to Parliament through the Statement of Excesses procedure. This is currently scheduled for presentation alongside Supplementary Estimates 2020-21 in February 2021. Parliament will then have the opportunity, alongside the Supplementary Estimates, to vote and approve the requested amounts.

3. PAC conclusion: ***The Department for Education breached its Resource Annually Managed Expenditure Limit by £311,077,000.***

3: PAC recommendation***: Under the terms of the Standing Order of the House of Commons number 55(2)(d), we recommend that Parliament provides the additional resources by means of an Excess Vote, as set out in Figure 1.***

3.1 The Government agrees with the Committee's recommendation.

Target implementation date: March 2021

3.2 The request for additional resources will be presented to Parliament through the Statement of Excesses procedure. This is currently scheduled for presentation alongside Supplementary Estimates 2020-21 in February 2021. Parliament will then have the opportunity, alongside the Supplementary Estimates, to vote and approve the requested amounts.

Treasury Minutes Archive[1]

Treasury Minutes are the Government's response to reports from the Committee of Public Accounts. Treasury Minutes are Command Papers laid in Parliament.

Session 2019-21

Committee Recommendations: 32
Recommendations agreed: 31 (97%)
Recommendations disagreed: 1

Publication Date	PAC Reports	Ref Number
July 2020	Government response to PAC reports 1-6	CP 270

Session 2019

Committee Recommendations: 11
Recommendations agreed: 11 (100%)
Recommendations disagreed: 0

Publication Date	PAC Reports	Ref Number
January 2020	Government response to PAC report [112-119] 1 and 2	CP 210

Session 2017-19

Committee Recommendations: 747
Recommendations agreed: 675 (90%)
Recommendations disagreed: 72 (10%)

Publication Date	PAC Reports	Ref Number
December 2017	Government response to PAC report 1	Cm 9549
January 2018	Government responses to PAC reports 2 and 3	Cm 9565
March 2018	Government responses to PAC reports 4-11	Cm 9575
March 2018	Government responses to PAC reports 12-19	Cm 9596
May 2018	Government responses to PAC reports 20-30	Cm 9618
June 2018	Government responses to PAC reports 31-37	Cm 9643
July 2018	Government responses to PAC reports 38-42	Cm 9667
October 2018	Government responses to PAC reports 43-58	Cm 9702
December 2018	Government responses to PAC reports 59-63	Cm 9740
January 2019	Government responses to PAC reports 64-68	CP 18
March 2019	Government responses to PAC reports 69-71	CP 56
April 2019	Government responses to PAC reports 72-77	CP 79
May 2019	Government responses to PAC reports 78-81 and 83-85	CP 97
June 2019	Government responses to PAC reports 82, 86-92	CP 113
July 2019	Government responses to PAC reports 93-94 and 96-98	CP 151
October 2019	Government responses to PAC reports 95, 99-111	CP 176
January 2020	Government response to PAC report 112-119 [1 and 2]	CP 210

[1] List of Treasury Minutes responses for Sessions 2010-15 are annexed in the Government's response to PAC Report 52

Session 2016-17

Committee Recommendations: 393
Recommendations agreed: 356 (91%)
Recommendations disagreed: 37 (9%)

Publication Date	PAC Reports	Ref Number
November 2016	Government responses to PAC reports 1-13	Cm 9351
December 2016	Government responses to PAC reports 14-21	Cm 9389
February 2017	Government responses to PAC reports 22-25 and 28	Cm 9413
March 2017	Government responses to PAC reports 26-27 and 29-34[2]	Cm 9429
March 2017	Government responses to PAC reports 35-41	Cm 9433
October 2017	Government responses to PAC reports 42-44 and 46-64	Cm 9505

Session 2015-16

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

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

[2] Report 32 contains 6 conclusions only.

Treasury Minutes Progress Reports Archive

Treasury Minutes Progress Reports are the Government's response on the implementation of recommendations from the Committee of Public Accounts. Treasury Minutes Progress Reports are Command Papers laid in Parliament.

Publication Date	PAC Reports	Ref Number
February 2020	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 1 PAC report Session 2015-16: updates on 3 PAC reports Session 2016-17: updates on 14 PAC reports Session 2017-19: updates on 71 PAC reports[3]	CP 221
March 2019	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 4 PAC reports Session 2014-15: updates on 2 PAC reports Session 2015-16: updates on 7 PAC reports Session 2016-17: updates on 22 PAC reports Session 2017-19: updates on 46 PAC reports[4]	CP70
July 2018	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 4 PAC reports Session 2014-15: updates on 2 PAC reports Session 2015-16: updates on 9 PAC reports Session 2016-17: updates on 38 PAC reports Session 2017-19: updates on 17 PAC reports	Cm 9668
January 2018	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 5 PAC reports Session 2014-15: updates on 4 PAC reports Session 2015-16: updates on 14 PAC reports Session 2016-17: updates on 52 PAC reports	Cm 9566
October 2017	Session 2010-12: updates on 3 PAC reports Session 2013-14: updates on 7 PAC reports Session 2014-15: updates on 12 PAC reports Session 2015-16: updates on 26 PAC reports Session 2016-17: updates on 39 PAC reports	Cm 9506
January 2017	Session 2010-12: updates on 1 PAC report Session 2013-14: updates on 5 PAC reports Session 2014-15: updates on 7 PAC reports Session 2015-16: updates on 18 PAC reports	Cm 9407
July 2016	Session 2010-12: updates on 6 PAC reports Session 2012-13: updates on 2 PAC reports Session 2013-14: updates on 15 PAC reports Session 2014-15: updates on 22 PAC reports Session 2015-16: updates on 6 PAC reports	Cm 9320
February 2016	Session 2010-12: updates on 8 PAC reports Session 2012-13: updates on 7 PAC reports Session 2013-14: updates on 22 PAC reports Session 2014-15: updates on 27 PAC reports	Cm 9202
March 2015	Session 2010-12: updates on 26 PAC reports Session 2012-13: updates on 17 PAC reports Session 2013-14: updates on 43 PAC reports	Cm 9034
July 2014	Session 2010-12: updates on 60 PAC reports Session 2012-13: updates on 37 PAC reports	Cm 8899
February 2013	Session 2010-12: updates on 31 PAC reports	Cm 8539

3 Includes updates to Treasury Minutes published up to July 2019
4 Includes updates to Treasury Minutes published up to October 2018

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